

Tax – Employee Information Sheet – "Your Shares: Matched" and "Your Shares: Gifted"

The following employee information sheet is based on the assumption that you are only subject to income tax exclusively in Germany. If you have any tax connections outside of Germany (e.g. as a cross-border commuter residing in a neighboring country), we ask you to contact your personal tax advisor in case of any questions regarding the following.

The information contained is general and does not consider your individual situation and circumstances. Although we strive to provide reliable and up-to-date information, we cannot guarantee that this information applies to you. You should not act on the basis of this information without appropriate professional advice and without a thorough analysis of the situation in question.

The employee information sheet reflects the legal status as of May 2025 and presents the legal opinion based on applicable laws, including administrative views and case law. However, the information should not be interpreted as a guarantee of a specific tax outcome. Tax authorities and tax courts operate independently in their application of tax law.

The legal situation may change – potentially even with effect for the past. This also applies to the opinions of tax authorities and tax courts. There is no obligation to update the employee information sheet or to track further legal developments in any other manner.

Summary

In general, you do not need to separately report the purchase or vesting of shares under the "Your Shares: Matched" and "Your Shares: Gifted" programs in your personal income tax return. However, there are certain scenarios in which you may still be required to file an income tax return. These scenarios are included in this document and summarized in the decision tree on page 10.

In Germany, (reinvested) dividends and the sale of shares are generally subject to taxation as capital gains. **You are personally responsible for reporting and paying income tax on dividends and the sale of shares held abroad. Consequently,** under the "Your Shares: Matched" and "Your Shares: Gifted" programs you are obliged to file an income tax return in almost all cases. Therefore, we ask you to consider the following guidelines.

In the appendix to the employee information sheet, you will find general information on how to report in the income tax return. Appendix 1 shows the reporting in the **tax forms**, while Appendix 2 demonstrates the reporting via the **Online Portal ELSTER**.

Germany

Purchase of shares under the "Your Shares: Matched" and "Your Shares: Gifted" programs

How is the purchase of shares taxed?

The purchase or vesting of the shares under the "Your Shares: Matched" and "Your Shares: Gifted" program is generally processed by your employer through payroll.

In this context, it is advantageous for you that a special tax allowance of € 2,000 per calendar year per employee can be utilized according to Section 3 No. 39 of the German Income Tax Act (in the following: EStG). This allowance was created to promote the free or discounted purchase of shares in the employer or an affiliated group company. It has been gradually increased in recent years to the current level of € 2,000.

Please do not confuse this special tax allowance for employee equity participation with the Capital Gains Tax annual exemption (so-called "Sparerpauschbetrag"), which applies to capital income such as dividends and capital gains from the sale of shares. You can find further information on this below under "Do I need to report dividends in my personal income tax return?" or "Do I need to report the sale of the shares in my personal income tax return?".

The implementation of the special tax allowance for employee equity participation within the various components of the "Your Shares: Matched" and "Your Shares: Gifted" programs is outlined below.

Investment shares

Due to the special tax allowance under Section 3 No. 39 EStG for employee equity participation, investment shares with a value of up to € 2,000 per calendar year per employee can be financed tax-free by gross salary sacrifice. Please note that the salary sacrifice is subject to social security contributions. The corresponding social security contributions will be deducted from your current salary.

Matching shares

Upon expiration of the locking period, the matching shares are unlocked and become taxable.

If the tax allowance of € 2,000 under Section 3 No. 39 EStG has not already been exhausted, the matching shares can be transferred tax-free (called vesting). In this case, the tax-free transfer of matching shares is also exempt from social security contributions.

If the tax allowance of € 2,000 is exceeded by the vesting of shares, the taxation and social security contributions for the excess value of the shares will be processed through payroll.

	<p><i>Gifted shares (only relevant for the year 2025)</i></p> <p>If the tax allowance of € 2,000 under Section 3 No. 39 EStG has not already been exhausted, the gifted shares can be transferred tax-free (called vesting). In this case, the tax-free vesting of the gifted shares is also exempt from social security contributions.</p> <p>If the tax allowance of € 2,000 is exceeded by the vesting of shares, the excess value of the shares is subject to income tax and social security contributions. The value exceeding the allowance is taxed and assessed for social security through payroll. Upon selling the gifted shares, you will receive the value of the shares directly paid out by Equiniti.</p>
What tax rates apply if the tax allowance is exceeded?	The non-cash benefit from the free or discounted purchase of shares by employees is subject to the progressive income tax rate of up to 42% (or the top tax rate of 45%), unless it is tax-free according to Section 3 No. 39 EStG (up to € 2,000 per calendar year per employee). Depending on the total income and church affiliation, the solidarity surcharge (5.5% of income tax) and church tax (between 8 and 9% of income tax, depending on the federal state) have to be considered in addition to income tax.
What are the rates for social security?	<p>Social security contributions are only due if the following contribution assessment ceilings have not yet been exceeded by other salary components (2025):</p> <ul style="list-style-type: none"> - € 96,600 for pension insurance and unemployment insurance in all federal states. - € 66,150 for health insurance and statutory long-term care insurance in all federal states. <p>If the contribution assessment ceilings have not yet been exceeded, the combined rates for pension, unemployment, health insurance - including an average additional contribution - and statutory long-term care insurance for employees and employers amount up to approx. 22% (2025).</p>
Does my employer charge the corresponding wage taxes and social security contributions if the tax allowance is exceeded?	If the tax allowance according to Section 3 No. 39 EStG (up to € 2,000 per calendar year and employee) for employee equity participation is exceeded, your employer will withhold wage tax and social security contributions and remit them to the tax office and social security institutions.
<p>This means: The purchase / vesting of the shares under the "Your Shares: Matched" and "Your Shares: Gifted" programs is generally processed through your payroll for tax and social security purposes. Therefore, the purchase / vesting of shares generally does not need to be reported separately in your personal income tax return. As a result, there is generally no further action required on your part.</p> <p>However, please note the following instructions regarding the reporting of foreign dividends and capital gains in your personal income tax return. For submitting your personal income tax return, please also refer to the details in the appendix.</p>	

