



Countries at a glance – Stock Option Plans

June 2010

Countries at a glance

Countries at a glance is a regular publication from the Global Equity Based Compensation Practice which includes some of the key legal and tax issues that arise from the operation of equity incentive plans of all different types, in countries across the world.

This summary includes 22 major countries and illustrates the type of information that we are able to supply to our clients.

If you are interested in learning more about how we can help you, or would like to receive similar or more detailed information on other countries, please contact one of the names listed below.

About White & Case

White & Case is a leading global law firm with lawyers in 36 offices across 25 countries.

Among the first firms to establish a truly global presence, we provide counsel and representation in virtually every area of law that affects cross-border business. Our clients value both the breadth of our network and depth of our US, English and local law capabilities in each of our offices and rely on us for their complex cross-border transactions, arbitration and litigation.

Whether in established or emerging markets, the hallmark of White & Case is our complete dedication to the business priorities and legal needs of our clients.

Our Global Equity Based Compensation Practice

Our Global Equity Based Compensation Practice is a key part of the Global Executive Compensation, Benefits and Employment Law group which numbers more than 100 lawyers worldwide. We offer extensive expertise in dealing with the key issues involved in operating international equity-based compensation plans. Our work includes:

- Implementing global equity based compensation plans.
- Advising companies on the effects of major M&A transactions on their equity based compensation plans.
- Implementing equity based compensation plans for companies preparing for an IPO.
- Establishing offshore trusts for the benefit of employees.
- Implementing global repricing and exchange programs for underwater options.
- Implementing global stock appreciation rights plans.
- Implementing global profit-sharing plans.
- Advising companies regarding equity-based compensation plans on the spin-off of divisions.

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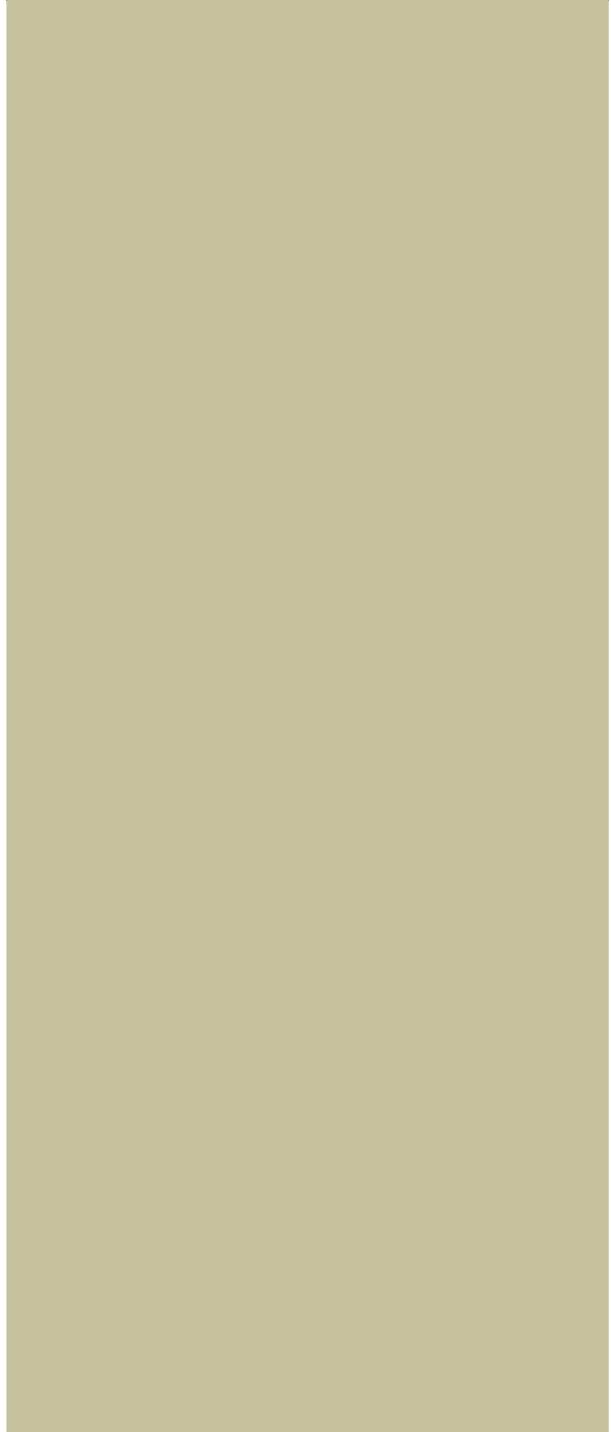
Important Note

In preparing the country summaries for global equity based compensation plans contained in this booklet, we have attempted to provide, for guidance only and not as legal advice, up-to-date information available on relevant law and practice in each country. Please note, however, that recent amendments and legal interpretations of the local law may not be included in these summaries. In addition, corporate governance, administration, and option plan design facts that are specific to your company may impact how the local laws affect the company's equity based compensation plans.

With these matters in mind, companies should not rely on the information provided in these summaries when implementing their stock plans. We would be happy to assist your company in reviewing all pertinent information and developing a comprehensive strategy for offering its equity based compensation plans globally.

Contents

| | |
|-----------------------|----|
| Australia..... | 1 |
| Belgium | 3 |
| Brazil | 5 |
| Canada..... | 6 |
| China..... | 8 |
| Denmark..... | 10 |
| France..... | 12 |
| Germany | 14 |
| Hong Kong..... | 16 |
| India | 17 |
| Ireland..... | 19 |
| Italy | 20 |
| Japan | 21 |
| Mexico..... | 23 |
| Poland..... | 24 |
| Russia..... | 25 |
| Singapore..... | 27 |
| Spain..... | 29 |
| Taiwan | 30 |
| The Netherlands | 31 |
| United Kingdom..... | 32 |
| United States..... | 33 |
| Glossary..... | 36 |



Australia

Employment

Labor Concerns

Employees may have rights to additional vesting or other benefits under an option plan in cases of involuntary termination. To reduce the risk for potential claims to employee entitlements, employees should expressly agree in the option agreement evidencing the option grant that participation in the option plan is discretionary and that termination of employment will result in the loss of unvested rights.

Communications

Additional Australia-specific employee communications may be necessary depending on the exemption to the securities regulations relied upon. Electronic execution of award agreements may be acceptable under certain conditions.

Regulatory

Securities Compliance

Certain disclosure requirements apply to companies that offer securities unless such an offer falls within: (i) a specific exemption under the Corporations Act; (ii) a Class Order exemption issued by the Australian Securities & Investments Commission (the "ASIC"); or (iii) an individual exemption granted by the ASIC.

Foreign Exchange

Foreign exchange restrictions are generally inapplicable to option plans.

Data Protection

Employee consent for the processing and transfer of personal data is recommended to comply with data privacy requirements. An Australian subsidiary and parent company should implement safeguards so that the use of the employees' tax identification information is restricted to tax purposes and that the use of other personal data is restricted to specific purposes disclosed in the written consent.

Tax

Employee Tax Treatment

Tax is payable on the tax market value of an option to acquire shares at the time of grant unless there is a real risk of forfeiture. If a real risk of forfeiture exists, tax is payable at the deferred taxing point (which is broadly the earliest of vesting, there no longer being a real risk of forfeiture, cessation of employment and the 7th anniversary of the grant date). Partial vesting will therefore lead to a tax liability at the time of vesting. If tax has been paid on grant or vesting, and an option is permitted to lapse by the employee choosing not to exercise it, the tax is not recoverable.

When the Stock is sold, a 50% exemption on capital gains (after allowing for capital losses) is available if the Stock has been held for 12 months or more.

Social Insurance Contributions

The benefits received under option plans are subject to a Medicare levy and, in some cases, an additional surcharge.

Tax-Favored Program

A grant of options that are not subject to forfeiture can benefit from a tax exemption of up to AUD1,000 per annum if certain conditions are satisfied, including that the employee does not have adjusted taxable income of more than AUD180,000, there are no conditions under which the option, or any share acquired on exercise, will be lost other than by the option being disposed of, exercised or lapsing, the option scheme is offered on a non-discriminatory basis to at least 75% of the permanent employees of the relevant employer and the option is not capable of being exercised until the earliest of three years and the date when employment ceases.

This summary is intended to reflect local law and practice as at 1 April 2010. Please note, however, that recent amendments and legal interpretations of the local law may not be included in these summaries. In addition, corporate governance, administration, and option plan design facts that are specific to your company may impact how the local laws affect the company's equity based compensation plans.

With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

Australia (cont.)

Withholding and Reporting

There is no obligation on the employer to withhold tax, unless an employee has failed to supply a tax file number. Employers are required to report annually the grant of an option and, if tax has become payable during the relevant financial year, the market value of the options or of the shares acquired upon exercise.

