Denmark

Stock Option Plans

Employment

Labor Concerns

The Danish Stock Option Act (the "**Act**") generally allows an employee whose employment is terminated by the Subsidiary for any reason other than misconduct to retain all rights to Options, whether vested or unvested. Where an employee resigns or their employment is terminated by reason of misconduct, they will forfeit all rights to Options that have already been granted, whether vested or unvested. Employees' rights under the Act cannot be waived.

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

The Subsidiary is required to distribute separate written agreements (in Danish) to participating employees at the time of grant, containing basic information regarding the terms and conditions of the Options.

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.

With the exception of the separate written agreements mentioned above, there is no legal requirement to translate Plan documents into Danish, but it is recommended to do so.

Government filings must be made in Danish.

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 prospectus requirement.

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 acquired over the aggregate exercise price). Capital gains tax is also payable on any gain upon the net proceeds of the Stock.
Social Security Contributions	Social security contributions are due from the employee. The Subsidiary is not required to pay social security contributions.
Tax-Favored Program	Plans entered into on or after July 1, 2016, may qualify for favorable tax treatment if certain conditions are met. These conditions are not onerous and include the requirements that: (i) participation in the Plan is offered to employees only; and (ii) the value of the Stock received on vesting corresponds to no more than 10 percent of the employee's annual remuneration. Under the favorable tax treatment program, the employee can defer taxation until sale of the Stock and will be taxed on the profit as a capital gain instead of as personal income.
Withholding and Reporting	The Subsidiary does not have a withholding obligation, but it does have reporting obligations.
Employer Tax Treatment	A deduction is available if the Subsidiary reimburses the Issuer for the costs of the Plan. A written reimbursement agreement is required. No deduction is available for Options granted under the tax-favorable regime.

Denmark

Restricted Stock and RSUs

Employment

Labor Concerns	The Danish Stock Option Act (the "**Act**") applies to RSUs, but is unlikely to apply to Restricted Stock. In respect of RSUs, under the Act, an employee whose employment has been terminated by the Subsidiary for any reason other than misconduct is generally entitled to retain all rights to vested and unvested RSUs. Where an employee resigns or their employment is terminated by reason of misconduct, they will forfeit all rights to vested and unvested RSUs. Employees' rights under the Act cannot be waived. Restricted Stock is considered part of an employee's remuneration and so automatic forfeiture of an unvested award of Restricted Stock may not be enforceable upon termination of employment (whether voluntary or involuntary) and employees will remain entitled to all Restricted Stock granted. 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	In respect of RSUs, the Subsidiary is required to distribute separate written agreements (in Danish) to participating employees at the time of grant containing basic information regarding the terms and conditions of the RSUs. For both Restricted Stock and RSUs, 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. With the exception of the separate written agreements mentioned above, there is no legal requirement to translate Plan documents into Danish, but it is recommended to do so. Government filings must be made in Danish. Electronic execution of award agreements may be acceptable under certain conditions, which are not onerous.

Regulatory

Securities Compliance	Neither the award nor the vesting of Restricted Stock or RSUs is likely to trigger any prospectus requirement.

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 value of the Restricted Stock when it is granted. However, where the Plan imposes performance–based vesting criteria and, in certain circumstances, timed-based vesting criteria, the point of taxation may be postponed until such criteria are satisfied. Depending on the circumstances, the employee may obtain a refund of the tax paid on grant if the employee subsequently forfeits the Stock. For RSUs, an employee will generally be subject to income tax on the fair market value of the Stock received on vesting. Capital gains tax is also payable on any gain upon the net proceeds of sale of the Restricted Stock or Stock.
Social Security Contributions	Social security contributions are due from the employee for both Restricted Stock and RSUs. The Subsidiary is not required to pay social security contributions.
Tax-Favored Program	Plans entered into on or after July 1, 2016, may qualify for favorable tax treatment if certain conditions are met. These conditions are not onerous and include the requirements that: (i) participation in the Plan is offered to employees only; and (ii) the value of the Restricted Stock or Stock received corresponds to no more than 10 percent of the employee’s annual remuneration. Under the favorable tax treatment scheme, the employee can defer taxation until sale of the Stock and will be taxed on the profit as a capital gain instead of as personal income.
Withholding and Reporting	The Subsidiary does not have a withholding obligation, but it does have reporting obligations.
Employer Tax Treatment	A deduction is available if the Subsidiary reimburses the Issuer for the costs of the Plan. A written reimbursement agreement is required. No deduction is available for Restricted Stock or RSUs granted under the tax-favorable regime.

Denmark

Employee Stock Purchase Plans

Employment

Labor Concerns

Employee stock purchase plans have not been expressly included in the Danish Stock Option Act (the "**Act**"). However, if a Plan provides an employee with the right to purchase Stock at some future time (e.g., if certain conditions are met), it will generally be subject to the Act. The Act allows an employee whose employment has been terminated by the Subsidiary for any reason other than misconduct to retain rights to purchase Stock under the Plan. Where an employee resigns or their employment is terminated by reason of misconduct, they will forfeit all rights to purchase Stock. Employees' rights under the Act cannot be waived.

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

The Subsidiary is required to distribute separate written agreements (in Danish) to participating employees at the time of grant, containing basic information regarding the terms and conditions of the Plan.

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.

With the exception of the separate written agreements mentioned above, there is no legal requirement to translate Plan documents into Danish, but it is recommended to do so.

Government filings must be made in Danish.

Electronic execution of award agreements may be acceptable under certain conditions, which are not onerous.

Regulatory

Securities Compliance

It is possible that a prospectus will be required for participation in the Plan to be offered to employees in Denmark. However, certain exemptions, exclusions and interpretations may be applicable and, in practice, a prospectus is rarely required. For example, offers made to no more than 150 persons in any one Member State are exempt and certain Issuers, including those incorporated or listed in a Member State, are required only to publish summary information about the Plan and the Stock in substitution for a prospectus. Where a prospectus is required, the Issuer may be able to take advantage of a short form regime under which certain requirements for the prospectus' contents are waived. Any prospectus must be approved by the relevant regulatory authority in the Issuer's Home Member State and filed under the passporting system with the relevant regulatory authority of each Member State in which participation in the Plan is being offered.

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 value of any discount when the Stock is purchased.

Capital gains tax is also payable on any gain upon the net proceeds of sale of the Stock.

Social Security Contributions

Social security contributions are due from the employee. The Subsidiary is not required to pay social security contributions.

Tax-Favored Program

Plans entered into on or after July 1, 2016, may qualify for favorable tax treatment if certain conditions are met. These conditions are not onerous and include the requirements that: (i) participation in the Plan is offered to employees only; and (ii) the value of the Stock corresponds to no more than 10 percent of the employee's annual remuneration. Under the favorable tax treatment scheme, the employee can defer taxation until sale of the Stock and will be taxed on the profit as a capital gain instead of as personal income.

Withholding and Reporting

The Subsidiary does not have a withholding obligation, but it does have reporting obligations.

Employer Tax Treatment

A deduction is available if the Subsidiary reimburses the Issuer for the costs of the Plan. A written reimbursement agreement is required. No deduction is available for Stock offered under a tax-favorable regime.