

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

Taiwan	
When will I be taxed in relation to my plan benefits?	<p>Award: No income tax. No social security.</p> <p>Unlocking: Income tax. No social security</p> <p>Sale by participant: Capital gains tax on increase in value since transfer (on the date of receipt of shares). No social security.</p>
What is the maximum rate of income tax payable in relation to my plan benefits?	40% (2024). Any change in tax rates usually takes effect from 1 January.
Income tax rates	<p>Under the regular tax rules, progressive rates of tax apply. The maximum tax rate applies to income over TWD4,980,000 (exclusive).</p> <p>Under the Alternative Minimum Tax system (AMT), the taxpayer is required to pay the higher of the tax due under the regular tax rules and AMT tax. AMT tax is a fixed 20% rate and is calculated on the basis of:</p> <ul style="list-style-type: none"> • general Taiwan sourced net income; <u>plus</u> • foreign sourced income (FSI), if the FSI exceeds TWD1million; <u>plus</u> • certain additional (non-general and non-FSI) qualified items, either Taiwan or foreign sourced income; <u>less</u> • a fixed deduction of TWD7.5million.
Will my employer withhold income tax in relation to my plan benefits?	No – income tax is to be reported and paid by the employee as ‘other foreign sourced income’ under the Alternative Minimum Tax system (AMT), rather than under the regular income tax rules.

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

Taiwan	
Are my plan benefits subject to social security contributions?	No.
What is the maximum rate of capital gains tax?	<p>20% (if subject to AMT). Progressive rates up to 40% (if the regular tax rules apply).</p> <p>Capital gains from the disposal of foreign shares will be included in the individual's foreign sourced income. If the foreign sourced income is equal to or more than TWD1million; and if the sum of Taiwan sourced income and foreign sourced income exceeds TWD7.5million; the capital gains will be included in the calculation and test for AMT (as discussed in the 'Income tax rates' section).</p>
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: included in other income as non-Taiwan sourced dividend or capital gains (but subject to the same rate of tax whichever regime applies). This tax will not be collected by Rolls-Royce. No social security.</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. This tax will not be collected by Rolls-Royce. No social security.</p>

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

Taiwan	
Do I have to report any income in relation to the plan to my local tax authority?	<p>Yes</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 report is normally required to be filed by 31 May.</p> <p>Payment of tax: any unpaid tax is due by the date of filing the tax return. Capital gains tax and dividend tax must be paid at the same date.</p>