

Equity Incentives: News from Capital Strategies on share-based rewards

12 April 2000

Introduction

Capital Strategies to develop web communication service for employee shareholders

Capital Strategies announces the launch of myshares-online, a new service with venture capital backing (Capita Group plc and 3i plc) to provide a web-based communication and administration service for major corporates running employee share plans.

myshares-online coincides with the expected increase in employee share plans resulting from the UK Government's new employee share plan. The new plan is expected to result in a major replacement programme by UK companies which already have an all employee share plan, and in fresh enthusiasm for employee share ownership in those companies (mainly private and smaller quoted) that have not chosen this route. Capital Strategies believes that companies will increasingly seek more efficient administration and communication services using internet technology.

To establish itself in the market place and provide an immediate platform for future growth, myshares-online has acquired *Rolls*, the UK's leading share plan administration software. *Rolls* is used by 35 of the FTSE 100 companies. Previously owned by the Institute of Chartered Secretaries and Administrators (ICSA), *Rolls* has an excellent customer base and a strong technical and sales team.

Capita brings experience of share plan administration to the venture through its acquisition of IRG plc, one of the leading UK share registration businesses.

myshares-online will initially offer two main services:

- it will develop a "personal portal" for employee shareholders, to be launched later this year. Licensed to major corporates as an employee communication and administration tool, the new service will give employees secure, real time self service access to their personal share plan account via their company's intranet or an extranet. They will be able to monitor the value of their shares or options, perform "what if" analyses and transact online. They will also have interactive tools to manage their wider personal finances. The site will remain impartial by excluding advertising and by carrying a choice of service provider; and

- it will invest in the *Rolls* software, with the objective of making it the first choice for companies seeking a software tool for administering the new employee share plan, share options and other share-based incentive plans.

Effective communication is perhaps the most important ingredient in the success of an employee share plan. Yet employees normally have to rely on their own research to understand how their employer's shares are performing. Our goal is to use internet technology to provide to a company's employees a quality and range of information about their share incentives to the highest standard, with immediacy an absolutely key feature.

We believe that companies creating new share plans will be looking for reassurance that it won't create major administrative problems. Our additional objective is to offer an administration service based on the tried and tested *Rolls* platform, but with major investment in enhancement, including the ability to administer the new all employee plan.

If you want to find out more about myshares-online, contact Robert Postlethwaite or Sarah Anderson on (+44) (0) 171 256 8000 or you can email them at robert.postlethwaite@capitalstrategies.co.uk or sarah.anderson@capitalstrategies.co.uk.

For more information about Capital Strategies please visit our website www.capitalstrategies.co.uk.

For more information about myshares-online, visit
www.myshares-online.com.

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A list of the names of the directors and their professional qualifications is open to inspection at the registered office.