

Tax Report



Singapore	Proposed Global Share Purchase and Match Plan
Tax points	<u>Purchased shares:</u> Purchase: Income tax on the fair market value of the shares at the time of purchase, less any amount paid for the shares. No social security. Sale by participant: No capital gains tax on increase in value since purchase, provided shares are not held for trading purposes. No social security. <u>Matching shares:</u> Grant: No income tax. No social security. Vesting: Income tax on the fair market value of the shares acquired at the time of vesting. No social security. Transfer to participant: No income tax. No social security. Sale by participant: No capital gains tax on increase in value since vesting, provided shares are not held for trading purposes. No social security.
Income tax (maximum rate)	24% (2026). Any change in tax rates usually takes effect from 1 January.
Income tax rates	Tax rates are progressive. The maximum tax rate applies to annual taxable income over SGD1,000,000.
Employer income tax withholding	No.
Employer social security withholding	No Central Provident Fund (CPF) contributions (assuming there is no cash settlement).
Employee social security	Employee social security (max rate): the 20% CPF contribution is applicable to cash remuneration only and is not applicable if the relevant awards are not cash-settled. Lower CPF contribution rates apply for employees over 55 years of age. CPF contributions are only payable in respect of Singapore Citizens and Singapore Permanent Residents. Employee social security (cap): CPF contributions are subject to a cap on ordinary wages (CPF Monthly Salary Ceiling) of SGD8,000 per month (2026). The cap on CPF contributions in respect of additional wages (e.g. bonus payments) is SGD102,000 per year minus the total ordinary wages subject to CPF contributions in the same year.

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Employer social security	Employer social security (max rate): the 17% CPF contribution is applicable to cash remuneration only and is not applicable if the relevant awards are not cash-settled. Lower CPF contribution rates apply for employees over 55 years of age. CPF contributions are only payable in respect of Singapore Citizens and Singapore Permanent Residents. Employer social security (cap): CPF contributions are subject to a cap on ordinary wages (CPF Monthly Salary Ceiling) at SGD8,000 per month (2026). The cap on CPF contributions in respect of additional wages (e.g. bonus payments) is SGD102,000 per year minus the total ordinary wages subject to CPF contributions in the same year.
Share valuation for determining taxable benefit	Public/listed companies: the taxable benefit derived by an employee from shares granted to that employee pursuant to employment in Singapore, is generally determined based on the market value of the shares at the relevant date, less the amount paid by the employee for the shares. The Income Tax Act 1947 of Singapore (ITA) does not prescribe a specific method to determine the taxable value/market value of shares which are not listed on the Singapore Exchange. For shares listed on a foreign exchange, reference can generally be made to the relevant listed/market price at the relevant date. In addition, the ITA further states that, if it is not possible to determine the taxable value of the shares by reference to the open market value of the shares at the relevant date, the CIT may use the net asset value of the shares (less any amount paid for such shares) as the basis for determining the taxable value of the shares. Private companies: with respect to private companies, an independent valuation is usually carried out to substantiate the value of the shares at the relevant time for tax purposes.
Capital gains tax (maximum rate)	None. Singapore does not impose capital gains tax but gains made from the disposal of shares may be subject to income tax if the shares are held for trading purposes.
Dividend tax (maximum rate)	None. Singapore does not impose a separate dividends tax. Foreign-sourced income (including foreign-sourced dividends) received by a Singapore resident individual in Singapore is exempt from tax (provided such income is not received through a partnership in Singapore).
Tax reporting - Individual	Yes

