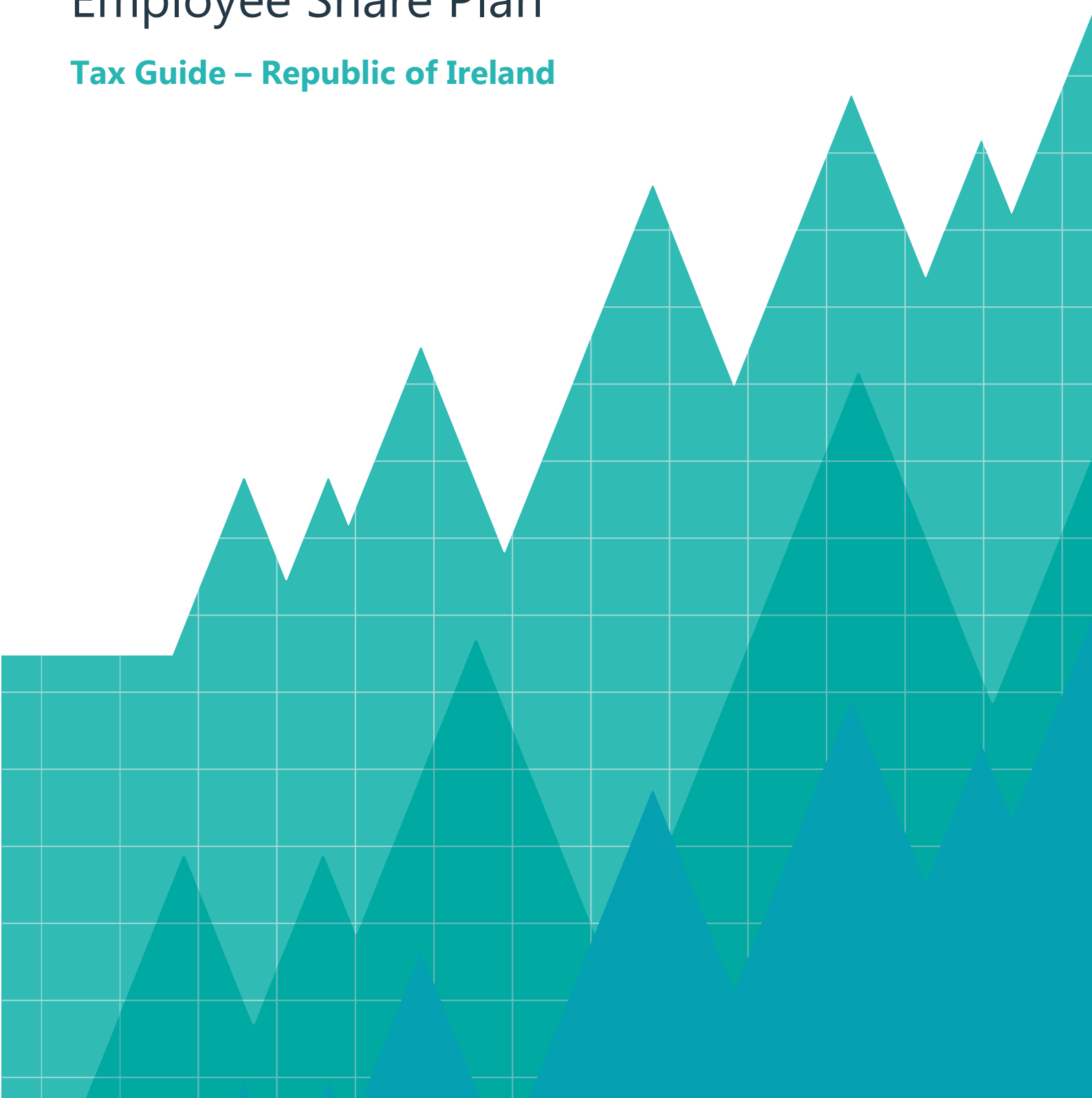


Wood Guidance

Employee Share Plan

Tax Guide – Republic of Ireland



Wood Guidance Employee Share Plan Tax Guidance – Rep. of Ireland Employees

This information is for guidance only and may differ according to your personal circumstances. Other than in the “Income tax and social security (PRSI) taxes for mobile employees” section below, it assumes that for tax purposes you are a domiciliary, national and resident of the Ireland 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 security (PRSI) for mobile employees” section outlines the tax treatment for your shares if you have spent time working outside Ireland – 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 Security

Will I have to pay income tax or social security (PRSI) in respect of my Shares?