Employer Tax Treatment

In all Australian States and Territories, the Plan benefit is included in the calculation of the employer's payroll tax. If the Subsidiary reimburses the Issuer for the cost of Plan benefits pursuant to a written reimbursement agreement, the Subsidiary is permitted to claim a tax deduction.

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Belgium

Employment

Labor Concerns

Employee entitlement claims may be possible. To reduce the risk of potential claims to employee entitlements, employees should expressly agree that participation in the option plan is discretionary and that termination of employment will result in the loss of unvested rights. Discrimination based on gender or part-time status is prohibited.

Communications

Employers should provide employee communications in the appropriate local language: Dutch for the Flemish region, French for the Walloon region and French and/or Dutch for the Brussels region. Government filings may be required to be in French or Dutch.

Electronic execution of award agreements may be acceptable under certain conditions.

Regulatory

Securities Compliance

Neither the grant nor the exercise of employee options in Belgium is likely to trigger any requirement for securities filings, provided the options are granted free of charge.

Foreign Exchange

There are no foreign exchange restrictions applicable to option plans.

Data Protection

Normally, the processing of personal data in connection with the administration of a stock option plan does not require consent from the employees or approval from the authorities. Nevertheless, it is recommended that the employees' explicit consent to the processing of personal data is obtained prior to the processing and that the prior approval has been obtained from the Belgian Data Protection Agency, if the plan is administered by a company other than the employer (e.g. a foreign holding company).

Tax

Employee Tax Treatment

Income tax is calculated on a benefit valued on a lump-sum basis. The taxable base corresponds to a certain rate of the value of the underlying shares as determined at the moment of offer (i.e. the date on which written materials describing the terms and conditions of the options are received by the employees). From the offer date, employees have 60 days to accept the grant in writing. If the option grant is not accepted in writing within the 60-day period, it will be deemed an offer to purchase company stock at a discount and should consequently be taxed upon exercise. If the option grant is accepted in writing before the end of the 60 day period, taxable income is recognized and taxed on the sixtieth day following the date of the offer. The employee will not be subject to tax upon the exercise of the options, the sale of the options or the sale of the stock.

Social Insurance Contributions

No social security contributions will apply, unless the Issuer recharges the cost of plan benefits to the Belgian subsidiary and the options are "in the money" (which means that the "exercise price" is less than the value of the underlying shares as determined on the "date of offer").

Tax-Favored Program

For options which are not publicly traded, the benefit will, as a general rule, be valued on a lump-sum basis at the flat rate of 15 per cent of the value of the underlying shares as determined at the moment of offer. In addition, for options which expire more than five years after the date of offer, an additional 1 per cent per year, or portion of a year, is added. If the options meet a series of conditions, these rates are halved (i.e. 7.5 per cent and 0.5 per cent). If the option plan does not contain certain conditions (such as the prohibition to exercise the options before the end of the third calendar year following the year of the offer and after the tenth calendar year following the year of the offer) the lower valuation will nevertheless apply if the employee commits himself to respect these restrictions.

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Belgium (cont.)

Withholding and Reporting

If a non-resident company without an establishment in Belgium grants stock options to employees of a Belgian subsidiary, no withholding tax is due. However, if the cost of the granting of the incentives is recharged to the Belgian subsidiary or if the Belgian subsidiary intervenes in the execution of a stock option plan set up by a non-resident company (e.g. by carrying out or numerous administrative activities related to the plan, etc.), the subsidiary will be subject to the obligation to withhold payroll taxes.

In the case of a non-resident company that has no establishment in Belgium and which grants the options in view of a professional activity carried out by the beneficiary of the options on behalf of a Belgian tax payer (e.g. Belgian subsidiary), it is the Belgian taxpayer that has the reporting obligation (i.e. reporting the benefit on fiscal slips).

Employer Tax Treatment

A deduction is allowed if the Issuer is reimbursed for the cost of option plan benefits. A formal reimbursement agreement is recommended.

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Brazil

Employment

Labor Concerns

Entitlement issues may arise if options are granted frequently. To reduce the risk of potential claims to employee entitlements, employees should expressly agree in option award agreements that participation in the plan is discretionary, that options result in an investment opportunity subject to the risks inherent in stock investment and that the termination of employment will result in the loss of unvested rights. It is also recommended that the employer maintains a record of all payments made by the employee in relation to the grant and exercise of options in order to demonstrate that employees are required to bear option costs.

Communications

The translation into Portuguese of plan documents for employees is recommended, but is not legally required. Government filings must be in Portuguese.

Regulatory

Securities Compliance

There are no securities compliance issues with regard to the offering of options.

Foreign Exchange

The Brazilian employees or Subsidiary generally may remit funds abroad in order to acquire shares of the Issuer. The Subsidiary must present a letter to the bank in charge of the foreign exchange transaction that includes certain information (e.g., the names of the employees, their individual taxpayer enrolment numbers (CPF) and the amounts remitted per employee). The Subsidiary should confer with its bank regarding the specific supporting documents required.

The employee may be subject to minor annual reporting for any rights and/or assets held outside of Brazil.

Data Protection

Although employee consent is not required for the collection, use, and transfer of personal data, obtaining consent is nevertheless recommended in light of a constitutional right to privacy. The personal consent provision should be included in the option agreement.

Tax

Employee Tax Treatment

Employees are not subject to income tax at the time of grant or exercise of the option. Capital gain tax is imposed upon the sale of stock if total proceeds exceed R\$20,000 per month. If the cashless exercise method is adopted, there is a risk of tax authorities treating the amounts as regular compensation from a foreign source (subject to tax at the progressive rates of 0-27.5%).

Social Insurance Contributions

Generally, social insurance contributions are not imposed on options. However, social insurance contributions may apply if grants are made frequently and subsequently characterized as part of regular employment income but only if payments are made through payroll.

Tax-Favored Program

None.

Withholding and Reporting

Generally, the employer has no withholding and reporting requirements.

Employer Tax Treatment

The Brazilian entity may deduct the costs that are reimbursed to the Issuer (chargeback scenario) provided that the offer is made to all employees in Brazil. However, reimbursement will increase the likelihood that the options will be deemed to be regular employment income to the employee subject to labor and social security charges. Any amount reimbursed for benefits provided to board members, directors, or administrators is not deductible locally.

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Canada

Employment

Labor Concerns

Employee entitlement claims may arise with the offer of stock options. The option plan and agreements must be carefully drafted to ensure that the employer retains the right to amend or terminate the option plan. In addition, option agreements should provide that options would cease to vest upon a termination of employment. It is necessary for the option plan to be drafted to limit rights during a notice period of termination of employment. It should be clearly stated that the termination of employment is the last day of active employment with the company and that vesting rights will not be influenced by a period of notice that is given, or ought to have been given, under statute, contract or at common law.

It is also important that the option plan be drafted so as not to unintentionally result in a discrimination complaint. For example, if the option plan is more beneficial to employees of a specific age, then it may be at risk of a discrimination complaint.

Communications

For employees in Quebec, documents related to the Plan must generally be remitted to employees in the French language unless an employee expressly agrees to receive documents in English.

Electronic execution of award agreements may be acceptable under certain conditions.

Regulatory

Securities Compliance

The offer of stock options to employees in Canada is generally exempt from the prospectus and registration requirements of Canadian securities laws based on exemptions contained in National Instrument 45-106.

Foreign Exchange

There are no foreign exchange restrictions imposed on stock option plans.

Data Protection

Employee consent for the processing and transfer of personal information is the recommended method of compliance with existing data privacy requirements. Quebec has additional data protection requirements.

Tax

Employee Tax Treatment

Employees are taxed on the spread in the year the option is exercised. Employees may reduce such taxable benefit by one-half if the underlying Stock is characterized as "prescribed shares" and the exercise price is not less than the Stock's fair market value on the grant date. In addition, if certain conditions apply, employees may be able to defer the payment of tax on such benefit until the Stock is sold. The employee will also be subject to tax on one-half of any capital gain realized upon the subsequent sale of the Stock.

Social Insurance Contributions

Social insurance obligations generally are levied on an employee's earnings, including benefits from an option plan, up to an earnings cap.

Tax-Favored Program

See Employee Tax Treatment above.

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Canada (cont.)

Withholding and Reporting

The employer has a reporting obligation with respect to income received by employees under an option plan. Generally, no withholding obligation applies unless the parent company is reimbursed by the employer for the cost of option plan benefits. New rules in this area will be announced shortly following the release of the March 2010 budget and are scheduled to take effect as from January 1, 2011.

Employer Tax Treatment

The Subsidiary may not claim a tax deduction for the cost of option plan benefits.

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China

Employment

Labor Concerns

The requirement that employers in China remunerate employees in cash only, rather than in negotiable securities, is unlikely to be problematic provided that options are clearly designated as bonuses paid alongside regular cash wages.

Communications

The translation of Plan documents (Plan, agreement, grant notice, exercise notice, and exercise adjustment notice) may be required (see “Withholding and Reporting” below). Government filings must be in Mandarin.