Dividends	
How are dividends taxed?	In Germany, dividends distributed by both domestic and foreign companies have to be taxed as income from capital gains. This also applies to dividends that are (automatically) reinvested in shares, as is handled within the programs set up.
What tax rates apply to the taxation of dividends?	Income tax on capital gains is generally a flat rate of 25% (so-called withholding tax) plus the solidarity surcharge (5.5% on income tax; resulting in a combined tax rate of 26.375%) and, depending on church affiliation, possibly church tax (between 8 and 9% of income tax, depending on the federal state).
Do I need to report dividends in my personal income tax return?	<p>The foreign shares received under the "Your Shares: Matched" and "Your Shares: Gifted" programs are generally held at Equiniti. Equiniti is a foreign financial services provider based in the United Kingdom. Rolls-Royce shares are shares in a foreign company. Therefore, German income tax on capital gains is not automatically withheld through the capital gains tax deduction process.</p> <p>You are therefore generally required to report the (reinvested) dividends in your personal income tax return. Guidance on reporting can be found in the appendix.</p> <p>Capital Gains Tax (short: CGT) annual exemption ("Sparerpauschbetrag"): Please note that for your total private income from capital gains (dividends, interest income, sale proceeds, etc.) the CGT annual exemption of € 1,000 for single persons and € 2,000 for married couples can be applied. Please be aware that you may have submitted the CGT annual exemption as an exemption order at domestic financial institutions. The one-time consideration or deduction is automatically applied when you submit your personal income tax return, taking into account your exemption orders. We would also like to point out that an exemption order cannot be submitted to the foreign financial institution Equiniti.</p> <p>Please do not confuse the CGT annual exemption with the above-mentioned special tax allowance for employee equity participation according to Section 3 No. 39 EStG. The special tax allowance for employee equity participation is available per employee and per calendar year, in addition to CGT annual exemption, for the discounted provision of equity participation by the employer.</p>
This means: (Reinvested) foreign dividends from shares held in a foreign account must be reported by you in your income tax return.	

Sale of shares	
How is the sale of my shares taxed?	In Germany, the sale of shares must be taxed as capital gains. The taxable amount corresponds to the profit or loss on the sale of shares, which is calculated as the difference between the proceeds from the (subsequent) sale, the selling costs, and the acquisition costs. Your personal capital gains or losses can be found in your CGT Report from Equiniti.
What tax rates apply to the sale of shares?	<p>Income tax on capital gains is generally a flat rate of 25% (so-called withholding tax) plus the solidarity surcharge (5.5% on income tax; corresponds to a combined tax rate of 26.375%) and, depending on church affiliation, possibly church tax (between 8 and 9% of income tax, depending on the federal state).</p> <p>For capital income, restrictions on offsetting losses are provided in the event of a loss. For example, losses from the sale of shares can only be offset against gains from the sale of shares (and not against other capital income such as dividends) for income tax purposes. In this context, we refer to our explanations in the appendix.</p>
Do I need to report the sale of shares in my personal income tax return?	<p>The shares received under the "Your Shares: Matched" and "Your Shares: Gifted" programs are generally held by Equiniti. Equiniti is a foreign financial services provider based in the United Kingdom. Rolls-Royce shares are shares in a foreign company. Therefore, German income tax on capital gains is not automatically withheld through the capital gains tax deduction process.</p> <p>You are therefore generally required to report the sale of the shares in your income tax return. Guidance on reporting can be found in the appendix.</p> <p>Capital Gains Tax (short: CGT) annual exemption ("Sparerpauschbetrag"): Please note that the CGT annual exemption of € 1,000 for single persons or € 2,000 for married couples can be applied for your private capital gains (dividends, interest income, sales proceeds, etc.). Please be aware that you may have submitted the saver's allowance as an exemption order at domestic financial institutions. The consideration or deduction is automatically applied when you submit your personal income tax return, taking into account your exemption orders. We would also like to point out that an exemption order cannot be submitted to the foreign financial institution Equiniti.</p> <p>Please do not confuse the CGT annual exemption with the above-mentioned special tax allowance for employee equity participation according to Section 3 No. 39 EStG. The special tax allowance for employee equity participation is available per employee and per calendar year in addition to the CGT annual exemption for the discounted provision of equity participation by the employer.</p>

