

wood.

# Wood Share Plans

UK Employee Guide



# Introduction

As an employee of Wood the share plans are your chance to invest in our company and collective success.

Eligible Wood employees are offered the opportunity to participate in the **Share Incentive Plan** and the **Employee Share Plan**.

This guide will provide you with more information about both plans and how they compare.

# What is a share plan?

Wood's share plans provide you with a simple and flexible way to purchase Wood shares and benefit from additional matching shares awarded by the company.

## Owning shares – the facts

- A share is a unit of ownership in a company. If you have a share in a company, you own a part of it and you are a shareholder.
- The price of a share is not fixed, but fluctuates according to market conditions. You can see the share price every day that the stock market is open.
- Owning shares means that you can vote on shareholder matters. You can do this by proxy via our share plans administrator, Computershare Investor Services.
- You may also receive dividends. Dividends are part of the profits a company returns to its shareholders. You will receive these dividends in the form of additional shares.
- You should seek your own independent financial advice if you have any questions about how owning shares may affect your financial position.

# Share Incentive Plan

[Click here to access the Share Incentive Plan web page](#)

## How does it work?

- The Share Incentive Plan is your opportunity to own shares in Wood in a tax-efficient way.
- If eligible, you will be invited to choose to contribute a value of your choice from as little as £10, up to a maximum of £150 per month to invest in Wood shares over the course of a 12-month period.
- Contributions are taken from your **gross pay (pre-tax)** to invest in shares, saving on income tax and national insurance contributions.
- The shares are allocated to you on a set date every month and they are referred to as your **partnership shares**.
- The shares are held in an onshore trust known as a **SIP**. The SIP is a way of holding shares in the company without paying income tax or national insurance on those shares if certain conditions are met. Holding shares in the SIP also brings capital gains tax advantages.
- Wood will give you **1 extra share** for every 2 partnership shares placed into the SIP. This is known as a **match**.
- Each time Wood pays a dividend, you will receive this as additional shares, based on how many partnership and matching shares you hold in the SIP.
- If you sell your partnership shares before they are **three years** old, you will forfeit the associated matching shares.
- After **three years**, you can sell your partnership and matching shares, but you may have to pay income tax and national insurance contributions on the value of the shares.
- After **five years**, you will not have to pay any income tax and national insurance contributions on any of the shares if you decide to sell them.

# Employee Share Plan

[Click here to access the Employee Share Plan web page](#)

## How does it work?

- If eligible, you will be invited to choose a percentage of your salary - up to 10% - to invest in Wood shares over the course of a 12-month period – known as the Purchase Period.
- Contributions are taken from your **net pay (after tax)** to invest in shares on a set date every month.
- The price you pay for a share is based on the market value on the day they are allocated to you.
- 12 months after the end of the purchase period, Wood will give you **1 extra share** for every 2 shares you own. This is known as a **match**.
- The matching shares under this plan are considered additional income from employment, and therefore are liable for income tax and national insurance contributions.
- Dividends are paid on purchased shares and any matching shares which have been released after the 2-year waiting period. Dividend shares may also be liable tax.
- Shares that you purchase belong to you as long as you choose to keep them. You can decide to sell them at any time, however you may lose any associated match if you sell before the end of the prescribed waiting period.
- If you sell your shares, you may need to pay capital gains tax on any profit you make from your original investment.
- If you leave Wood before the prescribed waiting period, you may lose any associated matching shares. You can find more information about this on the [UK leaver guide](#).

# How do the plans compare?

**\*\*If you participate in both plans, your total contribution across both cannot exceed 10% of salary in one plan year.**

## Share Incentive Plan

You must be a **UK tax resident** and employed by a UK entity of Wood

You choose to contribute a **fixed value** in British Pounds

Contributions are taken from your **gross pay (before tax)**

You can change how much you wish to contribute during the year

Your contributions are used to buy **whole shares** only. Any residual money left over will be carried forward and used the next month

Buy 2 shares – get 1 extra

Matching shares are available to you after **3 years**

Matching shares are **tax & NICs free** (if held for **5 years** in total)

You accrue dividends on Matching Shares **from the start** of the plan

Dividend Shares are tax free after **3 years**

Shares sold from the SIP are **not subject to tax** if certain conditions are met

You can contribute up to a maximum of **£1,800 per year\*\***



## Employee Share Plan

You must be living and working in a **participating country** and paid by a participating Wood entity

You choose to contribute a **% of your salary**

Contributions are taken from your **net pay (after tax)**

You can change how much you wish to contribute during the year

Your full monthly contribution is used to buy shares – this includes **fractional shares**

Buy 2 shares – get 1 extra

Matching shares are available to you after **2 years**

Matching shares are **subject to income tax & NICs**

You accrue dividends on Matching Shares **after tax after the 2-year waiting period**

Dividend Shares may be **subject to income tax**

Shares sold may be **subject to capital gains tax**

You can contribute up to a maximum of **10% of salary per year\*\***

# Contributions – basic tax rate example

The following examples including tax rates & share prices given are for illustrative purposes only and will vary depending on individual and market circumstances.

