



Feasibility Table / Stock Option Plan

Algeria

Exchange Controls (Mandatory, material action)

Company

There are extremely strict exchange controls restrictions in Algeria which means that it is very unlikely that any equity-based Awards can be granted to Participants based in Algeria. It is therefore recommended that a cash-based alternative is offered which is paid to Participants through the local payroll.

Timing: Grant, exercise, sale.

Azerbaijan

Award Documents and Communication

Award Document Wording (Recommended action)

Company

It is recommended that the following is included in the Award documents:

1. wording to state that the Award is separate from and does not form part of the Participant's employment benefits to exclude any liability on the part of the Company or Local Company for the loss of an Award as a result of the Participant's termination of employment;
2. a full indemnity in respect of income tax and social security contributions and any other compulsory deductions and payments as may be required under applicable laws;
3. language to confirm that the Local Company is operating the Plan in accordance with the applicable data privacy laws;
4. language to obtain the consent of Participants for collecting, using and transferring their personal data abroad in connection with the Awards; and
5. where deductions are to be made to Participants' salaries in connection with the Plan, that Participants agree to such deductions being made.

Timing: Grant.

Cost: EUR 2000 - Per Award type.

Bangladesh

Securities Laws and Regulatory Issues (Mandatory, material action)

Company

Public offers of securities are subject to the prospectus requirements of the Bangladesh Securities & Exchange Ordinance and approval from the Bangladesh Securities & Exchange Commission (BSEC).

Awards made by an overseas Company under a Plan for employees are not considered to be a public offering and so are outside the scope of the BSEC requirements and any requirements to prepare a prospectus, provided the Awards are made for no consideration.

Where any payment is required to be made in connection with Awards, a prospectus must be prepared and filed with the BSEC. The BSEC will also require copies of the Plan documents. It is unlikely that a prospectus would be approved by the BSEC in these circumstances.

Consideration should therefore be given to structuring Awards in Bangladesh as nil-cost Awards.

Timing: Before grant.

Cost: EUR 500 - For providing advice on prospectus requirements.

Exchange Controls (Mandatory, material action)

Employee

Approval from the Central Bank is required where funds are remitted abroad in connection with Awards, which is generally difficult to obtain. You may need support on local lawyers.

Timing: Before grant, exercise.

Cost: USD 2000

Exchange Controls - Foreign Assets Reporting (Mandatory, minor action)

Employee

Participants must report any change in holding of securities in an overseas Company to the central bank within 30 days of such change.

Timing: 30 days grant, exercise, sale.

Award Documents and Communication

Translations (Recommended action)

Company

There is no legal requirement to provide a translated version of the Plan documentation. However, if there are any concerns that the Participants will not understand the Plan, consideration should be given to providing a translated version of the key Plan documents (for example, the Award certificate and any FAQs). Translations are recommended where the Plan documents are in a language other than Bengali or English.

Timing: Grant.

Award Documents and Communication

Award Document Wording (Recommended action)

Company

It is recommended that the following is included in the Award documents:

1. wording to state that the Award is separate from and does not form part of the Participant's employment benefits to exclude any liability on the part of the Company or Local Company for the loss of an Award as a result of the Participant's termination of employment;
2. a full indemnity in respect of income tax and social security obligations;
3. language to confirm that the Local Company is operating the Plan in accordance with the applicable data privacy laws, including consent language in relation to personal information; and
4. where deductions are to be made to Participants' salaries in connection with the Plan, that Participants agree to such deductions being made.

In addition, any dispute resolution clauses must be compliant with local contract laws.

Timing: Grant.

Cost: EUR 2000 - Per Award type.

United Kingdom

ERS Annual Return in July (Mandatory, material action)

Local Company

Following the end of each tax year (5th April), and by 6th July, a return must be filed with HMRC in respect of share plans operated in respect of UK Participants during that tax year. Failure to file a return may result in a penalty. Find the registration details and forms [on the HMRC website](#).

Timing: Grant, exercise.

Cost: EUR 2200 - For assisting with preparing an ERS Annual Return (per Award type). This is an annual obligation.

Other Issues - Tax Alert (Mandatory, material action)

Local Company

There is an uncapped employer social security liability in connection with Awards.

Timing: Grant, exercise.

Other Issues - Participation of Non-Employees (Recommended action)

Company

If participation in the Plan potentially extends to individuals who are not employees of the Company's group (for example, non-executive directors, consultants and/or individuals engaged via a Professional Employer Organisation), the Company should consider a separate arrangement (or a sub-plan) for UK-based employees. This is because the Plan is unlikely to be an "employee share scheme" for UK legal purposes and will miss out on certain regulatory exemptions (including a helpful exemption from the "financial promotion" regulations).

Timing: Grant.

Section 431 Election (Recommended action)

Employee

On the acquisition of shares from Awards, it is recommended that the Company and Participant consider entering into a joint election (known as a 'section 431 election') within 14 days of the acquisition of shares to ensure there is no risk of an income tax liability arising in connection with the shares in the future when the shares cease being subject to restrictions (such as on a future sale of shares).

Timing: Grant, exercise.

Award Documents and Communication

Award Document Wording (Recommended action)

Company

It is recommended that the following is included in the Award documents:

1. wording to state that the Award is separate from and does not form part of the Participant's employment benefits to exclude any liability on the part of the Company or Local Company for the loss of an Award as a result of the Participant's termination of employment;

2. a full indemnity in respect of income tax and National Insurance contributions. If payment of the employer's National Insurance contributions is to be made by the Participant, this should also be stated in the Award documentation;
3. language to confirm that the Local Company is operating the Plan in accordance with the applicable data privacy notice; and
4. where deductions are to be made to Participants' salaries in connection with the Plan, that Participants agree to such deductions being made.

Timing: Grant.

Cost: EUR 2000 - Per Award type.

PEO & EoR (Recommended action)

Company

If a Participant is engaged via a Professional Employer Organisation (PEO) or other Employer of Record (EoR) they may not be regarded as an employee of the Company's group. As a result:

1. The obligation to file the ERS Annual Return may fall on the PEO or EoR (although it is likely that the Company will need to assist with the preparation of this).
2. Any indemnity in the Award documentation against income tax and National Insurance contributions should be extended to the PEO or EoR.
3. Further advice should be sought when communicating with the Participants in relation to their Awards as any communication could constitute a "financial promotion", which is a regulated activity (this concern does not generally apply to communications made in connection with an "employee share scheme").

Participants who are not employees of the Company's group (which would include those engaged via a PEO or EoR) should not participate under the same Plan as employees: a separate plan or a sub-plan should be established. The Company should also consider whether the engagement with the PEO or EoR adequately deals with the practical operation of the Plan (taking into account the points highlighted above).

Timing: Grant, exercise, leavers.

Consultants (Recommended action)

Company

If a Participant is engaged as a consultant or contractor they will not be regarded as an employee of the Company's group. As a result, further advice should be sought when communicating with the Participants in relation to their Awards as any communication could constitute a "financial promotion", which is a regulated activity (this concern does not generally apply to communications

made in connection with an "employee share scheme"). Participants who are not employees of the Company's group should not participate under the same Plan as employees: a separate plan or a sub-plan should be established. Care should also be taken that Participants in this category are genuine consultants or contractors and not viewed as an employee under local laws.

Timing: Grant, exercise, leavers.