



GLOBAL LAW SUMMARY

Stock Options

GLOBAL LAW SUMMARY

STOCK OPTIONS

OUR FIRM

International Law Partners, LLP is a law firm dedicated to assisting companies of all sizes with legal matters around the world. Our philosophy is to partner with our clients to provide practical legal solutions.

Our lawyers have extensive experience with cross-border legal matters and have practiced with leading international law firms. We have advised hundreds of multinational companies ranging from start-up companies to Fortune 50 companies on a wide spectrum of issues related to doing business overseas, among them, global equity compensation, global human resources, and international corporate, and regulatory matters.

A distinguishing feature of our firm is our integrated approach to multi-jurisdictional projects. We have long-standing relationships with leading law firms in more than 100 countries. We provide our clients with seamless service and cost-effective solutions.

GLOBAL EQUITY COMPENSATION

We advise multinational companies on the design, implementation, and maintenance of equity compensation programs around the world. These programs include stock options, stock appreciation rights, restricted stock units (“RSUs”), restricted stock, and employee stock purchase rights. We counsel clients on all tax and regulatory issues associated with offering such programs on a global basis. Our extensive experience enables us to apprise our clients of current best practices and to help them avoid regulatory, tax, and cultural pitfalls.

Failure to properly assess the legal issues in each country prior to implementation can result in fines, tax liabilities, administrative burdens and costs, criminal penalties, negative publicity, and employee dissatisfaction. Careful consideration of such issues in each country prior to implementation is essential for success.

We advise multinational companies on cross-border labor law, employee and employer taxation, securities, foreign exchange, cross-border data privacy, and e-commerce regulations relating to the offer of equity to employees worldwide. Some of the matters are as follows:

Securities. Since equity compensation programs by their nature involve the offer of company stock to employees, local securities laws must be considered. We guide our clients through securities compliance requirements, including registering equity compensation programs, drafting prospectuses, and completing any on-going reporting requirements. We advise clients on securities compliance requirements in all jurisdictions.

Foreign Exchange. Most equity compensation programs involve the transfer of funds across borders. We guide our clients through the intricacies of the local exchange control restrictions that affect the transfer of funds and securities by the parent company, employer, and employee. In addition, we obtain the necessary exemptions or approvals from the regulatory authorities to allow the remittance of funds abroad and the receipt of the benefits from the programs.

Data Privacy. Data privacy is an important and often confusing area of the law. Because employee information is almost always collected, stored, and transferred in the administration of equity compensation programs, the local data privacy laws must be addressed. We work with clients to structure the administration of these programs so that they comply with the local data privacy laws and, where necessary, obtain the appropriate approvals.

Employment Law. Because equity compensation programs are provided to employees, local employment laws must be considered. We work with clients in drafting and offering equity compensation programs so that the parent company and the employer can mitigate the negative consequences of these laws.

Taxation of the Local Entity. The taxation of the local entity and the allocation of costs for offering equity compensation programs is often a significant internal issue for clients. We provide clients with alternatives to: (i) mitigate the tax consequences to the local subsidiary or branch that result from extending equity compensation programs to its employees; (ii) arrange for the costs of the programs to be allocated to the appropriate entity; and (iii) mitigate the tax consequences that result from the local subsidiary or branch reimbursing the parent company for the cost of such programs.

Taxation of Employee. The taxation of equity compensation is always a concern of our clients and their employees. We help clients find solutions to potentially onerous tax obligations by structuring their equity compensation programs to take advantage of the local tax regulations and to minimize the employees' tax liabilities wherever possible. In many countries, we are able to provide clients with alternatives, such as adopting subplans, that allow the company and its employees to take advantage of preferential tax treatment.

Employer Tax Withholding and Reporting. One of the concerns in offering equity compensation programs is the scrutiny that can be imposed by the local tax authorities. We work with our clients to determine whether the parent company or the local subsidiary is obligated to withhold income tax or social insurance contributions on the benefits received by employees. We also help establish the administrative procedures necessary to remit the taxes or contributions owed to local agencies.

Program Design. Global programs must provide the flexibility necessary to give the company the tools it needs to comply with the legal and statutory requirements of multiple countries. We work with clients to draft comprehensive program documents that address their current needs, but also anticipate future developments under local law. In addition, we work with clients in modifying existing U.S. programs to create the flexibility needed to offer these programs abroad.

Employee Communications. An important aspect of any equity compensation program is the manner in which the program and its benefits are communicated to employees. We assist clients in drafting employee communication materials, which include offer letters, program summaries, agreements, enrollment forms, and tax supplements. Relying on our considerable experience, we are able to help clients communicate unfamiliar concepts in terms that are understandable for the local employees. In addition to drafting these documents, we assist clients in preparing translations into local languages.

E-Commerce. An understanding of electronic commerce issues is increasingly important in the administration of equity compensation programs. We also understand that the traditional paper-intensive practice of administering these global programs is financially and administratively burdensome. We work with clients in structuring the administration of these programs so that they can take advantage of their e-mail and intranet systems to communicate the benefits of the programs to employees and to facilitate the electronic grant acceptance, program enrollment, and exercise of the benefits.

Exchange Offers. We have assisted numerous clients with the exchange of underwater stock options and underwater stock appreciation rights for new stock awards. Such exchanges implicate tax, securities, labor, and other laws around the world. The timelines for these projects are very short and require preparation of an exchange offer document for submission to the U.S. Securities and Exchange Commission. For these exchange offers, we have drafted employee communications for each of the affected countries. We also provide clients with a detailed explanation of the tax consequences and other legal implications of the exchange offer and complete the necessary filings in each country.

GENERAL INFORMATION

This Global Law Summary outlines some of the issues that should be considered in connection with employee stock plans and is not intended to be a comprehensive guide. The laws applicable to employee stock plans are subject to change and depend in large measure on a company's particular facts and circumstances. The content in this Global Law Summary is for informational purposes only and does not constitute legal advice or establish an attorney-client relationship.

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REGULATORY COMPLIANCE

SECURITIES LAW	Securities registration is not required provided (i) the offer is only to compensate employees, (ii) no company shares are traded in Argentina, and (iii) there is no advertising of the offer to the public. Award materials should be addressed to individual employees.
DATA PRIVACY	Generally, the processing and transfer of an employee's personal data is permissible with such employee's consent. Any database containing an employee's personal data must be registered with the data privacy authorities.
FOREIGN EXCHANGE	Central Bank approval is not required for transfers into or out of Argentina that do not exceed US\$2 million per month. A deposit into a non-interest bearing account is required for the portion of any repatriation to Argentina, including from the sale of shares, exceeding US\$2 million per month.

EMPLOYMENT

LABOR ENTITLEMENTS	Stock plan benefits routinely granted to an employee may be included in calculating severance benefits. Involuntarily terminated employees may seek severance benefits, continued vesting, or other rights. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
ELECTRONIC EXECUTION	Generally, electronic execution of award agreements by employees is enforceable.
TRANSLATION	Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

EMPLOYEE TAX	The spread is taxed upon exercise. There is no tax imposed upon the sale of shares.
EMPLOYER TAX	<u>Subsidiary Deduction.</u> If the subsidiary reimburses the cost of the stock plan benefits to the parent company, it may be able to deduct the cost. However, a withholding tax of 31.5% is imposed on such reimbursement. <u>Withholding and Reporting.</u> Withholding and reporting are required upon exercise.
SOCIAL INSURANCE CONTRIBUTIONS	Generally, social insurance contributions are imposed on the employer and employee upon exercise.

REGULATORY COMPLIANCE

- SECURITIES LAW** Disclosure requirements apply unless an offer falls within (i) an exemption under Section 1012D or Section 708 of the Corporations Act, (ii) a Class Order issued by the Australian Securities Investments Commission (“ASIC”), or (iii) an individual exemption granted by ASIC.
- DATA PRIVACY** Generally, the processing and transfer of an employee’s personal data is permissible with such employee’s consent. The manner in which an employee’s tax identification information may be used is restricted.
- FOREIGN EXCHANGE** Transfers of currency in excess of A\$10,000 are subject to routine reporting requirements.

