

Employee Share Ownership Reporting & Voting Template

Esop Centre promotes the disclosure of employee share ownership and voting in financial reports.

Article 33 of “The UK Corporate Governance Code” (July 2018) reads:

“The remuneration committee should have delegated responsibility for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management. It should review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.”

The Financial Reporting Council’s “Guidance On Board Effectiveness” (July 2018) elaborates on remuneration in Article 130:

The remuneration committee is also tasked with reviewing workforce remuneration and related policies. The purpose of this review is to:

- *ensure the reward, incentives and conditions available to the company’s workforce are taken into account when deciding the pay of executive directors and senior management*
- *enable the remuneration committee to explain to the workforce each year how decisions on executive pay reflect wider company pay policy*
- *enable the remuneration committee to feedback to the board on workforce reward, incentives and conditions, and support the latter’s monitoring of whether company policies and practices support culture and strategy.*

We set out below a template that companies may find useful in preparing their statement for their financial reports:

Employee share ownership across the organisation

We encourage employee share ownership across our organisation through broad-based employee incentive plans, including all-employee plans and discretionary plans. [Further description of plans, e.g. Share Incentive Plans (SIPs), Save As You Earn (SAYE), Company Share Option Plan, Enterprise Management Incentives (EMIs), Employee shareholder shares]

- All employees are invited to join our [share incentive plan/ sharesave plan], launched every [x] year[s].*
- For our most recent launch in [20XX], around [x]% of our employees [across [x] jurisdictions] joined the [share incentive plan/sharesave plan], sharing in [x hundred/thousand/million] shares awarded by [free distribution/purchase/subsidised purchase].*
- [High performing/senior] employees are invited to join our [discretionary plans] with grants made every [x] year[s].*
- Around [x]% of our employees are eligible to participate in the [name of discretionary plan], sharing in [x] shares.*
- [Give consideration to mentioning the distribution of dividends]*

Employee shareholder voting

As at [date], [x number] of employees hold shares as a result of vested awards under our broad-based and executive incentive plans, representing [x]% of our total shareholder base. The remuneration policy was last approved by shareholders at our AGM on [date]. The remuneration report was last approved by shareholders at our AGM on [date]. Details of employee shareholder voting are shown below:

- Approval of the Directors remuneration policy*
- Approval of the Directors' remuneration report*