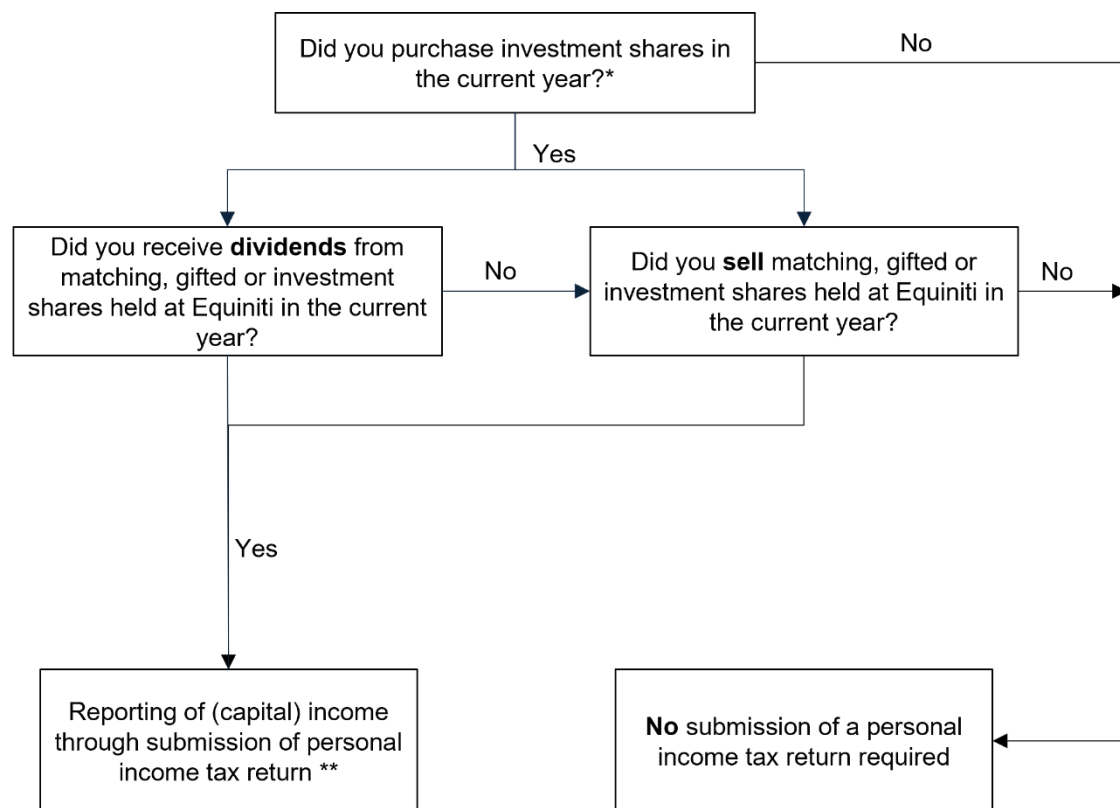
<p>Do I have to report the sale of the shares in my personal income tax return even if I sell the shares immediately at the vesting (Sell-All-Scenario)?</p>	<p>If you sell your purchased or unlocked shares directly upon vesting at Equiniti, no taxable capital gains arise that you need to report in your income tax return. Generally, in the Sell-All-Scenario, no further action is required on your part.</p> <p>However, please note that this applies only to the Sell-All-Scenario. If you do not conduct the sale as part of the Sell-All process, a taxable capital gain may arise.</p>
<p>Are there any special considerations when transferring shares from Equiniti to an account at a domestic financial institution?</p>	<p>If the shares are transferred to an account at a domestic financial institution before the sale, the acquisition costs cannot generally be automatically transferred to the domestic financial institution for the purposes of capital gains tax deduction (Section 43a (2) S. 6 EStG).</p> <p>As a result, the domestic financial institution will automatically tax the entire sale price of the shares (not just the capital gain) at a flat rate of 30% (Section 43a (2) S. 7 EStG) upon sale. This flat-rate taxation should be correctable in your income tax return. If you have any questions regarding this, please contact your personal tax advisor.</p>
<p>This means: The sale of shares held in a foreign custody account must be reported by you in your income tax return.</p>	

