

Poland

Employment

Labor Concerns

Polish labor law should not affect purchase plans. However, as a precaution, employees should acknowledge in writing that the offer to purchase rights does not create a right or entitlement to further grants. The deductions from the employee's remuneration are only allowed upon the employee's written consent. All employees, whether on full or part-time employment, are entitled to equal remuneration for equal work. The above rule also applies in respect of the purchase plan. The plan documentation should expressly indicate the discretionary nature of benefits provided under the plan and the consequence for the benefit in case of employment termination.

Communications

Translation of plan documents for employees is recommended but is not required. Government filings must be made in Polish.

Regulatory

Securities Compliance

If the Issuer does not have securities listed on a regulated exchange in the EU, there may be a requirement to publish a prospectus in Poland which has been approved in the Issuer's Home Member State if (i) the offer is made to 100 persons or more in any Member State and (ii) the price being paid for Stock by employees throughout the EU is greater (in aggregate) than €2.5m, when aggregated with offers of securities made in the EU in the previous 12 months. If the Issuer has securities listed on a regulated exchange in the EU, the Issuer will be required to publish summary information about the plan and the Stock being offered to employees.

Foreign Exchange

Employees may be subject to certain reporting requirements.

Data Protection

Employee consent for the processing and transfer of personal data is a recommended method of compliance with existing data privacy requirements. If data is transferred outside the EU, a written consent will be required unless the consent for the transfer is issued by the local data protection authority. Moreover, the local entity must enter into a written agreement with third party data processors.

Tax

Employee Tax Treatment

Employees are taxed on the spread on the exercise of the purchase right. Tax is also charged on any gain upon the subsequent sale of the underlying Stock. Careful tax planning may defer taxation until final realization of capital gain (binding tax ruling from the Polish Ministry of Finance is necessary).

Social Insurance Contributions

Social insurance contributions are not required if the Subsidiary is not involved in the offer of purchase rights. Accordingly, for social insurance contributions not to apply, purchase plan benefits should not be included in employment agreements and the Issuer should not be reimbursed for the cost of the purchase plan benefits.

Tax-Favored Program

None.

Withholding and Reporting

If the Subsidiary reimburses the Issuer for the costs of the plan benefits, withholding and reporting may be required.

Employer Tax Treatment

A tax deduction should be available to the Subsidiary if the cost of plan benefits is reimbursed by the Subsidiary to the Issuer and the Subsidiary treats the spread as part of employee remuneration, but in such circumstances, social insurance contributions, withholding and reporting may be required.

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.