

Australia	Proposed Global Share Purchase and Match Plan
Tax points	<u>Purchased shares:</u> Purchase: Income tax and employee social security on any discount to the value at the time of purchase. Sale by participant: Progressive income tax rates (inclusive of the compulsory Medicare levy) on increase in value since purchase. A 50% discount on the capital gain is available if the shares are held for 12 months or more. <u>Matching shares:</u> Grant of matching shares: No income tax, superannuation contributions or Medicare levy if the award of a right to receive the matching shares complies with tax deferral rules (including that the right is among other things: • subject to a real risk of forfeiture; or • non-transferable and compliant tax deferral wording is included in the offer documents.) Vesting: Income tax and employee social security on the tax market value of the matching shares, if the taxing point has not already occurred, and subject to the '30 day' rule (see below). Transfer to participant: No income tax. No social security. Sale by participant: Progressive income tax rates (inclusive of the compulsory Medicare levy) on any capital gains, unless the '30 day' rule applies. A 50% discount on the capital gain is available, if the matching shares are held for 12 months or more. Under the '30 day' rule, if the shares are disposed of within 30 days of what would otherwise have been the deferred taxing point, the market value of the shares is subject to income tax (inclusive of the compulsory Medicare levy and, where applicable, Medicare levy surcharge) on the date of disposal (not the vesting date) and no capital gains tax is payable. Employer tax reporting is required in these circumstances. If the employer is aware that the '30 day' rule applies, it must comply with its reporting obligations on that basis.
Income tax (maximum rate)	47% (2026/27) including Medicare levy. Any change in tax rates usually takes effect from 1 July.
Income tax rates	Tax rates are progressive, with a maximum marginal rate of 45% applying to income over AUD 190,000. The maximum marginal rate of tax is increased by the compulsory 2% Medicare levy. The 2026/27 tax rates and income thresholds are: • taxable income up to AUD 18,200: Nil • taxable income of AUD 18,201 to AUD 45,000: Nil plus 15% of the excess over AUD 18,200 • taxable income of AUD 45,001 to AUD 135,000: AUD 4,020 plus 30% of the excess over AUD 45,000

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	• taxable income of AUD 135,001 to AUD 190,000: AUD 31,020 plus 37% of the excess over AUD 135,000 • taxable income from AUD 190,001: AUD 51,370 plus 45% of the excess over AUD 190,000. Note: Individuals may also be subject to the following payments through the income tax system: • Medicare levy of 2% (see Employee social security below) • Medicare levy surcharge of up to 1.5% (see Employee social security below); and • Student loan repayment: income from share or cash-based awards may be subject to deductions in relation to compulsory repayment of student loans through the income tax system. The repayment thresholds and rates are progressive and are adjusted annually. In 2026/27, for income over AUD 186,051 the repayment rate is 10%. For employees, repayments on cash-based awards will generally be collected through income tax withholding.
Employer income tax withholding	No, except where the employee has not provided a tax file number to the employer.
Employer social security withholding	Employee social security (Medicare levy and applicable surcharge) is payable but no employer withholding for the employee social security, except where the employee has not provided a tax file number to the employer. No employer social security (superannuation guarantee contributions).
Employee social security	Employee social security (max rate): 2% of taxable income for Medicare levy. An additional Medicare levy surcharge of up to 1.5% is payable for higher income employees if they do not hold appropriate private medical insurance. The Medicare levy surcharge income thresholds and rates for 2026/27 are: Single • Base tier: Up to AUD 105,000 (0%) • Tier 1: AUD 105,001 â€“ AUD 123,000 (1%) • Tier 2: AUD 123,001 â€“ AUD 164,000 (1.25%) • Tier 3: Over AUD 164,001 (1.5%) Family • Base tier: Up to AUD 210,000 (0%) • Tier 1: AUD 210,001 â€“ AUD 246,000 (1%)

