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 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

Neither the award nor the vesting of restricted stock or RSUs is likely to trigger any prospectus requirement, provided that the restricted stock or RSUs are awarded and vest free of charge.

Foreign Exchange

There are no foreign exchange restrictions applicable to restricted stock or RSU plans.

Data Protection

In principle, the processing of personal data by the employer in connection with the administration of a restricted stock-plan or RSU-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..

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 plan is administered by another company other than the employer (e.g. a foreign holding company).

Tax

Employee Tax Treatment

The employee should be subject to tax on the value of the stock, as restricted, when the restricted stock is awarded. The employee should be subject to tax on the value of the stock when the RSU award vests. The employee will not be subject to tax upon the sale of the stock.

Social Insurance Contributions

For employees of a Belgian Subsidiary, social security contributions will be imposed if the costs of the plan are recharged by the Issuer to the Belgian Subsidiary. Social security contributions could also be imposed if the Belgian Subsidiary bears the "legal" charge of the award (by making a commitment towards the employees regarding this award).

Tax-Favored Program

If the employee is required to hold the restricted stock for at least two years after the date of award 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.

If the employee is required to hold the stock for at least an additional two years beyond the date of vesting of the RSU award and the stock is traded on an exchange, then the value of the benefit-in-kind 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.

Withholding and Reporting

If a non-resident company without an establishment in Belgium grants restricted stock or RSUs to employees of a Belgian Subsidiary, no withholding tax is due. However if the Belgian Subsidiary intervenes in the grant of the restricted stock and/or the delivery of the RSUs, the Subsidiary will be subject to the obligation to withhold payroll taxes.

In those circumstances, the Belgian Subsidiary will also be required to report the taxable benefit on fiscal slips.

Employer Tax Treatment

A deduction is allowed if the Issuer is reimbursed for the cost of administering the plan. A formal reimbursement agreement is recommended.

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.