

Step-by-Step Step-by-Step

A share plan implementation guide

Share Incentive Plan (SIP):

STEP	ACTION	RESPONSIBILITY
1	Company holds initial discussions internally and with advisors	COMPANY
2	Legal advisors report; Recommendations to the Board	ADVISORS
3	Board meeting - consider design issues: Free Shares, Partnership shares, matching shares, Divided shares: - if Free Shares, whether performance linked, whether forfeiture by bad leavers - if Matching Shares, whether forfeiture by bad leavers and rate of matching - if Partnership Shares, whether to have accumulation period	COMPANY
4	Instructions to legal advisors to proceed	COMPANY
5	Appointment of trustees / administrator	COMPANY
6	Rules of scheme/ trust deed/ share agreements drafted by legal advisors. Communications material also drafted.	ADVISORS
7	Articles of Association and any Shareholders Agreement reviewed by legal advisors	ADVISORS
8	HMRC provisional approval	ADVISORS
9	Remuneration Committee approval*	ADVISORS
10	Planning of communications campaign and strategy	COMPANY
11	Drafting of shareholder circular*	COMPANY
12	Board gives final go ahead and determines bases of allocation	COMPANY
13	Explanatory booklets and communications material printed	COMPANY
14	Shareholder circular printed*	COMPANY
15	Shareholder circular and rules of scheme lodged with the Stock Exchange [no later than day of despatch of circular]*	COMPANY
16	Shareholder circular mailed* [21 clear days before AGM]	COMPANY
17	Final HMRC approval	ADVISOR
18	Shareholder meeting to approve*	COMPANY
19	Shareholder meeting to approve necessary changes to Articles**	COMPANY
20	Setting of initial value of shares [to be agreed with Inland Revenue if private company]	COMPANY
21	Invitations issued to eligible employees	COMPANY
22	Invitation closing date [normally 14-21 days after invitations issued]	COMPANY
23	Ongoing communications	COMPANY
24	Company pays contribution to trust for Free / Matching Shares and salary deductions for Partnership Shares	COMPANY
25	Trust acquire shares (purchased in Market or newly issued) and allocate to participants	TRUSTEE

*Listed companies only

**For some private companies only