

Tax - Payroll Guide - Free shares / RSU

Chile	
Tax points	<p>Grant: No income tax. No social security.</p> <p>Vesting: Income tax and social security.</p> <p>Transfer to participant: No income tax. No social security.</p> <p>Sale by participant: Income tax on gain. No social security (because the capital gains are not labour income).</p>
Income tax (maximum rate)	40% (2025). Any change in tax rates usually affects income received from 1 January of the year following the enactment of the modification of the tax rate.
Income tax rates	Tax rates are progressive. Tax bands are expressed as Monthly Taxable Units (MTU) and are adjusted on a monthly basis. An MTU is equivalent to approximately USD68 (January 2025). Personal income up to MTU13.5 is exempt from tax and the maximum tax rate applies to monthly income above MTU310.
Employer income tax withholding	Employer withholding only applies if the plan benefits are paid through local payroll or there is a recharge. For Your Shares, neither of the above apply, so no employer withholding is required.
Employer social security withholding	<p>Employer and employee social security will only apply if the plan benefits are paid through local payroll or there is a recharge</p> <p>If social security is payable, the employer must withhold the employee contribution. For Your Shares, neither of the above apply, so no employer withholding is required.</p>
Employee social security	<p>Employee social security (max rate calculated over the employee's monthly remuneration):</p> <ul style="list-style-type: none"> • pension fund contribution of 10% (plus fund management fees which currently vary between 0.49% and 1.44%); • health insurance contribution of 7%; • unemployment insurance of 0.6% in case of indefinite term employment contracts; and • heavy works contribution of 1% or 2% (if applicable). <p>Employee social security (cap): in all cases, the remuneration over which the deductions are made (calculation basis) is capped at a fixed amount expressed as <i>unidades de fomento</i> (UF) depending on the respective social security contribution. The UF is an index of the value of the Chilean peso, revised daily based on the variation of the Chilean consumer price index during the previous month, as determined by the Central Bank of Chile. The caps vary each year based on the increase of the Index of Real Remunerations, published by the National Statistics Institute.</p>

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	<p>For 2025, the cap for pension fund, health insurance and heavy works contributions is UF874.8 (approximately USD3,366) and the cap for unemployment insurance is UF131.8 (approximately USD5,054).</p>
Employer social security	<p>Employer social security (max rate calculated over the employee's monthly remuneration):</p> <ul style="list-style-type: none"> insurance for work accident and professional diseases of 0.9%, plus an additional contribution of between 0% to 3.4% depending on the occupation risk; disability and survival insurance of 1.38%; unemployment insurance of 2.4% for indefinite term employment contracts and of 3% in the case of fixed term employment contracts; heavy works contribution of 1% or 2% (if applicable); and insurance for parents of children affected by a serious health condition (law No.21,010 and 21,063) of 0.03%. <p>Employer social security (cap): in all cases, the remuneration over which the deductions are made (calculation basis) is capped at a fixed amount expressed as UF (see 'Employee social security').</p> <p>For 2025, the cap for insurance for work accidents and professional diseases, disability and survival insurance, the insurance for parents of children affected by a serious health condition and heavy works contribution is UF87.8 (approximately USD3,366); and the cap for unemployment insurance is UF131.8 (approximately USD5,054).</p>
Tax reporting - Individual	<p>An individual may be required to file a return, as discussed below.</p> <p>Report name:</p> <ul style="list-style-type: none"> Annual Tax Return (Tax Form No. 22): the employee is required to file an annual tax return if they have received salaries from more than one employer or income from sources other than salary which are subject to Personal Income Tax; Monthly Tax Return (Form No. 50): the employee is required to file a monthly return if the employee has received taxable income which has not been subject to income tax withholding by the employer, e.g. where there is no recharge to the local employer. <p>Capital gains and dividends are reported in the Annual Tax Return. Capital gains tax may be considered to be sporadic income if the taxpayer does not have any other income subject to first</p>

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	<p>category tax (Corporate Income Tax), in which case a monthly tax return must be filed in the month following the realisation of the capital gain.</p> <p>The returns are usually filed online and can be downloaded from the website here.</p> <p>Tax period: 1 January to 31 December.</p> <p>Reporting deadline:</p> <ul style="list-style-type: none"> the Annual Tax Return must be filed by 30 April in the year following the year when the income is obtained; monthly returns (if required) must be filed within the first 12 days of the month following the month in which the income was obtained or the amounts were withheld. <p>Payment of tax: any unpaid income tax is due by the date of filing the relevant tax return.</p> <p>Foreign asset reporting: the employee is required to issue a sworn statement listing any shares maintained abroad as well as foreign dividends and other foreign income (through Form No. 1929). This form is filed annually by 30 June. Employees may register the investment, in the Registry of Foreign Investments kept by the IRS, in order to be entitled to tax credits for any taxes paid abroad. However, if Form No. 1929 is filed, the employees are entitled to tax credit even if the registration is not performed.</p>
Tax reporting - Employing company	<p>If plan benefits are paid through local payroll or if there is a recharge, the employer would be required to withhold, declare and pay the corresponding payroll tax.</p> <p>Report name: Monthly Tax Return (Tax Form No. 29) is filed with the Chilean tax authority. The return is generally filed online and can be downloaded from the website here. If the incentive plan income is subject to income tax withholding, the employer must also file Form No. 1887 to report the payment of, and withholding of income tax on, the incentive plan income.</p> <p>Reporting deadline: the monthly return must be filed within the first 12 days of the month following the month in which the amounts were withheld. The annual return must be filed by 28 March.</p> <p>Payment of tax: withheld tax and social security contributions are paid at the same time that the monthly report is filed.</p>
Malus and clawback - Tax points	<p>The existence of a malus or clawback clause does not affect the tax point for the individual.</p>