

SLAUGHTER AND MAY

Incentives



Our incentives lawyers have a great deal of experience in dealing with the issues that face UK corporates, both on a day to day basis and in relation to corporate transactions (such as IPOs, mergers and acquisitions, rights issues or other capital raisings). Our team of specialists provide innovative, commercial and practical advice, covering some of the most complex incentives issues, including:

- our work in the employee benefits field includes:
- establishing and operating all kinds of tax-advantaged and other incentive schemes
- dealing with the incentives aspects of mergers and acquisitions
- advising on employee trusts
- implementing complex management incentivisation arrangements, often involving new classes of share capital or intricate corporate and trust strategies
- advising on complex remuneration issues and the various remuneration disclosure regimes
- working with leading overseas lawyers on the establishment of incentive schemes to operate in multiple jurisdictions
- advising on the effects of new legislation and regulation, in particular the Market Abuse Regulation, the PRA/FCA Remuneration Code and the increasing introduction of clawback arrangements

We advise on every aspect of share schemes, from the creation of a plan to its termination, from dealing with day-to-day queries to advising on the biggest and most complex mergers and acquisitions. This breadth of experience means we appreciate each party's objectives and, most importantly, your objectives. We anticipate problems that catch others out, devise solutions that meet our clients' objectives and, because of our multi-specialist approach, create an approach that slots in seamlessly with the wider picture.

We are ranked as a leading law firm for Employee Share Schemes in both Chambers UK (2018) and The Legal 500 (2017). Our lawyers are active participants in the Share Plan Lawyers group,



Incentives experience

Selected examples of our recent work in the share schemes and incentives area include advising:

- **Standard Life plc** on the share schemes aspects of its merger with Aberdeen Asset Management plc. We worked closely with Standard Life's legal team in relation to the impact of the merger on existing share plans, as well as ongoing retention and incentivisation matters.
- **Centrica plc** on the incentives aspects of the joint venture to combine Centrica's European oil and gas exploration and production business with Bayerngas Norge AS. This included establishing the best way to prevent future participation in share plans while ensuring employees were treated fairly.
- **Market Tech Holdings Limited** on incentives aspects of their recommended acquisition by LabTech Investments Limited. As the transaction would not take place under English law, thought had to be given to how awards would be treated. There were also issues relating to top-up bonuses for certain shareholders.
- **John Wood Group plc** on its recommended all-share offer for Amec Foster Wheeler plc. Our role involved advising on the impact of the combination on employee incentives arrangements and preparing communications to share plan participants in relation to Wood Group's proposals and choices available to them.
- **Michael Kors Holdings Limited** on incentives aspects of their recommended acquisition of Jimmy Choo Plc.
- **SEGRO plc** on the incentives aspects of its 1 for 5 rights issue, including drafting the relevant sections of the prospectus and advising on the impact of the rights issue on the various share plans. We also advise SEGRO on an ongoing basis in relation to employee share plans, including drafting the rules for a new Long Term Incentive Plan.
- **Novae Group plc** on the employee incentives aspects of the recommended cash offer for Novae's entire issued and to be issued share capital by Axis Capital. This involved advising Novae on the impact of the transaction on outstanding share awards and the decisions to be made by the Remuneration Committee, and preparing communications to awardholders.
- **A digital advisory private company** on setting up a growth share scheme for non-executives and for employees which involved ascertaining the mechanics of an exit using nil-paid shares.
- Ongoing advice to **numerous clients** in relation to their remuneration policies and employee share schemes. Recently this has involved advising on remuneration structures, updating share plans, and the impact of various events, both corporate and individual, for participants' awards.

“They provide advice you can rely on, and they get it right first time. They are excellent.”

Chambers UK, 2016

Profiles



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Padraig Cronin

Padraig advises on a range of employment and employee share schemes and incentives matters, in an advisory and transactional context.

His advisory work includes advising on the establishment, amendments to and operation of share, cash and phantom schemes and employee benefit trusts, and directors' remuneration reports and corporate governance issues for a range of FTSE 100 companies.

He also advises on the share scheme aspects of transactions, such as rights issues, IPOs and public takeovers.



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Phil Linnard

Phil advises on a range of employee share schemes and incentives, employment and pensions matters. His work in relation to share schemes includes advising listed and unlisted companies on bonus and share plans, with a particular focus on the design, implementation and operation of bespoke management incentivisation arrangements.

Phil regularly advises companies both on the share schemes aspects of corporate transactions (including M&A and ring-fencing of financial services companies), and ongoing issues in relation to executive remuneration.

Phil is a member of the Corporate Regulatory Committee of the Share Plan Lawyers group.

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For further information, please speak to your usual Slaughter and May contact.

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