## Employee Share Plan contribution example

Monthly paid employee on annual salary basis

The employee has decided to invest 5% in the Employee Share Plan

<b>Gross pay</b>	£3,000.00
<b>Income tax, NICs &amp; other deductions</b>	-£656.52
<b>Net pay</b>	£2,343.48
<b>ESP contribution (5% of gross pay)</b>	-£150.00
<b>FINAL NET PAY</b>	<b>£2,193.48</b>

Total Employee Share Plan contribution per month	£150.00
Share price	£2.53
Shares purchased in month	59.29
Shares purchased in Plan year (assuming share price & earnings remain the same)	711.46
Matching Shares awarded - gross (assuming all Purchased Shares are held until the end of the Holding Period)	355.73
Matching Shares awarded - net Assuming combined tax and NIC deductions of 32% (actual tax may vary)	241.90
<b>TOTAL SHARES OWNED AT END OF 2 YEAR HOLDING PERIOD</b>	<b>953.36</b>

## Share Incentive Plan contribution example

Monthly paid employee on annual salary basis

The employee has decided to invest £150 per month in the SIP

<b>Gross pay</b>	£3,000.00
<b>SIP contribution</b>	-£150.00
<b>Income tax, NICs &amp; other deductions</b>	-£608.52
<b>FINAL NET PAY</b>	<b>£2,241.48</b>
<b>Tax and NICs Saving</b>	<b>£48.00</b>

Total SIP contribution per month	£150.00
Share price	£2.53
Whole Partnership Shares in month	59
Residual cash left over - used in next purchase	£0.73
Whole shares allocated in plan year (assuming share price remains the same)	708
Matching Shares awarded	354
<b>TOTAL SHARES OWNED AT END OF 5 YEAR PERIOD</b>	<b>1,062</b>

# Contributions – higher tax rate example

The following examples including tax rates & share prices given are for illustrative purposes only and will vary depending on individual and market circumstances.

## Employee Share Plan contribution example

Monthly paid employee on annual salary basis

The employee has decided to invest 3% in the Employee Share Plan

<b>Gross pay</b>	£5,000.00
<b>Income tax, NICs &amp; other deductions</b>	-£1,379.85
<b>Net pay</b>	£3,620.15
<b>ESP contribution (3% of gross pay)</b>	-£150.00
<b>FINAL NET PAY</b>	<b>£3,470.15</b>

Total Employee Share Plan contribution per month	£150.00
Share price	£2.53
Shares purchased in month	59.29
Shares purchased in Plan year (assuming share price & earnings remain the same)	711.46
Matching Shares awarded - gross (assuming all Purchased Shares are held until the end of the Holding Period)	355.73
Matching Shares awarded - net Assuming combined tax and NIC deductions of 42% (actual tax may vary)	241.90
<b>TOTAL SHARES OWNED AT END OF 2 YEAR HOLDING PERIOD</b>	<b>953.36</b>

## Share Incentive Plan contribution example

Monthly paid employee on annual salary basis

The employee has decided to invest £150 per month in the SIP

<b>Gross pay</b>	£5,000.00
<b>SIP contribution</b>	-£150.00
<b>Income tax, NICs &amp; other deductions</b>	-£1,316.15
<b>FINAL NET PAY</b>	<b>£3,533.85</b>
<b>Tax and NI saving</b>	<b>£63.70</b>

Total SIP contribution per month	£150.00
Share price	£2.53
Whole Partnership Shares in month	59
Residual cash left over - used in next purchase	£0.73
Whole shares allocated in plan year (assuming share price remains the same)	708
Matching Shares awarded	354
<b>TOTAL SHARES OWNED AT END OF 5 YEAR PERIOD</b>	<b>1,062</b>

# Annual Enrolment

## Eligibility criteria

- To participate in the **Employee Share Plan**, you must meet the eligibility rules of living and working in a participating country and employed by a participating company– a list of these countries can be found on the [website](#).
- To participate in the **SIP**, you must be a UK tax resident and be paid from a UK entity of Wood.

## Can I join both plans?

Yes, if eligible, you can participate in both plans, or choose to participate in one only. The choice is yours and is completely voluntary. If you decide to participate in both plans, there is maximum amount that you can contribute across both. This is capped at 10% of your annual salary per plan year. Use the [calculator](#) to determine how much you can contribute.

If you select a contribution level across both plans which exceeds 10% of salary, it will be scaled back. Your **Employee Share Plan** contributions will be scaled back in the first instance.

## Enrolment

Enrolment will be online through our share plans administrator, Computershare's **EquatePlus** platform.

# Leaving the UK

## SIP

The SIP is only offered to eligible UK employees. When you leave the UK, or you are no longer a UK tax resident:

- Your contributions will be stopped.
- You can leave your shares in the plan.
- You will still be eligible for the matching shares.
- You can still benefit from the tax relief if you wait for the full 5 years.

## Employee Share Plan

When you leave the UK, you can continue to contribute in the plan if you continue to meet the eligibility criteria. Your payroll deductions can continue, and you will still be eligible for the matching shares.

If you move to a country or a non-participating employing company, you will need to leave the plan, and you will still be eligible for the matching shares.

# Leaving Wood

If you leave Wood, you can no longer continue to participate in any of the share plans. Depending on your reason for leaving, there may be an impact on your eligibility to receive the matching shares, and the tax advantages that come with participating in the SIP.

Please refer to the [UK Leavers guide](#) for more information.

# Jargon buster

## **Income Tax**

The tax you pay on all income you receive, including shares you hold. The rate of income tax you pay will depend on your income.

## **National Insurance Contributions**

You pay national insurance to build up your entitlement to certain state benefits, including the state pension. Like income tax, national insurance is paid out of the income you earn at rates, and up to limits, that are set by the UK government.

## **Capital Gains Tax**

Tax on the profit you make when you sell (or 'dispose of') an asset that has increased in value.

## **Gross Pay**

The total amount of money an employee receives before taxes and deductions.

## **Net Pay**

An employee's earnings after all deductions are taken out.

## **Partnership Shares**

The shares allocated to you using your salary contributions.

## **Matching Shares**

The shares awarded to you from the company based on the ratio applied to the number of partnership shares owned.

## **Dividend**

A sum of money paid by a company to its shareholders out of its profits (or reserves). Dividend shares are a form of dividends which have been reinvested into shares.

## **Forfeiture**

The loss or giving up of – to forfeit your shares means to lose your right to them.

**wood.**