The table below sets out the point at which tax will be paid, 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 security (PRSI) will apply.	N/A
Matching Shares	Income tax, the Universal Social Charge (USC) and social security 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 and the USC will be the market value of the shares on the Delivery Date. Social Security (PRSI) will also be payable on the same amount which is subject to income tax.
Dividend Shares	You will be taxed upon receipt of the cash dividend used to acquire Dividend Shares. Income tax and the USC will be payable on this amount.	The amount subject to income tax is the cash dividend received and used to acquire the Dividend Shares.

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

Your employer will withhold the income tax and NIC payable on the Matching Shares. Your employer will **not** withhold any income tax due on the dividend income used to acquire the Dividend Shares. You are responsible for any income tax due on the dividend income.

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Income tax and social security for mobile employees

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

The tax treatment for the Purchased Shares and Dividend Shares is generally the same as specified above. Whether you will be taxed in Ireland on your Dividend Shares depends on your residency status at the time when you receive the cash dividend used to acquire the Dividend Shares.

For Matching Shares, if you are resident in Ireland on the Delivery Date, the amount subject to income tax will be the market value of the shares on the Delivery Date. However, a foreign tax credit may be available for any overseas tax paid if the following conditions are met:

- There is an agreement in place between Ireland and the other country;
- The tax has been deducted in accordance with Deferred Tax Assets (DTA); and
- The evidence of such deduction is available.

For Matching Shares, if you are not resident in Ireland on the Delivery Date, no income tax is due.

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

Your employer will withhold the income tax, USC and social security payable on the Matching Shares. Your employer will **not** withhold any tax due on the Dividend Shares. You are responsible for any tax due on the dividend income used to acquire the Dividend Shares.

Sale of shares

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

You may be liable to pay capital gains tax on any gains arising when you sell your shares. The taxable gain is calculated as the difference between your sale proceeds and the total of: (i) the amount that you paid for the shares (for your Purchased Shares and Dividend Shares) and (ii) any amount previously subject to income tax (for your Matching Shares). Current legislation exempts from tax the first EUR 1,270 of total capital gains in the tax year.

You are responsible for paying capital gains tax due on the gains arising in the period from 1 January to 30 November by 15 December in that year. You are responsible for paying capital gains tax due on gains arising in the period from 1 December to 31 December by 31 January in the following year.

Reporting

Will I have any reporting requirements?

Yes, but only if you normally complete a tax return or if an obligation to complete a tax return is triggered. You may trigger such an obligation if you receive dividends or have capital gains in excess of the annual exemption. If you are required to file a tax return, you should include details of the taxable amounts in your return. The filing deadline is 31 October following the end of the tax year.

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Appendix – relevant tax rate summary

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

Income tax		
	Maximum effective tax rate	Notes
Income tax	40%	40% income tax rate applied to incomes over EUR 43,550 (for those married with one income)
Universal Social Charge	8%	Up to EUR 12,012 per year: 0.5% EUR 12,012.01 to EUR 19,372: 2 % EUR 19,372.01 to EUR 70,044: 4.75% In excess of EUR 70,044 per year: 8%

Social tax		
	Tax rate	Notes
Social Security	4%	Uncapped Income

Dividends and capital gains tax		
	Maximum effective tax rate	Notes
Dividends	48%	Income and Universal Social Charge are payable on Dividends
Capital gains tax	33%	Only payable above an annual exemption of EUR 1,270