

SYENSQO

UNITED KINGDOM: TAX SUMMARY: ESPP

This note applies to Purchased Shares purchased, Matching Share Awards and Free Share Awards granted under the ESPP, is correct as at July 2024 and assumes that the employee is UK 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 or employee national insurance contributions (NICs) 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 or employee NICs 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 and employee NICs on the market value of the shares you receive on vesting of your Matching Share Award or your Free Share Award. Your employer will withhold the income tax and employee NICs due.

For the 2024/25 tax year:

1. income tax rates are 20% for basic rate tax payers, 40% for higher rate tax payers and 45% for additional rate tax payers; and
2. employee NICs apply at the rate of 8% or 2%.

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, if your capital gains (from all sources) exceed the annual exempt amount (£3,000 for the 2024/25 tax year).

Capital gains are taxed at a rate of 10% for basic rate tax payers and 20% for higher and additional rate tax payers.

Your employer will not withhold any capital gains tax due and it is your responsibility to pay and report this to H.M Revenue & Customs.

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 (but not NICs) when they are paid.

There is an income tax-free allowance of £500 for your dividends received from all sources. For the 2024/25 tax year, dividends will be subject to income tax at 8.75% for basic rate tax payers, 33.75% for higher rate tax payers and 39.35% for additional rate tax payers.

Your employer will not withhold any tax due on dividends and it is your responsibility to pay and report this to H.M Revenue & Customs.

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.