
Netherlands

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 is also a risk that a court may allow an employee to continue vesting after termination of employment.

Works council consultation and approval may be required to implement or terminate a Plan.

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.

Although there is no legal requirement to do so, it is recommended that the Plan documents be translated into Dutch.

Government filings must be made in Dutch.

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 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	<p>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).</p> <p>No capital gains tax is payable on sale, but tax is payable annually based on a deemed return on investments, including Stock and vested Options.</p>
Social Security Contributions	<p>Social Security contributions are due from both the Subsidiary and the employee on all income received up to a threshold (which is subject to change on an annual basis). If employees exceed this threshold, social security contributions will not be due on the exercise of the Options.</p>
Tax-Favored Program	<p>There is no tax favorable treatment applicable to Option plans.</p>
Withholding and Reporting	<p>The Subsidiary has an obligation to withhold the income tax and social security contributions (if the threshold has not been met) due on the excess of the market value of the Stock acquired over the exercise price when the employee becomes entitled to sell the Stock.</p> <p>Reporting requirements apply to both the Subsidiary and the employee.</p>
Employer Tax Treatment	<p>A tax deduction is not available to the Subsidiary.</p>

Netherlands

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.

Works council consultation and approval may be required to implement or terminate a Plan.

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.

Although there is no legal requirement to do so, it is recommended that the Plan documents be translated into Dutch.

Governmental filings must be made in Dutch.

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 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 value of the Restricted Stock when it vests, but depending on the nature of the applicable restrictions, the employee may be subject to tax on the value of the Stock when the Restricted Stock is granted.

For RSUs, an employee is generally subject to income tax on the value of the Stock received on vesting.

There is no capital gains tax payable on sale, but tax is payable annually based on a deemed return on investments, including vested Restricted Stock and RSUs.

Social Security Contributions

Social security contributions are due from both the Subsidiary and the employee on all income received up to a threshold (which is subject to change on an annual basis). If employees exceed this threshold, social security contributions will not be due on income from the Restricted Stock or Stock (as applicable) on vesting.

Tax-Favored Program

There is no tax favorable treatment applicable to Restricted Stock or RSU plans.

Withholding and Reporting

The Subsidiary has an obligation to withhold the income tax and social security contributions (if the threshold has not been met) due on vesting.

Reporting requirements apply to both the Subsidiary and the employee.

Employer Tax Treatment

A tax deduction is not available to the Subsidiary.

Netherlands

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.

Works council consultation and approval may be required to implement or terminate a Plan.

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.

Although there is no legal requirement to do so, it is recommended that the Plan documents be translated into Dutch.

Government filings must be made in Dutch.

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 the Netherlands. 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 the discount when the Stock is purchased.

There is no capital gains tax payable on sale, but tax is payable annually on a deemed return on investments, including Stock.

Social Security Contributions

Social security contributions are due from both the Subsidiary and the employee on all income received up to a threshold (which is subject to change on an annual basis). If employees exceed this threshold, social security contributions will not be due on income from the purchase of Stock under the Plan.

Tax-Favored Program

There is no tax favorable treatment applicable to employee stock purchase plans.

Withholding and Reporting

The Subsidiary has an obligation to withhold the income tax and social security contributions (if the threshold has not been met) due on the excess of the market value of the Stock acquired over the exercise price, when the employee becomes entitled to sell the Stock.

Reporting requirements apply to both the Subsidiary and the employee.

Employer Tax Treatment

A tax deduction is not available to the Subsidiary.