EMPLOYMENT

- LABOR ENTITLEMENTS** Involuntarily terminated employees may seek continued vesting or other rights. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials is not required.

TAXATION

- EMPLOYEE TAX** Generally, the spread is taxed upon exercise. If an option is a “qualifying right,” the employee may elect to accelerate the taxable event from exercise to grant. However, if proposed legislation is enacted, options granted on or after July 1, 2009 will be taxable upon grant unless they are subject to a “real risk of forfeiture.” Only 50% of any gain is taxed on shares held for 12 months or longer.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Generally, withholding is not required. The employee and employer are required to report stock plan benefits.
- SOCIAL INSURANCE CONTRIBUTIONS** Stock plan benefits are subject to a medicare tax, as well as a potential surcharge.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Austrian securities law. An exclusion from the Directive is available for certain offerings. Generally, non-transferable options are not deemed securities subject to the Directive. Options that are deemed securities may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data is permissible with such employee's consent. However, notification to the data privacy authorities is required for any transfer of personal data outside the EU. Any database containing an employee's personal data must be registered with the privacy authorities.
- FOREIGN EXCHANGE** If shares have a value as of December 31 of more than €75,000 and are deposited in a bank outside of Austria, the account is required to be reported on or before March 31 of the following year to the Austrian National Bank.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may be included in determining any required severance benefits. Involuntarily terminated employees may seek continued vesting or other rights. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with any works council and anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** The spread is taxed upon exercise. Any gain from the sale of shares is only taxed when the shares are not held for longer than 12 months.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Withholding and reporting are required upon exercise.
- SOCIAL INSURANCE CONTRIBUTIONS** The employer is required to withhold employee and employer social insurance contributions (subject to a cap) imposed on stock plan benefits.
- PREFERENTIAL TAX TREATMENT** An exemption of €1,460 per year of the spread is available for all options regardless of the grant date if certain conditions are met (*e.g.*, a five-year holding period from acquisition of the shares; the option is granted and exercisable in the same year, etc.). For options granted prior to April 1, 2009, if certain requirements, including holding periods, are satisfied, 10% to 50% of the spread may be exempt from tax and tax may be deferred on the taxable portion of the spread if the aggregate value does not exceed €36,400. If certain requirements are satisfied, a lower tax rate may be imposed on the spread.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Belgian securities law. An exclusion from the Directive is available for certain offerings. Generally, non-transferable options are not deemed securities subject to the Directive. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data is permissible with such employee's consent. However, notification to the data privacy authorities generally is required for any transfer of personal data outside the EU. Any database containing an employee's personal data must be registered with the privacy authorities.
- FOREIGN EXCHANGE** Generally, there are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with any agreements with works council and anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** If the option is accepted in writing by the employee within 60 days of the "offer date" (*i.e.*, the date the materials are received by the employee), tax is imposed on the 60th day following the offer date. If the option is not received by the employee within 60 days of the offer date, tax is imposed upon exercise. Tax is payable on the value of the option on the offer date. No tax is imposed upon the sale of the shares.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company, it should be able to deduct the cost. Withholding of income tax and social insurance contributions generally is required if the subsidiary reimburses the cost of the stock plan benefits to the parent company.
- Withholding and Reporting. Generally, withholding is required if the subsidiary reimburses the cost of the stock plan benefits to the parent company or if the subsidiary is involved in the administration of the plan or in the delivery of the award. Annual reporting is required by March 31 of the year following the year income is realized.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are not imposed unless the subsidiary reimburses the parent company for the cost of the stock plan benefits or the subsidiary is involved in the administration of the plan or in the delivery of the award.
- PREFERENTIAL TAX TREATMENT** If certain requirements are satisfied, including a restriction on exercise for three years, preferential tax rates are available. Even if the award does not contain such requirements, by voluntarily complying with requirements, the employee can obtain preferential tax treatment.

REGULATORY COMPLIANCE

- SECURITIES LAW** No securities law requirements apply.
- DATA PRIVACY** Since there is a constitutional right to privacy, obtaining employee consent is recommended in order to process and transfer personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** The foreign exchange requirements have been liberalized. The documents required by the bank for purposes of remittances related to employee stock plans are generally (i) the stock plan and (ii) a document evidencing that the employee participated in the plan (*e.g.*, the award agreement). A bank, however, may still require documents that are no longer required by the Central Bank. Shares held abroad must be reported annually to the tax authorities and the Central Bank if such holdings exceed a specified limit (typically, US\$100,000).

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may be included in calculating severance benefits. Involuntarily terminated employees may claim vesting or other rights. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** As long as the shares are not sold immediately after exercise of the option (*e.g.*, via cashless exercise), there is no tax upon the exercise of options. Generally, tax is imposed upon the sale of the shares to the extent the proceeds are more than R\$35,000 per month.
- EMPLOYER TAX** Subsidiary Deduction. Generally, if the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to a written reimbursement agreement and the plan is offered to all employees of the subsidiary, it should be able to deduct the cost and social insurance contributions may be payable on such benefits. If the subsidiary reimburses the parent company for the cost of the stock plan benefits, the ability to obtain exchange control approval is likely to prevent reimbursement.
Withholding and Reporting. Generally, tax withholding and reporting are not required.
- SOCIAL INSURANCE CONTRIBUTIONS** If the subsidiary reimburses the parent company for the cost of the stock plan benefits, or grants are routinely made to employees, social insurance contributions may be payable on such benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** Generally, as the result of an exemption pursuant to National Instrument 45-106, there are no securities restrictions or prospectus requirement for stock plan awards to employees.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data is permissible with such employee's consent. There may be additional requirements at the provincial level.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits granted to an employee may be included in calculating severance benefits. Employees are entitled to advance notice of termination of employment and continue to vest until such notice is provided. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of the date the employee receives notice of termination.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Except for Quebec, translation of plan materials is recommended but not required. Plan materials provided to employees in Quebec must be translated unless the employee waives the right to translated material.

TAXATION

- EMPLOYEE TAX** The spread is taxed upon exercise. If the exercise price is the fair market value of the shares on the grant date and the underlying shares are traded on a recognized exchange and are deemed "prescribed shares," the employee may be able to deduct 50% of the spread. The employee may be able to defer payment of tax until the sale of shares on the first C\$100,000 of options that vest in a particular year. Tax is imposed on 50% of any gain upon the sale of shares. If certain conditions are satisfied, the employee may be able to deduct 50% of such gain.
- EMPLOYER TAX** Subsidiary Deduction. The subsidiary may not deduct the cost of stock plan benefits, even if it reimburses the parent company for such benefits.
Withholding and Reporting. Although whether withholding of income tax is required is somewhat unsettled, withholding is recommended. Withholding of social insurance contributions is required. Reporting is required upon exercise.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, stock plan benefits (up to a cap) are subject to social insurance contributions.

REGULATORY COMPLIANCE

- SECURITIES LAW** No securities law requirements apply provided the grant is a private offer.
- DATA PRIVACY** Generally, the processing and transfer of an employee’s personal data is permissible with such employee’s consent. Any consent for the cross-border transfer of personal data is required to be in Spanish.
- FOREIGN EXCHANGE** Reporting requirements apply to an investment in a non-Chilean company shares greater than US\$10,000. Investments in excess of this limit must be made through a formal exchange market (*e.g.*, commercial banks and other authorized entities). Such requirements also apply if the options are exercised via the cashless exercise method. Additional annual reporting requirements to the Central Bank apply for cumulative investments outside Chile greater than US\$5 million.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may be included in calculating severance benefits. Involuntarily terminated employees may seek continued vesting or other rights. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Although translation of plan materials is not legally required, the Labor Authority has expressed its view that such materials should be translated. Consent for the transfer of personal data is required to be translated. Accordingly, translation of plan materials is recommended. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** The spread is taxed upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it may be able to deduct the cost. Tax withholding is required if the subsidiary reimburses the parent company for the cost of the stock plan benefits and deducts such cost. The subsidiary may be taxed on such reimbursement.
Withholding and Reporting. Withholding and reporting are required if the subsidiary reimburses the parent company for the cost of the stock plan benefits and deducts such cost.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions should not be payable on stock plan benefits unless the subsidiary deducts such benefits from its taxes.

