India

Stock Option Plans

Employment

Labor Concerns

There is a risk that Plan benefits could be considered part of an employee's salary for the purposes of calculating entitlements on termination of employment. An employee should therefore be required to acknowledge in writing that the Plan and any Plan benefits are provided solely at the discretion of the Subsidiary.

There are laws which prohibit discrimination against, and/or less favorable treatment of, employees on certain grounds, including age, gender 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 in English.

Regulatory

Securities Compliance

Neither the grant nor the exercise of Options is likely to trigger any prospectus requirements.

Foreign Exchange

Approval from the Reserve Bank of India ("**RBI**") will not be required provided that:

(i) no funds are transferred on the exercise of Options under the Plan;

(ii) an individual's remittances outside of India are under a specified annual amount (currently US$250,000); or

(iii) an authorized dealer bank in India is utilized for remittance and the authorized dealer bank, on behalf of the Subsidiary, submits an annual return to the RBI.

Employees must repatriate the sale proceeds of any Stock to India within 90 days from the date of the sale.

Data Protection

Employee consent for the processing and transfer of personal data is a recommended method of compliance with existing data privacy requirements. Collecting and transferring personal, sensitive information requires the prior consent of employees, who are entitled to withdraw their consent at any later point in time. In addition, the entity collecting personal, sensitive data should have reasonable security practices and procedures in place (the Central Government has prescribed certain security measures which need to be mandatorily adopted) and a data protection policy.

Tax

Employee Tax Treatment

An employee is generally subject to income tax on the gain on exercise (i.e., the excess of the fair market value of the Stock acquired over the aggregate exercise price).

Capital gains tax is also payable on any gain upon the net proceeds of sale of the Stock.

If the employee holds the Stock for a minimum period (12 months in the case of securities listed on a recognized stock exchange and 24 months in the case of unlisted securities) from the date of allotment or transfer of Stock, favorable capital gains tax rates apply.

Social Security Contributions

No social security contributions are payable.

Tax-Favored Program

There is no tax-favored program applicable to Stock option plans.

Withholding and Reporting

The Subsidiary has an obligation to withhold income tax from the salary of the employee at the time of exercise of the Option.

Reporting requirements apply to both the Subsidiary and the employee.

Employer Tax Treatment

A deduction may be available in certain circumstances, namely if the Subsidiary reimburses the Issuer for the costs of the Plan or if the Subsidiary claims a deductible expense (comprising staff welfare expenditure) on the difference between market value and the price paid on exercise.

India

Restricted Stock and RSUs

Employment

Labor Concerns

There is a risk that Plan benefits could be considered part of an employee's salary for the purposes of calculating entitlements on termination of employment. An employee should therefore be required to acknowledge in writing that the Plan and any Plan benefits are provided solely at the discretion of the Subsidiary.

There are laws which prohibit discrimination against, and/or less favorable treatment of, employees on certain grounds, including age, gender 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 in English.

Regulatory

Securities Compliance

Neither the grant nor the vesting of Restricted Stock or RSUs is likely to trigger any prospectus requirements.

Foreign Exchange

Employees must repatriate the sale of proceeds of any Stock to India within 90 days from the date of the sale.

Data Protection

Employee consent for the processing and transfer of personal data is a recommended method of compliance with existing data privacy requirements. Collecting and transferring personal, sensitive information requires the prior consent of employees, who are entitled to withdraw their consent at any later point in time. In addition, the entity collecting personal, sensitive data should have reasonable security practices and procedures in place (the Central Government has prescribed certain security measures which must be adopted) and a data protection policy.

Tax

Employee Tax Treatment	For Restricted Stock, the taxation position is uncertain, but it is likely that an employee will be subject to income tax on the date of acquisition. For RSUs, an employee is generally subject to income tax on the value of the Stock received on vesting. Capital gains tax is also payable on any gain upon the net proceeds of sale of the Restricted Stock or Stock. If the employee holds the underlying Stock for a minimum period (12 months in the case of securities listed on a recognized stock exchange and 24 months in the case of unlisted securities) from the date of allotment or transfer of such Stock, more favorable capital gains tax rates apply.
Social Security Contributions	No social security contributions are payable.
Tax-Favored Program	There is no tax-favored program applicable to restricted Stock and RSU plans.
Withholding and Reporting	The Subsidiary has an obligation to withhold income tax from the salary of the employee at the time the employee becomes entitled to sell the Restricted Stock or Stock. Reporting requirements apply to both the Subsidiary and the employee.
Employer Tax Treatment	A deduction may be available in certain circumstances, namely if the Subsidiary reimburses the Issuer for the costs of the Plan or if the Subsidiary claims a deductible expense (comprising staff welfare expenditure) on the difference between market value and the price paid on exercise.

India

Employee Stock Purchase Plans

Employment

Labor Concerns

There is a risk that Plan benefits could be considered part of an employee's salary for the purposes of calculating entitlements on termination of employment. An employee should therefore be required to acknowledge in writing that the Plan and any Plan benefits are provided solely at the discretion of the Subsidiary.

There are laws which prohibit discrimination against, and/or less favorable treatment of, employees on certain grounds, including age, gender 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 in English.

Regulatory

Securities Compliance

There are unlikely to be any requirements to file a prospectus in relation to the Plan.

Foreign Exchange

Approval from the Reserve Bank of India ("**RBI**") will not be required provided that:

(i) an individual's remittances outside of India are under a specified annual amount (currently US$250,000); or

(ii) an authorized dealer bank in India is utilized for remittance and the authorized dealer bank, on behalf of the Subsidiary, submits an annual return to the RBI.

Employees must repatriate the sale proceeds of any Stock to India within 90 days from the date of the sale.

Data Protection	Employee consent for the processing and transfer of personal data is a recommended method of compliance with existing data privacy requirements. Collecting and transferring personal, sensitive information requires prior consent of the employees, who are entitled to withdraw their consent at any later point of time. In addition, the entity collecting personal, sensitive data should have reasonable security practices and procedures in place (the Central Government has prescribed certain security measures which need to be mandatorily adopted) and a data protection policy.

Tax

Employee Tax Treatment	An employee is generally subject to income tax on the value of any discount when the Stock is purchased. Capital gains tax is also payable on any gain upon the net proceeds of sale of the Stock. If the employee holds the Stock for a minimum period (12 months in the case of securities listed on a recognized stock exchange and 24 months in the case of unlisted securities) from the date of allotment or transfer of such Stock, favorable capital gains tax rates apply.
Social Security Contributions	No social security contributions are payable.
Tax-Favored Program	There is no tax-favored program applicable to employee Stock Purchase Plans.
Withholding and Reporting	The Subsidiary has an obligation to withhold income tax from the salary of the employee at the time the employee becomes entitled to sell the Stock. Reporting requirements apply to both the Subsidiary and the employee.
Employer Tax Treatment	A deduction may be available in certain circumstances, namely if the Subsidiary reimburses the Issuer for the costs of the Plan or if the Subsidiary claims a deductible expense (comprising staff welfare expenditure) on the difference between market value and the price paid on exercise.