

PA CONSULTING GROUP LIMITED

# Tax information on the 2021 Jacobs investment

LAST UPDATED: 7 February 2022

This document provides guidance for individuals holding Carlyle investment period B Ordinary, C Ordinary and Preference shares who were directors, employees or linked shareholders (spouse/ trust etc.) of any member of the PA Group.

This document summarises information PA has received from external tax advisers in relation to the 2021 Jacobs investment into PA which completed on 2 March 2021. The information assumes you are a national of, and tax resident in, the country where you are employed by PA.

Whilst every effort has been made to ensure the accuracy of the tax information provided, PA does not take any responsibility for personal tax obligations which remain with you the taxpayer and with your personal tax adviser if you have one.

The document provides:

1. General guidance on the investment
2. Country specific tax information

<a href="#">UK</a>	<a href="#">US</a>	<a href="#">Denmark</a>
<a href="#">Sweden</a>	<a href="#">Norway</a>	<a href="#">Netherlands</a>

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References in this document to the value of securities are to the value of such securities for the purposes of the Scheme of Arrangement implementing the proposed Jacobs investment only. The value for which such securities may be able to be disposed of may be different and can fall as well as rise.

This document is being made available in reliance on Article 62 (Sale of a body corporate) and Article 60 (Participation in employee share schemes) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

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## ABBREVIATIONS

<b>PACG</b>	PA Consulting Group Limited. This was the company in which PA people invested in Carlyle investment period Share Units (one B Ordinary stapled to 3.8543 Preference shares.) and C Ordinary shares (held by PA Partners). PACG swapped names with Bidco on 15 March 2021 ie. shortly after the Jacobs investment.
<b>Bidco</b>	Green Consulting Solutions Limited. This is the new company which bought all shares in PACG in exchange for a mixture of new shares in Bidco and cash. Bidco swapped names with, and was renamed 'PA Consulting Group Limited' (the former parent company name) on 15 March.
<b>B Ordinary share</b>	The B Ordinary shares in PACG.
<b>Preference share</b>	The Preference shares in PACG.
<b>C Ordinary share</b>	The C Ordinary shares in PACG.
<b>Rolling Managers</b>	The employee shareholders and their linked spouse/personal company shareholders who will receive a mix of new Bidco shares and cash in exchange for their existing shares.
<b>Investment</b>	The proposal from Jacobs Engineering Inc to purchase all issued PACG shares through a UK court approved scheme of arrangement.
<b>Bidco Preference shares</b>	These are shares of £1.00 value in Bidco issued to Rolling Managers. They are 'stapled' to the Bidco B Ordinary shares.
<b>Bidco B Ordinary shares</b>	The B Ordinary shares in Bidco of £0.05 value issued to Rolling Managers. They are 'stapled' to the Preference shares. Together one B Ordinary and 5.6 Preference shares are known as a Bidco 'Share Unit'.
<b>EBT</b>	The PA 2004 ESOP. This is PA's Jersey employee benefit trust which held the PACG Ordinary shares not currently held by employees.
<b>PACG shares base cost</b>	All your transactions in PA share transactions is available <a href="#">here</a> . You must be connected to the PA intranet to run this record which will help you work out the total base cost (original purchase cost) of your PACG shares by each class held.
<b>Pre-2015 base cost</b>	All your transactions in PA share transactions is available here <a href="#">PreDecember2015ShareHistory</a> . You must be connected to the PA intranet to run this record which will help you work out the total base cost (original purchase cost) of your legacy PA shares held in December 2015.

## 1. GENERAL GUIDANCE ON THE INVESTMENT

The Jacobs investment was approved by PA shareholders and the UK High Court and became effective on 2 March 2021.

The investment confirmation statement (attached to the email sent to you by PA's Share Plans team on 5 March 2021) sets out how your Carlyle period PACG shares were exchanged for this consideration:

Carlyle period share	Scheme value	Delivery of value
B Ordinary	£13.66538	Minimum 50% in Bidco Share Units. Balance in cash.
C Ordinary	£19.51223	Minimum 50% in Bidco Share Units. Balance in cash.
Preference	£1.80985	Minimum 50% in Bidco Share Units. Balance in cash.

The scheme price for a Carlyle period Share Units was £20.6411 (one B Ordinary + 3.8543 Preference shares).

### You may have made one or more optional elections

Shareholders could make any of these optional elections on how to re-invest ('roll-over') into the ongoing PA firm. If no elections were made, shareholders re-invested 50% of the Scheme value of each PACG share they held into BidCo Share Units and received 50% of their Scheme value in Cash. Details on each election are set out below.

### How do I know which elections (if any) I made?

Open your 5 March 2021 issued Jacobs investment confirmation memorandum. This was emailed to you from SharePlans. If you are connected to the PA network, you can open a copy: [5 MARCH MEMO](#). The memo states your final consideration and tells you what elections (if any) you made.

Your percentage reinvestment amount eg. 50%, 51%, 52% etc is stated in the text below Table 1 in your memo. This was the Part 1 election. The default being 50%, but you could use Part 1 to request delivery of a higher proportion of your value in new PA shares.

If you made the Part 2 election, this wording is stated above Table 1:

*You made the 'Part 2 election' to derive your new shares value firstly from your C Ordinary share value (if any), then B Ordinary share value, and finally from your Preference share value.*

If you made the Part 3 election, this wording is stated above Table 1:

As you made the 'Part 3' election in the scheme, you received this value in cash

If neither the part 2 or Part 3 election wording is set out in your 5 March memo, then your reinvestment was the default reinvestment route describes in the below example in Election Part 1 section

### Election Part 1 – Request to invest a percentage from 51% up to 100% of your aggregate Scheme value into Bidco Share Units.

Shareholders could elect to increase the number of Bidco Share Units received above 50% of their Scheme value and receive correspondingly less in cash.

Unless the shareholder has selected Election Part 2 or Part 3, their re-investment % is the same for each share class held. For example if you requested 60% of the Scheme value to be re-invested in BidCo Share Units:

- 60% of the value of any C Ordinary shares was exchanged for Bidco Share Units and 40% received in Cash,
- 60% of the value of B Ordinary shares was exchanged for Bidco Share Units and 40% received in Cash; and
- 60% of the value of B Ordinary shares was exchanged for Bidco Share Units and 40% received in Cash;

Shareholders in **all countries** could make this election to receive more of their value in Bidco Share Units (and less in cash).

All requests for higher than 50% reinvestment into new PA shares were satisfied in full.

**Election Part 2 - Directly receive new PA shares and cash in exchange for your current PA shares with your re-investment % provided firstly from any C share value, then from B share value and finally from Preference share value.**

Our understanding is that this election is relevant to only UK resident shareholders seeking to maximise the amount of their current PA shares base cost to set against their cash proceeds. By making this election, you would receive your 50% (or higher if selected in Part 1) in Bidco Share Units:

- Firstly from having exchanged 100% (if needed) of C Ordinary shares (if any) value for Bidco Share Units; then
- Exchanging up 100% (if needed) of your B Ordinary share value for Bidco Share Units; and
- Exchanging any percentage still needed (possibly 0%) of your Preference shares for Bidco Share Units.

