

Tax Report



Spain	Proposed Global Share Purchase and Match Plan
Tax points	<u>Purchased shares:</u> Purchase: Personal Income Tax (PIT) (remuneration-in-kind) and social security on any discount to the value at the time of purchase. Sale by participant: PIT (capital gain) on increase in value since purchase. No social security. <u>Matching shares:</u> Grant: No PIT. No social security. Vesting: No PIT. No social security. Transfer to participant: PIT (remuneration-in-kind) and social security at the moment of the delivery of the shares, based on the market value of the shares at the taxable moment. Sale by participant: PIT (capital gain) on the difference between the sale value of the shares and the market value at the moment of the delivery. No social security.
Income tax (maximum rate)	54% in the Valencian Community (2026). Any change in tax rates usually takes effect from 1 January.
Income tax rates	The marginal tax rate for an individual depends on the autonomous region where the taxpayer habitually resides. Currently (2026), the maximum marginal rate in Madrid is 45%, in Catalonia the maximum marginal rate is 50% and, in the Valencian Community, the maximum marginal rate is 54%. The Spanish state PIT withholding rates currently range from 19% to 47%. The amounts withheld and paid to the Treasury by the employer are an advance payment of the employee's final PIT liability, which can be lower or higher, depending on the tax rate in the region where the employee resides. The difference between the amount withheld by the employer and the final tax liability to be paid by the employee or to be refunded by the tax authorities, if the amounts withheld are higher than the employee's final tax liability, is settled by the employee through the filing of a tax return in April to June of the following year.
Employer income tax withholding	Yes
Employer social security withholding	Yes Employee social security.

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	Employer social security. Employer must withhold the employee contribution and pay both employer and employee contributions to the Spanish social security authorities (General Social Security Treasury).
Employee social security	Employee social security (max rate): 6.49% Employee social security (cap): the maximum amount which is subject to social security contributions each month is EUR5,101.20 (applicable for 2026). As of January 2026, the "Solidarity quota" (Cuota de solidaridad) will be 1.15% for the excess up to 10% of the maximum social security contribution base (First Tranche); 1.25% for the excess between 10% and 50% of the maximum social security contribution base (Second Tranche); and 1.46% for the excess beyond the 50% of the maximum social security contribution base (Third Tranche). In relation to each tranche, the employee will pay 16.6% of the additional cost.
Employer social security	Employer social security (max rate): approximately 33% (31.3% social security contribution plus a variable rate for occupational accidents and professional illness, which depends on the particular sector/industry in which the company operates). Employer social security (cap): the maximum amount which is subject to social security contributions each month is EUR5,101.20 (applicable for 2026). As of January 2026, the "Solidarity quota" (Cuota de solidaridad) will be 1.15% for the excess up to 10% of the maximum social security contribution base (First Tranche); 1.25% for the excess between 10% and 50% of the maximum social security contribution base (Second Tranche); and 1.46% for the excess beyond the 50% of the maximum social security contribution base (Third Tranche). In relation to each tranche, the employer will pay 83.4% of the additional cost.
Share valuation for determining taxable benefit	Public/listed companies: there is no specific method required to calculate the share price for tax purposes. Any valuation is allowed provided it is used consistently and it reflects the fair market value of shares on the relevant date. Private companies: for shares in a private company, there are no special rules about how the valuation should be calculated and so any method will be acceptable provided it is fair and accurate. It is advisable that such valuation is carried out by a third-party.
Capital gains tax (maximum rate)	30% (2026). Rates are progressive: Up to EUR6,000: 19%

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	• EUR6,000.01 to EUR50,000: 21% • EUR50,000.01 to EUR200,000: 23% • EUR200,000.01 to EUR300,000: 27% • Over EUR300,000: 30%
Dividend tax (maximum rate)	30% (2026). Rates are progressive, with the maximum rate applying to amounts exceeding EUR300,000.
Tax reporting - Individual	An employee is required to file an annual tax return. There is no specific filing in relation to equity related incentives. Such income will be included in the Annual PIT Return as remuneration-in-kind, capital gain or savings income. Report name: • Annual PIT Return (Form 100); • Wealth tax (if applicable) is reported on Form 714 for both tax residents and non-tax residents in Spain; and • Tax on Large Fortunes (if applicable) is reported on Form 718 for both tax residents and non-tax residents in Spain. Tax forms can be downloaded from the Spanish Tax Authorities' website here. Tax period: 1 January to 31 December. Reporting deadline: 30 June for both Form 100 and Form 714, and 31 July for Form 718. The returns must be filed between April and the end of June or July (as applicable) of the year following the year during which the employee receives the income. The employee may also be required to file Form 720 regarding assets held outside of Spain, if the value of each asset type (shares, insurance, annuities and cryptocurrencies) is at least EUR50,000. Subsequent declarations are required if the value of a group of assets increases by more than EUR20,000 or the assets are sold or cancelled. This tax form can be filed electronically through the Spanish Tax Authorities' website here, between 1 January and 31 March following the end of each tax year, in general terms. Payment of tax: any unpaid income tax, capital gains tax and dividend tax, must be paid by the date of filing the tax return. Withholdings that have been (or should have been) made by the employer may be deducted from the PIT due.
Tax reporting - Employing company	The employer must report the employees' incentive related income but the filing covers all employee benefits and remuneration and is not specific to equity related incentives.

