Australia

Tax points	**Grant**: No income tax or social security if the award of a right to receive 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 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 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 Conditional Free Shares/RSUs is subject to income tax 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% (2025/26) 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 AUD190,000. The maximum marginal rate of tax is increased by the compulsory 2% Medicare levy. **The 2025/26 tax rates and income thresholds are**: • **taxable income up to AUD18,200**: Nil • **taxable income of AUD18,201 to AUD45,000**: Nil plus 16% of the excess over AUD18,200 • **taxable income of AUD45,001 to AUD135,000**: AUD4,288 plus 30% of the excess over AUD45,000 • **taxable income of AUD135,001 to AUD190,000**: AUD31,288 plus 37% of the excess over AUD135,000

	• **taxable income from AUD190,001**: AUD51,638 plus 45% of the excess over AUD190,000. **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 2025/26, for income over AUD164,712 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% for Medicare levy. An additional Medicare levy surcharge of up to 1.5% is payable for higher income employees (i.e. employees who have earnings of more than AUD101,000 per year if single or more than AUD202,000 in total as a household) if they do not hold appropriate private medical insurance. 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 Ordinary Times Earning (OTE) is contributed by the employer into a complying Australian superannuation fund. A cash payment (but not income under a share plan) will form part of OTE for superannuation purposes. **Employer social security (cap)**: maximum earnings base of AUD62,500 per quarter (applicable to the 2025/26 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 AUD1,200,000 (unchanged

	for the 2025/26 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.
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 (as applicable) a PAYG Payment Summary and 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). 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 Australian Taxation Office (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	Yes, 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**:

	• **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, 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**: • **ESS Statement to employees**: 14 July; and • **ESS Report to ATO**: 14 August. **Payment of tax**: there is no obligation to withhold tax in relation to equity income unless the company does not have the employee's tax file number.
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.