**Election Part 3 - Receive cash only for your current PA shares with your re-investment % into new PA shares paid for out of the cash received.**

Our understanding is that this election was relevant only for UK and Denmark tax residents who wish to crystallise their capital gains tax liability on all of their gains at Scheme completion.

By making this election, you would receive your 50% (or higher if selected in Part 1) in Bidco Share Units firstly from having exchanged 100% of the value of each PACG share held (B,C and Preference shares) for cash only. Part of that cash is then used to re-invest into Bidco Share Units.

For example if you requested 60% Scheme value delivery in Bidco Share Units then for each PACG share held of any class:

- 100% of the value of each PACG share was exchanged for Cash.
- 60% of the initial Cash was then used to re-invest in Bidco Share Units
- 40% of the received Cash was paid to you.

By re-investing in this manner, shareholder in the UK, Denmark and Sweden do not roll-over tax free into Bidco Share Units. Instead they are taxed on 100% of their Scheme value less the base cost of all their PACG shares. As a result, you are liable to pay gains taxes in the tax year you crystallise the gain (expected to be the tax year to 5 April 2021 for UK residents, and to the 2021 calendar year for Danish and Swedish residents). The base cost of each Bidco Share Units acquired will be £5.65 as explained in the next section. On a future sale you can then expect to pay further capital gains tax only on any appreciation in value above the £5.65 base cost of the new Share Units when they are sold.

The impact of election can be modelled in the Re-investment excel spreadsheet provided alongside these notes.

**The new PA shares delivered Bidco shares:**

The opening value of the Bidco shares you receive is set out in the table.

<b>Jacobs period shares:</b>	<b>Opening value</b>
Bidco B Ordinary	£0.05
Bidco Preference	£1.00
Bidco Share Unit	£5.65 One B at £0.05 + 5.6 Preference at £1.00

In most countries, the tax base cost transferred from your PACG shares into of your Bidco Share Units will be apportioned between B Ordinary and Preference shares in proportion to their fair market value. If however you are a tax resident in Denmark, Sweden or the UK and have made Election Part 3 to crystallise your tax charge on completion of the Jacobs investment, your tax base cost is the full £0.05 per B Ordinary share and £1.00 per individual Preference share.

**2. COUNTRY SPECIFIC INFORMATION**

Follows below by country.

## UK

### Capital gains tax treatment applied to the new consideration you received on exchange of your legacy PA shareholding.

The PACG B Ordinary, Preference, and C Ordinary shares you held were exchanged for the following consideration:

<p><b>If you took the minimum level of value re-investment in new Share Units</b></p>	<p>50% in new Share Units of:</p> <ul style="list-style-type: none"> <li>- One Bidco B Ordinary share of £0.05</li> <li>- 5.6 Bidco Preference shares of £1.00</li> </ul> <p>50% in cash</p>
<p><b>If you took a higher value re-investment in new Share Units</b></p> <p><b>80% EXAMPLE</b></p>	<p>80% in new Share Units of:</p> <ul style="list-style-type: none"> <li>- One Bidco B Ordinary share of £0.05</li> <li>- 5.6 Bidco Preference shares of £1.00</li> </ul> <p>20% in cash</p>

At the date of the Investment on 2 March 2021 the following was triggered:

#### If you did not make Election Part 2 or Part 3,

- a. You become liable for capital gains tax on the difference between your Scheme value received in cash and the equivalent proportion of your total base cost (how much you paid for all of your PACG shares). You need to calculate your gain and, if necessary, report it to HMRC in your tax return or make a non-tax return filing for the 2020/21 tax year.
- b. Taxation is deferred on the Bidco Share Units you received until they are sold. The Bidco Share Units have a base cost which represent the portion of your PACG base cost taken in Bidco Share

#### Example

Your scheme value	£100,000	Your base cost	£20,000	Taxable gain	Tax point
In cash	£20,000 (20%)	Less: Base cost	£4,000 (20%)	£16,000	2020/21 tax year
In Bidco Share Units	£80,000 (80%)	Less: Base cost	£16,000 (80%)	£64,000	When shares are sold*

**If you requested to receive your re-investment value first from any C shares held then from B Ordinary shares and finally Preference shares. [Election – Part 2]**

The effect of this is to maximise your base cost available to be set against the Scheme cash value you receive.

- a. You first apply 100% of your C Ordinary (if any) share value to satisfy your 50%/higher re-investment into Bidco shares. The minimal C Ordinary share purchase cost is used against your immediately taxable total cash received from all shares held.
- b. You then apply the necessary part of your B Ordinary share value to continue to satisfy your 50%/higher re-investment into Bidco shares. The equivalent proportion of your total B Ordinary share base cost is applied to your cash gain.
- c. Finally, you re-invest any further value needed from your Preference shares.

**If you elected to crystallise you tax charge on all your gains [Election Part 3]**

You are liable for capital gains tax on the difference between your total Scheme value and your total base cost (how much you paid for all of your PACG shares). You need to calculate your gain and, if necessary, report it to HMRC in your tax return or a non-tax return filing for the 2021/21 tax year.

The Bidco Share Units you received are treated as having a base cost the same as their opening values (£0.05 B Ordinary, £1.00 Preference). On a future sale you will pay tax only on any increase in value above these opening values.

**Section 431 election**

For all Bidco share Units you acquired, PA will on your behalf make a protective 'section 431 election'. This is a protective UK tax election to help ensure any gains you make on your Bidco Share Units are taxed as capital gain and not income.

**Your base cost and reporting to HMRC**

Your opening Bidco shares will start your pool of Bidco Share Units bought and sold during the Jacobs investment cycle. Your brought forward base cost will be available to use against any sales from this pool. If you have not already calculated your existing base cost, you can use this [JacobsInvestmentS104](#) excel sheet.

Important: Each shareholder has a different average base cost of their PACG shares. You must calculate your existing base cost before you can allocate this to the new consideration. You are required to disclose in your tax return, and pay taxes due by 31 January 2022 on any gains arising from the Investment (and any other non-PA gains made) in a tax year that exceed the Annual Exempt amount (currently £12,300).

If the PA and any other gain made is less than the Annual Exempt amount and your taxable consideration is less than £49,200, no reporting is needed on your tax return and no taxes are payable.

Where your 2020/21 year total taxable capital gains exceed the Annual Exempt amount, these gains will be taxable at a rate of 10% for gains falling within your basic rate tax band and at a rate of 20% for gains above the basic rate tax band.

## **If you owned PA shares before December 2015**

In December 2015, the Carlyle Group acquired all PA shares in exchange for mix of Cash, Share Units (B Ordinary and Preference shares) and Vendor Loan Notes which are a share like capital gains instrument paid out between 2017 and December 2019. PA shareholders in December 2015 should have worked out the tax base cost of their shares in December 2015 and then apportioned this between the Cash, Share Units and Loan Notes. This information should then be readily available to you from your 2015/16 UK tax return or 2015 calendar year tax return in other countries, other records you would have kept at the time.

