

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

South Africa	
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. Note: the above responses assume, among other things, that participants will hold the shares as capital (as opposed to revenue) assets.
What is the maximum rate of income tax payable in relation to my plan benefits?	45% (2024/25). Any change in tax rates usually takes effect from 1 March.
Income tax rates	Tax rates are progressive. The tax rates from 1 March 2024 to 28 February 2025 are: <ul style="list-style-type: none">• ZAR1 to 237,100: 18% (of taxable income)• ZAR237,101 to 370,500: 26%• ZAR370,501 to 512,800: 31%• ZAR512,801 to 673,000: 36%• ZAR673,001 to 857,900: 39%• ZAR857,901 to 1,817,000: 41%• ZAR1,817,001 and above: 45%.
Will my employer withhold income tax in relation to my plan benefits?	Yes

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Are my plan benefits subject to social security contributions?	Yes.
Will my employer withhold social security contributions in relation to my plan benefits?	Yes.
Employee social security	<p>Employee social security (max rate): 1% Unemployment Insurance Fund (UIF).</p> <p>Employee social security (cap): capped at ZAR212,544 (from 1 June 2021) remuneration per year or ZAR17,712 per month.</p> <p>South Africa does not have a formal social security system but requires contributions to the Unemployment Insurance Fund and payment of Skills Development Levies. For the purposes of this table, 'social security' refers to these contributions and payments.</p>
What is the maximum rate of capital gains tax?	<p>18%</p> <p>Capital gains tax: only 40% of the capital gain (after deducting an exempted amount of ZAR40,000 per year and ZAR300,000 in year of death) is taxed. This amount is included in the individuals' income and taxed at progressive tax rates. As a result, the effective tax rate on capital gains for an individual taxed at the highest marginal rate of 45% is 18% (i.e. 40% x 45%).</p>
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

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South Africa	
	<p>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: subject to either income tax or capital gains tax depending on the tax profile of the relevant individual. This tax will not be collected by Rolls-Royce. No social security.</p> <p>Redemption of C Shares: no income tax or social security.</p> <p>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>
Do I have to report any income in relation to the plan to my local tax authority?	<p>An employee is required to file an annual tax return (and, in certain circumstances, provisional tax returns). 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 by the employee registering for e-filing on the website here.</p> <p>Tax period: 1 March to 28/29 February.</p> <p>Reporting deadline: fixed each year by government notice but generally at the end of September (if submitted in hard copy) or by the end of November (if electronically filed).</p> <p>Payment of tax: a payment may be due once an assessment has been issued by the South African Revenue Service (SARS).</p>