Effects on your income tax return	
<p>Do I have to report my income from the "Your Shares: Matched" and "Your Shares: Gifted" programs to the tax authorities as part of my personal income tax return?</p>	<p>General Information</p> <p>The assessment period for the German income tax return corresponds to the calendar year (1 January to 31 December). The deadline for submitting the income tax return for the previous tax year is 31 July of the following year. The deadline is extended to the end of February of the second following year if the assistance of a tax advisor or an income tax assistance association is utilized.</p> <p>Please note that the following information assumes that you will continue to be employed by the company until the regular vesting of the shares.</p> <p>Assessment period 2024</p> <p>The purchase of investment shares and the associated award of matching shares was not possible in 2024.</p> <p>Please note that you are obliged to report the profit from the sale of gifted shares (possibly early vesting due to termination of employment) in your income tax return for the year 2024.</p> <p>Assessment period 2025</p> <p>In 2025, investment shares can be purchased for the first time through salary sacrifice under the "Your Shares: Matched" program. The salary sacrifice is treated as tax-free according to Section 3 No. 39 EStG, but it is subject to social security contributions within the payroll process. The granting of matching shares (award) has no tax consequences in Germany in 2025.</p> <p>During the locking period, no tax consequences arise for you from the locked matching shares.</p> <p>The vesting of the gifted shares granted in 2024 is generally carried out considering the special tax allowance of € 2,000 per calendar year according to Section 3 No. 39 EStG. The value exceeding the allowance is taxed and assessed for social security through payroll.</p> <p>Therefore, you are generally not required to report the purchase / vesting of the shares separately in your personal income tax for the assessment period 2025.</p> <p>You are required to report foreign dividends reinvested in shares related to your investment shares and held gifted shares as part of your income tax return for the year 2025.</p> <p>Please also note that you are required to declare the gain from the sale of foreign investment shares, gifted shares or matching shares (if applicable, early vesting due to termination of employment) in your income tax return for the year 2025. In this context, we refer to our explanations in the appendix.</p>

	<p><i>Assessment period 2026</i></p> <p>In 2026, you will still have the opportunity to purchase investment shares through salary sacrifice under the "Your Shares: Matched" program. The granting of matching shares (award) has no tax consequences in Germany in 2026.</p> <p>During the locking period, no tax consequences arise for you from the locked matching shares.</p> <p>You are required to report foreign dividends reinvested in shares related to your investment shares and your held gifted shares as part of your income tax return for the year 2026.</p> <p>Please also note that you are required to report the gain from the sale of foreign investment shares, gifted shares or matching shares (if applicable, early vesting due to termination of employment) in your income tax return for the year 2026. In this context, we refer to our explanations in the appendix.</p> <p><i>Assessment period 2027 and further</i></p> <p>In 2027 and subsequent years, you will still have the opportunity to purchase investment shares through salary sacrifice under the "Your Shares: Matched" program. The granting of matching shares (award) has no tax consequences in Germany in 2027 and beyond.</p> <p>During the locking period, no tax consequences arise for you from the locked matching shares.</p> <p>The consideration of the transferred (unlocked) matching shares after the locking period is generally carried out considering the special tax allowance of € 2,000 per calendar year according to Section 3 No. 39 EStG. The value exceeding the allowance is taxed and assessed for social security through payroll.</p> <p>You are required to report foreign dividends reinvested in shares in connection with your investment shares, your matching shares and your held gifted shares as part of your income tax return for the respective year.</p> <p>Please also note that you are required to report the gain from the sale of foreign investment shares, gifted shares or matching shares (if applicable, early vesting due to termination of employment) in your income tax return for the relevant year. In this context, we refer to our explanations in the appendix.</p>
<p>Do I need to file an income tax return if my only sources of income are wages and foreign capital gains from the "Your Shares: Matched" or "Your Shares: Gifted" programs?</p>	<p>The income tax on your wages is already remitted to the tax authorities through the wage tax withheld from your salary. However, since you earn foreign taxable capital gains from the "Your Shares: Matched" or "Your Shares: Gifted" programs, you are required to report these in your income tax return. The tax authorities may, for reasons of fairness and reasonableness, waive the requirement to file a tax return if your foreign capital income does not exceed € 500. We recommend submitting an informal request to your local tax office, including your tax ID and a brief explanation of your situation.</p> <p>The wording could be as follows:</p> <p>„Im aktuellen Steuerjahr habe ich lediglich Arbeitslohn und ausländische Kapitalerträge in Höhe von XY € und somit weniger als 500 € sowie unterhalb des Sparerpauschbetrags erzielt. Daher bitte ich aus Billigkeitsgründen von der Abgabe einer Einkommensteuererklärung abzusehen.“</p> <p>If you have any uncertainties or questions, we advise you to contact your personal tax advisor.</p>

Decision tree for filing an income tax return

Please note that this decision tree is only applicable if, in addition to the "Your Shares: Matched" or "Your Shares: Gifted" programs, you receive salary exclusively taxable in Germany from which tax has already been withheld via payroll. The decision tree does not apply if you are required to file an income tax return in Germany for other reasons (e.g. due to rental income, receipt of wage replacement benefits such as unemployment or parental benefits).



* Assuming that you only earn wages from which wage tax has been withheld in addition to foreign capital gains, and that there are no other reasons for filing an income tax return.