In the event that you did not calculate your base cost in December 2015, you can do so now by running your [PreDecember2015ShareHistory](#) to show all your transactions to help you determine your base cost. In additions, UK residents can then use this [UK Calculator 2015/16 year](#) will provide a view of your opening base cost. If needed, you can also use our [UK notes \(pre December 2015\)](#) to help you with this exercise.

## **What if I am a shareholder when I die/Are PA shares subject to inheritance tax.**

In the UK, Inheritance tax is a charge levied on the value of your assets when you die (your 'estate value'). You have a tax free amount of £325,000 (or £650,000 jointly with your spouse) above which you pay tax at the rate of 40% . You are unlikely to hold PA shares when you die because, as an employee owned firm, you are you are required to sell your shares after leaving.

If you (or your spouse) do hold PA shares when you die, their deemed value as part of your estate may be reduced by a relief call Business Property Relief (BPR) [HMRC website link](#). BPR applies when:

- The shares have been owned for 2 years
- The shares are for an unlisted company (which PA is currently)
- 

Relief will be given at 100% if the above conditions have been met ie. the value of PA shares is not counted at all for Inheritance tax.

Please note that when the sold are sold back to PA, capital gain tax will become due on the disposal of the full value being sold.

As ever, this information is general guidance. We are not personal tax advisers and you should always consult your own adviser before making any decisions so all facts are known at the time.

## US

### Capital gains tax treatment applied to the new consideration you received on exchange of your legacy PA shareholding

The B Ordinary, Preference, C Ordinary shares you held were exchanged for the following consideration:

<b>If you took the minimum level of value re-investment required in new Share Units</b>	50% in new Share Units of: <ul style="list-style-type: none"><li>- One new PA B Ordinary share of £0.05</li><li>- 5.6 new PA Preference shares of £1.00</li></ul> 50% in cash
<b>If you took a higher value re-investment in new Share Units</b>  <b>80% EXAMPLE</b>	80% in new Share Units of: <ul style="list-style-type: none"><li>- One new PA B Ordinary share of £0.05</li><li>- 5.6 new PA Preference shares of £1.00</li></ul> 20% in cash

For US tax residents, we do not expect Election Parts 2 and 3 to have different tax consequences for US shareholders. Whether you receive your new PA Share Units by the default delivery route or by selecting Part 2 or Part 3, you will be taxed on the full cash received and the base cost of your old PACG shares will roll over into your new PA Share Units.

At the date of the Investment on March 2, 2021, you become liable for tax on the lower of (1) the difference between your total Scheme value and the combined tax basis of your legacy PA B Ordinary and Preference shares ("Share Units") and C Ordinary shares, and (2) cash proceeds.

**If you received 100% of your consideration in new PA Share Units, there is no immediate tax charge and you do not need to report the exchange of shares in your 2021 tax return.**

When your legacy Share Units and/or C Ordinary shares are exchanged for a mix of new PA Share Units and cash proceeds, you need to calculate your gain and report it in your 2021 US federal and state tax returns. The taxable amount is considered long-term capital gain and subject to federal capital gain tax rate plus applicable state income tax rate when you have held the legacy PA Share Units/C Ordinary shares for more than 12 months as of the investment date.

Any C Ordinary shares purchased in 2016, 2017 and/or 2019 and vested in August 2020 will have been held for less than 12 months as of the investment date in March 2021. Taxable amount, if any, related to these C Ordinary shares is considered short-term capital gain and will attract ordinary income tax rate at the federal level plus applicable state income tax rate.

A 3.8% net investment income tax may apply if your modified adjusted gross income for the year was above certain threshold.

When the cash proceeds is the amount subject to tax, there is no tax basis to offset against the cash proceeds. The new PA Share Units have an overall base cost equalling (1) your tax basis in the legacy Share Units and C Ordinary shares, (2) reduced by any cash proceeds, and (3) increased by any gain reported in your 2021 tax returns.

### Section 83(b) election filing

You need to file with the Internal Revenue Service (IRS) a Section 83(b) election statement within 30 days after the Investment date with a signed copy to be provided to the Share Plan team within such time period. The Share Plans team provided pre-completed US Elections to US resident Scheme Shareholders shortly after the Investment Effective Date.

You should also file Section 83(b) elections for any future PA share acquisitions.

### Guidance on your 2021 tax return filing

Please refer to [Form 1040 Instructions, page 30, Line 7 Capital Gain or \(Loss\)](#) for instructions. The tax characteristic of the capital gain / (loss) (i.e. long term vs. short term) is dependent upon how long you held these share units prior to the sale.

You can follow the instructions below to compute your capital gain from the March 2, 2021 transaction:

### Capital gain calculation

STEP 1	<p>Gather the following documents before calculating your taxable capital gain from the March 2, 2021 share exchange transaction</p> <ul style="list-style-type: none"> <li>• Memo titled <a href="#">EXCHANGE OF YOUR PA SHARES FOR A MIX OF NEW PA SHARES AND CASH</a> from Share Plans via email on March 5, 2021 to you (“the Memo”). If you are on the PA network, you can open a copy here: <a href="#">Jacobs Investment communication</a></li> <li>• 2016 Schedule K-1 (applies to people who were PA shareholders as of Dec. 31, 2016)</li> <li>• Your PA Shares and VLN history (Carlyle Investment period). If you are on the PA network, access <a href="#">here</a> and click on “Carlyle Investment period (December 2015 - March 2021)” for your 2021 PA shares history.</li> </ul>
STEP 2	<p>Finding the key figures from the applicable documents</p> <ul style="list-style-type: none"> <li>• Total Scheme value (Table 1 of the Memo / Totals in the Total Scheme value column)</li> <li>• Tax basis of the legacy PA Share Units / C Ordinary shares (see Tax Basis Determination Table below)</li> <li>• Cash proceeds (Table 1 of the Memo / Totals in the Exchanged for cash column)</li> </ul> <p>The values in Table 1 of the Memo are in GBP. Use Fx of GBP 1 = USD 1.3954 to convert to USD. For example, GBP 10,000 x 1.3954 = USD 13,954</p>
STEP 3	<p>Capital gain is the lower of</p> <p>(a) Total Scheme Value Less Tax Basis of the legacy PA Share Units / C Ordinary shares; or</p> <p>(b) Cash proceeds</p> <p>Report the capital gain transaction on 2021 Form 8949. When cash proceeds is the amount subject to tax, the cost / tax basis is \$0.</p> <p><b>Please note the PA does not issue Form 1099-B for PA share transactions.</b></p>

