



ESPP

Frequently asked Questions



What is the ESPP?

What is the ESPP?	The ESPP is an employee benefit that helps you share in any future success of the company.
How does the ESPP work?	You save an amount of money per month which is used to purchase shares in ConvaTec in the future at a discounted price.
How much will the shares be discounted by?	The shares are discounted by 15%
When is the discount applied?	The discount is applied at the start of your savings period. This price is known as the Option Price and is fixed – it won't change, regardless of what happens to the Company Share Price.
When and how do I join the ESPP?	Enrollment is open once a year for 3 weeks only, usually around the end of May. Please see the Enrollment FAQ for further information.



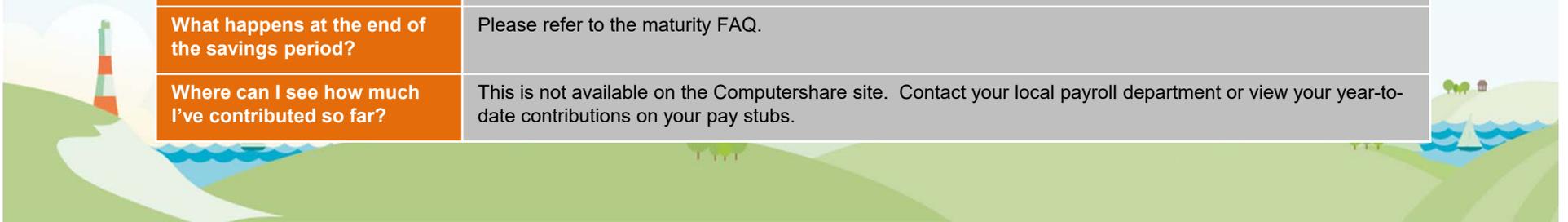
Enrollment FAQ

Am I eligible to join the ESPP?	You are eligible to join if you are a permanent employee who customarily works 20 or more hours a week for 5 or more months a year. You must also be continuously employed through the enrollment period.
When can I join the ESPP?	You can enroll once a year during the three week enrollment period.
How do I join?	The joining details will be emailed to you when enrollment opens. You can either enroll online or you can call Computershare on the toll free number provided.
How much can I save?	You can save the equivalent in USD of between £5 and £500 per month. The actual USD amount is calculated prior to the enrolment period using the company FX rates. Please note this amount is across all plans so you could be in two plans at the same time as long as you don't exceed the monthly limit.
How long do I save for?	The savings period is 24 months.
Where are my savings held?	Your savings are held in a ConvaTec unpledged account.
Will I receive interest on my savings?	No, the account is non interest bearing.
Is there any risk that I could lose my money?	No, the company will only exercise your option and purchase stock if the share price is equal to or greater than the option price. The option price is determined after enrollment closes and is fixed.



Enrollment FAQ

Will I be able to track what my savings are worth?	Yes, you can monitor the company share price at CONVATEC GROUP PLC CTEC Stock London Stock Exchange .
Can I access my savings if I need to?	No, not until the end of the savings period. If you need to access your savings you will need to close your account and therefore cancel the ESPP.
Can I cancel my ESPP?	You can stop saving at any time and get back all the money you have saved. But remember, once you cancel, you can't re-start the ESPP and you will forfeit your right to purchase stock. You would, however, be able to join the ESPP again when it launches the following year.
How do I cancel my ESPP?	Contact Computershare directly toll free on 866-644-4123 or 781-575-2903. Computershare will then liaise directly with your local Payroll to cease deductions from your pay. Payroll will reimburse your savings to you.
What happens if I can't make a payment?	If you are unable to make a payment, you would need to cancel your ESPP and your savings would be returned to you. You could, however, re-join the following year if you wish.
What happens if I leave the company?	If you cease to be an employee for any reason, your eligibility to participate in the ESPP will end and your savings will be refunded to you. In the event of your death, your savings will be refunded to your estate.
What happens if I take maternity leave?	You can continue to save. However, if you are unable to make a payment, you would need to cancel your ESPP and your savings would be returned to you. You could, however, re-join the following year.
What happens at the end of the savings period?	Please refer to the maturity FAQ.
Where can I see how much I've contributed so far?	This is not available on the Computershare site. Contact your local payroll department or view your year-to-date contributions on your pay stubs.



Maturity FAQ

When will my ESPP mature?	Each ESPP runs for a 2 year period and will usually mature the end of June each year.
What happens if the share price at maturity is lower than the option price?	If the share price is lower than the option price then no stock will be purchased for you and your savings will be returned to you.
Do I have to take any action myself at maturity?	No, ConvaTec and Computershare will handle the maturity for you and will only purchase stock if the share price is higher than the option price.
What happens if I don't want to purchase stock?	If you don't wish to purchase stock you will need to close your ESPP account before the maturity date.
How will I know when my ESPP matures?	You will receive a communication directly from Computershare once the maturity is finalized and the stock is transferred to your account.
When will I receive the stock?	Once maturity has been finalized the stock will be transferred to your Computershare online account. This process could take a couple of weeks to finalize.
Will I have to pay income tax on the stock received?	Yes, but the amount is dependent on whether you sell the shares before the holding period ends. Please refer to the tax information summary.
Do I have to pay social taxes on the stock received?	No, purchases of stock under a US Qualified ESPP are exempt from the definition of wages for US FICA (Social Security and Medicare)



Tax FAQ

Will I have to pay income tax on the stock received?

Qualifying Disposition

Upon a “qualifying disposition” a portion of the award would be taxed as ordinary income and a portion of the award would be taxed at capital gains rates. A qualifying disposition occurs if you hold the shares for more than two years after the enrolment date and more than one year after the purchase date; the taxable ordinary income upon disposition (sale) of the shares will equal the lesser of:

- the actual gain, or
- the purchase price discount

The capital gain (or loss) would equal the sale price less the ordinary income recognized less the purchase price.

Disqualifying Disposition

If the holding periods above are not met, then ordinary income would be equal to the fair market value on the date of purchase less the purchase price. The capital gain (or loss) would be equal to the sale price less ordinary income less purchase price.

State Tax Considerations

Please note that certain states do not recognise this form of share plan and may apply state tax withholding to the difference between fair market value of stock and amount employee paid for stock.



Who to contact

Computershare	Toll free at 866-644-4123 or 781-575-2903 Monday through Friday from 3am to 9pm Eastern time, excluding holidays
ConvaTec US Benefits Team	benefits@convatec.com
ConvaTec Global Benefits Team	Lisa Oldfield lisa.oldfield@convatec.com

