

This summary assumes that you only pay tax in one place. Different rules may apply if you pay tax in different places.

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The information provided is understood to be correct as of 18 July 2024. Changes in legislation or practice after this date may affect the tax treatment.

## Tax - Employee Notes - Your Shares: Gifted

Chile	
<b>When will I be taxed in relation to my plan benefits?</b>	<p><b>Award:</b> No income tax. No social security.</p> <p><b>Unlocking:</b> Income tax and social security.</p> <p><b>Sale by participant:</b> Income tax on gain since unlocking. No social security (because the capital gains are not labour income).</p>
<b>What is the maximum rate of income tax payable in relation to my plan benefits?</b>	40% (2024). Any change in tax rates usually affects income received from 1 January of the year following the enactment of the modification of the tax rate.
<b>Income tax rates</b>	Tax rates are progressive. Tax bands are expressed as Monthly Taxable Units (MTU) and are adjusted on a monthly basis. An MTU is equivalent to approximately USD70 (January 2024). Personal income up to MTU13.5 is exempt from tax and the maximum tax rate applies to monthly income above MTU310.
<b>Will my employer withhold income tax in relation to my plan benefits?</b>	No – please see question “Do I have to report any income in relation to the plan to my local tax authority?” below regarding your tax reporting and payment responsibilities.
<b>Are my plan benefits subject to social security contributions?</b>	Yes.
<b>Will my employer withhold social security contributions in relation to my plan benefits?</b>	No - please see question “Do I have to report any income in relation to the plan to my local tax authority?” below regarding your tax reporting and payment responsibilities.
<b>Employee social security</b>	<b>Employee social security (max rate calculated over the employee's monthly remuneration):</b>

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	<ul style="list-style-type: none"> <li>• pension fund contribution of 10% (plus fund management fees which currently vary between 0.49% and 1.44%);</li> <li>• health insurance contribution of 7%;</li> <li>• unemployment insurance of 0.6% in case of indefinite term employment contracts; and</li> <li>• heavy works contribution of 1% or 2% (if applicable).</li> </ul> <p><b>Employee social security (cap):</b> calculation base capped at monthly salary levels based on <i>unidades de fomento</i> (UF), which is a set amount of Chilean pesos adjusted for inflation on a daily basis. The caps vary each year based on the increase of the Index of Real Remunerations, published by the National Statistics Institute.</p> <p>From February 2024, the cap for pension fund, health insurance and heavy works contributions is UF84.3 (approximately USD3,380) and the cap for unemployment insurance is UF126.6 (approximately USD5,076).</p>
<b>What is the maximum rate of capital gains tax?</b>	<p>40%</p> <p>Capital gains made on the sale of shares in a foreign company are included in aggregate taxable income and are first subject to First Category Tax (25% or 27%), and subsequently to progressive Personal Income Tax (up to 40%). The First Category Tax paid can be credited against the Personal Income Tax.</p>
<b>How will I be taxed on shareholder distributions?</b>	<p>In Rolls-Royce, if a decision is taken to make shareholder distributions, these are currently paid in the form of 'C Shares'. You will only be eligible to receive C Shares on Your Shares: Gifted once they unlock. After that, you will receive C Shares on your unlocked shares, whenever we pay them, until you choose to sell your shares. Whilst you hold your unlocked shares in your Equiniti share account, your C Shares will be redeemed for cash which will automatically be reinvested into ordinary shares.</p>

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	<p><b>Issue of C Shares:</b> Taxed as a dividend subject to personal income tax. This tax will not be collected by Rolls-Royce. No social security.</p> <p><b>Redemption of C Shares and reinvestment into ordinary shares:</b> no income tax or social security,</p> <p><b>Sale of reinvested ordinary shares:</b> taxed as a capital gain (if any) and subject to capital gains taxation. This tax will not be collected by Rolls-Royce. No social security.</p>
<p><b>Do I have to report any income in relation to the plan to my local tax authority?</b></p>	<p>An individual may be required to file a return, as discussed below.</p> <p><b>Report name:</b></p> <ul style="list-style-type: none"><li>• <b>Annual Tax Return (Tax Form No. 22):</b> the employee is required to file an annual tax return if they have received salaries from more than one employer or income from sources other than salary which are subject to Personal Income Tax;</li><li>• <b>Monthly Tax Return (Form No. 50):</b> the employee is required to file a monthly return if the employee has received taxable income which has not been subject to income tax withholding by the employer..</li></ul> <p>Capital gains and dividends are reported in the Annual Tax Return. Capital gains tax may be considered to be sporadic income if the taxpayer does not have any other income subject to first category tax (Corporate Income Tax), in which case a monthly tax return must be filed in the month following the realisation of the capital gain.</p> <p>The returns are usually filed online and can be downloaded from the website <a href="#">here</a>.</p> <p><b>Tax period:</b> 1 January to 31 December.</p> <p><b>Reporting deadline:</b></p> <ul style="list-style-type: none"><li>• the Annual Tax Return must be filed by 30 April in the year following the year when the income is obtained;</li></ul>

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	<ul style="list-style-type: none"><li>monthly returns (if required) must be filed within the first 12 days of the month following the month in which the income was obtained or the amounts were withheld.</li></ul> <p><b>Payment of tax:</b> any unpaid income tax is due by the date of filing the relevant tax return.</p> <p><b>Foreign asset reporting:</b> the employee is required to issue a sworn statement listing any shares maintained abroad such as unlocked shares from Your Shares: Gifted, as well as foreign dividends and other foreign income (through Form No. 1929). This form is filed annually by 30 June. Employees may register the investment, in the Registry of Foreign Investments kept by the IRS, in order to be entitled to tax credits for any taxes paid abroad. However, if Form No. 1929 is filed, the employees are entitled to tax credit even if the registration is not performed.</p>