Experian plc
International Sharesave

Employee Guide - Netherlands

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 Dutch entity of Experian and that you are resident and domiciled in Netherlands, 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, your employer will be required to withhold income tax via payroll at exercise.	No
Does a social security liability arise?	Yes, unless the contribution cap has already been reached at exercise.	No
Are there any reporting requirements for my employer?	Yes	No
Are there any reporting requirements for me?	Yes	Yes
Is this included in my net capital computation?	Yes	Yes (including underlying savings).

Employee actions

	Action required	Due date
Net capital assets tax computation	You should include in your net capital assets tax computation (with reference to their value at the beginning of the year): your cash savings, the interest accrued on your savings (from the end of the first 12 months of saving onwards), and any Experian shares you hold (after you exercise your options).	By 1 May following the relevant year.
Payment of net capital assets tax	You will be required to pay any net capital assets tax due to the Dutch tax authorities through your annual personal income tax return. The Dutch tax administration might take 6-9 months to issue a (preliminary) Dutch individual income tax assessment after filing of your tax return(s). As soon as you have received the (preliminary) Dutch individual tax assessment you will be required to pay the net capital assets tax (if applicable)	After you have received the (preliminary) Dutch individual tax assessment.

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.

However, during the savings period, you should include the savings amount (on the reference date of January 1, 2020) in your net capital assets tax computation (see below) and pay any net capital assets tax due.

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?**

The cash held in your savings account at the beginning of each year (reference date January 1, 2020) should be included in your net capital assets tax computation.

You should also include any interest accrued on your savings at this point within your computation (you will normally accrue interest once you have been saving for 12 months).

Net capital assets tax is calculated annually at a flat rate of 30% of a deemed gain. This deemed gain depends on your total savings and investments on 1 January each year, and lies between 2.02% and 5.38%.

A general exemption of EUR 30,846 (for the year ending 31 December 2020) is available for individuals (EUR 61,692 for couples). Certain specific exemptions may also be available, depending on your personal circumstances.

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

An income tax and social security liability will arise when you exercise your option. The taxable amount will be the difference between the market value of the shares on the date of exercise and the exercise price.

Income tax is payable at your marginal rate. Social security contributions may be payable on the taxable amount at exercise (subject to the annual earnings cap).

Your employer is required to withhold the income tax and social security, if applicable with respect to your option gain, at the rate applicable to special payments.

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

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

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

The fair market value of any Experian shares held at the beginning of each calendar year should be included in your net capital assets tax computation.

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

Social security contributions will be payable on the taxable amount at exercise (subject to the annual earnings cap amounting to EUR 57,232 for 2020).

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

The sale of your shares is not a taxable event. However, any cash you hold at the beginning of each year on January 1 (including sales proceeds) should be included in your net capital assets tax computation.

You will be required to pay any net capital assets tax due to the tax authorities through your annual personal income tax return. The payment will be required after you have received your (preliminary) tax assessment.

Interest paid to you at the end of savings period

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

Income tax is not payable on the interest you receive on your savings, if any.

However, you should include any interest accrued on your savings at the beginning of each calendar year on January 1 within your computation (you will normally accrue interest once you have been saving for 12 months) for net capital assets tax purposes (which you are responsible to pay via your annual personal income tax return).

2. Reporting requirements

2.1 **Do I have any reporting requirements?**

You should not be required to report any taxable income arising from exercise of your options in your annual personal income tax return. This income should be included in the annual income statement provided by your employer. If the wage tax at exercise withheld by your employer was in excess of your actual rate, you will receive a refund on your personal tax assessment.

You will need to include the following in your tax return as they form part of your net capital assets tax computation:

- any cash held at the beginning of each year (including the cash held in your savings account, any interest accrued on your savings, and any sales proceeds); and
- the fair market value of any Experian shares you hold (following exercise of your options) at the beginning of each year.

Your annual personal income tax return should be submitted to the tax authorities before 1 May following the relevant tax 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:

- 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 sell all your shares immediately upon 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** Your employer will communicate this to you.
Income tax payable (£1,000 x 49.5%)*	**£495**
Social tax payable (capped out)	**£0**
Net proceeds** (100 x £25) – £495 ***without considering any brokerage costs*	**£2,005**

**Assumes the employee pays income tax at a rate of 49.5% and the annual earnings cap for social tax contributions has already been reached.*

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 keep your shares as a share certificate, as follows.

1: You choose to sell all your shares at exercise

By selling all your 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, a tax liability will still arise at exercise. As such, the administrator will sell a sufficient number of shares on your behalf to meet the tax due by you on exercise – this is referred to as "sell to cover" i.e. selling just enough shares to cover your tax due. This "sell to cover" approach will be the default position for any employee who chooses to keep their shares.

Under sell to cover enough shares will be sold to cover your *estimated* tax liability and the remainder of the shares (after any selling costs and tax has been deducted) will be delivered to you as a share certificate.

The funds withheld by the administrator will then be transferred to local payroll to remit the tax due to the tax authorities. If your personal tax rate is lower than the withholding rate applied by the administrator then any excess withholding should be refunded to you in the payroll run.

If you choose to exercise your options and keep your shares, when you ultimately dispose of the shares in the future, a capital gains tax (CGT) may arise. Your base cost for CGT purposes would be the amount you have paid income tax on and the exercise price paid in relation to the shares you hold after sell to cover. Using the above example, this would generally be £25 per share (assuming no other Experian shares are held).