Canada

Stock Option Plans

Employment

Labor Concerns	There is a risk of employees claiming that they are entitled to compensation for loss of rights under the Plan where the Plan is amended or discontinued or where their employment is terminated. There are laws which prohibit discrimination against, and/or less favorable treatment of, employees on certain grounds, including age, gender, disability and part-time status. Companies should be mindful of this when determining the eligibility of employees to participate in a Plan, the benefits being granted and the exercise of any discretion.
Communications	A disclaimer should be included in the award agreement, which acknowledges each employee's receipt of the Plan documents and the discretionary nature of the Plan, and confirms that termination of employment will result in the loss of unvested rights. For employees in Quebec, Plan documentation must generally be translated into French, unless an employee expressly agrees to receive documents in English. Electronic execution of award agreements may be acceptable under certain conditions, which are not onerous.

Regulatory

Securities Compliance	Neither the grant nor the exercise of Options is likely to trigger any securities law requirements.
Foreign Exchange	There are no foreign exchange restrictions applicable to the Plan.
Data Protection	Processing of employee data for purposes directly connected to the employment relationship can generally be justified on the basis that the processing is necessary to fulfill the contract of employment. Purposes outside that category need to be assessed on a case-by-case basis, and opt-in consent may be required in some cases.

Tax

Employee Tax Treatment	An employee is generally subject to income tax on the gain on exercise (i.e., the excess of the market value of the Stock on acquisition over the aggregate exercise price). Employees may reduce the taxable benefit that arises by 50 percent if the underlying Stock is characterized as “prescribed shares” and the exercise price is not less than the Stock’s fair market value on the grant date. Capital gains tax is also payable on one-half of any gain realized upon a sale of the Stock.
Social Security Contributions	Social security contributions are due from both the Subsidiary and the employee with respect to an employee’s earnings (which include Plan benefits), up to an earnings cap. This annual earnings cap will frequently have been exceeded on account of other employee compensation.
Tax-Favored Program	There are no tax-favored programs applicable to stock option plans.
Withholding and Reporting	The Subsidiary has an obligation to withhold income tax and social security contributions. The Subsidiary also has a reporting obligation with respect to income received by employees under the Plan.
Employer Tax Treatment	A deduction is not available for the Subsidiary, unless the Subsidiary makes a contribution to the purchase of the Stock on the open market.

Canada

Restricted Stock and RSUs

Employment

Labor Concerns	There is a risk of employees claiming that they are entitled to compensation for loss of rights under the Plan where the Plan is amended or discontinued or where their employment is terminated. There are laws which prohibit discrimination against, and/or less favorable treatment of, employees on certain grounds, including age, gender, disability and part-time status. Companies should be mindful of this when determining the eligibility of employees to participate in a Plan, the benefits being granted and the exercise of any discretion.
Communications	A disclaimer should be included in the award agreement, which acknowledges each employee's receipt of the Plan documents and the discretionary nature of the Plan, and confirms that termination of employment will result in the loss of unvested rights. For employees in Quebec, Plan documentation must generally be translated into French, unless an employee expressly agrees to receive documents in English. Electronic execution of award agreements may be acceptable under certain conditions, which are not onerous.

Regulatory

Securities Compliance	Neither the grant nor the vesting of Restricted Stock or RSUs is likely to trigger any prospectus or registration requirements.
Foreign Exchange	There are no foreign exchange restrictions applicable to the Plan.
Data Protection	Processing of employee data for purposes directly connected to the employment relationship can generally be justified on the basis that the processing is necessary to fulfill the contract of employment. Purposes outside that category need to be assessed on a case-by-case basis, and opt-in consent may be required in some cases.

Tax

Employee Tax Treatment	For Restricted Stock, an employee is generally subject to income tax on the market value of the Stock when the Restricted Stock is granted. For RSUs, the employee is generally subject to tax on the market value of the Stock received on vesting. Capital gains tax is also payable on one-half of any gain realized upon a sale of the Stock.
Social Insurance Contributions	Social security contributions are due from both the Subsidiary and employee with respect to an employee's earnings (which include Plan benefits), up to an earnings cap. This annual earnings cap will frequently have been exceeded on account of other employee compensation.
Tax-Favored Program	There is no tax-favored program applicable to restricted stock and RSU plans.
Withholding and Reporting	The Subsidiary has an obligation to withhold income tax and social security contributions. The Subsidiary also has a reporting obligation that applies to the proceeds received by employees through the Plan.
Employer Tax Treatment	A deduction is not available for the Subsidiary, unless the Subsidiary makes a contribution to the purchase of the Stock on the open market.

Canada

Employee Stock Purchase Plans

Employment

Labor Concerns	There is a risk of employees claiming that they are entitled to compensation for loss of rights under the Plan where the Plan is amended or discontinued or where their employment is terminated. There are laws which prohibit discrimination against, and/or less favorable treatment of, employees on certain grounds, including age, gender, disability and part-time status. Companies should be mindful of this when determining the eligibility of employees to participate in a Plan and the exercise of any discretion.
Communications	A disclaimer should be included in the award agreement, which acknowledges each employee's receipt of the Plan documents and the discretionary nature of the Plan, and confirms that termination of employment will result in the loss of unvested rights. For employees in Quebec, Plan documentation must generally be translated into French, unless an employee expressly agrees to receive documents in English. Electronic execution of award agreements may be acceptable under certain conditions, which are not onerous.

Regulatory

Securities Compliance	The offer of securities to employees in Canada under a Plan is generally exempt from the prospectus and registration requirements.
Foreign Exchange	There are no foreign exchange restrictions applicable to the Plan.
Data Protection	Processing of employee data for purposes directly connected to the employment relationship can generally be justified on the basis that the processing is necessary to fulfill the contract of employment. Purposes outside that category need to be assessed on a case-by-case basis, and opt-in consent may be required in some cases.

Tax

Employee Tax Treatment	An employee is generally subject to tax on the value of the discount when Stock is purchased. Capital gains tax is also payable on one-half of any gain realized upon a sale of the Stock.
Social Security Contributions	Social security contributions are due from both the Subsidiary and employee with respect to an employee's earnings, up to an earnings cap. This annual earnings cap will frequently have been exceeded on account of other employee compensation.
Tax-Favored Program	There are no tax-favored programs applicable to employee stock purchase plans.
Withholding and Reporting	The Subsidiary has a reporting and withholding obligation with respect to income received by an employee under the Plan.
Employer Tax Treatment	A deduction is not available for the Subsidiary, unless the Subsidiary makes a contribution to the purchase of the Stock on the open market.