Poland

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.

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

Government filings must be made in Polish.

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

Employees may be subject to certain reporting requirements, which are not onerous.

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 of the Option (i.e., the excess of the market value of the Stock acquired over the aggregate exercise price). Capital gains tax is also payable on the gain upon the net proceeds of sale of the Stock, although there is some risk of double taxation. It may be possible for the tax charge to be deferred until sale if certain conditions are met, including if the Issuer is an EEA-based company.
Social Security Contributions	Social security contributions do not arise provided that the Subsidiary is not involved in the offer of Options and the income is not considered to arise from the employment relationship.
Tax-Favored Program	There is no tax-favored program applicable to option plans.
Withholding and Reporting	The Subsidiary may have an obligation to withhold the income tax and social security contributions if the Subsidiary reimburses the Issuer for the costs of the Plan and if participation in the Plan is considered to arise from the employment relationship. Reporting requirements may apply to the extent withholding applies.
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 (setting out the criteria used to establish the amount to be paid by the Subsidiary).

Poland

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.

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

Government filings must be made in Polish.

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 requirement.

Foreign Exchange

Employees may be subject to certain reporting requirements, which are not onerous.

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 both Restricted Stock and RSUs, an employee is generally subject to income tax on the value of the Stock on vesting. Capital gains tax is also payable on the gain upon the net proceeds of sale of the Stock, although there is some risk of double taxation. It may be possible for the tax charge to be deferred until sale if certain conditions are met, including if the Issuer is an EEA-based company.
Social Security Contributions	Social security contributions do not arise provided that that the Subsidiary is not involved in the offer of Restricted Stock or RSUs and the income is not considered to arise from the employment relationship.
Tax-Favored Program	There is no tax-favored program applicable to Restricted Stock and RSU plans.
Withholding and Reporting	The Subsidiary may have an obligation to withhold the income tax and social security contributions if the Subsidiary reimburses the Issuer for the costs of the Plan and if participation in the Plan is considered to arise from the employment relationship. Reporting requirements may apply to the extent withholding applies.
Employer Tax Treatment	A deduction is available if the Subsidiary reimburses the Issuer for costs of the Plan. A written reimbursement agreement is required (setting out the criteria used to establish the amount to be paid by the Subsidiary).

Poland

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.

Deductions from an employee's remuneration are permitted, but only with the employee's prior written consent.

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.

Government filings must be made in Polish.

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 Poland. 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 to publish an information memorandum only, which includes summary information about the Plan and the Stock, instead of 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	Employees may be subject to certain reporting requirements, which are not onerous.
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. Capital gains tax is also payable on the gain upon the net proceeds of sale of the Stock, although there is some risk of double taxation. It may be possible for the tax charge to be deferred until sale if certain conditions are met, including if the Issuer is an EEA-based company.
Social Security Contributions	Social security contributions do not arise provided that the Subsidiary is not involved in the offer of Stock and the income is not considered to arise from the employment relationship.
Tax-Favored Program	There is no tax-favored program applicable to employee stock purchase plans.
Withholding and Reporting	The Subsidiary may have an obligation to withhold the income tax and social security contributions if the Subsidiary reimburses the Issuer for the costs of the Plan and if participation in the Plan is considered to arise from the employment relationship. Reporting requirements may apply to the extent withholding applies.
Employer Tax Treatment	A deduction is available if the Subsidiary reimburses the Issuer for costs of the Plan. A written reimbursement agreement is required (setting out the criteria used to establish the amount to be paid by the Subsidiary).