

Irish Profitshare Plan

Act like an owner through our improved
Irish Share Ownership Plan

DIAGEO
mydiageoshares.com



THE *flexible way* TO SHAPE YOUR BONUS...

OPEN ME TO FIND OUT MORE

Irish Share Ownership Plan

You can:

Choose how you will shape your annual Irish Profitshare

Buy extra shares

by opting in to Salary Foregone

Earn dividends on any shares you acquire as part of the plan

It's a tax efficient way to own Diageo shares

Who is eligible?

YOU ARE ELIGIBLE FOR THE PLAN PROVIDING YOU:

- ✓ Pay income tax under the PAYE system;
- ✓ Have worked for Diageo Ireland or R&A Baileys & Co for at least one month in the financial year;
- ✓ Have completed a contract of participation;
- ✓ Remain in active service from 30 June up to and including the award date.

Choose to Use



25%, 50%, 75% or 100%

of your Irish Profitshare bonus to invest in shares – these will be **income tax free** if you hold them for three years.

Plus...

Any balance from your Irish Profitshare award that you don't use to acquire Diageo shares you will receive in cash.

You can amend your choice each year.

How does Salary Foregone work?

TOP UP YOUR PROFITSHARE AWARD

Complete an application to join Salary Foregone and confirm how much of your salary you would like to forego to buy extra shares.

MONTHLY TAX-FREE PAYMENTS

Make payments from your monthly salary free of income tax (usually deducted from pay from January to June).

PURCHASE MORE DIAGEO SHARES

As long as you receive a Profitshare award, your salary foregone contributions are used to purchase Diageo plc shares.



If you do not make a choice you will be defaulted to your previous choice or 25% shares and 75% cash



How is Profitshare calculated?

To calculate your potential Profitshare award you simply multiply base salary by the Profitshare % which is announced at the time of the annual results.



You choose to contribute 25%, 50%, 75% or 100% of your Profitshare potential towards shares.

Profitshare provides you with a more tax efficient way of receiving your bonus.

6% TARGET PROFITSHARE has been set across all areas of the business

10% MAXIMUM The formula is subject to a maximum of 10%

LINKED TO DIAGEO GLOBAL MULTIPLE
The target is linked to the Diageo global multiple (a measure of our worldwide company performance)

How does my Profitshare award and bonus operate together?

As a Diageo Ireland or R&A Baileys & Co employee you could be eligible for an AIP, SIP or local bonus. To calculate the bonus cash value you receive, take the value of your Profitshare award away from your total Bonus value.



What about tax?

You will pay Universal Social Charge (USC) and Pay Related Social Insurance (PRSI) on the value of your shares at the time they are acquired.

If you keep your Profitshare and Salary Foregone shares for the full three years, you won't be liable to pay income tax when you sell them.

SHARES: You pay USC and PRSI but no income tax

CASH: You pay USC, PRSI and income tax

IT IS YOUR RESPONSIBILITY TO MAKE SURE THAT YOU UNDERSTAND WHAT TAX YOU OWE. Further information is available on the Irish Revenue Commissioners website.

WHAT ARE THE REVENUE LIMITS?

PROFITSHARE CANNOT EXCEED EUR 12,700 PER TAX YEAR

The amount contributed to Salary Foregone cannot exceed the value of shares chosen under Profitshare, and the total value when combined with Profitshare cannot exceed EUR 12,700 per tax year.

SALARY FOREGONE LIMIT IS **7.5%** OF ELIGIBLE PAY

How do I join and how does it work?

TIMELINE

APPLY

JAN **INVITATION CLOSES** to apply for **Salary Foregone**.
If you've missed it, don't worry, you can join next year.

JUL Annual company results are announced.

AUG **INVITATION CLOSES** for the receipt of your **contract of participation** if you wish to receive a Profitshare award.

CHOOSE SHARES %

AUG Choose what % of your bonus you want to take in shares. (We'll automatically re-enrol you in the plan for next year and carry over your choice unless you make a new choice or opt out).

RECEIVE YOUR AWARD

SEP You will receive your Profitshare award (and any Salary Foregone shares if you joined up).

RECEIVE YOUR BONUS

OCT If a bonus is paid, receive your AIP, SIP or local bonus and cash bonus if you've opted for one.

INVITATIONS

NOV You will be invited to join Salary Foregone for the following year.

Ready to find
out more?

For full plan details visit
www.mydiageoshares.com

