TENTH EUROPEAN MEETING

WHICH EUROPEAN POLICIES FOR EMPLOYEE SHARE OWNERSHIP? INTENTIONS AND EXPECTATIONS
ANNUAL ECONOMIC SURVEY OF EMPLOYEE OWNERSHIP IN EUROPEAN COUNTRIES

2015

BY
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EUROPEAN FEDERATION OF EMPLOYEE SHARE OWNERSHIP
AVERAGE CAPITAL HELD BY EACH EMPLOYEE SHAREHOLDER IN €

(31 European countries - 2.596 largest European companies - 36 million employees)

ALL EMPLOYEES
(INCLUDING EXECUTIVES)

ORDINARY EMPLOYEES
CAPITAL HELD BY EMPLOYEE OWNERS IN EUROPEAN COMPANIES
(31 European countries - 2.596 largest European companies - 36 million employees)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Held in Billion Euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>210 €</td>
</tr>
<tr>
<td>2007</td>
<td>276 €</td>
</tr>
<tr>
<td>2008</td>
<td>243 €</td>
</tr>
<tr>
<td>2009</td>
<td>167 €</td>
</tr>
<tr>
<td>2010</td>
<td>202 €</td>
</tr>
<tr>
<td>2011</td>
<td>240 €</td>
</tr>
<tr>
<td>2012</td>
<td>204 €</td>
</tr>
<tr>
<td>2013</td>
<td>271 €</td>
</tr>
<tr>
<td>2014</td>
<td>310 €</td>
</tr>
<tr>
<td>2015</td>
<td>367 €</td>
</tr>
</tbody>
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BAROMETER OF EMPLOYEE SHARE OWNERSHIP POLICIES IN EUROPEAN COUNTRIES
# Recent Policy Decisions Regarding Employee Share Ownership in European Countries

## Negative

<table>
<thead>
<tr>
<th>Country</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>From 1.7.2016</td>
<td>Awaited return to favorable tax regimes on employee share and option plans, as applied until 2011.</td>
</tr>
<tr>
<td>Romania</td>
<td>From 1.1.2016</td>
<td>More favorable tax regimes on employee stock options and RSUs.</td>
</tr>
<tr>
<td>Austria</td>
<td>From 1.1.2016</td>
<td>Income tax exemption on employee share plans increased from 1,460 to 3,000 € per year.</td>
</tr>
<tr>
<td>France</td>
<td>From 7.8.2015</td>
<td>Lower taxation on free share awards for employers (20% in place of 30% and even 0% up to 9,500 € for certain startups) and for employees (50% of reduction if shares held more than 2 years).</td>
</tr>
<tr>
<td>Spain</td>
<td>February 2015</td>
<td>The tax exemption for the first 12,000 € of income realized from employee share plans will NOT be removed (as was proposed in September 2014). New condition: The tax exemption applies to all employee plans.</td>
</tr>
</tbody>
</table>

- France: August 2014: The emblematic legislation of 1965 was abolished (which required to a 10% offer reserved for employees in case of privatization). This requisite was restored in 2015 in the case of public offers.

## Positive

<table>
<thead>
<tr>
<th>Country</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
</table>
| United Kingdom | From 6.4.2014 | - Full exemption from Capital Gain Tax on the sale of a controlling interest to an employee ownership trust.  
   - Income tax exemption for bonuses of up to £3,650 per tax year paid to employees of companies controlled by an employee ownership trust. |
| United Kingdom | From 1.4.2014 | - The limits for tax advantages on sharesave schemes will double from £250 to £500 a month.  
   - The maximum value of shares an employee can acquire with tax advantages through share incentive plans (GIP) will increase by £300 a year, to £1,900 for partnership shares and £3,650 for free shares. |
| Hungary | From 1.1.2014 | Simplification of employee share plans. Income tax exemption maintained on benefits of up to HUF 1 million (approximately 3,300 €) per participant per year. |
| United Kingdom | From 1.9.2013 | New tax free “shares for workers’ rights” scheme.                                                                                             |
| United Kingdom | October 2012 | Government Action Plan for promoting employee ownership, as proposed in the “Nuttall Review”.                                                 |

- France: From 28.9.2012, income tax exemption abolished on benefits from stock options and restricted share awards (“actions gratuites”).
- France: From 1.8.2012, special tax of 20% (“forfait social”) on companies’ contributions to employee share plans.
- Netherlands: From 1994, Spaarboekregeling offered Dutch employees the opportunity to build up financial assets by saving tax free part of their salary. From 1.1.2012, tax exemption on employee savings were removed.
- Ireland: From 1.1.2012, employee social insurance (PRSI) of 4% and Universal Social Charge of up to 7% on income gains from employee share and option plans.
WHICH EUROPEAN POLICIES FOR EMPLOYEE SHARE OWNERSHIP? INTENTIONS AND EXPECTATIONS

• VISION FROM EUROPEAN REPRESENTATIVES
• BEST OF EUROPEAN POLICIES
• EXPECTATIONS FROM PRACTITIONERS
EUROPEAN COMMISSION

COMMISSIONER JONATHAN HILL

Sven Gentner

Ulf Lindner
Deputy Head of Unit
Asset Management
DG FISMA

Financial Stability, Financial Services and Capital Markets Union
EUROPEAN PARLIAMENT

• Evelyn Regner, S&D Group, Austria
• Renate Weber, ALDE Group, Romania
BEST OF EUROPEAN POLICIES IN 2016

• Jérôme Dedeyan, Eres Group, France
• David Pett, Pett Franklin, UK
• Max Stelzer, Voestalpine, Austria
• Josetxo Hernández, Asle/Confesal, Spain
• Ainhoa Aizpuru, Diputación Foral de Gipuzkoa, Spain
• Pier Paolo Baretta, Sottosegretario dell'Economia e delle Finanze, Italy
• Michel Bon, Fondact, France
• Kris Ludwiniak, Forum for Employee Ownership, Poland
EXPECTATIONS FROM PRACTITIONERS

- Stanislas de Germay, Assembly Conseil, France
- Pierre Schereck, Amundi, France
- Phil Ainsley, Equiniti, UK
CLOSING REMARKS
WHAT NOW FOR EUROPE?

Guido Antolini, EFES, Italy