STEP 4	Is the capital gain determined in STEP 3 a long-term or short-term capital gain?	
	If you owned only legacy PA Share Units (this applies to most shareholders)	100% long-term capital gain
	<p>If you owned legacy PA Share Units and C Ordinary shares, and (this applies only to Partners)</p> <p>a. C Ordinary shares were acquired as of Dec. 31, 2016</p> <p>b. Some or all of C Ordinary shares were acquired in 2017, 2018 or 2019</p>	<p>100% long-term capital gain</p> <p>A portion of the capital gain related to C ordinary shares acquired after 2016 is treated as short-term capital gain. This is because these shares were fully vested on August 21, 2020 at the earliest and the Jacobs investment transaction took place on March 2, 2021, which is within 12 months from this vesting date.</p> <p><b><u>Short-term capital gain calculation</u></b></p> <p>If you are in this situation and cash proceeds is your capital gain, the short-term capital gain is computed as follows:</p> <p><b>Cash proceeds related to legacy C Ordinary shares</b> (See Table 1 of the Memo / C Ordinary Share Class in the Total Scheme value column multiplied by % of your total Scheme value paid in cash)</p> <p><b>Divided by</b> <b>Number of legacy C Ordinary shares exchanged</b> (See Table 1 of the Memo / C Ordinary Share Class in the Number sold column)</p> <p><b>Multiplied by</b> <b>Number of legacy C Ordinary shares acquired in 2017, 2018 and/or 2019</b> (See Tab C Shares of Your PA Shares and VLN history - Carlyle investment period)</p> <p>The long-term capital gain is your total cash proceeds less the short-term capital gain portion.</p>

### **Tax Basis Determination**

The tax basis of your legacy PA Share Units and/or C Ordinary shares can be found from the following sources:

<p>(1) Preference, B and C Ordinary shares purchased prior to Jan. 1, 2017 (this applies to shareholders who owned PA shares as of December 31, 2016)</p>	<p>The overall tax basis can be found in the footnote "FINAL YEAR RETURN" on page 7 of your 2016 Schedule K-1 (See Example I below).</p>
<p>(2) B Ordinary and Preference shares purchased post calendar year 2016</p>	<p>Find the tax basis from Tab "Share Units", column "Cost including UK stamp duty tax (USD)" of your PA Share and VLN history report – Carlyle Investment Period (See Example II below).</p>
<p>(3) C Ordinary shares purchased post calendar year 2016 (this applies to Partners only)</p>	<p>For shares purchased in 2017, 2018 and/or 2019, and vested on August 21, 2020, the base cost is \$3.38 (£2.63) multiplied by # of shares.</p> <p># of C Ordinary shares acquired during the respective years can be found in Tab "C shares", column "Purchase" of your PA Share and VLN history report – Carlyle Investment Period (See Example III below).</p>
<p>Your combined tax basis of the legacy PA shares is the sum of (1), (2) and (3). Item (3) does not apply to people who owned legacy PA Share Units only.</p>	

**Every effort has been made to ensure the accuracy of the notes above. However, you will appreciate that PA cannot accept final responsibility for the accuracy and completeness of your tax return. This is ultimately your sole individual responsibility by law, and you should consult with your tax advisor to be certain that you file a complete and accurate return.**

**Example I** The overall tax basis can be found in the footnote “FINAL YEAR RETURN” on page 7 of your 2016 Schedule K-1.

**FINAL YEAR RETURN** THE PARTNERSHIP WAS DEEMED TO CONTRIBUTE ALL OF ITS ASSETS AND LIABILITIES INTO A NEW CORPORATION IN EXCHANGE FOR ITS STOCK AS A RESULT OF THE PARTNERSHIP ELECTING TO CHANGE ITS ENTITY CLASSIFICATION FROM A PARTNERSHIP TO A CORPORATION FOR US FEDERAL INCOME TAX PURPOSES. THE PARTNERSHIP IS THEREAFTER DEEMED TO LIQUIDATE BY DISTRIBUTING THE STOCK OF THE CORPORATION TO THE PARTNERS. YOUR TAX BASIS IN THE STOCK OF THE CORPORATION DISTRIBUTED TO YOU IS 2,281.



**Example II** Find the tax basis from Tab “Share Units”, column “Cost including UK stamp duty tax (USD)” of your PA Share and VLN history report – Carlyle Investment Period.



Selected local <input type="text" value="USD"/>										Share Units purchases / sales are comprised of:	
Transaction date	Transactions	Purchases	Sales	Price per Unit (GBP)	Cost per Unit including UK stamp duty tax (GBP)	FX rate (USD)	Cost including UK stamp duty tax (GBP)	Cost including UK stamp duty tax (USD)	Cumulative Share Units	B Ordinary Shares	Preferences Shares
16-May-19	Special Award	98	0	6.5786	6.5786	1.2967	(644.70)	(835.98)	1,013	98	378
02-March-21	Sale to Jacobs	0	1,013	20.6406		0.0000			0	1,013	3,904
		<b>Purchases</b>	<b>Sales</b>						<b>Cumulative</b>	<b>Cumulative</b>	<b>Cumulative</b>
	<b>Total</b>	1,013	1,013						0	0	0

**Notes:**  
 While PA has made every effort to ensure the accuracy of the above information, the ultimate responsibility for record keeping and reporting taxable gains remains with you the taxpayer. Should you have any questions on this report please contact shareplans@paconsulting.com.  
 PA Share Units are comprised of one B Ordinary and 3.8543 Preference Shares (rounded) whose individual values are as follows:

**Example III** # of C Ordinary shares acquired during these years can be found in Tab “C shares”, column “Purchase” of your PA Share and VLN history report – Carlyle Investment Period.

Your C Ordinary shares history				
<b>Holder name:</b>	xxxxx			
<b>Holder reference:</b>	BS00xxxxx			
<b>Selected local currency:</b>	<input type="text" value="GBP"/>			
Transaction date	Transactions	Purchases	Sales	Price (GBP)
18-May-17	Purchase	10,000	0	0.0600
18-May-18	Purchase	10,000	0	0.1600
20-June-19	Purchase	10,000	0	0.9100
02-March-21	Sale to Jacobs	0	30,000	19.5122
		<b>Purchases</b>	<b>Sales</b>	
	<b>Total</b>	30,000	30,000	



## DENMARK

### Capital gains tax treatment applied to the new consideration you received on exchange of your PACG shares.

The PACG B Ordinary, Preference, C Ordinary share you held were exchanged for the following consideration:

<b>If you took the minimum level of value re-investment required in new Share Units</b>	50% in new Share Units of: <ul style="list-style-type: none"><li>- One Bidco B Ordinary share of £0.05</li><li>- 5.6 Bidco Preference shares of £1.00</li></ul> 50% in cash
<b>If you took a higher value re-investment in new Share Units</b> <b>80% EXAMPLE</b>	80% in new Share Units of: <ul style="list-style-type: none"><li>- One Bidco B Ordinary share of £0.05</li><li>- 5.6 Bidco Preference shares of £1.00</li></ul> 20% in cash

At the date of the Investment on 2<sup>nd</sup> March 2021 the following was triggered:

#### **PACG Share Units (B Ordinary and Preference share) value**

You should expect to pay capital gain tax on the full cash received. There is no deduction for the base cost of your PACG shares. Instead the base cost is transferred fully into the Bidco Share Units you receive.

#### **PACG C Ordinary share value**

The same basis applies as for Share Units. Your full cash received is subject to gains tax. The base cost is transferred into the Bidco Share Units.

#### **The Bidco Share Units you receive**

The Bidco Share Units received have an initial value of £5.65 as noted in the General section.

The full base cost of your PACG Share Units and/or C Ordinary shares is transferred to become the base cost of your BidCo Share Units unless you make Election Part 3. This base cost is apportioned between the new shares received in proportion to their fair market value. When you make Election Part 3, the Bidco Share Units you received are treated as having a base cost the same as their opening values (each new Share Unit being one £0.05 B Ordinary plus 5.6 £1.00 Preference shares).

