Belgium

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. In particular, there is a risk that an employee dismissed without cause may be treated by a court as a good leaver. 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 loss of unvested rights. The Plan documents and all related communications should be translated into the appropriate local language, namely: 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, 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. Generally, an employer must register data processing activities and databases with the local data protection authorities.

Tax

Employee Tax Treatment	Options accepted within 60 days of offer will be taxed on the 60th day after offer (a qualifying stock option) on a percentage of the value of the underlying Stock at the time of grant (starting at 18 percent of the value of the underlying Stock, and increasing based on the period for which the Option is valid). An "offer" will be deemed to have been made once the employee is informed of the key terms of the grant (usually when grant documents are distributed). In the case of a qualifying stock option, the employee will not be subject to tax on the exercise of the Options or the sale of the Stock. Options accepted after 60 days from offer (i.e., non-qualifying stock options) will be taxed on the gain on exercise (i.e., the excess of the market value of the Stock acquired over the aggregate exercise price).
Social Security Contributions	In general, no social security contributions are due, unless: (i) in the case of non-qualifying stock options, the Issuer recharges the costs of the Plan to the Subsidiary; or (ii) in the case of qualifying stock options, the Options are "in the money" (i.e., the exercise price is less than the value of the underlying Stock as determined on the date of the offer).
Tax-Favored Program	Favorable tax treatment may be available in the case of a qualifying stock option if certain conditions are met, including if the employee undertakes not to exercise the Options before the third anniversary of grant or after the tenth anniversary of grant. If the conditions are met, the above-mentioned percentage will be halved.
Withholding and Reporting	The Subsidiary has no withholding obligation, save where it participates in the execution of the Plan (e.g., by carrying out administrative activities relating to the Plan) or reimburses the Issuer for the costs of the Plan. Reporting requirements apply only to the extent any income tax or social security contributions have been withheld.
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).

Belgium

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. In particular, there is a risk that an employee dismissed without cause may be treated by a court as a good leaver.

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.

The Plan documents and all related communications should be translated into the appropriate local language, namely: 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, 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

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. Generally, an employer must register data processing activities and databases with the local data protection authorities.

Tax

Employee Tax Treatment	For Restricted Stock, an employee is generally subject to income tax on the value of the Restricted Stock when it is granted. For RSUs, an employee is generally subject to income tax on the value of the Stock received on vesting. No capital gains tax is payable on any gain upon the net proceeds of the sale of the Restricted Stock or Stock.
Social Security Contributions	In general, no social security contributions are payable unless the Issuer recharges the costs of the Plan to the Subsidiary.
Tax-Favored Program	Favorable tax treatment, in the form of a reduction of the taxable benefit, will apply at grant (for Restricted Stock) and vesting (for RSUs) if there is a restriction on disposal of the Stock for at least two years.
Withholding and Reporting	The Subsidiary has no withholding obligation save where it participates in the execution of the Plan (e.g., by carrying out administrative activities relating to the Plan) or reimburses the Issuer for the costs of the Plan. Reporting requirements apply only to the extent any income tax or social security contributions have been withheld.
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).

Belgium

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. In particular, there is a risk that an employee dismissed without cause may be treated by a court as a good leaver.

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 loss of unvested rights.

The Plan documents and all related communications should be translated into the appropriate local language, namely: 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, 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 Belgium. 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. Generally, an employer must register data processing activities and databases with the local data protection authorities.

Tax

Employee Tax Treatment	An employee is generally subject to income tax on the value of any discount when the Stock is purchased. No capital gains tax is payable on any gain upon the net proceeds of sale of the Stock.
Social Security Contributions	In general, no social security contributions are due unless the Issuer recharges the costs of the Plan to the Subsidiary.
Tax-Favored Program	If there is a restriction on disposal of the Stock for at least two years after the date of purchase, then the value of the taxable benefit may be limited to a proportion of the market value of the Stock.
Withholding and Reporting	The Subsidiary has no withholding obligation unless it participates in the execution of the Plan (e.g., by carrying out administrative activities relating to the Plan) or reimburses the Issuer for the costs of the Plan. Reporting requirements apply only to the extent any income tax or social security contributions have been withheld.
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).