



## Notional Allocation Frequently Asked Questions

**Q. What is the ESOP?**

**A.** The ESOP - Employee Share Ownership Plan - is a tax efficient mechanism designed to allow employees of a company to acquire shares in that company.

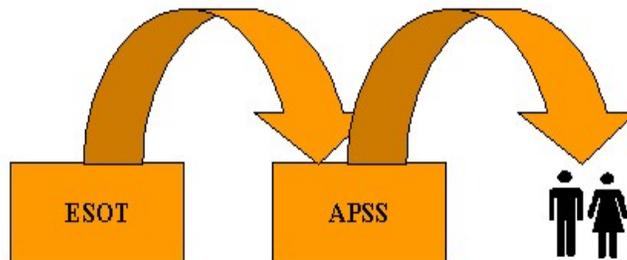
The ESB ESOP is made up of two Revenue Commissioner approved Trusts:

- ESOT – Employee Share Ownership Trust
- APSS – Approved Profit Sharing Scheme

**Q. What is notional allocation?**

**A.** There are two key stages involved in the transfer of Shares through the ESOP to you:

- Notional allocation is the 1<sup>st</sup> step in transferring shares to you. It ‘earmarks’ the number of shares to be appropriated to you at a later date. Notionally allocated shares are held in the ESOT.
- Appropriation is the 2<sup>nd</sup> step. You become the beneficial owner of the shares when they are appropriated to you (become entitled to dividends paid and to offer shares for sale). Appropriated shares are held in the APSS.



**Q. Will I receive dividends on my shares?**

**A.** Dividends are not paid on notionally allocated shares. However, when the shares are appropriated to you, you will automatically receive dividends paid by ESB on those shares.

**Q. When will I be able to sell my shares?**

**A.** You will be able to offer shares for sale when they have been appropriated to you. An Internal Market Day is held once a year and you will (subject to the Internal Market Rules) be able to offer your appropriated shares for sale at each market.

**Q. When will the shares be appropriated?**

**A.** It is planned that the shares notionally allocated to you on 14 December 2020 will be appropriated to you no later than 13 June 2022.

**Q. Who has received a notional allocation of shares?**

**A.** Shares have been notionally allocated to all who had both (i) signed and returned a Contract of Participation agreeing to become an ESOP participant and (ii) at least 12 months continuous service with ESB or a participating subsidiary on 14 December 2020.

Everyone who qualified received the same number of shares.

**Q. Do I have to pay tax on my notionally allocated shares?**

**A.** No.

**Q. Why are shares being notionally allocated now?**

**A.** The ESOP Trustee has been buying shares in the Internal Markets held to date. The rules of the ESOP allow the Trustee to notionally allocate and then appropriate those shares to qualifying participants. However, the Trustee must hold the shares for a period of time before they can be passed out to participants.

The Trustee is now in a position to notionally allocate a further tranche of the shares it has acquired in the market.

**Q. How do I contact the ESOP?**

**A.** You can contact the ESOP Office in any of the following ways:

Telephone: (01) 702 7970

E-mail: [esop@esb.ie](mailto:esop@esb.ie)

Website: [www.esbesop.ie](http://www.esbesop.ie)

Post: ESB ESOP Office, 43 Merrion Square, Dublin 2