

# Taiwan

## Employment

### Labor Concerns

Employees should sign a written disclaimer acknowledging that the restricted stock or RSU plan is a discretionary benefit that is offered to employees outside of their normal salaries and can be terminated at any time.

### Communications

All employee communications should be available in Chinese for the employees who are not fluent in English. Government filings must be made in Chinese.

## Regulatory

### Securities Compliance

Offers under restricted stock or RSU plans will be exempt from local securities law requirements if the offers are not made to the public. It will not be considered as a public offer if the offers are made to fewer than 35 persons, being specific employees, directors and/or supervisors of the affiliated company.

### Foreign Exchange

Approval from the Central Bank of China is required for any remittances which exceed, in each calendar year: (i) US\$50m for a Taiwanese subsidiary; and (ii) US\$5m for each Taiwanese resident.

### Data Protection

The employer is not required to obtain a license or government approval to collect and process the personal data of the employees provided that prior consent is obtained from the employees. The employer should have regard to the rights and interests of employees when collecting or utilizing personal data. The use and handling of personal data should accord with principles of honesty and integrity and must not exceed the scope of the specific purpose as agreed between the employer and the employee.

## Tax

### Employee Tax Treatment

An income tax charge is imposed on the employee when he exercises his restricted stock or RSU plans. The income tax is calculated by the difference between the purchase price of the Stock and the market value of the shares at the time the restriction on the Stock is released. The sale of the Stock is subject to capital gains tax.

### Social Insurance Contributions

2% of the Stock dividends shall be contributed to the supplemental premium for second-generation National Health Insurance. The supplemental premium rate will be reviewed on a year to year basis.

### Tax-Favored Program

None.

### Withholding and Reporting

The Subsidiary is not required to withhold income taxes from employees. However, the Subsidiary is required to file a non-withholding statement by January of each year.

### Employer Tax Treatment

A tax deduction may be available if the Subsidiary: (i) reimburses the Issuer for the cost of restricted stock or RSU plan benefits, and (ii) such costs are characterized as employee remuneration.

Withholding and reporting are required if the Subsidiary reimburses the Issuer for the costs of the plan.

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.