** Please refer to the above-mentioned guidance regarding a possible application to waive the filing of an income tax return for reasons of equity.

Appendix 1: "Your Shares: Matched" and "Your Shares: Gifted" in the income tax return – presentation in the forms for the tax return according to officially prescribed templates

Please note that you can submit your income tax return to the tax office in different ways. You have the option to use the ELSTER online portal or, for example, hire a personal tax advisor. If you use the forms for the tax return according to officially prescribed templates, please refer to appendix 1. The presentation in ELSTER can be found in appendix 2. We would like to point out that the income tax return only needs to be submitted in one way.

In connection with the "Your Shares: Matched" and "Your Shares: Gifted" programs, tax implications may arise for you. The following explanations show how you can map the possible implications in your personal income tax return.

Please note that this does not constitute individual tax advice. The tax implications depend on your personal circumstances and should therefore be examined by you or your tax advisor on a case-by-case basis.

General

The following excerpts from the tax forms are based on the current **2024** tax forms. Please note that these are updated annually and therefore the names of the individual lines or their position may vary in the future.

Purchase of shares

The purchase or vesting of shares under the "Your Shares: Matched" and "Your Shares: Gifted" programs does not have to be reported in your personal income tax return. The reason is that the purchase of the shares is processed through your employer as part of payroll accounting. However, if you submit an income tax return for other reasons (e.g. due to foreign dividends, rental income, special expenses, etc.), please take note of the following information.

Tax-free income

In line 22 "Steuerfreie Aufwandsentschädigungen / Einnahmen" of **Annex N**, you should enter income that was treated tax-exempt under the wage tax deduction procedure. The purchase of shares under the "Your Shares: Matched" and "Your Shares: Gifted" programs is treated as tax-free up to a total amount of € 2,000 per calendar year. Therefore, the tax-free purchase of the shares should be entered in line 22. The entry of the tax-exempt income in line 22 is for reporting purposes only and does not entail any "subsequent taxation" or similar actions.

21	Steuerpflichtiger Arbeitslohn, von dem kein Steuerabzug vorgenommen worden ist (soweit nicht in der Lohnsteuerbescheinigung enthalten)	115	EUR	
22	Steuerfreie Aufwandsentschädigungen / Einnahmen aus der Tätigkeit als	118	EUR	
23	Kurzarbeitergeld einschließlich Zuschuss des Arbeitgebers, Zuschuss zum Mutter-schaftsgeld, Verdienstausfallentschädigung (Infektionsschutzgesetz), Aufstockungsbe-träge nach dem Altersteilzeitgesetz, Altersteilzeitzuschläge nach Besoldungsgesetzen (laut Nr. 15 der Lohnsteuerbescheinigung)	119	EUR	e

The amount of the "Steuerfreie Aufwandsentschädigungen / Einnahmen" corresponds to the value of the utilized tax exemption and can be derived from the sum of the values under "Purchase / vesting value in local currency" of the CGT Report in Equiniti. Please note that if this value exceeds € 2,000, only € 2,000 should be entered in line 22 (tax allowance is fully exhausted in this case).

Taxable income

Income treated as taxable in payroll accounting due to (possible) exceeding of the € 2,000 tax exemption in connection with the purchase of shares generally does not need to be recorded separately in the tax forms, as it is already included in the gross wages according to the wage tax certificate. Regarding matching shares, the tariff reduction according to Section 34 (1), 2 No. 3 EStG (so-called one-fifth rule) can generally be claimed as part of the income tax assessment. For this purpose, the employer separately states this special wage in line 10 of the wage tax certificate as "wages for several calendar years", provided that the conditions for the tariff reduction are met. Please note that the one-fifth rule will no longer have its effect in payroll accounting starting from the 2025 assessment period. A possible effect of the tariff reduction will only be determined upon submission of an income tax return.

Favourable assessment

Due to a favourable assessment option for capital gains in your income tax return, you have the option to check whether the individual taxation of your capital gains at your personal income tax rate is more advantageous than the flat withholding tax of 25%. When preparing your income tax return, you can declare your capital gains and apply for the favourable assessment. The tax office will then compare the tax burden from the withholding tax with the burden that would result from applying your personal tax rate. If your personal tax rate is below 25%, the lower rate will be applied. Please note that the favourable assessment must be actively requested by ticking a box in the income tax return mask, as it is not applied automatic.

Anträge		54
4	Ich beantrage die Günstigerprüfung für sämtliche Kapitalerträge. (Bei Zusammenveranlagung: Die Anlage KAP meines Ehegatten / Lebenspartners ist beigelegt.)	201/401 <input type="checkbox"/> 1 = Ja
5	Ich beantrage eine Überprüfung des Steuereinhalts für bestimmte Kapitalerträge.	202/402 <input type="checkbox"/> 1 = Ja

Inflow of reinvested dividends and sale of shares

The shares purchased under the "Your Shares: Matched" and "Your Shares: Gifted" programs are generally held in a custody account in your name at Equiniti. Equiniti is a financial services provider that is not subject to German tax regulations for withholding tax on capital gains. This means that no German capital gains tax is withheld on (reinvested) dividends and the sale of shares.

