

SYENSQO

BRAZIL: TAX SUMMARY: ESPP

This note applies to Purchased Shares purchased, Matching Shares Awards and Free Shares Awards granted under the ESPP, is correct as at July 2024 and assumes that the employee is a Brazilian tax resident and has been at all times from the purchase of the Purchased Shares, grant of Matching Share Awards and Free Share Awards to the vesting of a Matching Share Award or Free Share Award or sale of shares.

This information is provided for general guidance only and the actual tax consequences will depend on your own individual circumstances. If you are in any doubt as to your tax position, you should seek independent tax advice.

EMPLOYEE

1. Will I be taxed when I buy Purchased Shares?

No – you will not have to pay any income tax, social security contributions or severance fund when you buy Purchased Shares.

2. Will I be taxed when I am granted the Matching Share Award or Free Share Award?

No – you will not have to pay any income tax, social security contribution or severance fund when you are granted a Matching Share Award or Free Share Award.

3. Will I be taxed when the Matching Share Award or Free Share Award vests?

Yes - you will need to pay income tax, social security contributions and severance fund on the market value of the shares you receive on vesting of your Matching Share Award or Free Share Award. Your employer will withhold the social security and severance fund due but will not withhold the income tax due.

For the 2024/25 tax year:

1. income tax rates are up to 27.5%; and
2. employee social security contributions apply at the rate of 7.5% - 14%.

4. Will I be taxed when I sell my shares?

If the sale proceeds on the sale of your shares exceed the market value of the shares on the date you received them, you will need to pay capital gains tax on the difference between the market value of the shares (i) at vesting for Matching Share Awards and Free Share Awards and (ii) at purchase for Purchased Shares, and the market value of the shares on sale.

Capital gains are taxed at a rate of:

1. 15% on the first BRL 5,000,000 (approx. EUR 817,400);
2. 17.5% on BRL 5,000,000 to BRL 10,000,000 (approx. EUR 817,400– EUR 1,634,900);
3. 20% on BRL 10,000,000 to BRL 30,000,000 (approx. EUR 1,634,900– EUR 4,904,800);
and
4. 22.5% above BRL 30,000,000 (approx. EUR 4,904,800).

Your employer will not withhold any capital gains tax due and it is your responsibility to pay and report this to the Brazilian Revenue Service.

5. Will I be taxed when I receive my dividends?

Dividends will be paid on your Purchased Shares and they are subject to income tax at rates up to 27.5% when they are paid.

Your employer will not withhold any tax due on dividends and it is your responsibility to pay and report this to the Brazilian Revenue Service.

If any tax is withheld in Belgium in respect of your dividend, then to avoid any double taxation, a tax deduction or tax credit may be available if your country has a double tax treaty with Belgium. You will need to apply to your tax authority to claim the tax deduction or tax credit.