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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Tax - Employee Notes - Your Shares: Gifted

Finland	
When will I be taxed in relation to my plan benefits?	**Award**: No income tax. No social security. **Unlocking**: Income tax and social security. **Sale by participant**: Capital gains tax on increase in value since unlocking. No social security.
What is the maximum rate of income tax payable in relation to my plan benefits?	56.8% (2024) highest combined rate, including national, municipal and church tax. Any change in tax rates usually takes effect from 1 January.
Income tax rates	The tax rate for an individual is a combination of national tax, municipal tax and church tax (if applicable). In 2024, the top national tax rate is 44% and applies to annual income in excess of EUR150,000. Additional municipal taxes (from 4.4% to 10.8% of taxable income) depend upon the residence of the taxpayer. These national and municipal rates are applicable in mainland Finland, not the province of Åland, where the allocation of tax burden between the rates is different. Some residents also pay church tax of between 1% and 2.25%. The highest combined tax rate is 56.8%. In Helsinki, if the individual is a member of the Evangelical-Lutheran church, the maximum tax rate is currently 50.3%.
Will my employer withhold income tax in relation to my plan benefits?	Yes.
Are my plan benefits subject to social security contributions?	Yes.

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Will my employer withhold social security contributions in relation to my plan benefits?	Yes.
Employee social security	**Employee social security**: 9.46% to 10.96% (combined amounts): • **Sickness insurance premium**: combined 1.52% (daily allowance premium of 1.01% (0.00% if income is less than EUR16,499) and Medicare premium of 0.51%); • **Medicare premium on pension income and social benefits** (not assessed for ordinary salary income subject to sickness insurance premium): 1.48%; • **Pension insurance contribution**: 7.15% (aged 17 to 52 years or 63 to 67 years) and 8.65% (aged 53 to 62 years); • **Unemployment insurance contribution**: 0.79% (employees aged 18 to 64). **Employee social security (cap)**: no cap. **Note**: under specific conditions, share related income will only be subject to the Medicare premium of 1.48% (see 'Tax qualified plan' section).
What is the maximum rate of capital gains tax?	Capital income is taxed progressively with a rate of 30% for annual capital income up to EUR30,000 and 34% for annual capital income exceeding EUR30,000.
How will I be taxed on shareholder distributions?	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. **Issue of C Shares**: taxed as a dividend-in-kind subject to capital income tax. 15% of the benefit is tax free income. This tax will not be collected by Rolls-Royce. No social security.

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	Redemption of C Shares and reinvestment into ordinary shares: no income tax or social security. **Sale of reinvested ordinary shares**: taxed as a capital gain and subject to capital gains tax. This tax will not be collected by Rolls-Royce. No social security.
Do I have to report any income in relation to the plan to my local tax authority?	Yes, the employee must file an annual return. There is no specific filing in relation to share related incentives. The employee must report any foreign held assets such as unlocked shares from Your Shares: Gifted to the tax authorities. **Report name**: pre-completed Annual Income Tax Return. Capital gains and dividends are reported on the same return. Foreign held assets are reported with the tax return. The return can be filed online or in paper form. The tax return can be downloaded from the website here. **Tax period**: Calendar year. **Reporting deadline**: typically at the beginning of May following the tax period. Deadline varies slightly every year. Certain groups of individuals have their deadline in April. **Payment of tax**: any unpaid income tax is due by the end of January following the end of tax period, if the taxpayer is to avoid any late payment interest. The final residual taxes based on the tax assessment are due by August-October or September-November following the end of tax period. There are two instalments if the amount of unpaid income tax exceeds EUR170. Capital gains tax and dividend tax are due by the same date. The due dates for any unpaid income taxes are individual and the dates are stated on the personal tax return document.