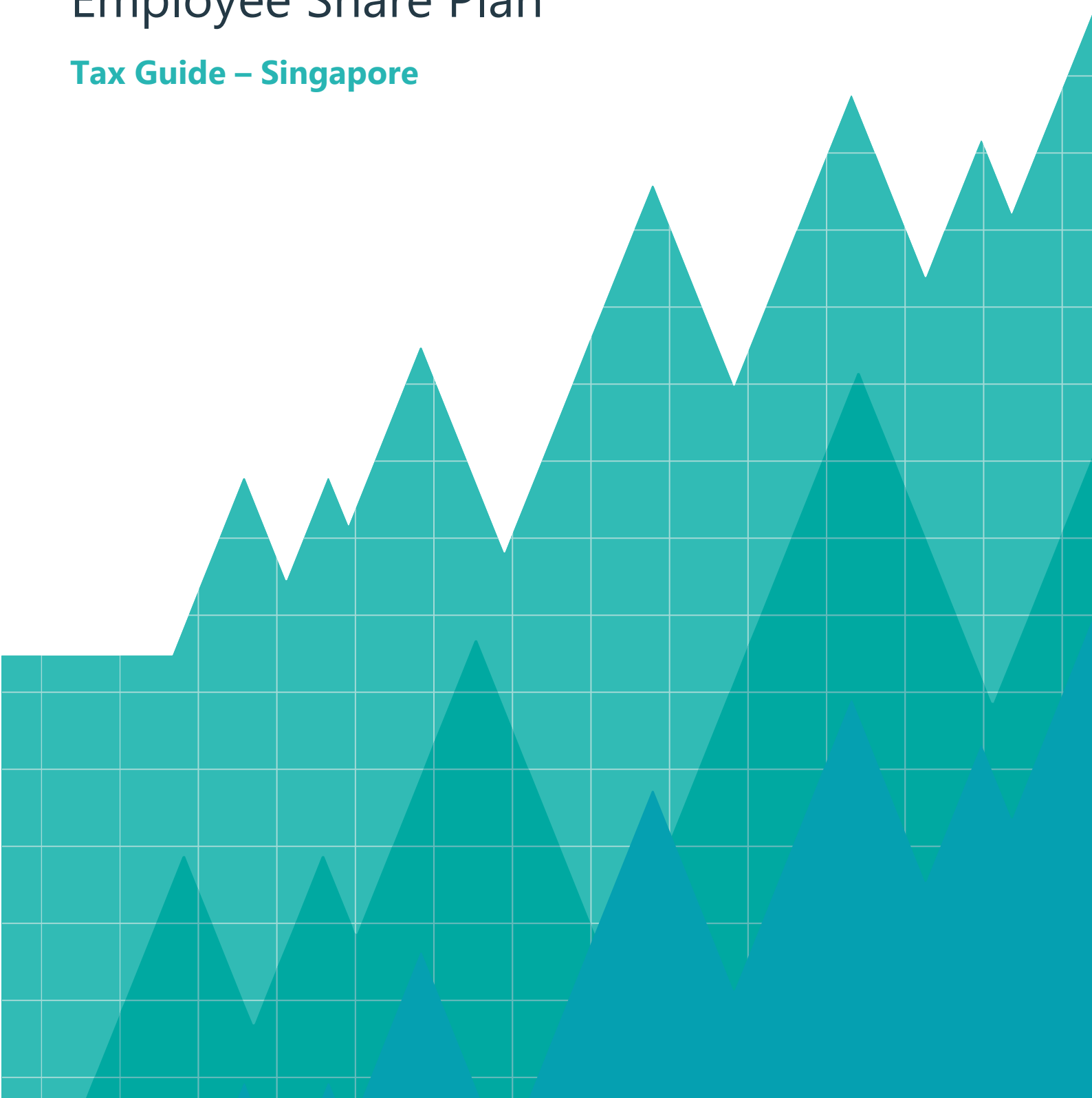


Wood Guidance

Employee Share Plan

Tax Guide – Singapore



Wood Guidance Employee Share Plan Tax Guidance – Singapore

This information is for guidance only and may differ according to your personal circumstances. Other than for the 'Income tax and social tax for mobile employees' section, it assumes that for tax purposes you are a domiciliary, national and resident of Singapore and have been/will be at all material times – i.e. from the date on which you purchase your first shares in the Plan until the end of the Plan period 24 months later – this is known as the Holding Period.

