

Germany

Employment

Labor Concerns

In order to reduce the risk of German employment law restrictions (including potential invalidity of forfeiture restrictions) applying to options granted to German employees, it is recommended that the Subsidiary is not involved in the grant of options or party to any option agreement.

Employees should expressly agree in option agreements or grant documentation that termination of employment will result in the loss of unvested rights and that the Plan is discretionary and voluntary.

If the Subsidiary sets up the Plan, it should be determined whether consultation is required with the German works council regarding the terms of the Plan for employees.

Communications

The translation of Plan documents for employees is recommended but not legally required. Government filings must be in German.

Electronic execution of award agreements may be acceptable under certain conditions.

Regulatory

Securities Compliance

Neither the grant nor the exercise of employee options in Germany is likely to trigger any requirement for securities filings, provided the options are non-transferable.

As there is still some uncertainty in Germany regarding the prospectus requirement, it is advisable to consult German lawyers in any individual case.

Foreign Exchange

Minor statistical reporting is required in some circumstances (in 2011: transfer of at least €12,500).

Data Protection

Employee consent for the collection, use, and transfer of personal data is the recommended method of compliance with existing data privacy requirements. If consent is given together with other declarations, it must be distinguishable in its appearance from the other declarations (e.g., by using a different type-face). Additionally, employees must be informed of the purpose for which their information will be processed. Employers may be required to register certain data processing activities with Germany's data protection authorities.

Collecting, processing and transfer of personal data should be assessed under the German "Policy for Employee's Data Privacy".

Tax

Employee Tax Treatment

The employee is subject to income tax upon exercise of his/her options. The amount of income subject to tax is the spread between the fair market value of the Stock at the time of the purchase minus the amount paid for the Stock, if any.

In addition, the sale of the Stock will, in general, be subject to tax. There is a tax rate of 25% (so-called flat tax, Abgeltungsteuer), plus 5.5% solidarity surcharge thereon and, if applicable, church tax. The flat tax regime will, however, not apply if the employee at any point in time during the five years preceding the sale has held a stake representing 1% or more directly or indirectly of the share capital of the Issuer. In this case the so-called part-income system applies, according to which 40% of the capital gains are tax exempt and the remaining 60% of the capital gains are subject to tax at the employee's personal income tax rate.

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 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.

Germany (cont.)

Social Insurance Contributions	Generally, both the employer and employee must pay social insurance on the spread to the extent that the employee has not exceeded the wage base threshold.
Tax-Favored Program	There is no tax-favored program at the time the stock options are granted. At the time the Stock is actually bought, a minor tax exemption may apply to any discount on Stock acquired by an employee from the employing company or a related group company if the Plan is available for all employees. In addition, a reduction in tax rates may apply if the Stock is granted as part of remuneration for several years.
Withholding and Reporting	Withholding and reporting are required.
Employer Tax Treatment	A deduction is generally available if the Subsidiary reimburses the Issuer pursuant to a written agreement.

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