



## A&M UK EXECUTIVE COMPENSATION SERVICES

# Performance Monitoring and Share Plan Valuation

Helping clients navigate a complex landscape

Share plans are a key part of remuneration policy. Performance monitoring and valuation is necessary in the design of share plans, throughout the lifecycle of awards, and in the case of special events:



**Plan design:** our valuation service helps understand the potential accounting cost of different plan designs and our performance monitoring service can inform the choice of performance metrics



**Award lifecycle:** our valuation service can calculate the actual accounting cost and our performance monitoring service can track and determine the outcome of any performance condition attached to awards



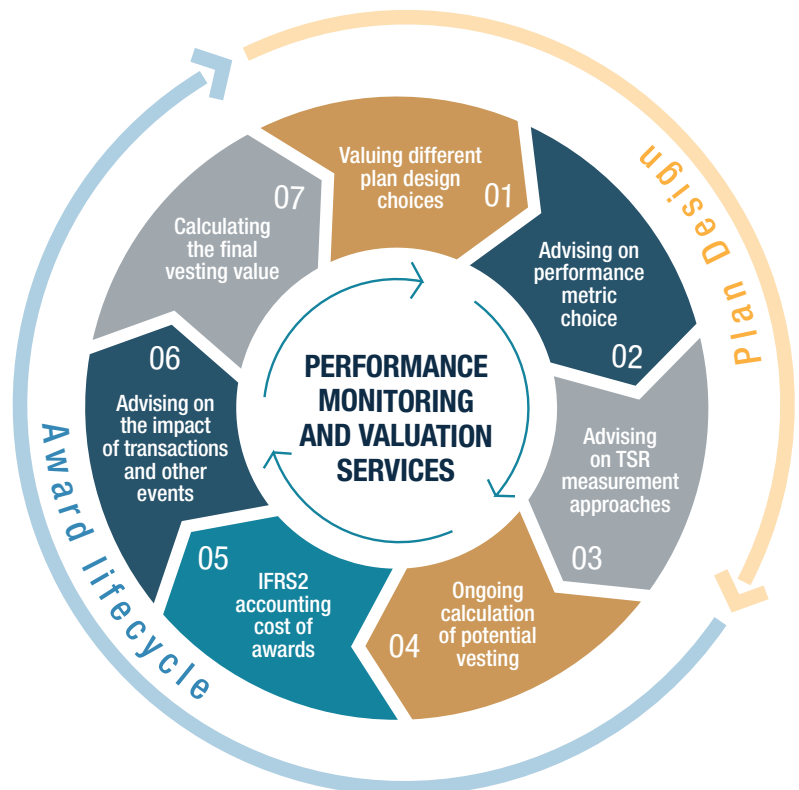
**Special events:** Changes to performance conditions, vesting dates, and company takeovers impact accounting cost and vesting outcomes. We can provide advice in these circumstances

Performance monitoring helps clients extract more value from their share plans by understanding likely vesting outcomes and the current retention value of awards. Independent performance monitoring from a team of external experts helps ensure that performance outcomes are objectively tested. Valuation services help the cost management of existing and future share plans.

At A&M we work with HR, Finance and Company Secretaries to provide independent performance monitoring and accounting valuation services.

## Our range of services

1. **Valuing different plan design choices** to help choose the most cost-efficient plan
2. **Advising on performance metric choice** by calculating the potential performance outcomes for different metric choices
3. **Advising on TSR measurement approaches** to address issues such as choosing the best relative TSR comparator group and deciding whether to measure relative TSR using ranking or outperformance.
4. **Ongoing calculation of potential vesting** helps understand how the company is performing and the retention value of outstanding share plan awards
5. **IFRS2 accounting cost of awards** is required for accounting purposes.
6. **Advising on the impact of transactions and other events** to understand how vesting outcomes and accounting costs will be affected.
7. **Calculating the final vesting outcome** must be performed diligently, accurately and independent of any conflicts of interest.



## Who we work with

We support a variety of different businesses, listed and unlisted:



FTSE 100 / 250 / SmallCap



AIM-listed companies



Overseas-listed companies



Unlisted companies



Mutual / Co-operative Societies

## Global Network

In addition to the services we provide from the UK, our team is complemented by A&M's US Compensation & Benefits group and the Global Taxand network. A&M Taxand is a founder of Taxand, the world's largest independent tax organisation,

## Why choose us?

### 1. One service provider

Working within our Executive Compensation practice, we have the experience and expertise to deliver a seamless full-service executive pay advisory and implementation offering, avoiding the need for you to manage multiple providers.

### 2. Integrated approach

We work closely with A&M's Reward & Employment tax team and can fully support you with the tax aspects of share plan implementation and operation both in the UK, and globally with the support of our networks, so you can be confident your arrangements are both tax compliant and tax efficient.

### 3. Independent

As A&M does not provide audit services, we are free of most conflicts and independence restrictions faced by accounting and actuarial firms enabling us to build a long-term relationship with you that will not be at risk on audit rotation.

### 4. Leadership. Action. Results.<sup>SM</sup>

A&M's leadership is about a bias towards action and the willingness to tell leadership what we think is needed. Our restructuring heritage sharpens our ability to act decisively whilst embracing the most complex problems in the most challenging environment alongside our clients.

For more information,  
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*David co-heads our Executive Compensation practice and has nearly 35 years' experience advising on executive pay and share plan implementation.*

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*Alex has over 11 years' experience advising on executive pay, performance monitoring and share plan accounting valuations.*

## ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) for leadership, action and results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services. When conventional approaches are not enough to create transformation and drive change, clients seek our deep expertise and ability to deliver practical solutions to their unique problems.

With over 5,000 people across four continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, leverage A&M's restructuring heritage to help companies act decisively, catapult growth and accelerate results. We are experienced operators, world-class consultants, former regulators and industry authorities with a shared commitment to telling clients what's really needed for turning change into a strategic business asset, managing risk and unlocking value at every stage of growth.

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