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[SAMPLE]

[Your Company]

Share Option Plan

[Today's Date]

Tax Information

GRANT:

- There are no income or social security taxes.

EXERCISE:

- **Income Tax** is payable up to a maximum rate of xx%, withheld by the local company.
- **Employee Social Security** is payable up to a maximum rate of xx%, withheld by the Local Company (capped)
- **Employer Social Security** is payable up to a maximum rate of xx%, payable by the Local Company (uncapped).
- The taxable amount is the amount by which the market value of the shares on Exercise exceeds the Exercise price.

SALE:

- **Capital Gains Tax** is payable on the growth in value of the shares up to a maximum rate of xx%, payable by the Participant.

OTHER / NOTES:

Additional Issues

Once a Participant has acquired shares in the Company, they will pay income tax on dividends received at a flat rate of xx%.

Tax Advantaged Arrangements

There are no specific tax advantaged arrangements available beyond the treatment stated above. It may be the case that a more tax beneficial approach is available using an alternative structure. Please speak to the ShareReporter team for further advice.

Corporate Tax Deduction

In principle, the Local Company may be able to claim a tax deduction for the cost of providing benefits to its employees under the Plan. To be able to claim this deduction, the cost will need to be recharged to the Local Company (under a written agreement).

Legal Issues

SECURITIES LAWS AND REGULATORY ISSUES:

Offers of securities are generally subject to the requirements of the Prospectus Regulation (Regulation (EU) 1129/2017). As the Awards are structured as options, they are generally interpreted as being 'non-transferable securities' that fall outside the scope of the Prospectus Regulation and therefore no prospectus or information document is required.

EXCHANGE CONTROLS:

There are no exchange control restrictions or filings required.

OTHER FILINGS AND REPORTS:

There are no reporting requirements (not covered elsewhere in the legal report) that are likely to impact on the Company's operation of the Plan.

AWARD DOCUMENTS AND COMMUNICATION:

Plan Documentation

There is no legal requirement to provide Participants with a copy of the Plan documentation. However, it is common practice that the Plan documentation (for example, the rules of the Plan) is made available to Participants to avoid misinterpretation of the rights and restrictions under the Plan.

Award Document Wording

It is recommended that the following is included in the Award documents:

1. wording to state that the Award is separate from and does not form part of the Participant's employment benefits to exclude any liability on the part of the Company or Local Company for the loss of an Award because of the Participant's termination of employment.
2. where Awards are granted regularly, a disclaimer against acquired rights.
3. a full indemnity in respect of income tax and social security contributions.
4. language to confirm that the Local Company is operating the Plan in accordance with the applicable data privacy notice.

Translations

There is no legal requirement to provide a translated version of the Plan documentation. However, if there are any concerns that the Participants will not understand the Plan, consideration should be given to providing a translated version of the key Plan documents (for example, the Award certificate and any FAQs).

Electronic Communications

There are no issues with the use of electronic communications.

Acceptance by Participants

Whether Award documents need to be counter-signed by Participants will be determined by the laws of the country in which the Plan is stated to be subject.

Jurisdiction Issues

The local courts will generally respect the laws under which the Plan documents are stated to be subject.

Salary Deductions

The Local Company may make deductions from Participants' salaries in connection with the Plan provided this is accordance with local laws. These deductions must be agreed to by Participants.

CONSULTATION AND EMPLOYMENT RIGHTS:

Works Councils

There is no legal obligation to consult works councils before implementing the Plan unless the Local Company is bound to do so under the terms of a collective agreement or trade union arrangement. Where such agreements are in place these must be respected, and the Local Company should consult with the employees or their representatives before implementing the Plan.

Local Laws

Discrimination (both direct and indirect) against employees on the grounds of protected characteristics (age, gender reassignment, being married or in a civil partnership, being pregnant or on maternity leave, disability, race, religion or belief, sex, sexual orientation) is prohibited. Consideration should be given to these issues when determining who should participate in the Plan, what should happen during a Participant's period of absence and what should happen when a Participant leaves employment.

Exclusion of Liability

It is permissible to exclude liability for compensation for the loss of Awards on the termination of employment although it may be challenged in case of dismissal without just cause.

Compensation

Participants may be able to make a claim for compensation for the loss of Awards on termination of employment.

Clawback Provisions

It is possible to provide that value derived from Awards may be clawed back in certain circumstances, but the enforceability will depend on how the specific clawback provisions are worded.

Restrictive Covenants

It is possible to provide that Awards may be forfeited in certain circumstances, but the enforceability will depend on how the specific restrictive covenants are worded.

DATA PRIVACY:

There are no specific requirements to make an external filing or registration for data protection purposes in respect of the Plan or the making of Awards. The Local Company needs to ensure compliance generally with the General Data Protection Regulation (GDPR) in relation to the way it handles data and by having proper data privacy procedures in place, including a data privacy notice for employees. The Local Company should ensure that its data privacy notice sufficiently captures participation in the Plan.

There is no legal requirement to add data privacy language to Award documentation. However, it is recommended to add language to confirm that the Local Company is operating the Plan in accordance with the applicable data privacy notice.

OTHER ISSUES:

There are no legal issues specific to the provision of Awards to employees (not covered elsewhere in the legal report) that are likely to impact on the Company's operation of the Plan.