Regulatory

Securities Compliance

At present, there are no specific laws or regulations that address equity incentive programs offered by foreign issuers to their Chinese resident-employees.

The only exception is the Securities Law and this applies to all entities engaged in the issuance of securities in China. If the securities are issued to more than 200 specified persons, the issuance may constitute a “public offering” of securities.

A “public offering” is subject to approval from the China Securities Regulatory Commission (the “**CSRC Approval**”). However, in practice there is currently no formal process in place to obtain CSRC Approval for stock-based equity awards by a foreign company to its Chinese resident employees.

Foreign Exchange

The approval of the State Administration of Foreign Exchange (“**SAFE**”) is generally required for the withdrawal, outflow or conversion of foreign currencies. SAFE published a new measure in February 2007, which specifically allows domestic individuals to participate in employee stock purchase plans of offshore public companies.

According to this measure and a follow up guideline issued in April 2007, a Chinese affiliate of the overseas listed company, the Chinese affiliate’s labor union with legal person status, or a Chinese “trust investment company” or other financial institutions with assets custody qualification will act as an agency (the “**Agency**”) in China to apply to SAFE for approval of such plans on behalf of the participating employees.

The Agency must appoint a qualified onshore financial institution as the asset manager and appoint an offshore bank with custody qualification as the custody bank to handle all Plan related transactions. The Agency must set up an offshore special account with the offshore custody bank and an onshore account and also apply for a “quota” with SAFE for purchase of foreign currencies. After receiving SAFE approval and opening special accounts, all exercise payments must be made through special accounts. Any dividends and the proceeds of sale of the Stock will be received by and held in special accounts and then be transferred to each employee’s individual foreign exchange savings account, or be converted into local currencies.

Data Protection

It is recommended that an employer discloses its data processing activities to employees and that an employer obtains employee consent prior to transferring his or her personal data outside of China.

Tax

Employee Tax Treatment

Employees who are taxable for Chinese individual income purposes are subject to individual income tax on the spread, as employment income, on exercise. As taxable employment income received through an option plan is taxed separately from regular monthly employment income, it may be taxed at a lower marginal tax bracket. Employees who are taxable for Chinese individual income purposes are subject to individual income tax on the gain realized from the sale of Stock.

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China (cont.)

| | |
|---------------------------------------|---|
| Social Insurance Contributions | Income from the exercise of options may be subject to social insurance contributions, depending on the practice and position taken by the local labor and social insurance bureau. |
| Tax-Favored Program | Under current PRC tax rules, the proceeds derived from the exercise of stock options are treated as employment income and, under Circular 35 and Circular 461 (released on 24 August 2009), can be taxed separately from monthly salary income and therefore a lower marginal tax may apply to the equity based gains. However, Circular 461 makes it clear that this favourable treatment will not apply to equity plans of listed companies which fail to comply with specific registration requirements with the local tax bureau. If the local subsidiary fails to comply with these registration requirements, any income related to options will be taxed together with the participant's salary income for that month. Therefore, participants will potentially be taxed at a higher marginal tax bracket on the total proceeds. |
| Withholding and Reporting | <p>For Issuers offering options through plans implemented on or after 1 July 2005, withholding and reporting obligations apply on taxable employment income arising on the exercise of options.</p> <p>These obligations apply if the Subsidiary is involved in implementing the stock option plan. The Issuer is required to translate into Mandarin and submit the following documents (wherever applicable) to the local tax bureau:</p> <ul style="list-style-type: none">• plan;• option agreement;• grant notice;• exercise notice; and• exercise adjustment notice. <p>The penalty for non-compliance is a monetary fine (of approximately \$250 - \$1,200). Upon the exercise of options, the employer must withhold and pay the relevant individual income tax and to file individual income tax returns with the tax authorities as the withholding agent. Failure to file and pay taxes is subject to penalty ranging from 50% to 3 times the tax due.</p> |
| Employer Tax Treatment | The Subsidiary is likely to be eligible for a deduction of the reasonable costs that it incurs due to its involvement in the option plan, including the option value charged back to the Subsidiary. This Subsidiary may qualify for the deduction provided the recipients are employees of the Subsidiary and the costs incurred are related to its business operations. |

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Denmark

Employment

Labor Concerns

The Danish Stock Option Act generally allows an employee who is terminated by his or her employer for any reason other than misconduct to retain all rights to stock options, whether vested or unvested. Also, the employee will be entitled to receive a share, proportionate to the length of his employment in the accounting year, of the grants to which he would have been entitled according to agreement or custom, had he still been employed at the end of the accounting year or at the date of grant. Employees' rights under the Stock Option Act cannot be waived.

Furthermore, the Act provides that an employee who himself resigns his position by giving notice of termination to his employer will automatically forfeit all his rights to stock options already granted whether vested or unvested. The employee will also forfeit his rights to any future stock options that the employee could have expected to receive had he continued his employment. The same will apply to employees who are terminated because of misconduct. The Act does not, however, prevent an employer from allowing an employee more extensive exercise rights.

Stock options granted before 1 July 2004 are not subject to the Stock Option Act, and such stock options are in case law generally considered to be fully earned when granted and accordingly employees will be entitled to retain all rights to stock options, whether vested or unvested and receive a proportionate rate of future grants that the employee would have received in the accounting year in which the employment was terminated regardless of how and why the employment is terminated and regardless of contrary provisions in the stock option agreement.

Communications

Employers are required to distribute a separate written statement, in Danish, containing certain basic information regarding the terms and conditions of the stock options, to any participating employee within 30 days of the date of an employee becoming subject to a stock option plan. For plans implemented prior to 1 July 2004, new stock option grants made after this date must be accompanied by this information at the time of grant.

Regulatory

Securities Compliance

To the extent the stock options are non-assignable there will be no prospectus requirements under Danish law. To the extent they are assignable, then the main rule is that any offer of securities to the public in Denmark with an aggregate value above EUR 100,000 entails an obligation to publish a prospectus on the offering. However, notwithstanding the generality of the main rule, a number of exemptions may apply to the option grant (e.g., the 100-person exemption). If the stock option is not deemed to be a security, the option will not be subject to the Prospectus Directive.

Foreign Exchange

No exchange control restrictions will apply on the offering.

Data Protection (RKA)

Normally, the processing of non-sensitive personal data within the EU/EEA in connection with the administration of a stock option plan does not require consent from the employees or approval from the authorities. Nevertheless, it is generally recommended that the employees' explicit consent to the processing of non-sensitive personal data is obtained prior to the processing of personal data. If the processing includes a transfer of personal data to a country outside the EU/EEA, the employees' explicit consent to the processing of non-sensitive personal data is required unless prior approval of the transfer has been obtained from the Danish Data Protection Agency.

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Denmark (cont)

Tax

| | |
|---------------------------------------|---|
| Employee Tax Treatment | The employee is subject to tax on the spread at exercise (up to 56% incl. social contributions). The employee is also taxed on any gain on a subsequent sale of shares acquired by way of exercise sale at a rate of up to 42%. |
| Social Insurance Contributions | The employee is subject to social insurance contribution on the spread at exercise. |
| Tax-Favored Program | When certain conditions are met, employees may defer tax until the subsequent sale of shares. Any capital gains realized on sale will be subject to tax at a rate of up to 42%. |
| Withholding and Reporting | Exercise triggers reporting requirements for the employer. Withholding is not required. |
| Employer Tax Treatment | A deduction is generally allowed. |

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France

Employment

Labor Concerns

Employee entitlement claims are becoming more common. To reduce the risk of potential claims to employee entitlements, employees should expressly agree that participation in the plan is discretionary and that termination of employment will result in the loss of unvested rights.

Communications

The translation of plan documents for employees is recommended but not legally required. Government filings must be in French.

Electronic execution of award agreements may be acceptable under certain conditions.

Regulatory

Securities Compliance

Neither the grant nor the exercise of employee options is likely to trigger any requirement for securities filings, provided the options are non-transferable.

Foreign Exchange

There are no foreign exchange control issues to be considered in France.

Data Protection

Employee consent for the processing and transfer of personal data is a recommended method of compliance with existing data privacy requirements. In addition, any database containing personal data must be reported to France's data protection authorities prior to transferring data abroad.

Tax

Employee Tax Treatment

For non-qualified plans, the employee is liable to income tax at progressive rates on the acquisition gain at exercise at a maximum rate of 40%. Any capital gain is taxed at 30.1% (18%+12.1% additional social taxes), unless the gross sale proceeds during the year are lower than €25,830, where the gain is exempted. However, the additional social charges of 12.1% will remain due as from the first euro of sale proceeds.