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	There is no specific filing in relation to equity related incentives but equity incentive income must be included within the annual tax return. Report name: Annual Tax Return to the Inland Revenue Authority of Singapore (IRAS) (Form B1 and appendices). Most taxpayers file their tax return online through the IRAS e-services portal. A paper Form B1 will only be sent to individual taxpayers who request one. Usually, the employer will have reported employees' income directly to the IRAS and the income will be reflected on the electronic tax return. Tax period: 1 January to 31 December of the preceding year. Reporting deadline: 15 April (18 April if filed electronically). Payment of tax: any income tax is due within one month after service of the Notice of Assessment issued by the IRAS.
Tax reporting - Employing company	Yes Report name: Return of Employee's Remuneration (Form IR8A and appendices). Tax period: 1 January to 31 December of the preceding year. Reporting deadline: 1 March. The local employer is required to include the gains from awards in the annual Return of Employee's Remuneration. This is made up of Form IR8A and accompanying appendices, including Appendix 8B which is specifically required to be completed for employees who derived gains or profits from Employee Stock Option Plans or other forms of Employee Share Ownership Plans. The return must be completed and issued to the employee by 1 March each year (reporting all remuneration of the employee for the preceding calendar year), and the employee is required to include the information in the Form IR8A (and accompanying appendices) in their Annual Tax Return to the IRAS, unless the local employer has arranged with the IRAS for such information to be transmitted directly to the IRAS. Most employers in Singapore are under the Auto-Inclusion Scheme (AIS) for Employment Income. Under the AIS, employers will submit their employees' income information directly to the IRAS electronically and such income information will be reflected on their employees' electronic Annual Tax Return (and automatically included in their income tax assessment). Separate rules apply to an employee who is ceasing employment with their local employer and is neither a Singapore citizen nor a Singapore permanent resident; or a Singapore permanent resident leaving Singapore permanently. These rules are discussed in the 'Other' tax issues section. Payment of tax: CPF contributions are due at the end of the month. Employers have a grace period of 14 days to pay. If the 14th day falls on a Saturday, Sunday or public holiday, the employer can pay by the next working day.

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Share retention/holding period	If the shares granted to the employees under the incentive plan are subject to any further selling restrictions after grant, exercise or vesting, the relevant gains would become taxable when such restrictions are lifted and would be taxable at the market value of such shares at that time (less any amount paid for the shares). Under the terms of any share plan where the relevant shares are generally subject to a selling restriction but a portion of such shares are sold to cover any obligations as set out in the terms of the share plan, the selling restriction will be taken to have ceased in relation to those shares which are sold, and such shares will be taxable at their fair market value at that time.
Recharge - Employing company	Generally, chargebacks to a local employing subsidiary may be deductible, provided that new shares are not issued by the local employing subsidiary. The general conditions for deductibility and the conditions set out in the IRAS circular mentioned below, should also be satisfied. The general conditions for deductibility are that an expense must be: • revenue in nature; • wholly and exclusively incurred in a year in the production of income chargeable to tax in that year; and • not prohibited from deduction by any statutory provision. The relevant IRAS circular is dated 30 September 2025 and titled "Income Tax: Tax Deduction for Shares used to Fulfil Obligations under an Employee Equity-Based Remuneration Scheme" (the Circular). With respect to recharges by a parent company to a subsidiary company for newly issued shares or treasury shares of that parent company under an employee equity-based remuneration scheme, Sections 14L and 14MA of the ITA and the Circular currently provide that: • for the purpose of allowing a deduction for treasury shares transferred under an employee equity-based remuneration scheme to any employee, the tax treatment will not be aligned with the accounting treatment under Financial Reporting Standard (FRS) 102 Share-based Payment. The amount of the tax deduction allowed to the subsidiary company is the lower of: ○ the difference between the actual amount of the recharge and any amount paid or payable by the subsidiary company's employees for the shares; and ○ the difference between the costs to the parent company in acquiring the treasury shares and any amount paid or payable by the subsidiary company's employees for the shares; • the tax deduction will be allowed on the later of:

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	○ the date when the treasury shares are applied for the benefit of employees (i.e. at the time when the shares vest in the employee or settle); and ○ the date when the subsidiary company is liable to pay the parent company for such treasury shares transferred to employees (which is taken to be the later of the date of the invoice issued by the parent company to the subsidiary company or the date on which the subsidiary company is liable to pay the parent company); • the costs to the parent company in acquiring the treasury shares may be valued based on the 'first-in-first-out' method or weighted average method (either on a transaction-by-transaction or an interval-by-interval basis), as long as the method used is consistently applied. In addition, where the parent company is incorporated outside Singapore, the costs to the parent company in acquiring the treasury shares may be calculated on the basis that the treasury shares acquired by the parent company at the latest point in time are deemed to be transferred first, provided that certain stipulated conditions are met; and • with respect to deductions for newly issued shares transferred under an employee equity-based remuneration scheme to any employee, the vesting of the shares to employees must occur in the basis period for Year of Assessment 2026 or subsequent Years of Assessment for the deduction to be available. The timing of the tax deduction is aligned with that of treasury shares as described above. The deduction will be the lower of: ○ the actual amount of the recharge less any amount paid or payable by the subsidiary company's employees for the shares; and ○ the open market value or net asset value of the shares (if the open market value is not readily available) at the time the shares are applied for the benefit of the employee, less any amount paid or payable by the subsidiary company's employees for the shares. No tax deduction is allowed where the subsidiary company issues its own shares to fulfil its own obligations under an equity-based remuneration scheme.
Recharge - Individual	The existence of a recharge does not impact the tax treatment for the individual.
Malus and clawback - Tax reclaim	There are no specific provisions in Singapore's tax laws which allow an employee to reclaim any taxes they may have paid on the basis that the share awards on which such tax was paid have been subject to clawback provisions. The employee would have to

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	make an application to IRAS for relief and refund, and such relief would only be allowed at IRAS's discretion. Further, an application for a refund must normally be made within 4 years from the end of the 'Year of Assessment' in which the relevant tax was 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	Yes, the Qualified Employee Equity-Based Remuneration Scheme (QEEBR). The employee may qualify for tax concessions under QEEBR if they meet certain criteria, including that certain restrictions apply on the vesting or disposal of shares under the relevant award. Tax result: income tax on gains arising from the shares can be deferred for up to 5 years with an interest charge. Given that the tax is simply deferred subject to an interest charge, the scheme is not popular in practice. In this context, 'gains' means the value the participant receives from their share award. Filing: employees must submit an application form to defer their tax gains to the Comptroller of Income Tax (CIT) by 15 April. The employer must certify on the application form that the plan qualifies for the QEEBR Scheme by meeting the applicable requirements.
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. Social security (CPF contributions): for share-based awards no social security charges (i.e. CPF contributions) are applicable. Singapore employers are required (subject to certain exceptions) to contribute to CPF (a state provident fund) but CPF contributions are only required to be made in respect of remuneration in money (as opposed to remuneration in money's worth or non-cash remuneration). No CPF contributions are applicable upon the settlement of the awards in shares, as this would not constitute remuneration in money. CPF contributions would apply in respect of share awards and dividend equivalents that are cash settled, as well as cash-based remuneration awards, where such payments are made to Singapore citizens or Singapore permanent residents. Withholding for departing foreign employees: there is no tax withholding obligation in Singapore on employers with respect to taxes payable by their employees (except in the cases of certain payments made to non-resident directors) unless there is a termination of employment, in which case, tax clearance may be required. Where an employee (Departing Foreign Employee) is ceasing employment with their local employer and they are: neither a Singapore citizen nor a Singapore permanent resident, nor

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	• a Singapore permanent resident leaving Singapore permanently, the local employer is required to inform the IRAS and withhold all sums due to such employee, pending tax clearance from the IRAS. Deemed exercise/vesting/end of selling restriction rules would apply to Departing Foreign Employees in relation to their share-based remuneration. Under these rules, an employee will be deemed to have derived a gain in respect of share-based awards one month before the date they cease employment with the local employer, in an amount equal to the fair market value of the relevant shares at that time, minus any amount payable for such shares. If the actual gain on exercise/vesting/end of selling restriction is lower, the employee may apply to the IRAS for a refund within 4 years. Withholding and social security are not always applicable. This depends on the individual circumstances. 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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