REGULATORY COMPLIANCE

SECURITIES LAW	Any public offer of securities is subject to approval by the China Securities Regulatory Commission (“CSRC”). The CSRC has indicated that the offer of employee stock plans does not constitute a public offer. Because the CSRC’s guidance has been unofficial and non-binding, a non-Chinese company granting stock options can reduce the likelihood of employee grievances (and CSRC scrutiny) concerning the stock awards by requiring that stock options be exercised via the cashless exercise method.
DATA PRIVACY	Employee consent is recommended in order to process and transfer personal data in connection with the administration of a stock plan.
FOREIGN EXCHANGE	A non-Chinese company offering an employee stock plan is required to obtain State Administration of Foreign Exchange (“SAFE”) approval. The company also must open an account with a Chinese bank to handle foreign exchange transactions.

EMPLOYMENT

LABOR ENTITLEMENTS	The application of the Labor Contract Law, which became effective as of June 1, 2008, to employee stock plans remains uncertain. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. Since an employer must pay wages in cash (as opposed to negotiable securities), stock plan benefits should not be designated as wages.
ELECTRONIC EXECUTION	Generally, electronic execution of award agreements by employees is enforceable.
TRANSLATION	Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

EMPLOYEE TAX	The spread is taxed upon exercise. When the shares are sold, tax is imposed on any gain.
EMPLOYER TAX	<u>Registration.</u> A stock plan must be registered with the local tax authorities before awards are made to employees. <u>Subsidiary Deduction.</u> If the subsidiary reimburses the parent company for the cost of the stock plan benefits, it may be able to deduct such benefits. <u>Withholding and Reporting.</u> Income tax withholding and reporting are required upon exercise.
SOCIAL INSURANCE CONTRIBUTIONS	The spread may be subject to social insurance contributions, including the United Pension Fund.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Czech securities law. An exclusion from the Directive is available for certain offerings. As long as options are not deemed securities subject to the Directive, no prospectus is required. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data is permissible with such employee's consent. In addition, any database containing an employee's personal data must be reported and approved by the privacy authorities before the processing and transfer of such data.
- FOREIGN EXCHANGE** Unless an employee obtains approval from the Czech National Bank to hold proceeds from the sale of shares abroad, repatriation of such proceeds is required. Employees must also notify the Czech National Bank within 15 days of opening an overseas account and must file an annual report with the account balance by January 31 of the following year. Any purchase or sale of shares that is not transacted with a broker licensed under Czech law must be registered with the Czech National Bank.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may be considered in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the annual agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with any works council and anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Upon exercise, tax is imposed on the spread. When the shares are sold, tax is imposed on any gain if the shares are held for less than six months.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Tax withholding and reporting are required upon exercise if the subsidiary deducts the cost of the stock plan benefits.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, unless the subsidiary reimburses the cost of the stock plan benefits to the parent company or the Czech subsidiary's shares are offered under the plan, the stock plan benefits are not subject to social insurance contributions and health insurance tax.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Danish securities law. An exclusion from the Directive is available for certain offerings. As long as options are not deemed securities subject to the Directive, no prospectus is required. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data is permissible with such employee's consent. However, notification to the data privacy authorities generally is required prior to processing an employee's personal data.
- FOREIGN EXCHANGE** Aside from the reporting of certain foreign exchange accounts to the tax authorities, there are no foreign exchange restrictions.

EMPLOYMENT

- LABOR ENTITLEMENTS** The 2004 Share Option Act provides certain rights to employees receiving stock awards. For instance, other than for misconduct, a terminated employee has continued unwaivable rights to both vested and unvested stock options. An employee following termination also may be entitled to a pro-rata share of any awards given to similarly situated employees on the year of such termination. The employer should comply with anti-discrimination requirements. A translated copy of employees' rights with respect to stock plan benefits must be provided to employees.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** A translated summary of employees' rights under the 2004 Stock Option Act with respect to stock plan benefits must be provided to employees.

TAXATION

- EMPLOYEE TAX** The spread is taxed upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. Generally, if the option is exercised for treasury shares and the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. The employer is required to report the stock award income on the annual wage statement provided to the employee and the authorities. The employer is not required to withhold income or social insurance contributions.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, social insurance contributions are payable on the spread at exercise.
- PREFERENTIAL TAX TREATMENT** If certain requirements are satisfied (*e.g.*, holding shares for specified period of time), taxation can be deferred until the sale of the shares.

REGULATORY COMPLIANCE

- SECURITIES LAW** No securities law requirements apply to employee stock plans.
- DATA PRIVACY** Employee consent is recommended in order to process and transfer personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** The spread is taxed upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the parent company for the cost of the stock plan benefits, it may be able to deduct such cost.
Withholding and Reporting. Tax withholding and reporting are likely required.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are not imposed on stock plan benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** As long as the underlying shares are not listed on either the Cairo or Alexandria Stock Exchange and the subsidiary is not directly involved in the offering and administration of the plan, there should be no securities law requirements.
- DATA PRIVACY** Employee consent is recommended in order to process and transfer personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** Any transfer of funds in connection with the plan must be via a licensed bank.

