Poland

Employment

Labor Concerns

Polish labor law issues are unlikely to apply to option plans. As a precaution, however, employees should acknowledge in writing that the grant of options does not create a right or entitlement to further grants.

Communications

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

Regulatory

Securities Compliance

The grant of employee options in Poland may give rise to a requirement to publish a prospectus which has been approved in the Issuer's Home Member State, unless one of the exemptions or exclusions in the Prospectus Directive is satisfied, e.g., there are fewer than 100 offerees in each member state or the value of the securities being offered is less than €2.5m, subject to certain conditions.

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 EU, a written consent will be required unless the consent for the transfer is issued by 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 upon the exercise of the option. Tax is also imposed on any gain upon the subsequent sale of the underlying Stock.

Social Insurance Contributions

Social insurance contributions are not required if the Subsidiary is not involved in the offer of options. Accordingly, option plan benefits should not be included in employment agreements and the Issuer should not be reimbursed for the spread.

Tax-Favored Program

None.

Withholding and Reporting

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

Employer Tax Treatment

A tax deduction should be available to the Subsidiary if the cost of option plan benefits is reimbursed and the Subsidiary treats the spread as part of employee remuneration.