You are therefore personally responsible for the reporting of this income and paying income tax on foreign dividends and the sale of foreign shares. This obligation also applies to foreign dividends that are automatically reinvested in shares.

Capital Gains Tax (short: CGT) annual exemption ("Sparerpauschbetrag"): Please note that the CGT annual exemption of € 1,000 for single persons or € 2,000 for married couples can be taken into account in the income for all private capital gains (see above).

Inflow of reinvested dividends

From a German tax perspective, the automatic reinvestment of dividends into shares is treated as if you received the dividend and then personally purchased new shares. As a result, there is a taxable inflow, and the reinvested foreign dividends must be declared in your income tax return.

In the forms, reinvested foreign dividends should be entered in **Annex KAP** in line 19 "Ausländische Kapitalerträge (ohne Beträge laut den Zeilen 24, 25, 26a und 52)".

Steuernummer, Name und Vorname		
Kapitalerträge, die nicht dem inländischen Steuerabzug unterliegen haben		
– ohne Investmenterträge laut Anlage KAP-INV –		
		EUR
18	Inländische Kapitalerträge (ohne Beträge laut den Zeilen 24 bis 26a)	230/430
19	Ausländische Kapitalerträge (ohne Beträge laut den Zeilen 24, 25, 26a und 52)	234/434
20	In den Zeilen 18 und 19 enthaltene Gewinne aus Aktienveräußerungen i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG	232/432
21	In den Zeilen 18 und 19 enthaltene Einkünfte aus Stillhalterprämien und Gewinne aus Termingeschäften	631/831

The amount of "foreign capital gains" corresponds to the value of the reinvested dividends and can be found in the Equiniti report.

Sale of shares

When you sell shares and realize a capital gain or loss, this must generally be recorded for tax purposes. The capital gain or loss is calculated as the difference between the proceeds from the sale, the selling costs, and the acquisition costs. You can find the capital gain or loss under "Capital gain in local currency minus commission and bank transfer fees" in the Equiniti report.

A capital gain should be entered in **Annex KAP** in line 19 " Ausländische Kapitalerträge" and line 20 "In den Zeilen 18 und 19 enthaltene Gewinne aus Aktienveräußerungen i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG".

A capital loss should be entered in **Annex KAP** in line 19 " Ausländische Kapitalerträge" and line 23 "In den Zeilen 18 und 19 enthaltene Verluste aus der Veräußerung von Aktien i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG".

Kapitalerträge, die nicht dem inländischen Steuerabzug unterlegen haben – ohne Investorserträge laut Anlage KAP-INV –		
		EUR
18	Inländische Kapitalerträge (ohne Beträge laut den Zeilen 24 bis 26a)	230/430
19	Ausländische Kapitalerträge (ohne Beträge laut den Zeilen 24, 25, 26a und 52)	234/434
20	In den Zeilen 18 und 19 enthaltene Gewinne aus Aktienveräußerungen i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG	232/432
21	In den Zeilen 18 und 19 enthaltene Einkünfte aus Stillhalterprämien und Gewinne aus Termingeschäften	631/831
22	In den Zeilen 18 und 19 enthaltene Verluste ohne Verluste aus der Veräußerung von Aktien	235/435
23	In den Zeilen 18 und 19 enthaltene Verluste aus der Veräußerung von Aktien i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG	236/436
24	Verluste aus Termingeschäften	635/835
25	Verluste aus der ganzen oder teilweisen Uneinbringlichkeit einer Kapitalforderung, Ausbuchung, Übertragung wertlos gewordener Wirtschaftsgüter i. S. d. § 20 Abs. 1 EStG oder aus einem sonstigen Ausfall von Wirtschaftsgütern i. S. d. § 20 Abs. 1 EStG	636/836
26	Zinsen, die vom Finanzamt für Steuererstattungen gezahlt wurden (ohne an das Finanzamt zurückgezahlte Zinsen für Steuererstattungen) – Bitte Anleitung beachten –	260/460
26a	Prozess- und Verzugszinsen	237/437

Losses from the sale of shares that are subject to loss offset restrictions are determined by the tax office in a separate loss assessment notice in order to be able to offset them against gains from the sale of shares in the future. A loss carryback is not possible.

Appendix 2: "Your Shares: Matched" and "Your Shares: Gifted" in the income tax return – Mein-ELSTER-Portal

Please note that you can submit your income tax return to the tax office in different ways. You have the option to use the ELSTER online portal or, for example, hire a personal tax advisor. If you use the forms for the tax return according to officially prescribed templates, please refer to appendix 1. The presentation in ELSTER can be found in appendix 2. We would like to point out that the income tax return only needs to be submitted in one way.

In connection with the "Your Shares: Matched" and "Your Shares: Gifted" programs, there may arise tax implications for you. The following explanations provide examples of how you can reflect the possible implications in your personal income tax return.

