

## Tax - Employee Notes



Germany	Incentive Plan/LTIP
<p><b>When will I be taxed in relation to my plan benefits?</b></p>	<p><b>Grant:</b> No income tax. No social security.</p> <p><b>Vesting:</b> No income tax. No social security.</p> <p><b>Transfer to participant:</b> Income tax and social security on value as at the time of transfer.</p> <p><b>Sale by participant:</b> Capital gains tax on increase in value since transfer. No social security.</p>
<p><b>What is the maximum rate of income tax payable in relation to my plan benefits?</b></p>	<p>47.475% (2026) includes solidarity surcharge but excludes church taxes. Any change in tax rates usually takes effect from 1 January.</p>
<p><b>Income tax rates</b></p>	<p>Income tax rates are progressive with a top rate of 45%. In addition, depending on total income and individual circumstances, some taxpayers pay a solidarity surcharge (a tax on individual income tax) of up to 5.5%, which results in a combined maximum tax rate of 47.475%. Members of certain churches also pay a church surcharge of 8% or 9%, taking the maximum tax rate for some taxpayers to 51.525%.</p>
<p><b>Will my employer withhold income tax in relation to my plan benefits?</b></p>	<p>Yes</p>
<p><b>Are my plan benefits subject to social security contributions?</b></p>	<p>Yes</p> <p>Employee social security.</p> <p>Employer social security.</p> <p>Employer must withhold the employee contribution.</p>
<p><b>Employee social security</b></p>	<p><b>Employee social security (max rate):</b> 21.75% (2026) (combined rates covering pension insurance, unemployment insurance, health insurance (including average additional contribution) and compulsory long-term care insurance (Pflegeversicherung) for employees without children).</p> <p><b>Employee social security (cap):</b> for all Federal States (2026) EUR101,400 (pension scheme and unemployment insurance); EUR69,750 (health insurance and compulsory long-term insurance). This is the annual limit of income subject to social security contributions; income exceeding the cap will not be subject to social security contributions.</p>
<p><b>What is the maximum rate of capital gains tax?</b></p>	<p>26.375% (includes solidarity surcharge but excludes church taxes).</p> <p>Capital gains tax on the sale of shares is set at a flat rate of 25%. In addition, all taxpayers pay a solidarity surcharge (a tax on individual income tax) of 5.5%, which results in a combined rate of 26.375%. Members of certain churches also pay a church surcharge of 8% or 9% on the tax.</p>

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<b>What is the maximum tax rate payable on dividends?</b>	26.375% (includes solidarity surcharge but excludes church taxes). Dividends are taxed at a flat rate of 25%. In addition, all taxpayers pay a solidarity surcharge (a tax on individual income tax) of 5.5%, which results in a combined maximum rate of 26.375%. Members of certain churches also pay a church surcharge of 8% or 9% on the tax.
<b>Do I have to report any income in relation to the plan to my local tax authority?</b>	Yes, the employee must file an annual return (generally, unless the employee only receives salary subject to wage tax withholding and has no other income). There is no specific filing in relation to equity related incentives. <b>Report name:</b> Annual Tax Return. Capital gains and dividends are reported on attachments to the Annual Tax Return. The Annual Tax Return must be filed online. The Annual Tax Return can be prepared using the tax authorities' 'elster' platform <a href="#">here</a> . <b>Tax period:</b> 1 January to 31 December. <b>Reporting deadline:</b> 31 July (in respect of the prior calendar year). The deadline is extended to the end of February in the following year if the Annual Tax Return is prepared by a certified tax adviser. <b>Payment of tax:</b> the due date for payment will be set by the tax authority (depending on the date of the final assessment).

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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; retention and holding periods; restrictions on the shares; clawback terms and periods; 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 9 February 2026. Changes in legislation or practice after this date may affect the tax treatment.

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