



**Share Plans on a Shoestring**

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Judith Greaves – Pinsent Masons  
and Jo Bower – IMI plc



Pinsent Masons



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**Share Plans the Kuoni way?**

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- Top level support
- Plenty of time
- Dedicated core team
- No distractions
- Unlimited budget



Pinsent Masons



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**Or Share Plans on a shoestring ...  
(with apologies to Lonely Planet)**

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It can be a bit daunting to be surrounded by so much best practice, but ...



Pinsent Masons



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**Real companies can still extend share plans multi-nationally even though:-**

- Limited team
- Limited time
- Limited budget
- Multiple other responsibilities



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**Planning the journey**

- Where do you want to go?
- When do you want to travel?
- Who do you need to visit?
- What do you want to do there?
- Speak to a trusted travelling companion



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**A risk management approach**

- Which are your business critical locations?
- Where are your big populations?
- Where are your executive directors/divisional managers?
- Where could you accept an element of risk?
- Concentrate your time/spend on the areas which matter most



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**Establish key dates**

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- Close periods
- Announcement data
- Shareholders meeting
- Key people on holiday/local public holidays
- Board/Remco meetings
  - Early delegation to a committee



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**Are your travel documents in order?**

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- Home country authorities?
- Flexibility to make local adjustments
- Enough shares available



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**Allocating your budget**

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- Prioritise your countries
- Get hold of a guide book – but is it up to date?
- Talk to people who have been there before/are there
- Check GEO website
- “Quick and dirty” review sufficient at outset in some places?



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**Planning your journey**

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- Do you have to visit all of the countries on the same trip?
- Are there some countries where you can't afford to go? Just too risky?
- Are there some countries you haven't time to visit? eg securities authority consents required and takes too long?



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**What resource can you beg/steal/borrow?**

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- Local in-house contacts (translate? Communicate?)
- HR (up to date personnel information/addresses - people on the ground)
- Catch people when they're travelling anyway
- Intranet



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**Overseas advice – controlling cost**

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- Track record: used before?
- Limit the questions/scope?
- Estimates/monitoring
- Clear timescale
- Prompt billing



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**Don't drink the water ...**

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(Things to avoid)

- Investment advertisements
- Securities Laws breaches
- Information blocks within home team
- Promising (unless delivery in your control)



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**Start with an end in mind ...**

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- Will you have overseas shareholders?
- Consents up front?
- Default position



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**Be ready to travel again at short notice**

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- Keep a record
- Read the papers/keep up to date – things change!
- When are maturities likely?
- Internal processes
- Filings/compliance



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**Enjoy your trip ...**

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And expect the unexpected



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**Motel not hotel, and a hostel if possible!**

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Jo Bower,  
Deputy Company Secretary,  
IMI plc



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**A little context**

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IMI plc is an international engineering organisation

Full listing on the London Stock Exchange

17,000 employees worldwide

SIP, SAYE (UK only) and ESOS, 2 LTIPS and a DBP globally



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**Level of participation in global schemes**

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ESOS – 200 worldwide

LTIP x2 and DBP – 50 worldwide

In-house team managing and administering 250 participants – 3!



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**Compliance**

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Historically IMI had a UK based participation

Simple management and administration

Opened ESOS up in 2000 and we started a rolling international compliance programme



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**Compliance 2**

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Every 2 years we ask law firms in each major territory to review the operation of our schemes (having regard to the quick and dirty methodology)

We try then to act in accordance with recommendations

No major problems so far .....



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**Interesting points we found out**

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Filings required in the US

Tax on grant in Switzerland and Belgium

The body to which a notification needs to be made in China does not exist!



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**Cost of taking this advice on legal compliance**

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USD 1500 per country plus own country advisers to manage process USD 5-8000

Retain same firms – familiarity breeds cost effectiveness!

Consider using advisors with a database of advice regarding their in-house plan

Defensible compliance

Costs of non-compliance can be far greater!



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**Administration**

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Communications, exercises and record keeping

Think about the service you want to provide

Rolls Royce or 2CV?

What are your employees used to?

What impression do you want to convey?



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**Administration 2**


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Communication

Employ communications consultants?

Cost v Benefit

Lawyers are often just as good and cheaper!  
(lawyers need to check it anyway)



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**Administration 3**

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After all who reads it anyway?!



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**Exercise process**


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Obviously need outside help, but to what extent?

Broker

Trustee

Registrar



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**Exercise process 2**


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In-house management of documentation

Can use external providers

Volume and volatility

Will employees just call you anyway!?



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**Record Keeping**


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Will standard software do? Numbers? Resource to populate?

Who needs the information? When?

In-house management equals effective control or effective blaming hierarchy!

External providers useful for a more modern approach



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**Other points to note**

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Low value realised from schemes equals less reason to spend a bundle on them!

Increase in numbers of participants may require a different approach

Increase in complexity of scheme or new starters may require a different approach



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**Questions?**

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Thank you for your participation

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