You can expect to pay capital gains tax on the spread between the sale price and the tax base cost of the BidCo Share Units at their future point of sale

## **Guidance on completing your 2021 tax return**

In Denmark the tax return does not provide for notes to be included. We therefore recommend that a summary of the transaction is kept on file in the event of a future challenge to ensure consistent disclosure for the participants.

### **Sample disclosure – if held via a PHC**

#### *Share disposal and rollover*

On 2 March 2021 Jacobs Engineering Inc acquired the entire shareholding in PA Consulting Group Ltd. As part of this transaction the company through which I invested [Name of PHC entity] disposed of its entire shareholding and acquired shares in the new parent entity Green Consulting Solutions Ltd.

Subsequently PA Consulting Group Ltd changed names with Green Consulting Solutions Ltd.

Prior to the transaction [name of personal entity] held [Number] Ordinary Shares and [Number] Preference Shares in PA Consulting Group Ltd. The shareholding of preference shares and B ordinary shares were in the same proportion as shares held by external investors.

[Name of personal entity] acquired these shares for cash consideration of [original acquisition price of shares].

When [name of personal entity] disposed of its PA Consulting Group Ltd shares it received cash consideration of [consideration amount]. It also received shares in the new parent company Green Consulting Solutions Ltd. (renamed to PA Consulting Group Limited) of [consideration amount].

As [name of personal entity] held shares in PA Consulting Group Ltd, and unlisted company, it is anticipated that the participation exemption should apply, such that no taxable gains should have arisen in the hands of [name of personal entity]. However, the cash consideration has been reported as a dividend – i.e. 70% of the cash consideration is taxed at a rate of 22%.

Note the availability of the participation exemption should be confirmed by each individual and their advisers.

### **Sample disclosure – if held directly**

#### *Share disposal and rollover*

On 2 March 2021 Jacobs Engineering Inc acquired the entire shareholding in PA Consulting Group Ltd. As part of this transaction I disposed of my entire shareholding and acquired shares in the new parent entity Green Consulting Solutions Ltd.

Subsequently PA Consulting Group Ltd changed names with Green Consulting Solutions Ltd.

Prior to the transaction I held [Number] Ordinary Shares and [Number] Preference Shares in PA Consulting Group Ltd. The shareholding of preference shares and B ordinary shares were in the same proportion as shares held by external investors.

I acquired these shares for cash consideration of [original acquisition price of shares].

My PA Consulting Group Ltd shares were exchanged for shares in the new parent company Green Consulting Solutions Ltd. (renamed to PA Consulting Group Limited) and a cash consideration. The cash consideration of [consideration amount] is taxable as dividend, which I have reported in my tax return.

I have not reported a capital gain in respect of the exchanged shares

# Denmark sample tax return

For many Danish tax resident individuals an annual assessment is published in mid March following the income year (the calendar year). The annual assessment should be reviewed and amended as appropriate for any inconsistencies or transactions not already included on the assessment.

A Danish tax resident individual has to report any amendments to the annual statement before 1 May in the year following the income year. However dependent upon e.g. investments, the individual may have to file by 1 July in the year following the income year.

Any underpayment of tax for an income year will have interest (at 1.7% p.a. calculated on a daily basis) applied from the 1 January in the year following the income year. If the underpayment is not paid by 1 July 2022 and additional 3.7% should be due.

Danish tax returns should be filed online. You should report any amendments to the annual assessment in your individual tax folder on [www.skat.dk](http://www.skat.dk)

Please note if the possibility to report foreign income does not appear in your tax return/annual statement you have to ask the Danish Tax Authorities to open the field in your tax folder. In which case you should click "kontakte os, hvis du mangler en rubrik" (contact us, if you need a field).

## Mangler du en rubrik ovenfor?

Vi har tilpasset årsopgørelsen ud fra de oplysninger, vi har om dig. Hvis du mangler en rubrik, finder du den måske under *Anden indkomst og fradrag*, og ellers beder vi dig om at [kontakte os, hvis du mangler en rubrik](#). For det er dit ansvar, at du har oplyst om alle dine skatteforhold.

## How to report the sale of the PA shares – as an individual

There is no obligation to inform the Danish tax authorities of holdings of shares in unlisted companies.

When the conditions for a tax exempt share for share exchange are met – the individual Danish shareholder can decide whether or not, he/she want to consider the exchange of shares as a taxable event or not. In the comments below we have only described the amendment/reporting when considering the share for share exchange to be tax exempt.

When reporting income from abroad – You should choose "Ja" (yes) where it says "Udenlandsk indkomst" (foreign income)

Udenlandsk indkomst  
Har du udenlandsk indkomst fx løn for arbejde i udlandet for en dansk eller udenlandsk arbejdsgiver, pension, ejendom mv. fra udlandet?  
Rubrik 401 - 495  
 Ja  
 Nej

You should then click on the calculator next to the field "udenlandske aktier og investeringsbeviser" (foreign shares and investment units)

Udenlandske aktier og investeringsbeviser

You have to inform the Danish tax authorities about the country where you have received the income. Consequently you should choose Storbritanien (Great Britain) by expanding the menu "vælg land" (choose country). Followed by clicking "Næste" (Next)

Udenlandske aktier og investeringsbeviser  
Land  
Hvilket land modtager du indkomst fra, eller har formue i, der vedrører aktier eller investeringsbeviser?  
Vælg land  
401  
Tilbage Næste

As the income from the shares will have not been reported by a Danish bank (as they are unlisted shares), you have to add the income. This is done by clicking on "Tilføj aktie/investering" (Add share/investment)

Tilføj aktie/investering  
Samlet indkomst fra udenlandske aktier og investeringsbeviser  
Overfør beløb

In field 450 you add the cash consideration converted to DKK.

Udenlandsk udbytte, der er aktieindkomst fra aktier, der ikke er optaget til handel på et reguleret marked og fra aktier i kontoførende investeringsforeninger (for indeholdelse af evt. udenlandsk udbytteskat)  
450 00

After this you choose "Gem" (Save)

Tilbage Gem

Now you will come back to

Tilføj aktie/investering  
Samlet indkomst fra udenlandske aktier og investeringsbeviser  
Overfør beløb

This time you should click "Overfør beløb" (Transfer amount) and you will be taken back to your annual statement.

## NETHERLANDS

### Tax treatment applied to the new consideration you received on exchange of your legacy PA shareholding.

The B Ordinary, Preference, C Ordinary share you held were exchanged for the following consideration:

<b>If you took the minimum level of value re-investment required in new Share Units</b>	50% in new Share Units of: <ul style="list-style-type: none"><li>- One Bidco B Ordinary share of £0.05</li><li>- 5.6 Bidco Preference shares of £1.00</li></ul> 50% in cash
<b>If you took a higher value re-investment in new Share Units</b> <b>80% EXAMPLE</b>	80% in new Share Units of: <ul style="list-style-type: none"><li>- One Bidco B Ordinary share of £0.05</li><li>- 5.6 Bidco Preference shares of £1.00</li></ul> 20% in cash

At the date of the Investment on 2<sup>nd</sup> March 2021 the following was triggered:

#### **PACG Share Units (B Ordinary and Preference share) value**

You report in "Box 3" tax the total value of cash and new Share Units received (and still held by you) as part of normal year-end tax return asset reporting.