EMPLOYMENT

- LABOR ENTITLEMENTS** Although employee claims with regard to stock plan benefits are not common, exposure to such claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** If the subsidiary reimburses the cost of the stock plan benefits to the parent company, the spread is taxed upon exercise. If the subsidiary does not reimburse the parent company, the spread is taxed upon sale. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. Even if the subsidiary reimburses the cost of the stock plan benefits to the parent company, it may not be able to deduct the cost.
Withholding and Reporting. Generally, as long as the subsidiary does not reimburse the cost of the stock plan benefits to the parent company, tax withholding and reporting are not required.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are not imposed on stock plan benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Finnish securities law. An exclusion from the Directive is available for certain offerings. As long as options are not deemed securities subject to the Directive, no prospectus is required. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data is permissible with such employee's consent. In addition, any database containing an employee's personal data should be registered with the data privacy authorities.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may be included in determining severance benefits. Involuntarily terminated employees may seek continued vesting or other rights. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** The spread is taxed upon exercise. When the shares are sold, tax is imposed on any gain. Wealth tax may be imposed on the underlying shares.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the parent company for the cost of the stock plan benefits pursuant to an inter-company agreement, the awards are made as a result of an employment relationship, and the underlying shares are publicly acquired, it should be able to deduct such cost.
Withholding and Reporting. Tax withholding and reporting are required upon exercise.
- SOCIAL INSURANCE CONTRIBUTIONS** Health insurance premiums are imposed on the spread upon exercise.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in French securities law. An exclusion from the Directive is available for certain offerings. Generally, non-transferable options are not deemed securities under the Directive. Options that are deemed securities may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee’s personal data in connection with the administration of an employee stock plan is permissible with such employee’s consent. In addition, any database containing an employee’s personal data must be registered with the Commission Nationale de L’Informatique et des Libertes (“CNIL”) before the processing and transfer of such data.
- FOREIGN EXCHANGE** Employees must satisfy certain declaration requirements (disclosure of foreign bank accounts on tax returns) in connection with currency transfers.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Involuntarily terminated employees may seek continued vesting or other rights. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with works council and anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** As a result of certain Court de Cassation rulings, it is recommended that the plan documents, or at a minimum, the material terms governing plan administration, vesting, exercise rights, termination consequences, and employee entitlements be translated, or an English and French language disclaimer be included in the awards agreement. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Options not granted pursuant to a tax-deferred plan are taxed upon exercise on the spread. When the shares are sold, tax (subject to exemptions) and a 1.1% solidarity surtax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. Generally, if the option is exercisable for treasury shares and the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the amount paid by the parent company to purchase and reissue the shares.
Withholding and Reporting. Reporting is required upon exercise. Additional reporting requirements apply to tax-preferred options. The subsidiary is required to withhold social insurance contributions, but not income tax.
- SOCIAL INSURANCE CONTRIBUTIONS** The spread on options that are not tax-preferred is subject to social insurance contributions (and to a lesser extent for tax-preferred options).
- PREFERENTIAL TAX TREATMENT** Preferential tax treatment (deferral of tax until sale of the shares at reduced tax rates) is available for options that satisfy certain requirements (*e.g.*, a four-year restriction on sale, grant periods, and exercise price). There is a significant reduction in the amount of social insurance contributions payable on tax-preferred options.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in German securities law. An exclusion from the Directive is available for certain offerings. Generally, options are deemed securities under the Directive. The offer of options may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent. Such consent must be distinguishable in appearance (*e.g.*, different type of font) from other provisions. Generally, any database containing an employee's personal data must be registered with the data privacy authorities.
- FOREIGN EXCHANGE** Generally, any inbound or outbound remittance greater than €12,500 must be reported to the Federal Bank by either the banking institution or by the individual.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Involuntarily terminated employees may seek continued vesting or other rights. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with works council and anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** The spread is taxed upon exercise. Beginning January 1, 2009, any gain upon the sale of shares greater than €801 (including any gains unrelated to employee stock plans) is taxed at a flat rate of 25% and is subject to a 5.5% solidarity tax.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Tax withholding and reporting are required upon exercise.
- SOCIAL INSURANCE CONTRIBUTIONS** Stock plan benefits (up to a cap) are subject to social insurance contributions.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Greek securities law. An exclusion from the Directive is available for certain offerings. As long as options are not deemed securities under the Directive, no prospectus is required. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee’s personal data in connection with the administration of an employee stock plan is permissible with such employee’s consent. Approval from the data privacy authorities is required for transfer of personal data outside the EU unless the employee is notified of the processing of his or her personal data and such data is directly related to the employment relationship. Any database containing such data must be registered with the data privacy authorities.
- FOREIGN EXCHANGE** The bank involved in remitting any funds abroad will likely require certain information from the employee or the company.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Upon exercise, the spread is taxed as employment income. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Generally, unless the subsidiary reimburses the cost of the stock plan benefits to the parent company, withholding is not required. Reporting is required on a payroll certificate and on an annual payroll tax return.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, social insurance contributions are imposed upon exercise.
- PREFERENTIAL TAX TREATMENT** Preferred tax treatment may be available for options granted by Greek companies.

REGULATORY COMPLIANCE

- SECURITIES LAW** There are no securities requirements as long as the award is to employees only, is non-transferable, and is subject to a minimum six-month vesting requirement.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent. Any database containing an employee's personal data may need to be registered with the data privacy authorities.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. Under the Occupational Retirement Schemes Ordinance, a stock plan that pays benefits in cash may be deemed a retirement scheme.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** The spread is taxed upon exercise. There is no tax when the shares are sold.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the parent company for the cost of the stock plan benefits pursuant to an inter-company agreement, it may be able to deduct such benefits.
- Withholding and Reporting. Tax withholding is not required. Annual reporting of stock plan benefits is required on the employee's salary statement.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are not imposed on stock plan benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Hungarian securities law. An exclusion from the Directive is available for certain offerings. Generally, non-transferable options are not deemed securities subject to the Directive. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data is permissible with such employee's consent. Any database containing an employee's personal data must be registered with the data privacy authorities.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases upon termination of employment. The employer should comply with any works council and anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Options are taxed upon exercise on the spread. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Generally, there are withholding and reporting requirements.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, social insurance contributions are imposed upon exercise.
- PREFERENTIAL TAX TREATMENT** If certain requirements are met, preferential tax treatment may be available.

REGULATORY COMPLIANCE

- SECURITIES LAW** No securities law requirements apply provided the offer is made to employees.
- DATA PRIVACY** It is recommended that written consent is obtained from employees for the processing and transfer of their personal data in connection with the administration of an employee stock plan. Indian subsidiaries with 100 or more employees must keep all personal data records available for review by employees.
- FOREIGN EXCHANGE** Employees of an Indian subsidiary may remit funds in unlimited amounts outside of India to purchase shares in a foreign parent company under an employee stock plan if (i) the parent company owns at least 51% of the subsidiary; (ii) the awards are offered in a uniform manner around the world; and (iii) an annual return is filed by the company to the Reserve Bank of India (“RBI”). Any proceeds from the sale of shares must be repatriated within 90 days of such sale.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an involuntarily terminated employee may be included in calculating severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials is recommended but not required. Governmental filings must be in English.

TAXATION

- EMPLOYEE TAX** As of April 1, 2009, options are subject to income tax upon exercise. Prior to April 1, 2009, stock awards to an employee were subject to fringe benefit tax which is payable by the employer. The employee pays tax on any gain when the shares are sold.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the parent company for the fringe benefit tax, it may be able to deduct the cost of the stock plan benefits from its taxes.
- Withholding and Reporting. Withholding and reporting are required. Prior to April 1, 2009, the employer was required to remit fringe benefit tax quarterly to the tax authorities. Fringe benefits must be reported on an annual basis.
- SOCIAL INSURANCE CONTRIBUTIONS** Stock plan benefits are not subject to social insurance contributions.

REGULATORY COMPLIANCE

- SECURITIES LAW** A securities registration statement is required unless the value of the underlying shares for the award during a 12-month period is less than Rp1 million and either (i) the offer is made to more than 100 Indonesians worldwide or (ii) shares are sold to only 50 Indonesians worldwide.
- DATA PRIVACY** It is recommended that written consent is obtained from employees for the processing and transfer of their personal data.
- FOREIGN EXCHANGE** Foreign exchange transactions are subject to minor reporting requirements.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** The spread is taxed upon exercise if the parent company is reimbursed for the cost of the stock plan benefits by the subsidiary. There is no tax until the sale of the shares, as long as the subsidiary does not reimburse the parent company for the cost of the stock plan benefits. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Generally, unless the stock plan award is deemed to be salary and the subsidiary reimburses the parent company for the cost of the stock plan benefits, withholding and reporting are not required.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, social insurance contributions are not imposed on stock plan benefits unless the subsidiary reimburses the parent company for the cost of such benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Irish securities law. An exclusion from the Directive is available for certain offerings. Generally, non-transferable options are not deemed securities under the Directive. Options that are deemed securities may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus. Directors may be subject to additional restrictions pursuant to the Irish Companies Law.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data in connection with the administration of a stock plan is permissible with such employee's consent. Any database containing an employee's personal data may need to be registered with the Data Protection Commission.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** The spread is taxed upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company, it may be able to deduct the cost.
Withholding and Reporting. Employers are not required to withhold income tax or social insurance contributions on stock plan awards. Employers are required to report stock plan awards annually to the Revenue Commissioner.
- SOCIAL INSURANCE CONTRIBUTIONS** Stock plan benefits are not subject to social insurance contributions.
- PREFERENTIAL TAX TREATMENT** Preferential tax treatment may be available.

REGULATORY COMPLIANCE

- SECURITIES LAW** Unless an exemption is satisfied, reporting and disclosure requirements apply to the offer of stock plan awards. A self-executing exemption is available if the number of offerees in Israel does not exceed 35 in a 12-month period. If the self-execution exemption is not available, the company can seek an exemption from the Israeli Securities Authority.
- DATA PRIVACY** Employee consent is recommended for the processing and transfer of an employee’s personal data. Any database containing an employee’s personal data may need to be registered with the data privacy authorities.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Generally, translation of plan materials is recommended but not required. However, as a condition of receiving a securities exemption from the Israeli Securities Authority, translation of certain plan materials may be required.

