

SCHEDULES

SCHEDULE 3

APPROVED SAYE OPTION SCHEMES

PART 2

GENERAL REQUIREMENTS FOR APPROVAL

General requirements for approval: introduction

- 4 An SAYE option scheme must meet the requirements of—
paragraph 5 (general restriction on contents of scheme),
paragraph 6 (all-employee nature of scheme),
paragraph 7 (participation on similar terms), and
paragraph 8 (no preferential treatment for directors and senior employees).

General restriction on contents of scheme

- 5 The scheme must not contain features which are neither essential nor reasonably incidental to the purpose of providing benefits for employees and directors in the nature of share options.

All-employee nature of scheme

- 6 (1) The scheme must provide that every person who meets the conditions in sub-paragraph (2) is eligible to participate in the scheme.
- (2) A person (“E”) meets the conditions in this sub-paragraph if—
- (a) E is an employee or a full-time director of the scheme organiser or (in the case of a group scheme) of a constituent company,
 - (b) E has been such an employee or director at all times during a qualifying period of not more than 5 years,
 - (c) E’s earnings from the office or employment within paragraph (a) are (or would be if there were any) general earnings to which section 15 or 21 applies (earnings for year when employee resident and ordinarily resident in the UK), and
 - (d) E is not ineligible under paragraph 11 (the “no material interest” requirement).
- (3) The scheme must not contain any feature which has or is likely to have the effect of discouraging any description of persons who—
- (a) meet the conditions in sub-paragraph (2), or
 - (b) met those conditions before ceasing to be persons within sub-paragraph (2) (a),

Status: This is the original version (as it was originally enacted).

from actually participating in the scheme.

- (4) Sub-paragraph (3) does not apply to any provision required or authorised by a provision of this Schedule.

Participation on similar terms

- 7 (1) The requirements of this paragraph are—
- (a) that every person who meets the conditions in paragraph 6(2) (all-employee nature of scheme) must be eligible to participate in the scheme on similar terms, and
 - (b) that every person who participates in the scheme must actually do so on similar terms.
- (2) The requirements of this paragraph are not infringed by the fact that the rights of those participating in the scheme to obtain and exercise share options vary according to—
- (a) the levels of their remuneration,
 - (b) the length of their service, or
 - (c) any similar factors.

No preferential treatment for directors and senior employees

- 8 (1) The requirement of this paragraph is that, if the scheme organiser is a member of a group of companies, the scheme does not and is not likely to have the effect of conferring benefits wholly or mainly—
- (a) on directors of companies in the group, or
 - (b) on employees of companies in the group who receive the higher or highest levels of remuneration.
- (2) “A group of companies” means a company and any other companies of which it has control.