

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

This summary is only a guide. It is limited to a general description of national tax laws and does not address various issues which may impact the tax result, including: local, city, regional, state or other provincial taxes and your own individual circumstances. We do not guarantee any particular tax result. Therefore, we recommend that you consult your own tax advisor regularly to determine your tax position.

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

Hungary	
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: Income tax on increase in value since unlocking, plus social contribution tax (if applicable).
What is the maximum rate of income tax payable in relation to my plan benefits?	15% (2024). Any change in tax rates usually takes effect from 1 January.
Income tax rates	A flat tax of 15% is levied on most income.
Will my employer withhold income tax in relation to my plan benefits?	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.
Are my plan benefits subject to social security contributions?	Yes.
Will my employer withhold social security contributions in relation to my plan benefits?	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.
Employee social security	Employee social contribution tax (max rate): 13%

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	Employee social contribution tax (cap): the social contribution tax, payable on investment income for an employee, is payable until the individual's income (including the value of the relevant award) exceeds 24 times the statutory monthly minimum wage, which is HUF266,800 per month in 2024.
What is the maximum rate of capital gains tax?	15% (income tax) In addition, employee social contribution tax is payable on the proceeds of the sale of shares , unless the cap has been reached (see 'Employee social security').
How will I be taxed on shareholder distributions?	<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> <p>Issue of C Shares: taxed as a foreign-sourced income subject to income tax and social contribution tax. Rolls-Royce will not collect these taxes.</p> <p>Redemption of C Shares and reinvestment into ordinary shares: no income tax or social security,</p> <p>Sale of reinvested ordinary shares: taxed as a capital gain and subject to capital gains tax. Rolls-Royce will not collect this tax. No social security.</p>

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Do I have to report any income in relation to the plan to my local tax authority?	<p>The employee must file an annual return.</p> <p>There is no specific filing in relation to share related incentives.</p> <p>Report name: Annual Tax Return. Capital gains and dividends are reported on the same return. The return can be filed online. The tax return can be downloaded from the website here.</p> <p>Tax period: 1 January to 31 December.</p> <p>Reporting deadline: the tax return is due to be filed by 20 May in the following tax year but taxpayers can request an extension, up to 20 November, from the tax authorities.</p> <p>Payment of tax: taxpayers who have received income that is not subject to withholding, must generally make quarterly tax advance payments (for employment income) by the 12th day of the month following the end of the quarter. Income from capital gains and dividends should be reported in the annual tax return and any tax due paid when the tax return is filed.</p>