TAXATION

- EMPLOYEE TAX** There is no tax upon the exercise of the option. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. Generally, the subsidiary should be able to deduct the cost of the stock plan benefits if the sale proceeds are considered employment income (as opposed to capital gain) and the awards are held by a local trustee.
Withholding and Reporting. Unless the awards are held in trust, withholding and reporting are required.
- SOCIAL INSURANCE CONTRIBUTIONS** Unless the awards are held for two years in a local trust, social income contributions are imposed.
- PREFERENTIAL TAX TREATMENT** There are two types of tax-preferred arrangements in which the awards are held by a local trust. Under the first arrangement, the awards are held in trust for two years from when the shares are sold, and the proceeds are subject to capital gain tax (no National Insurance or Health Tax is imposed). Under the second approach, the awards are held in trust for one year from grant and when the shares are sold, the proceeds are subject to income tax (as employment income) and National Insurance and Health tax is imposed.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Italian securities law. An exclusion from the Directive is available for certain offerings. Generally, options are deemed securities under the Directive. The offer of options may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing. Generally, a foreign issuer offering an employee stock plan to Italian employees must engage an Italian financial intermediary. A financial intermediary is not required if options may only be exercised via cashless exercise.
- DATA PRIVACY** Generally, the processing and transfer of an employee’s personal data in connection with the administration of an employee stock plan is permissible with such employee’s consent. Generally, any database containing an employee’s personal data must be registered with the privacy authorities.
- FOREIGN EXCHANGE** Employees may need to report shares held abroad. If the company sells more than €500,000 of shares to employees or otherwise in Italy within a calendar year, it must report such shares to the bank of Italy by the tenth day of the month following the month the threshold is exceeded.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Except for options eligible for tax preferential treatment, the spread on stock options exercised on or after June 25, 2008 is taxed upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Except for options eligible for preferential tax treatment, withholding and reporting are required.
- SOCIAL INSURANCE CONTRIBUTIONS** Stock options exercised on or after June 25, 2008 are not subject to social insurance contributions.
- PREFERENTIAL TAX TREATMENT** For options granted on a company-wide basis to all employees each year, €2,065 of the spread is tax exempt if the following conditions are satisfied: i) the shares are held for at least three years; and ii) the employer or issuer does not buy back the shares.

REGULATORY COMPLIANCE

- SECURITIES LAW** No securities requirements apply to offers to employees of a direct and wholly owned subsidiary. There are two types of filings: (i) grant-specific filings; and (ii) periodic corporate reporting requirements. Generally, a Securities Notification Statement (Form 6) is required if the value of the offer is greater than ¥10 million but less than ¥100 million and the award is to 50 or more offerees. Generally, a Securities Registration Statement (Form 7) is required if the value of the offer is greater than ¥100 million and the award is made to 50 or more offerees. A Form 7-2, a simplified version of the Form 7, may be filed in lieu of a Form 7 once the company satisfies ongoing periodic reporting requirement (*i.e.*, files a Form 8 and a Form 10). There are also aggregation rules for the monetary thresholds (one-year aggregation) and the offeree threshold (six-month aggregation).
- DATA PRIVACY** Generally, the processing and transfer of an employee’s personal data in connection with the administration of an employee stock plan is permissible with such employee’s consent.
- FOREIGN EXCHANGE** If the value of the shares acquired exceeds ¥100 million, a report (“Report Concerning Acquisition or Transfer of Securities”) must be filed with the Ministry of Finance via the Bank of Japan within 20 days of registration. If the value of the shares acquired exceeds ¥30 million, a report (“Payment Report”) must be filed with the Ministry of Finance via the Bank of Japan.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with any applicable work rules.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be transmitted.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits (except for those received by officers and directors) to the parent company pursuant to an inter-company agreement and the shares issued to employees are purchased from the market, it should be able to deduct the cost.
Withholding and Reporting. If the subsidiary reimburses the cost of the stock plan benefits to the parent company and it participates in the administration of the plan, generally withholding and reporting are required.
- SOCIAL INSURANCE CONTRIBUTIONS** If stock plan benefits are considered salary, social insurance contributions are imposed.

REGULATORY COMPLIANCE

- SECURITIES LAW** An information memorandum must be filed within seven days of the distribution of the award materials to employees in Malaysia.
- DATA PRIVACY** Consent from an employee is recommended for the processing and transfer of his or her personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** If no funds are remitted abroad (*e.g.*, exercise via cashless exercise method), there are no foreign exchange requirements. Any remittance exceeding RM50,000 must be registered with the Malaysian Central Bank.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed upon exercise on the difference between (i) the average of the highest and lowest stock price on the date of vesting or exercise (whichever is lower) and (ii) the exercise price. No tax is imposed on the sale of the shares.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
- Withholding and Reporting. Generally, stock plan benefits are subject to withholding and reporting unless the employee elects to pay the tax liability. The employer is required to notify the tax authorities of an award within 30 days of grant. The employer is also required to report by January 31 any exercises in the preceding year.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, stock plan benefits are not subject to social insurance contributions.

REGULATORY COMPLIANCE

- SECURITIES LAW** An offer of stock awards should be exempt from securities requirements if either the exemption for employee stock plans or private offers is satisfied. To qualify for the private offer exemption, the offer should be made to specified employees and be communicated to individual employees in a private manner.
- DATA PRIVACY** Employee consent is recommended for the processing and transfer of an employee's personal data.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it may be able to deduct the cost.
- Withholding and Reporting. Reporting is required. Withholding is required if the subsidiary reimburses the cost of the stock plan benefits to the parent company.
- SOCIAL INSURANCE CONTRIBUTIONS** If the subsidiary reimburses the cost of the stock plan benefits to the parent company, such benefits are subject to social insurance contributions.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Dutch securities law. An exclusion from the Directive is available for certain offerings. As long as options are not deemed securities subject to the Directive, no prospectus is required. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent. Any database containing an employee's personal data must be registered with the data privacy authorities.
- FOREIGN EXCHANGE** If outbound remittances exceed €11,345, certain informational forms must be filed with the Dutch National Bank.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases upon termination of employment. The employer should comply with works council and anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Generally, the spread is taxed upon exercise. As long as the employee owns less than 5% of the company's stock, there is no tax upon the sale of the shares.
- EMPLOYER TAX** Subsidiary Deduction. As of January 1, 2007, no deduction is available for stock plan benefits.
Withholding and Reporting. Withholding and reporting are required.
- SOCIAL INSURANCE CONTRIBUTIONS** Stock plan benefits below a wage base are subject to social insurance contributions.

REGULATORY COMPLIANCE

- SECURITIES LAW** A prospectus is not required if the requirements of an exemption are satisfied.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with anti-discrimination requirements and the Employment Relations Act 2000. When responding to employee inquiries the employer should also ascertain the treatment of stock plan benefits under the Holiday Act 2003.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be in English.