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	Withholding returns and social security payments must be filed on a monthly or quarterly basis. Report name: PIT withholding tax return (Form 111 and Form 190). Other tax forms and information can be downloaded from the Spanish Tax Authority website here. Reporting deadline: the employer is obliged to declare the withholdings/payments on account of the employee's PIT on a monthly or quarterly tax form (Form 111) within the first 20 days of the month following the end of the corresponding quarter/month. The company is also obliged to file an annual summary form (Form 190) by 31 January detailing all the withholdings and payments on account made regarding its employees in the previous year. Payment of tax: withheld tax and social security contributions are paid at the same time that the monthly report is filed.
Share retention/holding period	The existence of a retention/holding period will not (on its own) affect the tax treatment. A retention/holding period of at least 3 years may allow a PIT exemption to apply, if all of the conditions required for the relevant tax exemption are met. See the 'Tax beneficial treatment' section for more details.
Recharge - Employing company	In principle, the payments made by a Spanish subsidiary to its parent company should be deductible in its Corporate Income Tax return (Form 200) provided that such payments are not made to a tax haven. To ensure that the deduction is available, the following requirements should be met: • there should be a written agreement or frame contract in which the Spanish subsidiary is obliged to assume the cost of the benefits given by the parent company to its employees; or • the obligation by the employer to satisfy the benefits under the plan should be included in the labour contract of the employee.
Recharge - Individual	The existence of a recharge does not impact the tax treatment for the individual.
Malus and clawback - Tax reclaim	If malus or clawback are applied then, in theory, any taxes paid could be reimbursed following the procedure established for the refund of undue income. This procedure may only be requested within a period of 4 years from when the taxes were paid.
Malus and clawback - Tax points	The existence of a malus or clawback clause does not affect the tax point for the individual.
Tax beneficial treatment	Tax reduction: a PIT reduction of 30% could be applicable to the remuneration in cash or in-kind derived from the delivery of shares. The tax reduction is only available if the following requirements are met:

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	- the shares are offered for free or at a discounted price to their fair market value, at the time that the shares are acquired; - the period between award/grant and vest/exercise of the income received exceeds 2 years (i.e. at least 2 years and 1 day); and - the taxpayer has not made use of the reduction over the previous 5 tax years. The taxable base subject to the reduction is capped at EUR300,000. Tax exemption: a PIT exemption of up to EUR12,000 per person could apply in respect of shares obtained for free or at a discount to market value and directly held by the employees. The availability of the tax treatment may be affected in practice by the timing of the exercise/delivery of the awards as 'pooling' rules may apply. The exemption is only available if the following requirements are met: - the shares must be offered by the employer company or, in general terms, by any other company of the group of companies; - the shares must be offered to all the employees who meet or exceed an agreed length of service threshold and/or who are Spanish tax resident. The shares must be offered under the same conditions; - the shares must be held by the employees for a minimum of 3 years. If the shares are held for less than 3 years, the employee would have to file an amended tax return in respect of the fiscal year when the shares were granted and pay any corresponding delay interest. No issues would arise for the employer; and - each employee (alone or together with the employee's relatives), must not have direct or indirect participation in over 5% of the company where the employee works or for any group company. Note: different measures apply in the autonomous regions in Spain. Incentive plans for start-ups: tax-favoured arrangements apply to incentive plans established by eligible start-ups.
Other	Private companies: the tax treatment of the share plans would be the same whether the parent company is publicly listed or a privately held company. Wealth tax: wealth tax is levied on Spanish tax residents' worldwide net assets (and on Spanish non-residents' assets in Spain) as of 31 December in each year. Tax rates are progressive, with a maximum rate of 3.5% for assets exceeding an annual threshold (EUR10,695,996.06 in 2026) and subject to available allowances. Different rates may apply, depending on the individual's place of residence in Spain. Individuals must file wealth tax returns if they have a tax liability or their wealth (exempt or not) exceeds EUR2million.

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	Solidarity tax on large fortunes: in addition, the solidarity tax on large fortunes is levied on Spanish tax residents' worldwide net assets, and on Spanish non-residents' assets in Spain whose net asset value is equal to or higher than EUR3million as of 31 December in each year. Tax rates are progressive, with a maximum rate of 3.5% for assets exceeding an annual threshold (EUR10,695,996.06 in 2026) and subject to available allowances. Individuals must file wealth tax returns if they have a tax liability. This tax is complementary to the wealth tax, so any wealth tax liability paid in relation to the same tax period should be deducted from the solidarity tax amount.

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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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