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	• Tier 2: AUD 246,001 – AUD 328,000 (1.25%) • Tier 3: Over AUD 328,001 (1.5%) The family income threshold is increased by AUD 1,500 for each dependent child after the first child. The taxable value at settlement of incentive plan awards forms part of taxable income for this purpose. Employee social security (cap): no cap.
Employer social security	Employer social security (max rate): 12% of an employee's qualifying earnings is contributed by the employer into a complying Australian superannuation (super) fund under the super guarantee. Qualifying earnings include ordinary time earnings, all commissions and salary sacrifice contributions. A cash payment (but not income under a share plan) will form part of qualifying earnings for superannuation purposes. Employer social security (cap): maximum contribution base of AUD 270,830 per year (of qualifying earnings, applicable to the 2026/27 tax year). Payroll taxes: if the employer company is subject to payroll tax, it must pay payroll tax in respect of share awards and cash payments granted to employees in all states and territories in Australia. Payroll tax is a state tax payable by an employer whose total Australian group wages exceed a specified exemption threshold for that state. For example, in New South Wales, payroll tax is payable by employers with total annual taxable wages in excess of AUD 1,200,000 (unchanged for the 2026/27 fiscal year) at the rate of 5.45% on total wages. Payroll tax is payable on cash payments in the month that the payment is made; and on share awards on the fair market value of the award either in the year of grant or, where the employer elects, in the year of vesting/exercise/settlement (the employer does this by excluding the value of the share awards from its payroll tax return for the financial year in which the awards are granted). Where an employer has included the value of a share or option in its payroll tax return based on the grant date, and the grant is subsequently rescinded because the vesting conditions were not met, the employer can reduce the taxable wages in their payroll tax return for the relevant financial year by the value of any previously declared share or option value. This reduction in the taxable wages would not apply in circumstances where the employee decided not to purchase the shares.
Share valuation for determining taxable benefit	Public/listed companies: • 30-day rule: if a share award is exercised and the shares are sold within 30 days of vesting/exercise, then the sale date is treated as the taxing point and, when determining the amount on which the employee will be taxable, the ATO generally accepts that the sale proceeds represent the 'market value' of the underlying shares (provided the sale took place at arm's-length). The proceeds from the sale of the share less the exercise price will be subject to income tax (inclusive of the

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	compulsory Medicare levy and, where applicable, Medicare Levy surcharge) and capital gains tax will not apply to the sale in these circumstances. Additionally, if the local employer is attending to ESS reporting and knows that the '30 day' rule applies, then it must report to the employee and to the ATO on that basis. • If the 30-day rule does not apply, then the ATO says that it is reasonable to value listed shares based on the weighted average closing price for the five trading days before, but not including, the date on which the deferred taxing point occurs (although the ATO also say that it would be reasonable to use the closing market prices over the five trading days up to and including the particular day). The ATO states that in addition to the listed price, it would expect factors such as liquidity, volatility, valuation changes from company capital structural events or changes in retained earnings, and the period to which the valuation applied, to be taken into account as part of the valuation process. Private companies: with shares in private companies, the market value of any shares is generally valued on net tangible assets basis, or some other method, by a person with suitable qualifications (e.g. a registered valuer). Statutory 'safe harbour' tables apply to valuing unlisted rights to acquire shares. The employee can choose to value an option according to ordinary valuation principles or, as a safe harbour, use the greater of the 'spread' (the difference between the market value of the shares and the exercise price) and a value determined using valuation tables and formulas in the tax laws.
Capital gains tax (maximum rate)	Capital gains are taxed at progressive income tax rates (plus the compulsory Medicare levy, plus the potential Medicare levy surcharge). If an individual holds shares for 12 months or more before sale, only half the gain is subject to tax, after first applying any available capital losses (the 50% CGT discount). From 1 July 2027, the 50% CGT discount will be removed for capital gains accruing on or after that date on CGT assets (which includes shares and options) held by Australian resident individuals (with limited exceptions, not relevant to employee share plans). Instead, for Australian resident individuals, the cost base of CGT assets such as shares and options that have been held for a least 12 months will be indexed for inflation using the Consumer Price Index (CPI). Additionally, a 30% minimum tax on capital gains will apply from 1 July 2027 (with limited exceptions that do not specifically relate to employee share plans). The government is currently consulting on the potential introduction of a new targeted CGT discount for investors in innovative start-ups, including founders, participants in employee share and option plans.
Dividend tax (maximum rate)	Progressive income tax rates (plus the compulsory Medicare levy, plus the potential Medicare levy surcharge). A foreign income tax offset may be available for foreign withholding or income tax paid on the dividend.

