SCHEDULES

SCHEDULE 5

EMPLOYEE SHARE OWNERSHIP TRUSTS

Trustees' functions

5 (1) The trust deed must contain provision as to the functions of the trustees.

(2) The functions of the trustees must be so expressed that it is apparent that their general functions are—

(a) to receive sums from the founding company and other sums (by way of loan or otherwise);

(b) to acquire securities;

(c) to transfer securities or sums (or both) to persons who are beneficiaries under the terms of the trust deed;

(d) to transfer securities to the trustees of profit sharing schemes approved under Schedule 9 to the Taxes Act 1988, for a price not less than the price the securities might reasonably be expected to fetch on a sale in the open market;

(e) pending transfer, to retain the securities and to manage them (whether by exercising voting rights or otherwise).