The Bidco Share Units received will continue to be a Box 3 investment.

#### **C Ordinary shares are considered lucrative investments.**

You report as Box 1 income value received for your C Ordinary shares less your purchase cost.

#### **The Bidco Share Units you receive**

The Bidco Share Units you receive in exchange for some or all of your C Ordinary share value will be treated as Box 3 income.

## Guidance on completing your 2021 tax return

We recommend that a summary of the transaction is kept on file in the event of a future challenge to ensure consistent disclosure for the participants.

### Sample disclosure

#### *Share disposal and rollover*

On 2 March 2021 Jacobs Engineering Inc acquired the entire shareholding in PA Consulting Group Ltd. As part of this transaction I disposed of my entire shareholding and acquired shares in the new parent entity Green Consulting Solutions Ltd.

Subsequently PA Consulting Group Ltd changed names with Green Consulting Solutions Ltd.

Prior to the transaction I held [Number] Ordinary Shares and [Number] Preference Shares in PA Consulting Group Ltd. The shareholding of preference shares and B ordinary shares were in the same proportion as shares held by external investors. As such these have been treated as a “Box 3” investment in my tax return.

## Netherlands sample tax return filing – Box 3 example (2021)

### Old MIP - Declaring your Box 3 position in PA Consulting Group Ltd in your income tax return 2021\*

**Aangifte inkomstenbelasting**

- Introductie ✓
- Persoonlijke gegevens van ✓
- Partner ✓
- Vooraf ingevulde gegevens ✓
- Persoonlijke gegevens Teun/tje Bili ✓
- Persoonlijke gegevens kinderen ✓
- Ondernemingen ✓
- Woningen en andere onroerende zaken ✓
- Bankrekeningen en andere bezittingen ✓
- Bank- en spaarrekeningen ✓
- Beleggingen**
- Hypotheek en andere schulden ✓
- Uitgaven ✓
- Aanvullende vragen ✓
- Verdielen ✓
- Overzicht belasting en premies ✓
- Naar verzenden

**Beleggingen**

Vul hier alleen uw privébeleggingen in.

Belegging: Aandelen in PA Consulting Group Ltd: € 200

Omschrijving: Aandelen in PA Consulting Group Ltd

Nummer: [ ]

Had u of deze belegging op 1 januari 2020?  Ja  Nee

Waarde op 1 januari 2020: € [ ]

Was het een zakelijke belegging?  Ja  Nee

Is het een groene belegging?  Ja  Nee

Was deze belegging alleen van [ ] en [ ]?  Ja  Nee

Ingehouden Nederlandse dividendbelasting: € [ ]

Is er buitenlandse belasting ingehouden?  Ja  Nee

\* Please note that the screenshot is based on the 2021 programme, although no changes are expected for 2022.

Project Green - MIP reporting  
PwC

Strictly private and confidential  
Draft

In box 3 you have to report your privately held investments (as applicable on 1 January). Please see an example below of specifically reporting your shareholding in PA Consulting Group Ltd. No separate capital gains tax is applicable.

The name or a description of the investment (e.g. Investment in PA Consulting Group Ltd). For completeness please note that this relates to the investment in the Preference Shares and B Ordinary Shares only.

The identification number of the investment (note this should not be applicable to this investment so should be left blank).

Include the value of your shares as per 1 January 2021

Include the amount of Dutch dividend withholding taxes withheld. As no dividends were distributed in 2021 you can include €0.

**New MIP - Declaring your Box 3 position in PA Consulting Group Ltd in your income tax return 2021\***

The screenshot shows the 'Beleggingen' (Investments) section of a Dutch tax return. The main form is for 'Aandelen in UK Topco'. The fields and their corresponding callouts are:

- Callout 1:** Points to the 'Omschrijving' field containing 'Aandelen in UK Topco'. Text: 'The name or a description of the investment (e.g. Investment in PA Consulting Group Ltd). For completeness please note that this relates to the investment in the B shares only.'
- Callout 2:** Points to the empty 'Nummer' field. Text: 'The identification number of the investment (note this should not be applicable to this investment so should be left blank).'
- Callout 3:** Points to the 'Ingehouden Nederlandse dividendbelasting' field showing '€ 0'. Text: 'Indicate if this investment was held on January 1, 2021 as was not the case for the new MIP.'
- Callout 4:** Points to the 'Is er buitenlandse belasting ingehouden?' field with the 'Nee' radio button selected. Text: 'Include the amount of Dutch dividend withholding taxes withheld. As no dividends were distributed in 2021 you can include €0.'
- Callout 5:** Points to the 'Had u of ... nog een belegging?' field with the 'Nee' radio button selected. Text: 'If applicable, you can include other investments here.'

\* Please note that the screenshot is based on the 2021 programme, although no changes are expected for 2022

**[Only include below if you held C shares]**

The C ordinary shares I held represented less than 5% of the overall share capital, and less than 5% of the C ordinary shares of PA Consulting Group Limited should therefore be considered a directly held lucrative investment i.e. a “Box 1” investment.

I acquired these shares for cash consideration of [original acquisition price of shares].

When I disposed of my PA Consulting Group Ltd shares which qualify as a Box 1 investment, I received cash consideration of [consideration amount]. I also received shares in the new parent company of PA Consulting Group Limited of [consideration amount] I have therefore realised a gain on my investment of [total consideration - price paid on acquisition] which I have reported in my tax return.

## Netherlands sample tax return filing – Box 1 example

### Proceeds Old MIP - Declaring Box 1 proceeds (if applicable\*) in the 2021 income tax return\*\*

The screenshot shows the 'Inkomsten uit overig werk' section of a Dutch tax return. The 'Land' dropdown is set to 'Nederland'. Under 'Inkomsten', there is an entry for 'Inkomsten lucratief belang in PA Consulting Group Ltd' with a value of '€'. Below this, there are fields for 'Aftrekbare kosten' (deductible costs) for 'Telefoon / internet', 'Afschrijving', and 'Reiskosten openbaar vervoer', all set to '€ 0'. At the bottom, there is a field for 'Reiskosten eigen vervoer (ten x € 0,19)'. Three callout boxes provide context: the first points to the 'Land' dropdown, the second points to the investment description, and the third points to the 'Inkomsten' value field.

The country in which you provided your services for the PA Consulting Group: i.e. the Netherlands

The name or a description of the investment (e.g. Lucrative Investment in PA Consulting Group Ltd). For completeness please note that this relates to the investment in the C Ordinary Shares.

The net proceeds realized as part of the transaction in 2021 relating to your C Ordinary shares in PA Consulting Group Ltd: i.e. the gross proceeds on the C Ordinary Shares minus the acquisition price of the C ordinary Shares

## NORWAY

### Capital gains tax treatment applied to the new consideration you received on exchange of your legacy PA shareholding.