Please note that this does not constitute individual tax advice. The tax implications depend on your personal circumstances and must therefore be examined by you or your tax advisor on a case-by-case basis.

General

An income tax return can be submitted online via ELSTER (<https://www.elster.de/eportal/login/elstersecure>). The following excerpts from the tax forms are from the current tax forms for 2024. Please note that these are updated annually and therefore the designations of individual lines or their positions may change.

Purchase of shares

The purchase or vesting of shares under the "Your Shares: Matched" and "Your Shares: Gifted" programs generally does not need to be declared in your personal income tax return. The reason is that the purchase of the shares is processed through your employer as part of the wage tax deduction procedure. However, if you file an income tax return for other reasons (e.g. foreign dividends, rental income, special expenses, etc.), please take note of the following information.

Tax-free income

In line 22 "Steuerfreie Aufwandsentschädigungen / Einnahmen" of **Annex N**, you should enter income that was treated as tax-exempt under the wage tax deduction procedure. The purchase of shares under the "Your Shares: Matched" and "Your Shares: Gifted" programs is treated tax-free up to a total amount of € 2,000 per calendar year. Therefore, the tax-free purchase of shares should be entered in line 22. The entry of the tax-exempt income in line 22 is only for reporting purposes and does not entail any "subsequent taxation" or similar.

Anlage N: Einkünfte aus nichtselbständiger Arbeit ?

Angaben zum Arbeitslohn

- ✓ 1 - Angaben zum Arbeitslohn
- 2 - Versorgungsbezüge, Entschädigungen, Arbeitslohn für mehrere Jahre
- 3 - Steuerpflichtiger Arbeitslohn ohne Lohnsteuerabzug
- 4 - Steuerfreie Aufwandsentschädigungen / Einnahmen
- 5 - Angaben zu Lohn- / Entgeltsersatzleistungen
- 6 - Steuerfreier Arbeitslohn / steuerfreie Einkünfte laut Anlage(n) N-AUS
- 7 - Angaben zu Grenzgängern

4 - Steuerfreie Aufwandsentschädigungen / Einnahmen ?

22	aus der Tätigkeit als	
22	Betrag	Euro

The amount of "Steuerfreie Aufwandsentschädigungen / Einnahmen" corresponds to the value of the utilized tax exemption claimed and can be derived from the sum of the values under "Purchase / vesting value in local currency" in the CGT Report in Equiniti. Please note that if this value exceeds € 2,000, only € 2,000 should be entered in line 22 (tax exemption is fully exhausted in this case).

Taxable income

Income related to the purchase of the shares treated as taxable through payroll accounting due to the (possible) exceeding of the tax-free amount of € 2,000 does not need to be recorded separately in the tax forms, as it is already included in the gross wages according to the wage tax certificate. Regarding matching shares, the tariff reduction pursuant to Section 34 (1) and (2) No. 3 EStG (so-called one-fifth rule) may be claimed in the context of tax assessment. For this purpose, the employer separately indicates this special wage in line 10 of the wage tax certificate as "wages for several calendar years", provided that the requirements are met. Please note that the one-fifth rule will no longer have its effect in payroll accounting starting from the 2025 assessment period. A possible effect of the tariff reduction is only determined upon submission of an income tax return.

Favourable assessment:

In the favourable assessment for capital gains in your income tax return, you have the option to check whether the individual taxation of your capital gains at your personal income tax rate is more advantageous than the flat withholding tax of 25%. When preparing your income tax return, you can declare your capital gains and apply for the favourable assessment. The tax office will then compare the tax burden of the withholding tax with the burden that would result from the application of your personal tax rate. If your personal tax rate is below 25%, the lower rate will be applied. Please note that the favourable assessment must be actively applied for by ticking the box in the income tax return form, as it is not applied automatically.

1 - Anträge

4	<input type="checkbox"/> Ich beantrage die Günstigerprüfung für sämtliche Kapitalerträge. Bei Zusammenveranlagung: Die Anlage KAP meines Ehegatten / Lebenspartners ist beigelegt.	?
5	<input type="checkbox"/> Ich beantrage eine Überprüfung des Steuereinhalts für bestimmte Kapitalerträge.	?

Inflow of reinvested dividends and sale of shares

The shares purchased under the "Your Shares: Matched" and "Your Shares: Gifted" programs are generally held in a custody account in your name with Equiniti. Equiniti is a financial services provider that is not subject to German tax regulations for withholding tax on capital gains. This means that no German capital gains tax is withheld on reinvested dividends and the sale of shares.

You are therefore personally responsible for reporting capital income and paying income tax on foreign dividends and the sale of foreign shares. This obligation also applies to foreign dividends which are automatically reinvested in shares.

Capital Gains Tax (short: CGT) annual exemption ("Sparerpauschbetrag"): Please note that the CGT annual exemption of € 1,000 for single persons or € 2,000 for married couples can be taken into account in the income for all private capital gains (see above).

