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Share Incentive Plan

Employee Tax Guide



Wood Share Incentive Plan – Tax Summary

There is no income tax or national insurance (NI) due on your Plan Shares:

- ✓ on acquisition of your shares or
- ✓ if you leave under the following circumstances: injury, disability, retirement, redundancy, your employing company or the business in which you work ceasing to be part of Wood, or death.

Income tax or national insurance may be due on your Plan Shares if you:

- a. sell your shares while still employed or
- b. leave under circumstances not listed above (e.g. resignation) The table below summarises the tax treatment depending on the type of share and how long you have held the shares.

Type of share/time period from acquisition	Less than 3 years	3-5 years	After 5 years
Partnership shares	Income tax and NI on the market value of the shares on the: a. date of sale or b. date you leave Wood	Income tax and NI on the lower of: Contributions used to buy shares; OR a. market value on the date of sale or b. market value on the date you leave Wood	No income tax and NI due
Matching shares	Forfeit	Income tax and NI on the lower of: Market value of the shares when they are acquired OR a. market value on the date of sale or b. market value on the date you leave Wood	No income tax and NI due
Dividend shares	Taxed as dividend income for the tax year in which the shares are withdrawn	No income tax and NI due	No income tax or NI due

Capital Gains Tax (CGT):

You may be liable for CGT on any gain arising on the difference between the value of the shares on the date they are removed from the plan and the proceeds from the sale. Whether CGT is payable will depend on whether your total gains in the tax year of disposal exceed the annual CGT tax free allowance. The annual tax free allowance rates can be found at the HMRC website: <https://www.gov.uk/capital-gains-tax/allowances>.

This information is for guidance only and may differ according to your personal circumstances.

This is not tax advice tailored to your personal situation. If you require confirmation of your personal tax position, you should contact a professional tax advisor.

This information is understood to be correct as at 1 November 2021. Any future changes to legislation or tax rates may affect this information.

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