TAXATION

- EMPLOYEE TAX** Options are taxed upon exercise on the spread. Generally, no tax is imposed on the sale of shares unless the shares are immediately sold following exercise. Additional taxes may be imposed on the value of the shares under the Foreign Investment Fund.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it may be able to deduct the cost. If the subsidiary reimburses the parent company, it must comply with the New Zealand Companies Act 1993.
- Withholding and Reporting. Stock plan benefits are not subject to withholding and reporting.
- SOCIAL INSURANCE CONTRIBUTIONS** Health insurance premiums are imposed on stock plan benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Norwegian securities law. An exclusion from the Directive is available for certain offerings. As long as options are not deemed securities subject to the Directive, no prospectus is required. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent. Any database containing an employee's personal data must be registered with the data privacy authorities.
- FOREIGN EXCHANGE** Generally, employee stock plans are not subject to foreign exchange restrictions.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Options are taxed upon exercise on the spread. When the shares are sold, tax is imposed on any gain. Wealth tax may be imposed on the value of shares.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Stock plan benefits are subject to withholding and reporting.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are payable on stock plan benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** Unless the requirements of an exemption are satisfied, any offer of securities must be registered with the Philippine Securities and Exchange Commission.
- DATA PRIVACY** Employee consent is recommended in order to process and transfer personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** Generally, there are no foreign exchange restrictions applicable to an employee stock plan. Approval must be obtained for any investment abroad greater than US\$30 million in a single year.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Generally, translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Fringe Benefit Tax. The employer must pay fringe benefit tax on the stock plan benefits provided to managerial and supervisory employees if it reimburses the cost of the stock plan benefits to the parent company.
- Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement and it withholds tax on such benefits, it should be able to deduct the cost.
- Withholding and Reporting. Generally, if the subsidiary reimburses the cost of the stock plan benefits to the parent company, withholding and reporting are required.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, stock plan benefits are not subject to social insurance contributions, unless the subsidiary reimburses the cost of such benefits to the parent company.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Polish securities law. An exclusion from the Directive is available for certain offerings. Generally, non-transferable options are not deemed securities subject to the Directive. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing. However, non-transferable options are considered a financial instrument, which if offered to 100 or more persons, may require preparation of an information memorandum.
- DATA PRIVACY** Generally, the processing and transfer of an employee’s personal data in connection with the administration of an employee stock plan is permissible with such employee’s consent. Any database containing an employee’s personal data must be registered with the data privacy authorities.
- FOREIGN EXCHANGE** Generally, approval from the National Bank of Poland is not required for employee stock plan transactions. Polish residents must file a declaration with the National Bank of Poland within 20 days of opening an offshore account and within 20 days after each quarter of the year. Polish residents that hold more than €10,000 of foreign securities must file a declaration within 30 days after the end of each year.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with any anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement and such benefits are considered employee remuneration, it should be able to deduct the cost. Withholding and Reporting. Generally, unless the subsidiary reimburses the cost of the stock plan benefits to the parent company, withholding and reporting are not required.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, social insurance contributions are not imposed on stock plan benefits unless the employer is involved with the offer of such benefits to Polish employees.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Portuguese securities law. An exclusion from the Directive is available for certain offerings. As long as options are not deemed securities subject to the Directive, no prospectus is required. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee’s personal data in connection with the administration of an employee stock plan is permissible with such employee’s consent. Any database containing an employee’s personal data must be registered with the data privacy authorities. Approval from the privacy authorities is required for the transfer of personal data outside the EU.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain if such shares are held less than one year.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company, it should be able to deduct the cost.
Withholding and Reporting. Withholding is required if the subsidiary deducts the cost of the stock plan benefits. Reporting is required.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, if the subsidiary reimburses the cost of the stock plan benefits to the parent company, social insurance contributions are payable on such benefits.

REGULATORY COMPLIANCE

SECURITIES LAW	The EU Prospectus Directive is reflected in Romanian securities law. An exclusion from the Directive is available for certain offerings. As long as options are not deemed securities subject to the Directive, no prospectus is required. Options that are deemed securities under the Directive may still be exempt (<i>e.g.</i> , an offer to less than 100 persons) from a prospectus filing.
DATA PRIVACY	Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent. Any database containing an employee's personal data may need to be registered with the privacy authorities.
FOREIGN EXCHANGE	If no funds are remitted abroad (<i>e.g.</i> , exercise via cashless exercise method), there are no foreign exchange requirements. In connection with any remittance abroad, the employee must furnish the Romanian bank with certain documentation (<i>e.g.</i> , copy of the plan, award agreement).

EMPLOYMENT

LABOR ENTITLEMENTS	Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
ELECTRONIC EXECUTION	Generally, electronic execution of award agreements by employees is enforceable.
TRANSLATION	Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

EMPLOYEE TAX	Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
EMPLOYER TAX	<u>Subsidiary Deduction.</u> A deduction is not likely available. <u>Withholding and Reporting.</u> Stock plan benefits are subject to withholding and reporting.
SOCIAL INSURANCE CONTRIBUTIONS	Stock plan benefits may be subject to social insurance contributions.

REGULATORY COMPLIANCE

- SECURITIES LAW** As of May 16, 2009, securities of a non-Russian company may only be offered in a private offer to qualifying investors. There are no other exemptions for employee stock plans or private placements for foreign issuers.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent.
- FOREIGN EXCHANGE** Russian residents may remit unlimited funds outside of Russia to purchase shares in a non-Russian company. Russian nationals may maintain offshore bank accounts provided they notify the tax authorities of the establishment of such accounts and regularly report the balances.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. Generally, stock plan benefits may not be deducted by the subsidiary.
Withholding and Reporting. Withholding and reporting are required.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, social insurance contributions are not imposed on stock plan benefits unless such benefits are deemed to be provided in connection with the employment relationship.

REGULATORY COMPLIANCE

- SECURITIES LAW** Under the Offer of Securities Regulations, an offer pursuant to an employee stock plan may only be made through a Capital Market Authority (“CMA”)-authorized person and upon completion of certain filings with the CMA at least ten days before the offer by such authorized person.
- DATA PRIVACY** Employee consent is recommended in order to process and transfer personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** No foreign exchange restrictions apply to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with any anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Stock plan benefits are not subject to tax.
- EMPLOYER TAX** Subsidiary Deduction. Generally, stock plan benefits may not be deducted by the subsidiary.
Withholding and Reporting. No withholding and reporting are required.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, social insurance contributions are not imposed on stock plan benefits unless such benefits are regularly awarded and the subsidiary has ten or more employees.

REGULATORY COMPLIANCE

SECURITIES LAW	Offers to employees pursuant to an employee stock plan are exempt from securities requirements.
DATA PRIVACY	Employee consent is recommended in order to process and transfer personal data in connection with the administration of a stock plan.
FOREIGN EXCHANGE	No foreign exchange restrictions apply to employee stock plans.

EMPLOYMENT

LABOR ENTITLEMENTS	Involuntarily terminated employees may seek to include stock plan benefits in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
ELECTRONIC EXECUTION	Generally, electronic execution of award agreements by employees is enforceable.
TRANSLATION	Translation of plan materials is not required. Governmental filings must be translated.

TAXATION

EMPLOYEE TAX	Tax is imposed on the spread upon exercise. No tax is imposed when the shares are sold.
EMPLOYER TAX	<u>Subsidiary Deduction.</u> If the subsidiary reimburses the cost of the stock plan benefits to the parent company, such cost is exclusively related to the production of the subsidiary's income, and treasury shares are used, it should be able to deduct the cost. <u>Withholding and Reporting.</u> No withholding is required on stock plan benefits. Reporting is required.
SOCIAL INSURANCE CONTRIBUTIONS	Stock plan benefits are not subject to social insurance contributions.
PREFERENTIAL TAX TREATMENT	Tax deferrals and tax exemptions are available under tax-preferred programs.

REGULATORY COMPLIANCE

SECURITIES LAW	The EU Prospectus Directive is reflected in Slovakian securities law. An exclusion from the Directive is available for certain offerings. As long as options are not deemed securities under the Directive, no prospectus is required. Options that are deemed securities under the Directive may still be exempt (<i>e.g.</i> , an offer to less than 100 persons) from a prospectus filing.
DATA PRIVACY	Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent. Any database containing an employee's personal data must be registered with the privacy authorities. Approval from the privacy authorities is required in order to transfer personal data from the EU.
FOREIGN EXCHANGE	No foreign exchange restrictions apply to employee stock plans.