Inflow of reinvested dividends

From a German tax perspective, the automatic reinvestment of dividends into shares is treated as if you received the dividend and then personally purchased new shares. As a result, there is a taxable inflow, and the (reinvested) foreign dividends must be declared in your income tax return.

In the forms, reinvested foreign dividends should be entered in **Annex KAP** in line 19 "Ausländische Kapitalerträge (ohne Beträge laut den Zeilen 24, 25, 26a und 52)".

Anlage KAP: Einkünfte aus Kapitalvermögen / Anrechnung von Steuern

Zu den Teilseiten

- 1 - Anträge
- 2 - Erklärung zur Kirchensteuerpflicht
- 3 - Kapitalerträge, die dem inländischen Steuerabzug unterliegen haben
- 4 - Sparer-Pauschbetrag
- 5 - Kapitalerträge, die nicht dem inländischen Steuerabzug unterliegen haben
- 6 - Kapitalerträge, die der tariflichen Einkommensteuer unterliegen
- 7 - Kapitalerträge, für die die ermäßigte Besteuerung nach § 34 Abs. 1 EStG anzuwenden ist
- 8 - Steuerabzugsbeträge zu Erträgen in den Zeilen 7 bis 25 und zu Investmenterträgen laut Anlage KAP-INV
- 9 - Anzurechnende Steuern zu Erträgen in den Zeilen 28 bis 34 sowie aus anderen Einkunftsarten
- 10 - Beschränkung der Anrechenbarkeit der Kapitalertragsteuer nach § 36a EStG und / oder § 31 Abs. 3 InvStG
- 11 - Kürzungsbetrag bei Beteiligung an ausländischer Gesellschaft nach § 11 AStG
- 12 - Familienstiftungen nach § 15 AStG (laut Feststellung)
- 13 - Steuerstundungsmodelle

5 - Kapitalerträge, die nicht dem inländischen Steuerabzug unterliegen haben

- ohne Investmenterträge laut Anlage KAP-INV -

18	Inländische Kapitalerträge (ohne Beträge laut den Zeilen 24 bis 26a)	Euro
19	Ausländische Kapitalerträge (ohne Beträge laut den Zeilen 24, 25, 26a und 52)	Euro
20	In den Zeilen 18 und 19 enthaltene Gewinne aus Aktienveräußerungen i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG	Euro
21	In den Zeilen 18 und 19 enthaltene Einkünfte aus Stillhalterprämien und Gewinne aus Termingeschäften	Euro
22	In den Zeilen 18 und 19 enthaltene Verluste ohne Verluste aus der Veräußerung von Aktien	Euro
23	In den Zeilen 18 und 19 enthaltene Verluste aus der Veräußerung von Aktien i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG	Euro

The amount of "foreign capital gains" corresponds to the value of the reinvested dividends and can be found in the Equiniti report.

Sale of shares





When you sell shares and realize a capital gain or loss, it must generally be recorded for tax purposes. The capital gain or loss is calculated as the difference between the proceeds from the sale, the selling costs, and the acquisition costs. You can find the capital gain or loss under "Capital gain in local currency minus commission and bank transfer fees" in the Equiniti report.

A capital gain should be entered in **Annex KAP** in line 19 "Ausländische Kapitalerträge" and line 20 "In den Zeilen 18 und 19 enthaltene Gewinne aus Aktienveräußerungen i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG".

A capital loss should be entered in **Annex KAP** in line 19 "Ausländische Kapitalerträge" and line 23 "In den Zeilen 18 und 19 enthaltene Verluste aus der Veräußerung von Aktien i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG".

5 - Kapitalerträge, die nicht dem inländischen Steuerabzug unterlegen haben

- ohne Investmenterträge laut Anlage KAP-INV -

18	Inländische Kapitalerträge (ohne Beträge laut den Zeilen 24 bis 26a)	<input type="text" value="Euro"/>
		
19	Ausländische Kapitalerträge (ohne Beträge laut den Zeilen 24, 25, 26a und 52)	<input type="text" value="Euro"/>
		
20	In den Zeilen 18 und 19 enthaltene Gewinne aus Aktienveräußerungen i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG	<input type="text" value="Euro"/>
		
21	In den Zeilen 18 und 19 enthaltene Einkünfte aus Stillhalterprämien und Gewinne aus Termingeschäften	<input type="text" value="Euro"/>
22	In den Zeilen 18 und 19 enthaltene Verluste ohne Verluste aus der Veräußerung von Aktien	<input type="text" value="Euro"/>
23	In den Zeilen 18 und 19 enthaltene Verluste aus der Veräußerung von Aktien i. S. d. § 20 Abs. 2 Satz 1 Nr. 1 EStG	<input type="text" value="Euro"/>
		

Losses from the sale of shares that are subject to loss offset restrictions are determined by the tax office in a separate loss assessment notice in order to be able to be offset against gains from the sale of shares in the future. A loss carryback is not possible.