Social Insurance Contributions

For grants made on or after 16 October 2007, flat-rate employer social security of 10% is payable on the grant date of stock options under French qualified plans. The taxable basis of the contribution is equal, at the employer's discretion, to either the fair value of the options (as defined under IFRS 2) or to 25% of the value of the underlying shares on the date of grant. Additionally, employees are required to pay up to 2.5% of the acquisition gain on the exercise of options. The contribution rate for employees is 2.5%, assessed on (i) the exercise gain income arising from the difference between the exercise price for the options and (ii) the market value of the shares on the acquisition date. Social insurance contributions are due on the acquisition gain resulting from a non-qualified option plan at approximately 45% for employers and 20% for employees.

Tax-Favored Program

Preferred tax treatment is available for grants made under a French-qualified option plan, resulting in deferral of tax for employees and elimination of employer social insurance tax if the Stock is held for four years from grant. A qualified sub-plan is often adopted to ensure that the necessary changes are made to the Plan in order to meet the various conditions.

The acquisition gain is taxed at 42.1% (30% + additional social taxes) for the part of the gain under €152,500 and at 52.1% (40% + additional social taxes) for the part over €152,500.

If an additional holding period of two years is respected, the acquisition gain is taxed at 30.1% (18% + 12.1% additional social taxes) for the part of the gain under €152,500 and at 42.1% (30% + 12.1% additional social taxes) for the part over €152,500.

The capital gain is taxed at 30.1% (18% + 12.1% additional social taxes). The capital gain is reduced by 33.33% per year of ownership after the fifth year of ownership of the shares calculated as from 1 January 2006.

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France (cont.)

Withholding and Reporting

There are no income tax withholding obligations. Withholding is required for social insurance. The local employer may have a withholding obligation in relation to the exercise of options. Reporting requirements apply to the employer and employee.

Grant to certain managers or to the ten employees benefiting from the highest option grants during the year must be disclosed in a report to the annual shareholder meeting

Employer Tax Treatment

Costs relating to the provision of options under the Plan over existing shares can be deducted from the Subsidiary's taxable income. No such deduction is available for options over newly issued shares.

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With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

Germany

Employment

Labor Concerns

In order to reduce the risk of German employment law restrictions (including potential invalidity of forfeiture restrictions) applying to options granted to German employees, it is recommended that the German Subsidiary should not be involved in the grant of options and should not be party to any option agreement.

Employees should expressly agree in option agreements or grant documentation that termination of employment will result in the loss of unvested rights and that the Plan is discretionary and voluntary.

If the parent company sets up the employee stock purchase plan it should be determined whether consultation is required with the German works council regarding the terms of the option plan for employees.

Communications

The translation of Plan documents for employees is recommended but not legally required. Government filings must be in German.

Electronic execution of award agreements may be acceptable under certain conditions.

Regulatory

Securities Compliance

The Plan may give rise to a requirement to publish a prospectus unless an exemption applies according to the German Securities Prospectus Act (WpPG), such as:

- the offer is made to less than 100 non qualified investors in each Member State of the European Economic Area (EEA);
- if the offer prescribes a minimum purchase price per security for not less than €50,000 or where the securities are divided in shares not below a value of €50,000;
- the sale price for all securities subject to the offer over a 12 month period amounts to less than €100,000;
- the offer is made to employees by their employer or a company affiliated with their employer, provided that the securities in question must be of the same kind as the securities that are already listed on an EU regulated market and a document, such as an information package, is made available to the employees containing information on the number and nature of the securities and the reasons for and details of the offer.

As there is still some uncertainty in Germany regarding the prospectus requirement, it is advisable to consult German lawyers in any individual case. Even if the Plan may not fall under the German Securities Prospectus Act (WpPG), it may fall under the German Selling Prospectus Act (VerkProspG) and certain duties regarding prospect uses may apply.

If the Plan qualifies as an investment fund, the German Investment Funds Act (InvG) would need to be considered.

Foreign Exchange

Minor statistical reporting is required in some circumstances (in 2010: transfer of at least €12,500). See section 59 paragraph 2(1) of the German Foreign Trade Order (Außenwirtschaftsverordnung).

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With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

Germany (cont.)

Data Protection

Employee consent for the collection, use, and transfer of personal data is the recommended method of compliance with existing data privacy requirements. If consent is given together with other declarations, it must be distinguishable in its appearance from the other declarations (e.g., by using a different type-face). Additionally, employees must be informed of the purpose for which their information will be transferred. Employers may be required to register certain data processing activities with Germany's data protection authorities. At present, however, amendments to German data protection laws have been proposed and changes in the law may be implemented.

New legislation has to be considered. German government introduced the "Policy for Employee's Data Privacy ("Grundsatzregelung zum Datenschutz der Arbeitnehmer") which came into effect on 1 September 2009. Collecting, processing and transfer of personal data should be assessed under these new rules.

Currently, section 32 of the German Data Protection Act can be regarded as the core instrument of German data protection law relating to employees. The statute regulates the conditions for collection, use and transfer of personal data of employees. According to this law, the collection, use and transfer of personal data of employees is forbidden, unless it is justified by certain reasons (e.g. execution of the contract of employment). Furthermore personal data of employees may be collected or used if there is sufficient reason for the employer to assume that the employee has committed a crime in relation to the contract of employment (e.g. theft).

Tax

Employee Tax Treatment

The employee should be liable to tax on exercise of his/her options. A tax exemption and a reduction in tax rates may apply to any discount on Stock purchased by an employee.

The sale of the Stock will, in general, be subject to a separate tax rate of 25% (so-called flat tax, Abgeltungsteuer), plus 5.5% solidarity surcharge thereon and, if applicable, church tax. The flat tax regime will, however, not apply if the employee at any point in time during the five years preceding the sale has held a stake representing 1% or more directly or indirectly of the share capital of the Issuer. In this case the so-called part-income system (Teileinkünfteverfahren) applies, according to which 40% of the capital gains are tax exempt and the remaining 60% of the capital gains are subject to tax at the employee's personal income tax rate. On the other hand, 60% of the expenses related to the shares are deductible.

Social Insurance Contributions

Generally, both the employer and employee must pay social insurance on the spread to the extent that the employee has not exceeded the wage base threshold.

Tax-Favored Program

None.

Withholding and Reporting

Withholding and reporting are required.

Employer Tax Treatment

A deduction is generally available if the Subsidiary reimburses the Issuer pursuant to a written agreement.

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With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

Hong Kong

Employment

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| Labor Concerns | Employee rights to participate in plan benefits after termination are not restricted by law. However, as a precaution, standard consent and waiver provisions in the enrolment form are recommended. |
| Communications | The translation of plan documents for employees is not legally required but is recommended. Government filings may generally be made in English. |

Regulatory

| | |
|------------------------------|--|
| Securities Compliance | There are no securities and prospectus requirements provided: (i) the offer of participation in the option plan and publicity about the options are confined to employees; (ii) employees cannot assign their options; and (iii) the offering documentation must contain a prescribed form of legend to take advantage of available exemptions from the prospectus and investment advertisements regime. |
| Foreign Exchange | There are no foreign exchange restrictions. |
| Data Protection | The Personal Data (Privacy) Ordinance imposes registration and notification requirements on the collection, holding, processing, use and transfer of personal data. Employee consent to the cross-border transfer of personal data is a recommended method of compliance with existing data privacy principles. |

Tax

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|---------------------------------------|---|
| Employee Tax Treatment | The employee may be subject to tax on exercise of an option to the extent that income that may arise therefrom would constitute income arising in or derived from Hong Kong. Tax is charged on the spread at a sliding rate of tax with a top rate of 17%, subject to a standard rate of 15% for employees whose income exceeds an annual level. There is no tax imposed at the time the stock is sold. |
| Social Insurance Contributions | Benefits awarded under an option plan are not subject to contributions under the Mandatory Provident Fund Schemes Ordinance (being the sole form of a social insurance type contribution payable in Hong Kong). |
| Tax-Favored Program | None. |
| Withholding and Reporting | Withholding obligations do not apply. Annual reporting of the benefits received under an option plan is required with the employee salary statement. Employees are responsible for reporting the benefit deemed received by them as income on exercise of options and for paying the applicable tax. |
| Employer Tax Treatment | Generally, a deduction is available if the Subsidiary reimburses the Issuer to the extent that the reimbursement is in respect of expenses incurred by the Subsidiary in the production of profits subject to Hong Kong profits tax. However, a deduction may not be available in all situations. |

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With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

India

Employment

Labor Concerns

It is possible, albeit not common, that benefits under a stock option plan would be viewed as part of the employee's salary and taken into account when determining damages payable to the employee upon unlawful termination. To mitigate this risk, the employee should acknowledge in writing that the plan and any benefits thereunder are provided solely at the discretion of the company.

Communications

The translation of plan documents for employees is recommended but not legally required unless the plan is a tax-compliant employee share option scheme under the Income Tax Act (1961) in which case, if the plan document is in any language other than English, an English translation must be provided. Government filings must be in English.

Regulatory

Securities Compliance

The plan document will not be considered to be a prospectus for securities law purposes provided the offerees are a defined set of individuals, and the offer is incapable of being subscribed to by persons other than the offerees.

