

## SCHEDULES

### SCHEDULE 5

#### ENTERPRISE MANAGEMENT INCENTIVES

#### PART 4

#### ELIGIBLE EMPLOYEES

##### *Meaning of “material interest”*

- 29 (1) In paragraph 28 (the “no material interest” requirement) references to a “material interest” in a company are to—
- (a) a material interest in the share capital of the company, or
  - (b) where it is a close company, a material interest in its assets.
- (2) A material interest in the share capital of a company means—
- (a) beneficial ownership of, or
  - (b) the ability to control (directly or through the medium of other companies or by any other indirect means),
- more than 30% of the ordinary share capital of the company.
- (3) A material interest in the assets of a close company means—
- (a) possession of, or
  - (b) an entitlement to acquire,
- such rights as would, in the event of the winding up of the company or in any other circumstances, give an entitlement to receive more than 30% of the assets that would then be available for distribution among the participators.
- (4) In this paragraph—
- “close company” includes a company that would be a close company but for—
    - (a) section 414(1)(a) of ICTA (exclusion of companies not resident in the United Kingdom), or
    - (b) section 415 of ICTA (exclusion of certain quoted companies);
  - “participator” has the meaning given by section 417(1) of ICTA (expressions relating to close companies).
- (5) This paragraph is supplemented by paragraph 30 (options and interests in SIPs).