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Tax reporting - Individual	The employee must file an individual annual tax return. There is no separate filing by the employee in relation to equity related incentives, the relevant information is included in the participant's regular income tax return. The employer must provide the employee with an ESS Statement setting out the details of taxable events that have occurred during the previous income year in relation to employee share schemes (ESS) by 14 July. For other employment income, employees will receive an income statement through the Australian Tax Office (ATO) online Single Touch Payroll (STP) system recording amounts withheld by the employer under Pay-As-You-Go (PAYG) withholding. For amounts not reported through STP, the employer will provide employees with a PAYG payment summary by 14 July each year. Foreign income derived by Australian tax residents is generally liable to Australian tax and disclosable in the supplementary section to the annual income tax return. Capital gains and dividends are also reported on the annual income tax return. Report name: Income Tax Return. The return can be filed online. A sample of the tax return can be downloaded from the ATO website here. Tax period: 1 July to 30 June. Reporting deadline: 31 October (or later if filing through a registered tax agent). Payment of tax: any unpaid income tax is generally due 3 weeks after a tax assessment has been issued.
Tax reporting - Employing company	An employer has a duty to report incentive related income. Specific employee share scheme (ESS) reporting to the Australian Tax Office (ATO) and to relevant employees is required in respect of any taxable equity income received by employees in the previous financial year (1 July to 30 June). In practice, where the issuing/granting entity is a foreign parent company of an Australian subsidiary employing the participants, this reporting is generally carried out by the local employer. Report name: For cash payments: real time reporting of cash payments, Pay-As-You-Go (PAYG) withholding amounts and superannuation liability information is reported through the ATO Single Touch Payroll (STP) reporting system. For shares: • ESS Statement: an individual statement delivered to each employee who received taxable equity income in the previous financial year. Information on obtaining and completing the statement forms is available on the ATO website (here) and • ESS Annual Report: a consolidated annual return delivered to the ATO in respect of taxable equity income received by employees in the previous financial year. In general, this report must be submitted online, using ATO compliant software,

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	which is usually done either directly by the company or by its registered tax agent (such as the company's accountants). Information on completing and lodging the report is available on the ATO website (here). Reporting deadline: STP reporting: PAYG withheld amounts are pre-filled into the employer's business activity statement (BAS) from STP data. The employer must lodge its BAS by the 21st of the month immediately following the taxable event (if it is a monthly reporter) or by the 28th of the month immediately following the quarter in which the taxable event arose (if it is a quarterly reporter). Whether the employer is a monthly or quarterly reporter will depend on the size of the employing company. For amounts that are not reported through STP, employers must provide a PAYG payment summary to employees (by 14 July) and a PAYG payment summary annual report to the ATO (by 14 August). Share-based award reporting: • ESS Statement to employees: by 14 July; and • ESS Report to ATO: by 14 August. Payment of tax: for cash payments, see above. For shares, there is no obligation to withhold tax in relation to equity income unless the company does not have the employee's tax file number.
Share retention/holding period	A compulsory share retention/holding period that is included in the terms of the right to acquire the shares can further defer the taxing point on tax-deferred discounted awards in certain situations. However, this will depend on how the retention mechanism is structured and whether it was in place when the award was granted. Seek specific advice.
Recharge - Employing company	The local company should be able to claim a corporate tax deduction, if it pays money to the parent for both the share costs and a share of administration costs, provided that the recharge costs are a necessary business expense and that there is sufficient connection with the subsidiary business. This requires careful structuring of the recharge arrangements, e.g. the recharge amounts should be determined having regard to the number of local employees (so the amounts are not used to fund the plan generally) and should be supportable from a transfer pricing perspective. A written recharge agreement, which should be in place prior to the grant of awards, should be prepared to support the argument that a loss or outgoing is payable and that such amounts are necessarily 'incurred'. The employer should obtain a tax deduction at the same time as the actual outgoing by the Australian employer, not the time the expense is recorded for accounting purposes.
Recharge - Individual	The existence of a recharge does not impact the tax treatment for the individual.

