

# Tax

## ACQUISITION OF PARTNERSHIP SHARES & FREE MATCHING SHARES

When you acquire your Partnership and free Matching Shares, you will not be subject to any Income Tax or NICs on the amount of your contributions deducted from your gross pay to buy Partnership Shares or the value of the Matching Shares acquired.

Set out below is an example of the Income Tax and NICs relief.

### TAX RELIEF EXAMPLE

If you are a basic rate (20%) tax payer (NICs at 8%)

<b>Your gross monthly investment amount</b>	£25.00	£50.00	£100.00	£150.00	£300.00
<b>Income Tax and NICs relief</b>	£7.00	£14.00	£28.00	£42.00	£84.00
<b>Effective net pay contribution</b>	£18.00	£36.00	£72.00	£108.00	£216.00

If you are a higher rate (40%) tax payer (NICs at 2%)

<b>Your gross monthly investment amount</b>	£25.00	£50.00	£100.00	£150.00	£300.00
<b>Income Tax and NICs relief</b>	£10.50	£21.00	£42.00	£63.00	£126.00
<b>Effective net pay contribution</b>	£14.50	£29.00	£58.00	£87.00	£174.00

## WHAT HAPPENS TO ANY CASH LEFT IN THE TRUST?

As only whole shares may be acquired with your contributions, it is possible that there may be a small cash residue left over after the Trustee has awarded your Partnership Shares (less than the value of one share). Any cash balance remaining from your contributions will be returned to you via the payroll, less any Income Tax and NICs due on this amount.



## EXAMPLE

Based on an illustrative price of £150.00 per Airbus share

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Gross Monthly Contribution of **£100.00**

Total contribution during the accumulation period = **£600 (6 x £100)**

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**Number of shares:**

4 Partnership Shares (**£600 / £150.00**) plus 4 Matching Shares

Total – **8 Shares received**

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**Gross Investment:**

**£600.00**

**Net Investment:**

Basic rate tax payer **£432.00\***

**Net Investment:**

Higher rate tax payer **£348.00\***

**Value of shares owned:**

(8 x £150.00) = **£1200.00**

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\* Based on Income Tax and NICs rates of 20% and 8% for a basic rate tax payer and 40% and 2% for a higher rate tax payer respectively.

## SUMMARY EXAMPLES

Examples of profits/losses earned using an illustrative share price of £120.00.

The examples do not include the influences of dividend payments or currency exchange variance.

**Please be aware it is impossible to predict the value of the Company's shares in the future. The value of the shares depends upon the commercial performance of the Company. Please note that the value of the shares can go down as well as up and that you should be aware that as with all investments in shares, there is an inherent financial risk in purchasing shares in the Company. Please note that the value of shares will also be dependent on the fluctuation of the exchange rate between the Euro and Sterling. If you are in any doubt as to the course of action you should take, you should seek the advice of an independent financial advisor.**



## Partnership Shares Purchased

Based on a share price of £150.00

	2	4	12
Required gross investment over six months	£300.00	£600.00	£1800.00
Tax Relief (Income Tax and NICs**) – 28% tax payer*	£84.00	£168.00	£504.00
Tax Relief (Income Tax and NICs**) – 42% tax payer*	£126.00	£252.00	£756.00
Effective net pay contribution over six months 28% tax payer	£216.00	£432.00	£1296.00
Effective net pay contribution over six months 42% tax payer	£174.00	£348.00	£1044.00
Free Matching Shares Awarded	2	4	7
Total Share Holding (Partnership + Matching Shares)	4	8	19
Total Share Value (Using £150.00 per share)	£600.00	£1200.00	£2850.00
If the share price increase by 20% to £180.00	4	8	19
Value of Total Share Holding (Partnership + Matching Shares)	£720.00	£1440.00	£3420.00
Profit realised in % by a 28% tax payer	233%	233%	163%
Profit realised in % by a 42% tax payer	313%	313%	227%
If the share price remains unchanged at £150.00	4	8	19
Value of Total Share Holding (Partnership + Matching Shares)	£600.00	£1200.00	£2850.00
Profit realised in % by a 28% tax payer	177%	177%	119%
Profit realised in % by a 42% tax payer	244%	244%	172%
If the share price reduces by 80% to £30.00	4	8	19
Value of Total Share Holding (Partnership + Matching Shares)	£120.00	£240.00	£570.00
Loss realised in % by a 28% tax payer	-44%	-44%	-56%
Loss realised in % by a 42% tax payer	-31%	-31%	-45%

These figures are purely for example purposes. The figures and percentages may include rounding errors. The examples shown cannot, under any circumstances, be considered as a guarantee as to the future performance Airbus shares.

Please note tax rates in Scotland and Wales could differ from that in the UK.

\* Based on Income Tax and National Insurance rates of 20% and 8% for a basic rate tax payer and 40% and 2% for a higher rate tax payer respectively.

\*\* NICs

