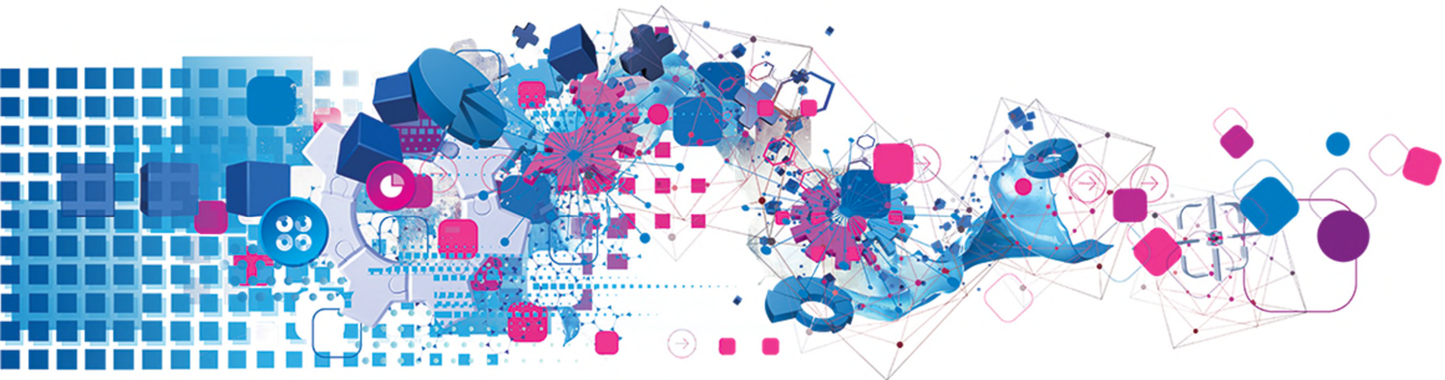
Experian plc
International Sharesave

Employee Guide - Brazil



The purpose of this note is to provide you with a general overview of the personal tax treatment of options under the Experian International Sharesave (the “Plan”). This information is for guidance only and may differ according to your personal circumstances. The overview is based on the tax law and practice as at March 2020 and may be subject to change.

This document assumes that you are an employee of the Brazilian entity of Experian and that you are resident and domiciled in Brazil, for taxation purposes, from the date you were granted the options to the date you exercised the options and the shares are sold.

If you have any doubts or any concerns about your particular tax position you should contact an independent tax advisor.

Summary of tax treatment

	Options	Interest
When is the tax point?	Exercise	Payment
Will I have to pay income tax?	Yes. If you keep your shares this is your responsibility to pay. If you sell your shares and your proceeds are paid via payroll your employer should withhold income tax at exercise.	Yes, you will have to pay income tax via your annual return.
Does a social security liability arise?	Yes	No
Are there any reporting requirements for my employer?	Yes	No
Are there any reporting requirements for me?	Yes	Yes

Employee actions

	Action required	Due date
Annual income tax return	You are required to report the exercise of your option, any interest received and any gain arising when you sell your shares on your annual income tax return for the relevant year. If you exercise the options, but do not sell the shares, the shares must also be included in the asset report in your tax return.	Between March and the last working day of April, following the end of the tax year in which the tax point arises.
Payment of tax	If you decide to retain your shares on exercise, you are required to pay any income tax due on exercising your option via the “carnê-leão” system and on any capital gain arising on the sale of shares via the “Capital Gain” system. Under these systems, the tax due is charged on a monthly basis. If you sell your shares immediately on exercise, income tax will be processed by payroll.	By the end of the month following the month in which the tax point arises.
Central Bank report	If you hold foreign assets (including Experian shares) and their total value as at 31 December exceeds USD 100,000, you will also be required to file a Central Bank report. Any Experian shares you hold (following exercise) should be included in this report.	By 5 April of the subsequent year.

1. Tax implications

Share options

1.1. Will I have to pay income tax when I am granted an option?

No, there is no income tax or social security liability at the time that you are granted an option.

1.2. Will I have to pay tax when my option vests, at the end of the savings period?

No, there is no income tax or social security liability at the time your option vests.

1.3. Will I have to pay tax if I choose not to exercise my option?

If you hold the savings in a savings account ("Poupança"), no income tax should be payable on any interest you receive.

If you hold the savings in an investment account, income tax may be payable on the interest you receive. The tax treatment will depend on the nature of the underling investment. If you have any queries on this you should direct them to the bank you use to hold your sharesave savings.

No social security is due on interest payments.

1.4. Will I have to pay tax if I choose to exercise my option?

Yes, you will have to pay tax on the option gain.

An income tax liability will arise when you exercise your options. The taxable amount will be the difference between the market value of the shares at the date of exercise and the exercise price. If you decide to keep your shares, it is your responsibility to report this gain on your tax return and pay any income tax due through the "carnê-leão" system directly to the tax authorities.

However, if you choose to sell your shares at exercise and the sales proceeds are delivered to you via payroll, your employer will be required to withholding your income tax liability arising on your option gain at exercise. In that case, you will not have a separate reporting or tax payment obligation through the "carnê-leão" system.

