

## **SAVINGS-RELATED SHARE OPTION SCHEME**

### **Benefits**

- Share options can be granted at a discount of up to 20% on the market value at the date of grant
- No income tax charge on the exercise of the option
- Tax-free bonus paid to employee at the end of the SAYE contract period
- Capital gains tax will apply on the disposal of the shares

### **Conditions**

- Scheme must be approved in advance by HMRC
- Scheme must be open to all employees and must not contain features which have the effect of discouraging any individual from participating
- Shares must be purchased through a Save As You Earn contract
- Contract runs for 3, 5 or 7 years
- Not available to Directors or employee owning more than 25% of the ordinary share capital

### **Procedure**

- Scheme rules must be drawn up in accordance with regulations and must be approved by HMRC prior to issue of any shares
- If the shares are unlisted, the valuation of the shares must be agreed prior to the grant of any options
- Employees pay in between £5 and £250 per month into the SAYE scheme, in the form of an account normally held by a bank or building society

For further information please call David Gibbs on 020 7240 9971 or email [David.Gibbs@alliotts.com](mailto:David.Gibbs@alliotts.com)

This information is intended for guidance only and is our understanding as at 12 July 2012.  
We recommend that you seek professional advice before taking or refraining from taking any action.

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