Indian listed companies are required to follow the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines (1999) (the "Guidelines").

Foreign Exchange

A person resident in India, being an individual who is an employee or a director of an Indian office or branch of a foreign company or of a subsidiary in India of a foreign company or of an Indian company in which the foreign equity holding, either directly or indirectly (through a special purpose vehicle, trust or a step down subsidiary) is not less than 51%, may purchase equity shares offered by the foreign company. Authorised dealer banks in India are permitted to allow remittances (without any monetary limit) for purchase of shares under a plan, provided that the shares under the plan are offered globally on a uniform basis, and an annual return is submitted by the Indian company to the Reserve Bank of India through the authorized dealer bank giving details of remittances, beneficiaries etc.

The Reserve Bank of India has increased the investment limit by resident individuals under the Liberalised Remittance Scheme from USD 100,000 to USD 200,000 per financial year (April-March) to encourage such resident Indians to make investments in financial instruments without any prior approval.

A person resident in India may sell Stock acquired under the Plan if the sale proceeds are repatriated immediately and in any case not later than 90 days from the date of such sale.

Foreign Companies are permitted to repurchase Stock issued to persons resident in India under any award Scheme, provided that (i) the Stock is issued in accordance with the rules/regulations framed under the Foreign Exchange Management Act (1999), (ii) the Stock is being repurchased in terms of the initial offer document, and (iii) an annual return is submitted to the RBI through authorised dealer (bank) giving details of remittances, beneficiaries etc.

Data Protection

It is recommended that employers disclose their data processing activities to employees. It is recommended that an employer obtain an employee's prior written consent for the collection, use and transfer of his or her personal data outside of India. It is also recommended that an employer reserves, in the employee contracts, the right to transfer information contained in the database to related companies or to a third-party plan administrator.

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India (cont.)

Tax

Employee Tax Treatment

The Fringe Benefit Tax (“**FBT**”) has been abolished. Consequently, it is proposed to restore the perquisite regime of taxation in the hands of the employees and each employee’s stock option plan would be taxable as a perquisite at the time of their exercise at the fair market value, to be computed in accordance with the rules notified in this regard.

This amended provision will be regarded as effective from 1 April 2009.

In terms of the shares allocated in pursuance of the Employee Stock Option scheme(s), there would be capital gains tax implications. Capital gains tax applies on the subsequent sale of such Stock, subject to certain exceptions. The employee may receive more favorable long-term capital gains treatment at the time of sale, depending upon the period of holding of the capital asset.

Social Insurance Contributions

Benefits received under an option plan are not subject to social insurance contributions.

Tax-Favored Program

If the employee holds the Stock for 12 months or more from the date of allotment or transfer of such security or sweat equity shares, more favorable capital gains tax rates apply. Capital gains are taxable as Long Term Capital Gains or Short Term Capital Gains, depending upon the period of holding of the capital asset.

Withholding and Reporting

The payer is under an obligation to withhold taxes at the applicable rates in accordance with the provisions of the Income Tax Act (1961).

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Ireland

Employment

Labor Concerns

Employee entitlement claims are becoming increasingly common. The risk of an employee making a claim for additional benefits under an option plan may be reduced by having the employee agree to standard waiver and consent provisions. Companies should also be aware of Irish anti-discrimination laws and not exclude certain classes of employees, such as part time employees and fixed term contract workers. Retirement provisions may be problematic from an age discrimination perspective.

Communications

There are no legal requirements specific to employee communications.

Generally, electronically executed award agreements are acceptable.

Regulatory

Securities Compliance

Neither the grant nor the exercise of employee options in Ireland is likely to trigger any requirement for securities filings, provided the options are non-transferable. Additional restrictions may apply to directors under the provisions of Irish company law.

Foreign Exchange

There are no foreign exchange restrictions applicable to option plans.

Data Protection

Employee consent to the processing and transfer of personal data is a recommended method of compliance with existing data privacy requirements. Certain categories of data controllers and data processors must register with the Data Protection Commissioner before processing personal data.

Tax

Employee Tax Treatment

Employees are generally subject to income tax and the income levy on the spread at the time the option is exercised. A charge to income tax and the income levy will arise on the grant of the option if the price payable is less than market value and the life of the option exceeds 7 years. Capital gains tax may apply upon the subsequent sale of the underlying Stock, subject to certain exemptions.

Social Insurance Contributions

Benefits received from option plans are not subject to social insurance contributions.

Tax-Favored Program

Tax qualification is available for option plans and approved share schemes, subject to various conditions, resulting in a tax reduction or exemption for employees.

Withholding and Reporting

Neither the Issuer nor the Subsidiary is required to withhold tax arising in connection with the grant or exercise of an option. The Issuer or the Subsidiary is required to report to the Irish Revenue Commissioners any benefit granted to or exercised by employees under an option plan.

Employer Tax Treatment

In certain circumstances, a deduction, equal to the actual costs incurred by the Irish company in connection with the option, may be allowed provided the cost is incurred wholly and exclusively for the purposes of the trade. The deduction is not available until the award is taxable in the hands of the employee.

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Italy

Employment

Labor Concerns

Employee entitlement claims are becoming more common. The risk of employee claims for additional benefits under an option plan can be reduced by having the employee agree to standard waiver and consent provisions.

Communications

The CONSOB (Italian Securities Commission) recommends that listed companies translate all plan documents into Italian to ensure that employees understand the terms of the grant. Employees should sign an agreement stating that they have read and accepted the terms of the option plan. In any event, if employees are not fluent in English, the option agreement should be translated into Italian. Any government filings must be in Italian.

Regulatory

Securities Compliance

If the Issuer does not have securities listed on a regulated exchange in the EU, the grant and/or exercise of employee options in Italy may give rise to a requirement to publish a prospectus approved in the Issuer's Home Member State, unless one of the exemptions or exclusions in the Prospectus Directive is satisfied, e.g., there are fewer than 100 offerees in each Member State or the value of the securities being offered is less than €2.5m, subject to certain conditions. If the Issuer has securities listed on a regulated exchange in the EU, it will be required to publish summary information about the plan and the Stock offered to employees.

Foreign Exchange

Employees may have reporting obligations with respect to foreign Stock held abroad. The parent company may have reporting requirements depending on the total value of Stock issued in Italy.

Data Protection

Employee consent for the processing and transfer of personal data is a recommended method of compliance with existing data protection requirements. Generally, an employer must register with Italy's data protection authorities prior to processing employees' personal data.

Tax

Employee Tax Treatment

Options are subject to tax on the spread at exercise unless granted under the tax-favored program. Capital gains tax applies on the gain at sale.

Social Insurance Contributions

Social insurance contributions are required on the spread at exercise unless options are granted under the tax-favored plan or pursuant to a stock option plan. For the employer, social insurance costs for the benefits under an option plan can be significant.

Tax-Favored Program

Income tax and social insurance obligations may be reduced under the tax-favored program, which is the broad-based grant program. Under a broad-based grant program, in general, the value of the shares does not constitute income from employment (and, therefore, it is not subject to income tax) up to an amount not exceeding €2,065.83 in the calendar year, provided that, inter alia, the shares are offered to all the employees and are not sold for at least three years.

Withholding and Reporting

Unless the Stock is offered through the tax-favored option plan, withholding and reporting are required.

Employer Tax Treatment

The availability of a deduction by the Subsidiary is unclear. A tax deduction may be available if the Subsidiary reimburses the Issuer for the cost of option plan benefits.

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Japan

Employment

Labor Concerns

Employee entitlement claims are becoming more common. The risk of employee claims for additional benefits can be reduced by having the employee acknowledge in writing the plan's discretionary nature and by preparing plan documents separately from the employment contract and work rules.

Communications

Translation of plan documents for employees is recommended but is not required. Government filings must be in Japanese.

Regulatory

Securities Compliance

Offers of options to employees of local subsidiaries that are directly and wholly owned by the parent company and non-transferable, are not subject to notification and registration requirements. Otherwise, the necessity for disclosure and registration filings is determined based upon the aggregate price of securities offered and the number of offerees. A securities notification (Form 6) is required for grants exceeding ¥10,000,000 but less than ¥100,000,000 and offered to 50 or more employees. For grants that are in excess of ¥100,000,000, depending on whether the company is a reporting company and the number of employees, a securities registration statement (Form 7) and delivery of the prospectus are required. In addition, annual and semi-annual filings are required once a Form 7 has been filed.

Foreign Exchange

When an employee pays ¥30,000,000 or more to exercise options under the plan, he/she must send a Payment Report to banks or money lending/transferring companies (within 10 days of payment) when the payment was through such banks or money lending/transferring companies, and such banks or money lending/transferring companies must file the Payment Report to Ministry of Finance (MOFO) via Bank of Japan within 10 business days of the receipt of the Payment Report. Alternatively, the employee must file a Payment Report to MOFO via the Bank of Japan by the 20th day of the month following the month the payment made, where the payment was not through banks or money lending/transferring companies. If the payment (value of the securities acquired) exceeds ¥100,000,000, he/she must file an additional report (Report concerning Acquisition or Transfer of Securities) with MOFO via Bank of Japan within 20 days of acquisition.