1.5. Will I have to pay social security on my option?

Social security is payable at exercise on the option gain, unless you have already exceeded the relevant earnings cap. Any employee social security due should have be withheld by your employer.

1.6. Will I have to pay tax if I sell my shares?

When you sell your shares, you will be required to pay capital gains tax, generally at a rate of 15% for 2020. If your sales proceeds in the month you sell your shares are less than BRL 35,000, your gain will be exempt from capital gains tax.

The taxable amount for capital gains tax purposes will be the sale proceeds less any amount previously subject to income tax, the exercise price paid and any sale costs.

You will be required to pay any tax due when you sell your shares directly to the tax authorities via the "Capital Gain" system.

Interest paid to you at the end of savings period

1.7. Will I have to pay tax on the interest I receive on my savings?

If you hold the savings in a savings account ("Poupança"), no income tax should be payable on any interest you receive.

If you hold the savings in an investment account, income tax may be payable on the interest you receive. The tax treatment will depend on the nature of the underling investment.

No social security is due on interest payments.

2. Reporting requirements

2.1. Do I have any reporting requirements?

You are required to report the exercise of your option, any interest received and any gain arising when you sell your shares on your annual income tax return for the relevant year. If you exercise the options, but do not sell the shares, the shares must also be included in the asset report in your tax return.

The tax return is normally due between March and the last working day of April following the end of the tax year in which the tax point arises.

Share options

As mentioned under 1.4, if you decide to keep your shares, you need to report your option gain on your tax return and pay any income tax due through the "carnê-leão" system directly to the tax authorities.

However, if you choose to sell your shares at exercise and the sales proceeds are delivered to you via payroll, your employer will be required to withholding your income tax liability arising on your option gain at exercise. Therefore, you will not have a separate reporting or tax payment obligation through the "carnê-leão" system in that case.

Your employer will also withhold any social security payable with respect to your option gain (provided that you have not already met the relevant earnings cap for social security purposes on your salary). Any capital gain arising on the sale of shares will need to be reported alongside with the tax due on this income via the "Capital Gain" system.

Under the "carnê-leão" and "Capital Gain" systems, the tax due is charged on a monthly basis. Therefore, if you choose to keep your shares and/or if you sell your shares and you realise any capital gain on sale, the income tax due must be paid by you by the end of the month following the month in which the tax point arises (i.e. exercise and/or sale of shares). The taxable amount at exercise and/or still will also have to be reported via your annual tax return.

Foreign Assets Reporting

If you hold foreign assets (including Experian shares) and their total value as at 31 December exceeds USD 100,000, you will also be required to file a Central Bank report. Any Experian shares you hold (following exercise) should be included in this report. This report should be filed by 5 April of the subsequent year.

Appendix 1 – Worked Example

The following worked example illustrates how the share options gains and the tax due should be calculated. This example does not consider the interest paid to you at the end of the savings period.

Example of income tax due at exercise:

- Share options were granted with an exercise price of £15;
- The value of Experian's shares at the time of exercise is £25;
- You exercise options over 100 shares (using your savings under the plan);
- You elect to sell all your shares immediately at exercise;
- Maximum tax rates apply.

Gain per share on exercise (£25 sales price - £15 exercise price)	**£10**
Total gain realised on exercise (100 shares x £10 gain per share)	**£1,000**
Income tax payable (£1,000 x 27.5%)*	**£275**
Social tax payable (£1,000 x 11%, on the basis that the monthly earnings cap has not been met)*	**£110**
Net proceeds** ((100 x £25) – £275 - £110) ***without considering any brokerage costs*	**£2,115**

** The income tax and any employee social tax due should have already been withheld by your employer on exercise when the sales proceeds are delivered through local payroll.*

Exercise and Keep

If you choose to exercise your options and keep your shares, you will still have an income tax and social security liability. This income tax liability will be calculated as above, however the market value of the shares at the date of exercise will be substituted for the sales price in the above example to calculate the tax due. When you ultimately dispose of the shares in the future, a capital gains tax (CGT) liability may arise. Your base cost, using the above example, for CGT purposes would be £1,000 (i.e. the amount you have paid income tax on and the exercise price paid).

The mechanics of withholding and remitting the tax due to the tax authorities may vary depending on whether you sell your shares on exercise or decide to retain them, as follows.

1: You choose to sell your shares at exercise

By selling shares, you become entitled to receive sales proceeds (less any selling costs) on exercise. In practice, your employer will pay to you the net proceeds (after income and social tax have been deducted) via payroll.

2: You choose to retain the shares after exercise

If you decide to keep your shares, no sales proceeds will be payable to you at the time of exercise. However, income tax will still become due on exercise (as explained above).

In order to satisfy your social security tax liability (i.e. your employer's withholding requirements on exercise), your employer may:

a) Withhold taxes from other payments due to you in the same period e.g. your salary (such that your salary would be less than usual or no salary may be payable after the deduction of tax); or
b) Ask you to cover the taxes due from your own funds (i.e. you would pay the company an amount equal to your tax liability, and then they company would remit the taxes due to the tax authorities); or
c) Ask you to sell enough of your shares as to cover the social security liability by way of sale proceeds.