The PACG B, Preference, C Ordinary share you held were exchanged for the following consideration:

<b>If you took the minimum level of value re-investment required in new Share Units</b>	50% in new Share Units of: <ul style="list-style-type: none"><li>- One Bidco B Ordinary share of £0.05</li><li>- 5.6 Bidco Preference shares of £1.00</li></ul> 50% in cash
<b>If you took a higher value re-investment in new Share Units</b> <b>80% EXAMPLE</b>	80% in new Share Units of: <ul style="list-style-type: none"><li>- One Bidco B Ordinary share of £0.05</li><li>- 5.6 Bidco Preference shares of £1.00</li></ul> 20% in cash

At the date of the Investment on 2<sup>nd</sup> March 2021 the following was triggered:

#### **PACG Share Units (B Ordinary and Preference share) value**

You should expect to pay capital gains tax on the entire value received (not just the cash element) less the original purchase cost (for any Share Units held at December 2015 the purchase cost is £3.95 per Share Unit (£0.10 per B Ordinary and £1.00 per Preference share).

#### **PACG C Ordinary share value**

You will pay capital gains tax on the total value received less your purchase cost.

#### **The Bidco Share Units you receive**

The Bidco Share Units received will have a base cost of £5.65 (£0.05 per B Ordinary and £1.00 per Preference share). You can expect to pay capital gains tax on any increase in the value at the future point you sell these new shares.

## **Guidance on completing your 2021 tax return**

We recommend that full information regarding the transactions is provided in an attachment to the annual tax return. Please see sample disclosure wording below.

### **Sample disclosure**

#### *Background*

On 2 March 2021 Jacobs Engineering Inc acquired the entire shareholding in PA Consulting Group Ltd. As part of this transaction, I disposed of my entire shareholding and acquired shares in the new parent entity Green Consulting Solutions Ltd.

Subsequently PA Consulting Group Ltd changed names with Green Consulting Solutions Ltd.

#### *Share disposal*

Prior to the transaction I held [Number] Ordinary Shares and [Number] Preference Shares in PA Consulting Group Ltd. I acquired these shares for cash consideration of [original acquisition price of shares].

When I disposed of my PA Consulting Group Ltd shares I received cash consideration of [consideration amount]. I also received shares in the new parent company Green Consulting Solutions Ltd. (renamed to PA Consulting Group Limited) of [consideration amount]. I have therefore realised a gain on my investment of [total consideration - £price paid on acquisition] which I have reported in my tax return.

#### *Share acquisition*

My acquisition of the shares in Green Consulting Solutions Ltd (renamed to PA Consulting Group Limited) was made at fair market price and terms as noted above this was a purchase by external party.

## How to report the sale of the PA shares

### Norway sample tax return filing – example Shares held as at 31 December 2021

Under «Foreign shares» include

Country where the company is located [UK]

Company name "PA Consulting Group Ltd"

Number of shares

Total FMV value of your shares as at 31 December in the  
income year 2021

**Utenlandske aksjer**

Land

Kontofører/bank

Kontonummer eller annen identifikator

Navn på aksjeselskap

ISIN

Antall aksjer per 31. desember i inntektsåret

Formus

Legg ved dokumentasjon

Skattepliktig utbytte

Legg ved dokumentasjon

Skattepliktig gevinst

Legg ved dokumentasjon

Fradragsberettiget tap

Legg ved dokumentasjon

Anvendt skjerming

[Legg til flere opplysninger](#)

Har du endret eller lagt til nye opplysninger? Fortell oss hvorfor.  
[Årsak til endring/nye opplysninger \(0\)](#)

### Norway sample tax return filing – example Shares held as at 31 December 2021

Under «Foreign shares» include

Country where the company is located [UK]

Company name "PA Consulting Group Ltd"

Number of shares

Total FMV value of your shares as at 31 December in the  
income year 2021

**Utenlandske aksjer**

Land

Kontofører/bank

Kontonummer eller annen identifikator

Navn på aksjeselskap

ISIN

Antall aksjer per 31. desember i inntektsåret

Formus

Legg ved dokumentasjon

Skattepliktig utbytte

Legg ved dokumentasjon

Skattepliktig gevinst

Legg ved dokumentasjon

Fradragsberettiget tap

Legg ved dokumentasjon

Anvendt skjerming

[Legg til flere opplysninger](#)

Har du endret eller lagt til nye opplysninger? Fortell oss hvorfor.  
[Årsak til endring/nye opplysninger \(0\)](#)

## SWEDEN

### Capital gains tax treatment applied to the new consideration you received on exchange of your legacy PA shareholding.

The PACG B Ordinary, Preference, C Ordinary shares you held were exchanged for the following consideration:

<b>If you took the minimum level of value re-investment required in new Share Units</b>	50% in new Share Units of: <ul style="list-style-type: none"><li>- One Bidco B Ordinary share of £0.05</li><li>- 5.6 Bidco Preference shares of £1.00</li></ul> 50% in cash
<b>If you took a higher value re-investment in new Share Units</b> <b>80% EXAMPLE</b>	80% in new Share Units of: <ul style="list-style-type: none"><li>- One Bidco B Ordinary share of £0.05</li><li>- 5.6 Bidco Preference shares of £1.00</li></ul> 20% in cash

At the date of the Investment on 2<sup>nd</sup> March 2021 the following was triggered:

#### **PACG Share Units (B Ordinary and Preference share) value**

You should expect to pay capital gains tax on the cash received less a proportion of the original purchase cost. The remainder of the base cost in your PACG shares is transferred into the Bidco Share Units you receive.

#### **PACG C Ordinary share value**

The same basis applies as for PACG Share Units

#### **The Bidco Share Units you receive**

The Bidco Share Units received will have a base cost equalling the base cost of your legacy PA Share Units and/or C Ordinary shares less the portion of the base costs allocated against the cash received.

You can expect to pay capital gains tax on the spread between the sale price and the tax base cost of the Bidco Share Units at their future point of sale. There is a risk that Swedish tax authorities might seek to tax the value increase on your Bidco Share Units less their base cost as income because the articles of the Company include the leaver provisions which could (should you for example join a competitor) require you to sell your PA shares at their original purchase cost rather than at their latest fair market value.

For the initial acquisition of Bidco shares, PA offered (and you must use the online form to accept) to disapply from the seventh anniversary of your share purchase, the leaver provisions in PA's articles. The seven year reference period is tax case law in Sweden on how long such article provisions can apply before the Swedish tax authorities may issue challenge that any share gains you make should be subject to income tax.

## **Guidance on completing your 2021 tax return**

It is recommended to include an open disclosure in a separate text attachment together with your tax return and K12 form when filed.

A sample disclosure has been set out below. You are advised to consult your personal tax advisor prior to filing your tax return and open disclosure.

### **Sample disclosure**

#### *Share disposal and rollover*

On 2 March 2021 Jacobs Engineering Inc acquired the entire shareholding in PA Consulting Group Ltd. As part of this transaction I disposed of my entire shareholding and acquired shares in the new parent entity Green Consulting Solutions Ltd.

Subsequently PA Consulting Group Ltd changed names with Green Consulting Solutions Ltd.

Prior to the transaction I held [Number] Ordinary Shares and [Number] Preference Shares in PA Consulting Group Ltd directly. The shareholding of preference shares and B ordinary shares were in the same proportion as shares held by external investors.