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Malus and clawback - Tax reclaim	The existence of a malus or clawback clause may mean that the employer can recover any payroll tax previously paid on forfeited awards, depending on the circumstances (e.g. whether payroll tax was paid at grant; whether the awards are unvested/unexercised).
Malus and clawback - Tax points	The existence of a malus or clawback clause does not affect the tax point for the individual. However, whether the individual will be able to reclaim any taxes previously paid, will depend on the precise facts and the reasons for the malus/clawback.
Tax beneficial treatment	Tax-qualified plans: other than the tax deferral rules (which allow for deferral of tax from grant/award to exercise/vesting), only minimal tax-qualified arrangements are available. AUD 1,000 exemption: where certain conditions are met (including that the plan is offered to 75% of Australian tax-resident employees and that there is a minimum three-year holding period), up to AUD 1,000 per year worth of shares can be exempt from tax for individuals whose adjusted taxable income is less than AUD 180,000. AUD 5,000 salary sacrifice: an individual can acquire shares on a 'salary sacrifice' basis and defer tax until a 'deferred taxing point' in future, provided the market value of the shares does not exceed AUD 5,000. Incentive plans for start-ups: tax-favoured arrangements apply to incentive plans established by eligible start-ups for awards. Qualifying shares and options are not subject to tax at grant, vesting or exercise. Instead, capital gains tax will apply, generally when the shares are sold. Eligibility criteria includes: • the company has an aggregate turnover of not more than AUD 50million; • the company is unlisted; and • all companies in the group have been incorporated for less than 10 years.
Other	Private companies: other than the method of valuing shares for determining taxable benefit, the tax treatment of the share plans would be the same if the parent company is publicly listed or a privately held company. Tax deferral rules: taxation of incentive awards in Australia is complex and can depend on the detail of the plan. The moment of tax will depend on whether the share plan complies with employee share scheme (ESS) tax deferral rules, which allow for deferral of tax from grant/award to exercise/vesting. Employee share plans will generally be able to be structured to comply with the ESS rules to ensure that Australian employees benefit from tax deferral. The rules require, amongst other things, that: • the award is in respect of ordinary shares;

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	- the participant must be an employee or service provider (i.e. independent contractor/director) of the company or its subsidiaries; - the predominant business of the company is not the acquisition, sale or holding of shares, securities or other investments; - the participant does not and will not as a result of the award, together with associates, hold more than 10% of the interests in the company (including any shares that they may acquire under an employee incentive interest that they hold) and is not in a position to control more than 10% of the voting rights in the company; and - the award is subject to a real risk of forfeiture or is non-transferable and the compliant tax deferral wording (e.g. <i>'This is a scheme to which Subdivision 83A-C of the Income Tax Assessment Act 1997 applies, subject to the requirements in that Act.'</i>) is included in the plan documents. In the case of an option plan, to benefit from the tax deferral, the option must be acquired by the participant at a discount (i.e. the amount (if any) paid to acquire the award of the option, must be less than the award's tax market value on the grant date). For tax-deferred awards, tax occurs on the first of: - there being no real risk of forfeiture and no genuine restriction preventing disposal of the underlying shares; and 15 years from the date of grant or award (subject to the '30 day' rule). Real risk of forfeiture: whether an award is at a real risk of forfeiture must be determined on a case-by-case basis having regard to, amongst other things, the particular features of the plan/offer. Features which may be held to establish a real risk of forfeiture include: - a requirement that the participant has to remain in group employment for a specific period in order for their award to vest (this may apply even when there are limited 'good leaver' exceptions); - forfeiture for breaching a restraint clause (although this will depend on the details of the restraint); - where the minimum term of employment is at least 6 months and the maximum deferral is no more than three years or where the minimum term of employment is at least 12 months; - company performance vesting criteria, but the features of the vesting criteria have to be carefully considered and cannot be contrived (e.g. <i>'awards forfeited if the share price falls by 90% in 12 months'</i>). As a general rule, a 'real risk' does not have to be a substantial or significant risk, but it must be more than a mere possibility. The test will also not generally be met if the employee can control the risk (e.g. <i>'forfeiture because of fraud or gross misconduct'</i>). Note that if an award vests immediately at grant, this may mean that it is not subject to the required real risk of forfeiture.