Data Protection

Employee consent for the processing and transfer of personal data is required, subject to certain statutory exemptions for "joint use".

Tax

Employee Tax Treatment

Employees will recognize income equal to the difference (or spread) between the option exercise price and the fair market value of the shares on the date of exercise, provided that stock options are considered to be non-transferable stock options or subject to other special conditions for Japanese tax purposes and subject to tax as "remuneration income." Capital gains tax generally is due on the gain from the sale of Stock.

Social Insurance Contributions

Social insurance charges should not be imposed provided the options are not treated as a salary for labor performed by the employee for this purpose.

Tax-Favored Program

None.

Withholding and Reporting

Withholding and reporting requirements do not apply if the Subsidiary/other local office remains uninvolved in the payment of plan benefits and the Issuer is not reimbursed for the cost of plan benefits.

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Japan (cont.)

Employer Tax Treatment

Although the law is vague, a deduction probably is allowed if the Subsidiary bears the cost for plan benefit, subject to prescribed requirements for deduction.

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Mexico

Employment

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| Labor Concerns | Employee entitlement claims are becoming more common. Standard waiver and consent provisions may be unenforceable. |
| Communications | Translation of option plan documents for employees is not required, but it is recommended. Government filings must be made in Spanish. Under certain conditions, the electronic execution of award agreements is acceptable. |

Regulatory

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|------------------------------|--|
| Securities Compliance | In general terms, there are no applicable securities compliance requirements provided that the offer of securities is a private offer. To qualify as a private offer, the offer must be made through a plan applicable in general form to employees or groups of employees of the Issuer or entities controlled by it, or entities that control such Issuer. |
| Foreign Exchange | There are no foreign exchange restrictions applicable to option plans. |
| Data Protection | It is recommended that an employer disclose its data processing activities to employees. The employer should obtain an employee's authorization or consent prior to transferring his or her personal data contained in databases. |

Tax

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|---------------------------------------|---|
| Employee Tax Treatment | <p>It is not clear under Mexican law if the employee will be taxed on grant. Employees will be taxed on the spread at exercise. The employee will be subject to tax at the time of sale on the difference between the sale price and the exercise price.</p> <p>If the underlying Stock is traded through the Mexican Stock Exchange, any profits derived from its sale may be exempt from Mexican taxes. Any sale of Stock traded through the Mexican Stock Exchange, carried out by a person or a group of persons that directly or indirectly hold 10% or more of the Stock of an issuer, whenever in a 24-month period such person or persons sell 10% or more of the Stock of the relevant issuer in one or more simultaneous or subsequent transactions is not exempt from taxes. The exception will not be applicable either for the person or persons that having control of an issuer, sell it through one or more simultaneous or subsequent transactions in a 24-month period.</p> |
| Social Insurance Contributions | Benefits received under options plans may be subject to social security contributions. However, in most cases, the relatively low social security ceiling will have been exceeded through regular salary. |
| Tax-Favored Program | None. |
| Withholding and Reporting | The Subsidiary may be required to withhold taxes and report the benefits received under the option plan. |
| Employer Tax Treatment | A deduction may be permitted provided the cost of option plan benefits is reimbursed by the Subsidiary to the Issuer. |

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Poland

Employment

Labor Concerns

Polish labor law issues are unlikely to apply to option plans. As a precaution, however, employees should acknowledge in writing that the grant of options does not create a right or entitlement to further grants.

Communications

Translation of plan documents for employees is recommended but not required. Government filings must be made in Polish.

Regulatory

Securities Compliance

The grant of employee options in Poland may give rise to a requirement to publish a prospectus which has been approved in the Issuer's Home Member State, unless one of the exemptions or exclusions in the Prospectus Directive is satisfied, e.g., there are fewer than 100 offerees in each member state or the value of the securities being offered is less than €2.5m, subject to certain conditions.

Foreign Exchange

Employees may be subject to certain reporting requirements.

Data Protection

Employee consent for the processing and transfer of personal data is a recommended method of compliance with existing data privacy requirements. If data is transferred outside EU, a written consent will be required unless the consent for the transfer is issued by local data protection authority. Moreover, the local entity must enter into a written agreement with third party data processors.

Tax

Employee Tax Treatment

Employees are taxed on the spread upon the exercise of the option. Tax is also imposed on any gain upon the subsequent sale of the underlying Stock.

Social Insurance Contributions

Social insurance contributions are not required if the Subsidiary is not involved in the offer of options. Accordingly, option plan benefits should not be included in employment agreements and the Issuer should not be reimbursed for the spread.

Tax-Favored Program

None.

Withholding and Reporting

If the Subsidiary reimburses the Issuer for the costs of option plan benefits, withholding and reporting are required.

Employer Tax Treatment

A tax deduction should be available to the Subsidiary if the cost of option plan benefits is reimbursed and the Subsidiary treats the spread as part of employee remuneration.

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With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

Russia

Employment

Labor Concerns

Russian labor laws should not generally impact option plans so long as participation in the plan is not considered to be a benefit provided by the Russian employer pursuant to an employment relationship.

The option plans expressly agreed by the participants should be generally enforceable. However, the final confirmation of its enforceability can be provided following a review of the exact language of the option plans.

Communications

The translation of plan documents for employees is recommended but is not legally required. Government filings must be in Russian.

Regulatory

Securities Compliance

The principal regulatory framework for the offering of foreign securities is generally set out in Federal Law No. 39-FZ "On Securities Market" dated 22 April 1996, as amended (the "**Securities Market Law**"). The Securities Market Law currently states that: (i) foreign securities that have not been admitted to public placement and/or public circulation in Russia, as well as (ii) foreign financial instruments that have not been recognized as securities, may not be offered in Russia "in any form or by any means", including by way of advertising, to an unlimited number of investors and to persons who are not "qualified investors" under Russian law. In addition, circulation of foreign securities which have not been admitted to public placement and/or public circulation in Russia will be subject to the following requirements and limitations: (i) such foreign securities can be owned by "qualified investors" only; and (ii) any acquisitions and disposals of such foreign securities can only be carried out through Russian licensed brokers (save for a very limited number of exceptions).

Based on the literal reading of the rules and limitations described above, the Stock under the option plans may not be offered to "non-qualified investors" in Russia (both in connection with their initial placement or further resale) to the extent that the said Stock has not been admitted to public placement and/or public circulation in Russia upon fulfillment of certain admittance procedures provided for under Russian law. Such procedures may include registration of the securities prospectus (*prospect tzennikh bumag*) related to such Stock with the Federal Service for Financial Markets of the Russian Federation, the Russian regulator of the securities and investment markets.

There are, however, certain measures to minimize the risk of breaching the above restrictions on the offering of Stock to "non-qualified investors" in Russia established by the Securities Market Law. These measures include the distribution of the relevant materials outside Russia or the execution of documents abroad. As an alternative to these mitigation measures, consideration may be given to an application for the admission of the Stock to public placement and/or public circulation in Russia. However, the full legal regulations dealing with such applications have not yet been finalized by the Federal Service for Financial Markets of the Russian Federation.

Currency Control

Subject to the relevant securities market law considerations, currency operations (including those for transfer of external securities) between a foreign company (such as the Issuer) and a Russian individual may be made freely.

The transfer of external securities (including Stocks issued by a foreign company) by (or through) a Russian company (such as the Russian employer) to a Russian individual is generally prohibited (subject to certain exceptions related to transfer of Stocks via a stock exchange or Stocks accounted for by Russian depositories).

A Russian resident may pay the Issuer (i.e. a foreign company) for the "external securities" either in Russian rubles or in foreign currency; certain currency control formalities would need to be complied with.

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With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

Russia (cont.)

Data Protection

As a general rule, the processing of personal data requires the consent of the data owner (i.e. the employee). In limited cases, such consent is not required.

The transfer of the personal data of an option plan participant from the employer to the Issuer will qualify as a transfer of personal data to a third party and also as a cross-boarder transfer of personal data. This will require written consent of each participating employee.

Tax

Employee Tax Treatment: Individual Income Tax

No individual income tax obligation should arise upon grant of stock options, although the tax authorities may take a different position. In particular, there is a risk that such grant would be considered as receipt of "derivative financial instrument" free of charge or purchase of such "derivative financial instrument" without paying arm's length purchase price.

The employee is taxed upon the transfer of the Stocks on the difference between the fair market value of the Stocks calculated using Russian regulations minus a 20% discount and the acquisition cost actually incurred by the employee. Tax is also imposed on the gain from the subsequent sale of the Stocks on the difference between the sale price and properly documented expenses related to the sale, acquisition and storage of the Stocks and the amount on which individual income tax has been already paid upon purchase of the Stocks.

