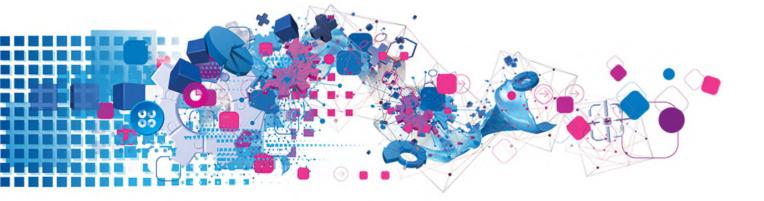


Experian plc International Sharesave

Employee Guide - Malaysia



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 Malaysian entity of Experian and that you are resident and domiciled in Malaysia, 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	N/A
Will I have to pay income tax?	Yes, your employer will be required No to withhold income tax via payroll at exercise unless you choose to settle tax via your tax return.	
Does a social security liability arise?	No	No
Are there any reporting requirements for my employer?	Yes	No
Are there any reporting requirements for me?	Yes	No

Employee actions

	Action required	Due date
Annual tax return	You are required to report the taxable amount at exercise as employment income in your personal tax return for the year of exercise.	by 30 April following the relevant tax year.
Payment of tax	Any additional tax which may be payable should be settled through your tax return by the same date.	As above.

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 liability when 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 liability at the time your option vests.

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

No, you will not have any tax to pay. Any interest you may receive will be exempt from tax (see 1.7 below).

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

Yes, you will have to pay income tax at your marginal rate on any option gain at exercise (up to a maximum rate of 30% for the tax year ending 31 December 2020).

The taxable amount will be the difference between the market value of the shares at the date of vesting or the date of exercise (whichever is lower), and the exercise price.

Experian has an obligation to withhold income tax on your behalf via payroll shortly after exercise (15th of the month following the month of exercise).

However, it is possible for you to:

- apply to the tax authority (MIRB) for approval to spread your tax liability and pay it in instalments over a period of up to 12 months. In this case the MIRB will provide your employer with a Directive of Tax Deduction (Form CP38) for it to follow; or
- settle any tax liability on the exercise of share options through your own tax return by way
 of written election. If you choose this option, you must provide your employer with a written
 election by the date of exercise.

Furthermore, the mechanics for paying the tax due to the tax authorities may vary depending on whether:

- you chooses to sell your shares at exercise; or
- you chooses to retain the shares after exercise.

Please refer to Appendix 1 for more details, especially if you consider keeping your shares.

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

Social security is not payable on share benefits in Malaysia.

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

There should be no tax payable when you sell your shares. Any profit from disposal of shares is considered capital gain and not subject to income tax.

Interest paid to you at the end of savings period

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

No. Any interest you receive will be exempt from tax on the basis it is paid by a Malaysian bank.

2. Reporting requirements

2.1 Do I have any reporting requirements? Share options

You are required to report the taxable amount at exercise as employment income in your personal tax return for the year of exercise. Your employer will provide you with Form EA by the end of February following the year of exercise, to assist you with completing your tax return.

Your tax return should normally be filed by 30 April following the relevant tax year. Any additional tax which may be payable should be settled through your tax return by the same date.

Interest paid to you at the end of savings period

You have no reporting obligations with regards to the interest paid to you at the end of the savings period.

Appendix 1 – Worked Example

The following worked example illustrates how the share options gains should be calculated, as well as the practical implications of (1) selling the shares on exercise and (2) retaining the shares after exercise. This example does not consider the interest paid to you at the end of the savings period.

ise price of £15; the time of exercise is £27; the date of vesting is £25; ng your savings under the plan); ately upon exercise;
£10
£1,000
Your employer will communicate this to you.
£300
N/A
£2,200

**Assuming an income tax liability arises on exercise at an aggregate rate of 30%.

Exercise and Keep

If you choose to exercise your options and keep your shares, you will still have an income tax liability. Your employer should pay the income tax liability arising on your option gain via withholding, unless you provide your employer with a written election at the time you exercise your options to settle the tax due via your annual tax return instead. When you ultimately dispose of the shares in the future, no tax should be due on your capital gains.

The mechanics of paying 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 tax 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) and not at a later date (the due date for your annual tax return). If you want to pay taxes via your annual tax return instead, you must provide your employer with a written election at the time the option is exercised. If you fail to do so, in order to satisfy your tax liability (and your employer's withholding requirements on exercise), your employer may:

- a) Withhold taxes from other payments due to the 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 income 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 tax liability by way of sale proceeds.