

X Co. Limited

ACN 999 999 999

X Co. ESOP Tax Simulator

Sample Only

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Assumptions used in this Spreadsheet

X Co. Share Value When Options are Issued	1.25
X Co. Share Value When Shares are Sold (in Year 4)	7.50
Exercise Price	0.00
Remuneration Package	250,000
STI Bonus Percentage	30%
% of \$ Bonus Taken as Cash	25%
% of STI Bonus Taken as Options	75%
Marginal Tax Rate (including Medicare Levy)	48.50%

Overview - After-tax Profit vs Bonus Sacrificed

	Outcomes	
	Sale within 12 months after option exercise	Sale 12 months or more after option exercise
Proceeds from Sale of Shares	\$337,500	\$337,500
Total Paid for Shares	\$27,281	\$27,281
Tax on Shares	\$136,406.25	\$68,203.13
After-tax Profit	\$173,812.50	\$242,015.63
Bonus Sacrificed	\$56,250	\$56,250

Option Valuation

Package	Share Price	STI Bonus			Value of Options		Number of Options
		Total	Cash Portion	Option Portion	Exercise Price	Option Value	
\$250,000		\$75,000	\$18,750	\$56,250	\$0.00	\$1.25	45,000

Taxation of Options

Number of Options	Option Value	Tax Value of Options	Assumed Marginal Tax Rate	Up-front Tax Payable on Options
45,000	\$1.25	\$56,250	48.50%	\$27,281

Taxation of Shares

If shares are sold within one year after acquisition/exercise of the options

Share Sale Price	Number of Shares Sold	Sale Proceeds	Cost Base per Share			Total Cost Base	Capital Gain	Assumed Marginal Tax Rate	Tax Payable
			Up-front Option Tax Value	Exercise price	Cost Base				
\$7.50	45,000	\$337,500	\$1.25	\$0.00	\$1.25	\$56,250	\$281,250	48.50%	\$136,406

If shares are sold one year or more after acquisition/exercise of the options

Share Sale Price	Number of Shares Sold	Sale Proceeds	Cost Base per Share			Total Cost Base	Capital Gain	Assumed Effective Marginal Tax Rate (assuming CGT 50% discount)	Tax Payable
			Up-front Option Tax Value	Exercise price	Cost Base				
\$7.50	45,000	\$337,500	\$1.25	\$0.00	\$1.25	\$56,250	\$281,250	24.25%	\$68,203