

# Belgium

## Employment

### Labor Concerns

Employee entitlement claims may be possible. To reduce the risk of potential claims to employee entitlements, employees should expressly agree that participation in the purchase plan is discretionary and that termination of employment will result in the loss of unvested rights. Discrimination based on gender or part-time status is prohibited.

### Communications

Employers should provide employee communications in the appropriate local language: Dutch for the Flemish region, French for the Walloon region and French and/or Dutch for the Brussels region. Government filings may be required to be in French or Dutch. Electronic execution of award agreements may be acceptable under certain conditions.

## Regulatory

### Securities Compliance

A company that wishes to offer stock to its employees need not publish a prospectus when:

- the stock is offered to maximum 99 employees; or
- the offering per trader requires a total countervalue of at least €50,000; or
- the offering of stock has a total countervalue of less than €100,000; or
- the stock is granted free of charge.

If one of these conditions applies, the company will be required to draft a document for its employees with information regarding the amount and nature of the offered stock, as well as the reasons and the modalities of the offering.

Even if none of the above situations apply, the obligation to publish a prospectus does not apply, when:

- the employer (or a company of the group to which the employer belongs) grants stock, that is already traded on a regulated market, to its previous or current directors or employees, on the condition that a document is available to the beneficiaries, which contains information on the number and nature of the offered stock as well as on the reasons and the modalities of the offering; or
- the employer (or a company of the group to which the employer belongs) grants stock, that belongs to the same category as existing stock traded on a regulated market outside the European Economic Area, to its previous or current directors or employees, on the condition that the total countervalue of the offering is less than €2,500,000 and a document is available to the beneficiaries which contains information on the number and nature of the offered stock as well as on the reasons and the modalities of the offering.

### Foreign Exchange

There are no foreign exchange restrictions applicable to purchase plans.

### Data Protection

In principle, the processing of personal data by the employer in connection with the administration of an employee stock purchase plan does not require consent from the employees or notification to the authorities, as it can be argued that the processing of any personal data is necessary to execute the employment contract and is done in the framework of payroll and personnel administration.

This summary is intended to reflect local law and practice as at 1 May 2013. Please note, however, that recent amendments and legal interpretations of the local law may not be included in these summaries. In addition, corporate governance, administration, and option plan design facts that are specific to your company may impact how the local laws affect the company's equity based compensation plans.

With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

## Belgium (cont.)

Nevertheless, it is recommended that the employees' explicit consent to the processing of personal data is obtained prior to the processing and that the prior notification to the Belgian Privacy Commission is made, if the stock purchase plan is administered by a company other than the employer (e.g. a foreign holding company). In that case, the abovementioned arguments can probably not be upheld (because there is no contract between that company and the employee and the company does not process personal data in the framework of personnel administration).

### Tax

<b>Employee Tax Treatment</b>	The employee will be subject to tax on the discount, or spread, when the stock is purchased. The employee will not be subject to tax on the sale of the stock.
<b>Social Insurance Contributions</b>	Social security contributions will apply if the cost of the purchase plan benefits are borne by the employer. Certain criteria will exempt purchase plan benefits from social security contributions.
<b>Tax-Favored Program</b>	If the employee is required to hold the stock for at least two years after the date of purchase and the stock is traded on an exchange, then the value of the taxable benefit may be limited to the difference between 100/120th (or 83.33%) of the market value of the stock acquired and the price paid by the employee.
<b>Withholding and Reporting</b>	<p>If a non-resident company without an establishment in Belgium grants stock to employees of a Belgian subsidiary, no withholding tax is due. However, if the Belgian subsidiary intervenes in the execution of the stock purchase plan set up by a non-resident company (e.g. by carrying out numerous administrative activities related to the plan, etc.), the subsidiary will be subject to the obligation to withhold payroll taxes.</p> <p>In those circumstances, the Belgian subsidiary will also be required to report the taxable benefit on fiscal slips.</p>
<b>Employer Tax Treatment</b>	A deduction is allowed if the Issuer is reimbursed for the cost of purchase plan benefits. A formal reimbursement agreement is recommended.

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