I acquired these shares for cash consideration of [original acquisition price of shares].

When I disposed of my PA Consulting Group Ltd shares, I received a [cash] consideration for some of the shares while other shares were rolled over into shares in Green Consulting Solutions Ltd (renamed to PA Consulting Group Ltd).

The cash consideration received amounted to [consideration amount] and the transaction is reported in my tax return on form K12 as PA Consulting Group Ltd was an unlisted entity and since my shares were deemed to be unqualified. The shareholders agreement I entered into when acquiring the shares in PA Consulting Group Ltd includes leaver provisions where I, in case such leaver events occur, would receive the lower of fair market value or cost.

I also received shares in the new parent company Green Consulting Solutions Ltd. (renamed to PA Consulting Group Limited) through a rollover of [consideration amount].

As I am resident in Sweden, the acquiring company was a UK resident limited liability company similar to a Swedish limited liability company, the acquiring company acquired 100% of the shares and voting rights in PA Consulting Group Ltd, and the exchange took place on a value for value basis i.e. the value of the shares that I exchanged of were equal to the value of the shares I acquired. I have therefore filed my return on the basis that the rules for deferred taxation (Sw. andelsbyte) should be applicable on this rollover. Due to this, I have not reported this transaction in any other way in my tax return.

I kindly ask that the Swedish Tax Agency reaches out in case of questions or if additional information is needed in relation to these transactions.

### **How to report the sale of the PA shares**

As the transaction occurred during calendar year 2021, the transactions should be reported and included in the tax return filed in May 2022. A pre-printed tax return for income year 2021 should be sent to you by the Swedish Tax Agency in March/April 2022.

The shares that were disposed of for cash consideration should be reported in the tax return on form K12. Please refer to the next slide where a detailed overview of how the form is to be filled out can be found.

In order to correctly calculate the taxable gain you need to calculate the portion of your acquisition costs for the shares disposed of by way of a cash disposal. The acquisition costs relating to the rollover shares are transferred onto to new shares received via that rollover.

The shares that were rolled over into shares of Green Consulting Solutions Ltd (renamed to PA Consulting Group Ltd) should not be reported on form K12. It is however recommended that an open disclosure is filed with the Swedish Tax Agency describing the transaction and why it should not trigger any taxable event.

The tax return can be filed online at the website for the Swedish Tax Agency or as a physical copy.

If a physical copy is submitted, the document should be sent to the following address:

*Skatteverket  
Inläsningscentralen  
Inkomstdeklaration 1, FE8000  
107 75 Stockholm  
Sweden*

Note the sample return overleaf shows how to report the investment assuming a capital treatment applies. However, for all MIPs in Sweden there is a risk of reclassification to income, unless leaver conditions are capped for a maximum of seven years.

### **Payment of residual taxes**

In June, August or December 2022, you will receive a final tax assessment from the Swedish Tax Agency (Sw. Besked, Beslut om årlig beskattning, inkomstår 2021) that will confirm your final tax liability for 2021. You will also receive a tax account statement (Sw. Kontoutdrag) showing whether a refund is due or if additional tax has to be paid. Any outstanding taxes are due no later than **three months** after you have received your final tax bill.

Interest costs will accrue on your tax account if you are expected to pay residual tax. If your residual tax is less than SEK 30,000 interest will accrue as of May 2. If your residual tax is expected to exceed SEK 30,000 the residual tax should be paid by 12 February 2022 in order to avoid interest from being levied.

It is possible to make a payment in advance into your personal tax account to mitigate any interest costs from being levied. Payment instructions can be found on the Tax Agency's website where you also can retrieve your personal reference (Sw. OCR-nummer) that is to be used if you make payments from a Swedish bank account.

If payments are made from a foreign account, please see the separate link below:

[For payments from a Swedish bank account](#)

[For payments from a foreign bank account](#)

# Sweden sample tax return filing – example

## Report sale of PA Shares - how to fill out form K12 (non-listed shares)

The disposal of PA shares that are not rolled over are deemed sold hence should be reported and taxed. These transactions should be reported on form K12 of your tax return.

On the first page of the form fill out the following:

- Which income year it refers to (this is pre-printed when the form is downloaded from the Swedish Tax Agency's website).
- The date when the form is filled out.
- When filing several K12-forms these should be numbered.
- Your name and personal identification number (Sw. personnummer)
- The name of the company and the company's Swedish organization number (if applicable) on the K12 form.



Du som här sålt eller fått utdelning på okvalificerade andelar i ett onoterat företag ska lämna den här blanketten. Ange belopp i hela kronor.

### Okvalificerade andelar K12 Onoterade företag

Inkomstår A	Datum när blanketten fylls i B
Numrering vid flera K12 C	
Namn D	Personnummer D
Företagets namn E	Organisationsnummer E

The sale of shares are reported in form K12 section B

- Total number of shares sold for cash consideration during 2021.
- Total sales price (total cash consideration).
- Total acquisition cost for the sold shares.
- Calculate the capital gain (sales price less acquisition cost).
- Summarize the total gains reported on this sheet.
- As the effective tax rate is 25%, a quotation is made by multiplying the gain with 5/6. (30% tax on 5/6 of the gain is the same as 25% on the total gain).
- The quota gain reported in box "6" should be included in box 7.4 of the tax return.

Please note that all amounts must be reported in whole SEK per transaction date, i.e. Swedish SEK per the sales date and acquisition date.

**B. Beräkna vinst eller förlust på onoterade aktier**

	Antal	Försäljningspris	Omkostnadsbelopp	Vinst	Förlust
1	1	2	3	4	
2					
3					
				= 5	=
				Vinst eller förlust x 5/6 = 6	=
				7	

För över beloppet till 7.4 Inkomstdeklaration 1

För över beloppet till 8.3 Inkomstdeklaration 1

## Sweden sample tax return filing –example

### *Report sale of PA Shares – include gain in tax return*

⑦ Inkomster - Kapital		Ange belopp i hela kronor
7.1	Schablonintäkter	
7.2	Ränteinkomster, utdelningar, vinst från bilaga K4 avsnitt C m.m.	
7.3	Overskott vid uthyrning av privatbostad	
7.4	Vinst fondandelar m.m. Vinst från bilaga K4 avsnitt A och B, K9 avsnitt B, K10, K10A, K11, K12 avsnitt B och K13.	
7.5	Vinst ej marknadsnoterade fondandelar m.m. Vinst från bilaga K4 avsnitt D, K9 avsnitt B, K12 avsnitt C och K15A/B m.m.	
7.6	Vinst från bilaga K5 och K6. Återfört uppskov från bilaga K2.	
7.7	Vinst från bilaga K7 och K8	

The sum of the capital gain according to form K12 section B (box 6 of the previous slide) shall be transferred to box 7.4 in your tax return.

The capital gain shall be filled in in the white box. If there is a pre-printed amount in the yellow box right next to it, you must add up the pre-printed amount with the gain reported on the K12-forms (box 6 of the previous slide) and fill out the total amount in the white box.

If a loss is calculated on form K12, the loss should be transferred to box 8.3 in your tax return.

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