Tax is levied at a rate of 13% for Russian tax residents or at a rate of 30% for non-residents.

Tax-Favored Program

None.

Withholding and Reporting

The Russian subsidiary, branch or representative office may be deemed as being obliged to withhold tax if the participation in the plan is considered to be a benefit provided to the employees pursuant to an employment relationship.

If no withholding was made, the employees are required to report income in their tax returns and to pay tax themselves.

Employer Tax Treatment: Social Contributions and Accident Insurance Contributions

No social contributions and no mandatory accident insurance contributions should arise upon grant of stock options, although the funds' authorities may take a different position.

No social contributions or mandatory accident insurance contributions are likely to be due on the difference between the fair market value of the Stocks and the actual acquisition cost provided that participation in the plan is not considered to be a benefit provided by the employer (a Russian company or foreign company branch/representative office) pursuant to an employment relationship.

Social contributions are payable to the Pension Fund, the Social Insurance Fund, the Federal Fund for Mandatory Medical Insurance and Territorial Funds for Mandatory Medical Insurance at fixed rates. In 2010, these rates amount to 26%. From 2011 these rates will go up to 34%. Social contributions apply to the individual's annual earnings only up to a specific cap amount of RUB 415,000, subject to annual indexing.

The mandatory accident insurance contributions are payable in the amount of 0.2-8.5% depending on the employer's industry type.

Employer Tax Treatment: Cost Deduction

A local tax deduction would not be likely to be permitted, even if the Russian subsidiary reimburses the foreign parent company for the cost of plan benefits.

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With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

Singapore

Employment

Labor Concerns

Employee entitlement claims are not common in Singapore. As a precaution, however, employees should acknowledge that the offer of options does not create a right or entitlement to further grants.

There is generally no requirement to inform and/or consult with local employee representatives (e.g. trade unions) prior to implementing the stock option plans in Singapore unless the employer had entered into any collective bargaining agreement with a trade union in Singapore which obliges the employer to do so.

Communications

There is no legal requirement for the documents relating to the stock option plans to be in a particular language. However, as English is the working language in Singapore, it is recommended that all information pertaining to the stock option plans should be made available in English.

Regulatory

Securities Compliance

An exemption from prospectus requirements is generally available if: (i) the securities are offered to employees of either the Issuer or a related corporation of the Issuer pursuant to a Stock plan, (ii) the securities are held by or for the benefit of such employees, (iii) the securities are the securities of the Issuer or its related parties; and (iv) no selling or promotional expenses are paid or incurred in connection with the offer other than certain allowed professional fees or commission.

Foreign Exchange

There are no foreign exchange restrictions applicable to the stock option plans.

Data Protection

There is no general data protection law in Singapore. However, if such data is confidential and is provided in circumstances imparting an obligation of confidence, the employer, being the recipient of such information, will owe a duty of confidentiality under common law towards the employees.

In addition to provisions in specific laws such as the Banking Act, Chapter 19 of Singapore and codes of practice protecting personal information such as in the medical profession and telecommunications sector, there is a Model Data Protection Code, the adoption of which is voluntary. An Inter-Ministry Committee is currently reviewing the data protection regime.

It is recommended that an employer (i) discloses its data processing activities to employees, and (ii) obtains an employee's consent prior to transferring his or her personal data to third parties. Employers should not make unauthorized disclosure of information which is of a confidential nature and which was communicated to it in circumstances importing an obligation of confidence.

Tax

Employee Tax Treatment

The employee will generally be subject to income tax upon exercise of the options. In the event there are disposal restrictions on the Stock acquired, tax is payable when such restrictions lapse. The taxable amount is the fair market value of the Stock at such time less any amount paid for the Stock. There is generally no tax on the subsequent sale of the underlying Stock, unless the employee is regarded as trading or dealing in securities.

Social Insurance Contributions

The offer of employee share options should not be subject to contributions to the Central Provident Fund, unless such awards are cash-settled.

Tax-Favored Program

Singapore has certain schemes pursuant to which employees may receive a partial tax exemption or deferral of taxation (subject to an interest charge) with respect to gains derived from employee equity-based remuneration plans where certain conditions are met.

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With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

Singapore (Cont.)

Withholding and Reporting

Benefits paid to employees pursuant to an option plan are generally not subject to income tax withholding, except where tax clearance procedures are required in respect of employees who are leaving the employment of the local employer and who are (i) neither Singapore Citizens nor Singapore Permanent Residents; or (ii) Singapore Permanent Residents leaving Singapore permanently. Certain "deemed vesting / exercise" rules also apply to such employees, where any options would be deemed exercised (and any disposal restrictions deemed to cease) one month prior to cessation of employment or the date the purchase rights are granted (whichever is the later),, and such employees would then be taxed at such time with respect to the options granted.

The local employer also has certain tax reporting obligations.

Employer Tax Treatment

A deduction is not allowed for expenses incurred in respect of any right or benefit to acquire shares (other than treasury shares where certain conditions are met) of the employer's holding company.

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With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.

Spain

Employment

Labor Concerns

Employers should distribute a hard-copy disclaimer which acknowledges the employees' receipt of the plan documents as well as the voluntary nature of the plan. Court rulings have held that stock plan benefits are considered salary for purposes of calculating termination rights. Court rulings have also held that an employee terminated without cause may be entitled to continuation of the Stock plan benefits by applying the termination provisions for retirement or disability also in the event of a termination without cause.

Communications

Translation of plan documents for employees is not required, but is recommended. Should any discrepancy arise and documents need to be presented to a Spanish court, official translations would be required. Government filings must be made in Spanish. Electronic execution of award agreements may be acceptable under certain conditions.

Regulatory

Securities Compliance

Neither the grant nor the exercise of the stock options is likely to trigger any prospectus requirement, provided that the stock options are not transferable.

Foreign Exchange

Spanish resident individuals must make an annual filing (for administrative and statistical purposes only) declaring their interests in foreign securities.

Data Protection

Employee consent for the processing and transfer of personal data is a recommended method of compliance with existing data privacy requirements. Generally, an employer must register data processing activities and databases with Spain's data protection authorities.

Tax

Employee Tax Treatment

The employee is generally subject to tax on the profit arising out of the exercise of the stock options (market value less exercise price) at the time of exercise. Tax is also imposed on the gain upon sale. However, the transfer of Stock to employees up to an annual limit of €12,000 is not taxable, provided that (i) it is made in the context of the general remuneration policy of the company or the company's group; (ii) none of the employees, together with their spouses and/or relatives holds a stake higher than 5% in the company; and (iii) the Stock is held for at least three years. 40% of the income from stock options will be tax exempt if (i) the benefits arising from the stock options are not obtained on a regular or recurrent basis (i.e., the stock options are not granted annually) and are accrued in a period of more than two years, and (ii) such benefits do not exceed the amount resulting from multiplying the annual average salary by the number of years in which the benefits have accrued. This limit may be doubled in certain circumstances. Any excess over this limit will not benefit from the reduction.

Social Insurance Contributions

Social security contributions are due on compensation up to a threshold. Since employees may have exceeded the social security contribution ceiling, income from the exercise of stock options (upon exercise) may not result in additional social security contributions. If this is not the case, the profits arising from the stock plan would be subject to social security contributions. Social security contributions cannot be passed onto the employees.

Tax-Favored Program

None.

Withholding and Reporting

Payment on account is required, subject to certain salary thresholds, generally by the local employer. Such payment on account is generally made in the form of income tax withholdings.

Employer Tax Treatment

A deduction is available if the Subsidiary reimburses the Issuer for the cost of the stock option plan benefits. A written reimbursement agreement is required (stating the criteria used to establish the amount to be paid by the Subsidiary).

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Taiwan

Employment

Labor Concerns Employees should sign a written disclaimer acknowledging that the option plan is a discretionary benefit offered to employees outside of their normal salaries and can be terminated at any time.

Communications All employee communications should be available in Chinese for employees who are not fluent in English. Government filings must be made in Chinese.

Regulatory

Securities Compliance Offers under option plans will be exempt from local securities law requirements if the offers are not made to the public. It will not be considered as a public offer if the offers are made to fewer than 35 persons, being specific employees, directors and/or supervisors of the affiliated company.

Foreign Exchange Approval is required for any remittance exceeding: (i) US\$50m for a Taiwanese subsidiary; and (ii) US\$5m for each Taiwanese resident.

Data Protection An employer is not required to obtain government approval or a license to collect and process the personal data of the employees, provided that prior consent is obtained from the employees. The employer should have regard to the rights and interests of employees when collecting or utilizing the personal data of employees. The use and handling of personal data should also accord with principles of honesty and integrity and must not exceed the scope of the specific purpose as agreed between the employer and the employee.

Tax

Employee Tax Treatment An income tax charge is imposed on the employee when he exercises his stock option plan. The income tax is calculated by the difference between the purchase price of the Stock and the market value of the shares at the time the Stock has been delivered to the employee. The sale of the Stock is not subject to tax.