EMPLOYMENT

LABOR ENTITLEMENTS	Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with anti-discrimination requirements.
ELECTRONIC EXECUTION	Generally, electronic execution of award agreements by employees is enforceable.
TRANSLATION	Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

EMPLOYEE TAX	Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain if the shares are held less than one year.
EMPLOYER TAX	<u>Subsidiary Deduction.</u> If the subsidiary reimburses the parent company pursuant to an inter-company agreement for the cost of the stock plan benefits, it should be able to deduct the cost. <u>Withholding and Reporting.</u> Stock plan benefits are subject to withholding and reporting.
SOCIAL INSURANCE CONTRIBUTIONS	Social insurance contributions are payable on stock plan benefits.

REGULATORY COMPLIANCE

SECURITIES LAW	A prospectus is required for any public offer. Offers to individual employees pursuant to an employee stock plan should not be considered a public offer.
DATA PRIVACY	Employee consent is recommended in order to process and transfer personal data in connection with the administration of a stock plan.
FOREIGN EXCHANGE	As long as an employee has not exceeded during his or her lifetime the offshore investment allowance amount of ZAR 2 million, approval is not required from the South Africa Reserve Bank. Transactions conducted via cashless exercise count toward the ZAR 2 million limit. There are no repatriation requirements up to a ZAR 2 million limit.

EMPLOYMENT

LABOR ENTITLEMENTS	Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
ELECTRONIC EXECUTION	Generally, electronic execution of award agreements by employees is enforceable.
TRANSLATION	Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

EMPLOYEE TAX	Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
EMPLOYER TAX	<u>Subsidiary Deduction.</u> If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost. <u>Withholding and Reporting.</u> Stock plan benefits are subject to withholding and reporting.
SOCIAL INSURANCE CONTRIBUTIONS	Social insurance contributions are payable on stock plan benefits.
PREFERENTIAL TAX TREATMENT	If certain conditions are satisfied, the payment of tax may be deferred until sale of the shares. Any gain from the sale of shares that have been held at least five years is taxed as capital gain (as opposed to ordinary income).

REGULATORY COMPLIANCE

- SECURITIES LAW** Offers to employees are not subject to securities requirements.
- DATA PRIVACY** Consent from an employee is recommended for the processing and transfer of his or her personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** Employees must obtain confirmation from a Korean foreign exchange bank to purchase shares. Repatriation of proceeds greater than US\$500,000 is required within 18 months of sale. Any reimbursement by the subsidiary of a parent company for the cost of the stock plan benefits must be confirmed by a Korean foreign exchange bank.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with union and anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. As of April 21, 2009, if the underlying shares are publicly traded, the subsidiary is required to reimburse the parent company for the cost of the stock plan benefits pursuant to an inter-company agreement, and if certain other requirements are satisfied, the subsidiary may be able to deduct the cost of the stock plan benefits. Any reimbursement necessary for a tax deduction will be subject to foreign exchange restrictions.
- Withholding and Reporting. Generally, withholding and reporting are only required if the subsidiary reimburses the parent company for the cost of the stock plan benefits.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are not payable on stock plan benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Spanish securities law. An exclusion from the Directive is available for certain offerings. As long as options are not deemed securities under the Directive, no prospectus is required. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee’s personal data in connection with the administration of an employee stock plan is permissible with such employee’s consent. Any database containing an employee’s personal data must be registered with the privacy authorities.
- FOREIGN EXCHANGE** Spanish residents must report annually their ownership of foreign securities.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Involuntarily terminated employees may seek (and Spanish courts have awarded) continued vesting or other rights. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Generally, tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain if such shares are held for less than one year.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost. However, in light of increased scrutiny by the Spanish tax authorities of deductions, use of treasury shares is recommended.
Withholding and Reporting. Generally, stock plan benefits are subject to withholding and reporting.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, stock plan benefits are subject to social insurance contributions.
- PREFERENTIAL TAX TREATMENT** A €12,000 tax exemption is available if certain conditions are satisfied (*e.g.*, shares are held for three years, employee and family hold less than a 5% stake in the company). In addition, 40% of the taxable amount may be exempt if certain conditions are satisfied (*e.g.*, the period between grant and exercise is at least two years; awards are not exercised in consecutive years, etc.).

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in Swedish securities law. An exclusion from the Directive is available for certain offerings. Generally, options that are non-transferable are not deemed securities subject to the Directive, and no prospectus is required. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent. Any database containing an employee's personal data must be registered with the data privacy authorities.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Stock plan benefits are subject to withholding and reporting.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are payable on stock plan benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** If the underlying shares are not listed on a Swiss exchange and the awards are only to employees, there are no securities requirements.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent. Depending on the personal data contained in a database, such data may need to be registered with the data privacy authorities.
- FOREIGN EXCHANGE** There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with anti-discrimination requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** At the federal level, tax is imposed on the spread upon exercise. No tax is imposed when the shares are sold.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
- Withholding and Reporting. Stock plan benefits received by employees with B permits are subject to withholding and reporting. Stock plan benefits received by employees with C permits are subject to reporting.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are payable on stock plan benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** There are no securities requirements applicable to employee stock plans.
- DATA PRIVACY** Approval from governmental authorities is likely required prior to processing and transferring an employee's personal data. Consent from an employee is recommended for the processing and transfer of his or her personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** Currency transfers by a resident individual greater than US\$5 million (US\$50 million by a subsidiary) per calendar year require approval by the Central Bank.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. If the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
Withholding and Reporting. Stock plan benefits are not subject to withholding, but are subject to reporting.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are not payable on stock plan benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** Thai Securities and Exchange Commission (“SEC”) no longer requires the filing of a prospectus and registration statement for offers pursuant to an employee stock plan. However, certain information must be filed with the SEC within 15 days of the closing of the offer and within 15 days after the end of each calendar year in which options are exercised.
- DATA PRIVACY** Consent from an employee is recommended for the processing and transfer of his or her personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** Unless cashless exercise is required, any remittance of more than US\$100,000 must be approved by the Bank of Thailand. No approval is required for transfer of funds less than US\$100,000 provided that the transfer is made through a Thai authorized financial institution. Generally, proceeds from the sale of shares must be repatriated.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the difference between the exercise price and the average price of the shares for the month. Repatriation by a resident of any gain on the sale of shares is taxed.
- EMPLOYER TAX** Subsidiary Deduction. Foreign exchange restrictions will likely prevent the subsidiary from deducting the cost of stock plan benefits even if the subsidiary reimburses the parent company pursuant to a written agreement.
- Withholding and Reporting. Generally, withholding and reporting are required only if the subsidiary reimburses the cost of the stock plan benefits to the parent company.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are not payable on stock plan benefits.

REGULATORY COMPLIANCE

SECURITIES LAW	Turkish securities laws may apply to the offer of shares that are listed on the Turkish Stock Exchange or if the offer is deemed a public offer. An offer should not constitute a public offer provided there are no (i) publicity activities, (ii) attempts to sell the company's shares other than those provided under the plan, and (iii) announcements or other activities to promote the purchase of shares. Some companies obtain a clearance from the Turkish Capital Markets Board that no filing is required.
DATA PRIVACY	Consent from an employee is recommended for the processing and transfer of his or her personal data in connection with the administration of a stock plan.
FOREIGN EXCHANGE	Unless the cashless exercise method is used, employees must use an approved bank to remit funds to purchase shares.

EMPLOYMENT

LABOR ENTITLEMENTS	Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
ELECTRONIC EXECUTION	Generally, electronic execution of award agreements by employees is enforceable.
TRANSLATION	Unless stock plan benefits are considered a term of employment, translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

EMPLOYEE TAX	Tax is imposed on the spread upon exercise. If shares are not held for at least two years, any gain from the sale of the shares is subject to tax.
EMPLOYER TAX	<u>Subsidiary Deduction.</u> Even if the subsidiary reimburses the cost of the stock plan benefits to the parent company, such cost may not be deductible. <u>Withholding and Reporting.</u> Stock plan benefits are not subject to withholding and reporting.
SOCIAL INSURANCE CONTRIBUTIONS	Social insurance contributions are not payable on stock plan benefits.