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	The 75% 'offer of participation' test: this condition needs to be satisfied in order to defer the taxing point where an employee acquires a beneficial interest in shares under the plan (e.g. Restricted Shares/Restricted Stock). The test does not apply where the employee is awarded a right to acquire shares (as for options and RSUs). The test requires that, at the time the employee acquires a beneficial interest in the shares, at least 75% of the 'permanent employees' of the relevant employer are, or at some earlier time had been, entitled to acquire 'ESS interests' under the relevant employee share scheme or some other employee share scheme. The 'permanent employees' must also have at least 3 years' service with the relevant employer (whether continuous or not) and they must be Australian tax residents. Cash-out discretion: if there is an ability for the employer to choose to settle awards with either shares or a cash payment, the awards will only be subject to the ESS tax rules when the decision is made to settle them with shares. However, once that occurs the awards will be retrospectively treated for income tax purposes as having been subject to the ESS rules since grant. This should not be an issue if an employee is deferring their tax liability over the awards, assuming the awards would have otherwise qualified for deferral at the time of grant. Where the relevant awards do not meet the necessary conditions to qualify for automatic tax deferral, the employee would be treated as having a retrospective taxing point at the time their awards were granted. This may require them to file amended tax returns with the ATO and potentially have to pay late payment interest and/or penalties on any liability that arises on that retrospective basis. The issuer/employer may also need to file amended ESS statements and ESS reports, as well as potentially pay retrospective payroll tax and amend prior payroll tax returns. If there is any employer-controlled discretion to settle the awards with cash or shares then that is enough for retrospective tax treatment to apply, even if they are typically settled with shares. Taxation of indeterminate rights: if an award is over an indeterminate number of shares, this will usually be taxed when the actual number of shares becomes known. If this happens after termination of employment, the tax liability would then arise on a retrospective basis back to the time employment terminated if the award does not otherwise qualify for tax deferral. This may mean the participant has to file requests for amended tax assessments with the ATO (and potentially give rise to late payment interest). It would also require the employer to prepare amended ESS reports for the tax year the participant left. The cessation of employment should not otherwise give rise to a taxable event if the award would have otherwise qualified for tax deferral at the time of grant but for being an 'indeterminate right'. Taxation of dividend equivalents: the ATO takes the view that, if a participant receives an award over a fixed number of shares (the Primary Right), plus an additional parcel of shares based on the quantum of dividends paid during the vesting period (the Dividend Share Right), then this is two separate rights. In practice, this is likely to have little impact for participants who are still

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	with the employer at the normal moment of taxation, however, if a participant's employment terminates and a participant receives a Dividend Share Right, that participant will be taxed on the receipt of the Dividend Share Right on the ATO view. Tax considerations for trusts: the requirements for a trust engaged to hold shares as nominee under the Corporations Act appear broadly analogous with the requirements of an 'employee share trust' under the Income Tax Assessment Act 1997 (Cth) (Tax Act). However, these requirements are not identical and have not been harmonised. In particular, the definition of an 'employee share trust' is primarily concerned with activities of the trustee and an analysis of what the trustee's activities, the powers and duties prescribed in the trust documents, appears to be a secondary consideration. In contrast, the trust requirements under the Corporations Act (i.e. the securities laws) are principally concerned with ensuring that certain terms are included in the trust deed and are complied with. Where the company engages a trustee to hold option shares as nominee, it should be careful to ensure that the trust also complies with the requirements of an 'employee share trust' under the Tax Act. Non-compliance could result in significant and adverse tax consequences. Withholding and social security are not always applicable. This depends on a variety of factors, including individual circumstances, the exact plan structure, and the existence and structure of any recharge. If the position is uncertain, the prudent approach is to seek specific tax advice.

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This summary assumes that the participants are subject only to local taxes at all relevant times. Different rules may apply if the participants are subject to multiple taxing jurisdictions at any relevant time.

This summary is only a guide. It is limited to a general description of national tax laws and does not address local, city, regional, state or other provincial tax laws that may apply to the participants.

The tax position will depend on each participant's individual circumstances. We do not warrant any particular tax result. Therefore we recommend that participants consult their own tax advisor regularly to determine their individual tax position.

The exact structure of an award is crucial to the way that award is taxed. The tax treatment can be affected by many factors including retention/holding periods and clawback. Different clawback terms and different restrictions on shares may impact the tax treatment. If companies want detailed and specific tax advice for their plans, then local counsel need to know the exact detail of how the specific plans work. The database can only give generalised tax information.

The information provided is understood to be correct as of 4 August 2026. Changes in legislation or practice after this date may affect the tax treatment.

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