The 'Income tax and social tax for mobile employees' section outlines the tax treatment for your shares if you have spent time working outside Singapore – for these purposes, it is assumed that you are tax resident in the respective countries where you are working at the relevant times.

This is not tax advice tailored to your personal situation. If you require confirmation of your personal tax position, you should contact a professional tax advisor.

This information is understood to be correct as at 6 November 2018. Any future changes to legislation or tax rates may affect this information.

Income tax and social tax

Will I have to pay income tax or social tax in respect of my Shares?

The table below sets out the tax point and the taxable amount for the shares received under the Plan:

Income tax and Social Security		
	Point at which tax will be paid	Taxable amount
Purchased Shares	No income tax or social tax will apply.	N/A
Matching Shares	Income tax will be payable when your Matching Shares are delivered to your personal account following the end of the Holding Period. This is known as the Delivery Date.	The amount subject to income tax will be the market value of the shares on the Delivery Date. No social security is payable.
Dividend Shares	No tax is due on dividends.	

How do I pay the income tax and social tax in respect of my Shares?

Your employer will **not** withhold the income tax payable on the Matching Shares. Any tax due should be reported through your annual tax return.

Income tax and social tax for mobile employees

Will I have to pay income tax or social tax in respect of my Shares if I have only spent a portion of the Holding Period working in Singapore?

Yes, you will be taxed based on time spent in Singapore and any gain will be apportioned for time spent in Singapore.

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If you are working in Singapore and leave either through end of employment or through a international transfer and you are (a) neither a Singapore citizen nor a Singapore permanent resident, or (b) a Singapore permanent resident leaving Singapore permanently, your local employer is required to inform the Inland Revenue Authority of Singapore (IRAS) and withhold all sums due to you pending tax clearance from the IRAS.

Deemed vesting rules would also apply in relation to your share-based remuneration. Under these rules, you will be deemed to have derived a gain in respect of share-based awards one month before the date you cease employment with the local Singapore employer, in an amount equal to the fair market value of the relevant shares at that time, minus any amount payable for such shares. If the actual gain on vesting/exercise is lower, you may apply to the IRAS for a refund within 4 years.

How do I pay the income tax and social tax due in respect of my Shares?

Your employer will **not** withhold the income tax payable on the Matching Shares, unless required to do so through deemed vesting rules.

Your employer will **not** withhold any income tax due on the dividend income used to acquire the Dividend Shares. You are responsible for any tax due in Singapore on the share derived income.

Sale of shares

Will I incur a further tax liability and social tax when I sell my Shares?

No tax is due on any gains made from the sale of shares in Singapore.

Reporting

Will I have any reporting requirements?

Yes, you will be required to detail any taxable gains from the vesting of your Matching Shares on your Annual Tax Return.

Report name: Annual Tax Return to IRAS (Form B1 and appendices). Most taxpayers file their tax return online through the IRAS' e-services portal. A paper Form B1 will only be sent to individual taxpayers who request one.

Tax period: 1 January to 31 December of the preceding year.

Reporting deadline: 15 April (18 April if filed electronically).

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Appendix 1 – relevant tax rate summary

This appendix sets out the relevant tax rates in Singapore, for the tax year ending 31 December 2018.

Income tax		
	Maximum effective tax rate	Notes
Income tax	22%	Progressive rates of tax apply. The maximum rate applied to annual taxable income over SGD 320,000

Dividends and capital gains tax		
	Maximum effective tax rate	Notes
Dividends	0%	No tax is due on dividends or capital gains received.
Capital Gains	0%	