REGULATORY COMPLIANCE

SECURITIES LAW	Generally, offers pursuant to an employee stock plan should not trigger securities requirements.
DATA PRIVACY	Consent from an employee is recommended for the processing and transfer of his or her personal data in connection with the administration of a stock plan.
FOREIGN EXCHANGE	There are no foreign exchange restrictions applicable to employee stock plans.

EMPLOYMENT

LABOR ENTITLEMENTS	Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
ELECTRONIC EXECUTION	Generally, electronic execution of award agreements by employees is enforceable.
TRANSLATION	Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

EMPLOYEE TAX	Stock plan benefits are not subject to tax.
EMPLOYER TAX	<u>Subsidiary Deduction.</u> Stock plan benefits are not likely deductible. <u>Withholding and Reporting.</u> Stock plan benefits are not subject to withholding and reporting.
SOCIAL INSURANCE CONTRIBUTIONS	Stock plan benefits are not subject to social insurance contributions.

REGULATORY COMPLIANCE

- SECURITIES LAW** The EU Prospectus Directive is reflected in British securities law. An exclusion from the Directive is available for certain offerings. Generally, non-transferable options are not deemed securities under the Directive. Options that are deemed securities under the Directive may still be exempt (*e.g.*, an offer to less than 100 persons) from a prospectus filing.
- DATA PRIVACY** Generally, the processing and transfer of an employee's personal data in connection with the administration of an employee stock plan is permissible with such employee's consent. Any database containing an employee's personal data must be registered with the privacy authorities.
- FOREIGN EXCHANGE** No foreign exchange restrictions apply to employee stock plans.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment. The employer should comply with anti-discriminatory requirements.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be in English.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise of options that are not tax-favored. When the shares are sold, tax is imposed on any gain. Tax-favored options that qualify for preferential tax treatment are taxed upon the sale of shares (as opposed to exercise of the options).
- EMPLOYER TAX** Subsidiary Deduction. Generally, if the subsidiary reimburses the cost of the stock plan benefits to the parent company pursuant to an inter-company agreement, it should be able to deduct the cost.
- Withholding and Reporting. Stock plan benefits from a non-tax-favored program are subject to withholding and reporting. Reporting is required for stock plan benefits under a tax-favored program.
- SOCIAL INSURANCE CONTRIBUTIONS** Stock plan benefits from a non-tax-favored program are subject to National Insurance Contributions ("NICs"). The employer's NICs obligation can be transferred via a joint election agreement to an employee. Stock plan benefits from a tax-favored program are not subject to NICs.
- PREFERENTIAL TAX TREATMENT** Preferential tax treatment of options is available for stock plans approved by Inland Revenue. Preferential tax treatment (without Inland Revenue approval) is also available for start-up companies.

REGULATORY COMPLIANCE

- SECURITIES LAW** Federal and state securities laws may be applicable. At the federal level, under the Securities Act of 1933 (the “Act”), all securities offerings must be registered or subject to an exemption from registration (*e.g.*, Rule 701 of the Act or Regulation D). An issuer that has already registered securities in accordance with federal securities laws can generally register securities on a Form S-8. If a Form S-8 is filed, the issuer must separately prepare and distribute a prospectus to employees regarding the offering. For companies that have not already registered securities at the federal level, there are several exemptions from registration potentially available depending on the value of shares offered, the number of shares, the number of offerees, and/or the type of offerees. Securities laws at the state level (“Blue Sky Laws”) vary by state. Blue Sky Laws should be reviewed for each state in which offerees reside.
- DATA PRIVACY** Although there are no comprehensive data privacy laws, there are state and federal laws that regulate the collection, processing, and transfer of data in certain contexts. Generally, there are no data privacy requirements in connection with the administration of employee stock plans.
- FOREIGN EXCHANGE** Generally, no foreign exchange restrictions apply.

EMPLOYMENT

- LABOR ENTITLEMENTS** Since a breach of contract claim could be asserted, a provision reserving the right of the employer to unilaterally terminate or amend the plan should be included in the stock plan, and a corresponding acknowledgment should be signed by employees. Language should be included in the plan to exclude leased or temporary employees and/or independent contractors from participation in the plan. Federal, state, and local laws prohibit employers from discriminating based on gender, race, age, national origin, and certain other protected statuses.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be in English.

TAXATION

- EMPLOYEE TAX** Tax is not imposed on incentive stock options (“ISOs”) that comply with Section 422 of the Internal Revenue Code until the sale of underlying shares. However, the spread at exercise is included for purposes of determining the alternative minimum tax. For nonqualified stock options (“NQSOs”), the spread at exercise is subject to tax as ordinary income.
- EMPLOYER TAX** Subsidiary Deduction. The employer may not take a deduction with regard to ISOs unless the underlying shares are sold in a disqualifying disposition (*e.g.*, within the later of one year from exercise or two years after grant). For NQSOs, the employer may deduct the amount of ordinary income recognized by the employee upon exercise. Withholding and Reporting. Generally, ISOs are not subject to withholding and reporting unless a disqualifying disposition occurs, in which case the employer has a reporting, but not a withholding, obligation. For NQSOs, taxable amounts at exercise are subject to withholding and reporting.
- SOCIAL INSURANCE CONTRIBUTIONS** ISOs are not currently subject to social insurance withholding and reporting. Taxable amounts at exercise of NQSOs are subject to social insurance withholding up to the applicable wage cap, as well as reporting.

REGULATORY COMPLIANCE

- SECURITIES LAW** No securities requirements are applicable to employee stock plans if the offer is not considered a public offer (*e.g.*, not widely communicated, directed to individual employees).
- DATA PRIVACY** Consent from an employee is recommended for the processing and transfer of his or her personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** It is necessary to register with and obtain authorization from the local foreign exchange commission (“CADIVI”) in order to acquire foreign currency. It is unlikely that CADIVI will authorize the acquisition of U.S. dollars or other foreign currency to purchase shares of a foreign company pursuant to a stock plan. Accordingly, cashless exercise is the preferred method to exercise options.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. When the shares are sold, tax is imposed on any gain.
- EMPLOYER TAX** Subsidiary Deduction. Even if the subsidiary reimburses the cost of the stock plan benefits to the parent company, such cost may not be deductible.
Withholding and Reporting. Stock plan benefits are not subject to withholding and reporting.
- SOCIAL INSURANCE CONTRIBUTIONS** Social insurance contributions are not payable on stock plan benefits.

REGULATORY COMPLIANCE

- SECURITIES LAW** Generally, employee stock plans are not subject to securities requirements.
- DATA PRIVACY** Consent from an employee is recommended for the processing and transfer of his or her personal data in connection with the administration of a stock plan.
- FOREIGN EXCHANGE** In order to transfer funds outside Vietnam to purchase shares, approval must be obtained from the State Bank of Vietnam (“SBV”). To date, only stock options plans requiring exercise via the cashless exercise method have been approved by the SBV. Annual reporting to the SBV is required. Generally, upon the sale of shares, any gain must be repatriated by the employee.

EMPLOYMENT

- LABOR ENTITLEMENTS** Stock plan benefits routinely granted to an employee may become a term of employment, which may be included in determining severance benefits. Exposure to possible employee claims can be reduced by including language in the award agreement that, among other things, awards are discretionary and vesting ceases as of termination of employment.
- ELECTRONIC EXECUTION** Generally, electronic execution of award agreements by employees is enforceable.
- TRANSLATION** Translation of plan materials provided to employees is recommended but not required. Governmental filings must be translated.

TAXATION

- EMPLOYEE TAX** Tax is imposed on the spread upon exercise. Any gain from the sale of shares is subject to tax.
- EMPLOYER TAX** Subsidiary Deduction. Even if the subsidiary reimburses the cost of the stock plan benefits to the parent company, such cost is not likely deductible.
Withholding and Reporting. Stock plan benefits are subject to withholding and reporting.
- SOCIAL INSURANCE CONTRIBUTIONS** Generally, social insurance contributions are not payable on stock plan benefits.

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