Social Insurance Contributions There are no social insurance obligations applicable to option plans.

Tax-Favored Program None.

Withholding and Reporting The Subsidiary is not required to withhold income taxes from employees. However, the Subsidiary is required to file a non-withholding statement by January of each year.

Employer Tax Treatment A deduction may be available if the Subsidiary: (i) reimburses the Issuer for the cost of option plan benefits; and (ii) such costs are characterized as employee remuneration.

Withholding and reporting are required if the Subsidiary reimburses the Issuer for the costs of the plan.

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The Netherlands

Employment

Labor Concerns

Employee entitlement claims are becoming more common. The risk of employee claims for additional benefits can be reduced by having the employee agree to standard waiver and consent provisions. Note that a court may allow an employee to continue vesting or to exercise options after termination of employment. If a Works Council is in place, the agreement of the Works Council is required before stock plan benefits may be offered in The Netherlands. Furthermore, any amendments to, or the withdrawal of, an employee stock plan, require the Works Council prior consent. Stock option plans may not be discriminatory. For example, employees who work part time should be treated equally with full time employees.

Communications

Translation of plan documents for employees is recommended but not required. Government filings must be made in Dutch.

Generally, the electronic execution of agreements is acceptable.

Regulatory

Securities Compliance

Neither the grant nor the exercise of employee options in the Netherlands is likely to trigger any requirement for securities filings, provided the options are non-transferable.

Foreign Exchange

None.

Data Protection

Employee consent may be difficult to use for the processing and transfer of personal data as consent should be freely given. The Dutch Data Protection Authority is reluctant to accept this as the ground for processing as consent should be freely given which is difficult to realize in the hierarchical employer/employee relationship. Other grounds could also be used for the processing and transfer of data. Generally an employer must register data processing activities with the national data protection authority. Only the most common processing activities are exempt from notification provided all requirements as listed in the Exemption Decree are fulfilled.

Tax

Employee Tax Treatment

As of 1 January 2005, options are taxed on the spread at exercise. Options that were partially taxed prior to 1 January 2005 will be governed by the previous legislation or other applicable transitional rules.

Social Insurance Contributions

Income under the plan is subject to social insurance contributions, but most employees will likely have exceeded the wage base for social insurance contributions.

Tax-Favored Program

None.

Withholding and Reporting

Withholding and reporting are required.

Employer Tax Treatment

As of 1 January 2007, the cost of option plan benefits are no longer deductible.

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United Kingdom

Employment

Labor Concerns Appropriate language should be included in Plan documents stating that the employees have no rights to compensation for loss of rights under the Plan in the event of termination of their employment. The exclusion of part-time employees or employees on disability or maternity leave generally constitutes unlawful discrimination.

Communications There are no legal requirements specific to employee communications. Electronic execution of award agreements may be acceptable under certain conditions.

Regulatory

Securities Compliance Neither the grant nor the exercise of employee options in the UK is likely to trigger any requirement for securities filings, provided the options are non-transferable.

Foreign Exchange There are no foreign exchange restrictions applicable to option plans.

Data Protection Employee consent for the processing and transfer of personal data is a recommended method of compliance with existing data privacy requirements. Employers are required to register data processing activities with the UK Information Commissioner.

Tax

Employee Tax Treatment For options granted under an unapproved option plan (see Tax-Favored Program), income tax is imposed on the spread at exercise, i.e. the excess of the market value of the Stock over the amount paid for the Stock. Subject to an annual exemption, capital gains tax ("**CGT**") is assessed on the gain achieved between the exercise of approved options and the sale of Stock. CGT will also be imposed on any gain made on the subsequent sale of shares following the exercise of unapproved options (where not sold on exercise).

Social Insurance Contributions National Insurance Contributions ("**NICs**") are generally payable by both employer and employee on the spread at exercise for options granted under an unapproved plan and options granted under an approved plan in certain circumstances. The employer may transfer its NICs obligation under an option plan to the employee.

Tax-Favored Program Tax qualification is available for certain option plans which have been approved by HM Revenue & Customs, or in the case EMI options (see below), satisfy certain legislative requirements. Options granted under approved plans are exempt from income tax, subject to certain conditions. For example, in order to benefit from this favorable treatment, options may not be exercised for three years from the grant date (except in certain "good leaver" circumstances). Employees may not hold approved options over Stock with a value at grant in excess of £30,000. Another tax favorable arrangement is available to smaller companies called Enterprise Management Incentive ("**EMI**") options. These are subject to various limitations and may not be available to non-UK based Issuers.

Withholding and Reporting Unapproved options are generally subject to withholding of income tax and NICs at exercise and reporting requirements apply to both employer and employee.

Employer Tax Treatment If the Subsidiary reimburses the Issuer and documents the reimbursement, it may generally take a tax deduction for the amount of the spread on the date of exercise as a salary expense. Alternatively, provided certain conditions are met, the employer may be entitled to statutory corporation relief for that amount.

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United States

Employment

Labor Concerns

A claim for breach of contract could arise where an equity incentive plan is amended or discontinued. It is recommended that Plan provisions be drafted so as to preclude leased and/or temporary employees and independent contractors from claiming entitlements under the Plan (absent a specific intention to include these workers). Plans should be drafted to permit unilateral termination of the Plan, and employees should be required to acknowledge the discretionary nature of the Plan.

Employers may not deny, directly or indirectly, employees the opportunity to participate in the Plan based on any prohibited grounds of discrimination, including, among others, race, color, religion, sex, national origin, citizenship, age, disability, uniformed service or any other status protected by federal, state or local law.

Communications

Plan documents should be translated into English unless the participant speaks the language in which the documents are written. Most government filings must be made in English (although certain documents may be filed with a summary in English).

Generally, the electronic execution of agreements may be acceptable under certain conditions.

Regulatory

Securities Compliance

Federal and state securities laws govern the grant of securities under employee benefit plans, including stock incentive plans. Under the US Securities Act of 1933 (the “**Securities Act**”), unless an exemption is available, any offer or sale of a security must be registered with the US Securities and Exchange Commission (the “**SEC**”). Note that the grant of an option is generally not considered to be a “sale” of either the option or the underlying security; however, the exercise of an option is considered to be a sale of the underlying security. The SEC has created a special exemption and a special registration process for offers and sales of securities in connection with employee benefit plans:

Reporting companies. Companies with a class of securities registered under the Securities Exchange Act of 1934 (the “**Exchange Act**”) — which includes, among others, companies listed on a US stock exchange — are allowed to use a streamlined registration statement called a Form S-8. Form S-8 requires less disclosure than other SEC registration forms. To be eligible to use this form, the company must have filed all required reports during the preceding 12 months (or such shorter period as the company was required to file). The Form S-8 is filed with the SEC and is generally no more than ten pages long. Separate from the Form S-8, the company must deliver to employees a prospectus containing a description of the Plan, together with the company’s most recent annual report.

Non-reporting companies. Private companies in the United States cannot use Form S-8. However, they are permitted to grant a limited amount of securities under employee benefit plans pursuant to a special exemption contained in Rule 701 under the Securities Act. There are no special information requirements for employees unless the value of securities issued in any 12-month period exceeds \$5 million, at which point financial statements and other disclosure must be provided.

Reporting and non-reporting companies can use other exemptions that are available under the Securities Act. For example, the exemption for the issuance of securities to accredited investors under Regulation D may be available for grants to executive officers. Failure to comply with registration or exemption requirements may give employees rescission rights or the right to sue for damages if they no longer own stock.

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United States (cont.)

While the SEC is responsible for enforcing of the United States Federal securities laws, each individual state has its own securities laws, referred to as “blue sky laws”, and its own regulatory agency which administers the law, typically known as the state Securities Commissioner. Blue sky laws are often superseded by Federal law, particularly with respect to reporting companies, but they do apply to non-reporting companies. In addition, blue sky laws vary widely from state to state. Therefore, while most state blue sky laws have exemptions from registration for stock incentive plans that are exempt from federal registration, some do not, and a few require notice or a streamlined registration procedure. The laws of each state where any Plan participant resides must be checked prior to undertaking any securities offerings or sales in that state.

Foreign Exchange

There are no exchange controls in the US.

Data Protection

The US has no omnibus data protection law that reaches all personal data. Rather, it has a patchwork of sector-specific state and federal laws that regulate only certain classes of data. Outside the health care and background-check contexts, much employee information falls beyond the reach of these sector-specific laws. Nevertheless, a best practice in administering equity/benefit plans is to build into Plan enrolment forms a written consent; Plan participants should expressly authorize the use and disclosure of their data for all Plan purposes. Also, Plan administrators must comply with any privacy policy of a sponsor employer, and with document-retention laws that mandate retaining tax-related information for certain periods.

Tax

Employee Tax Treatment

Employee stock options are classified as either “incentive stock options,” which are intended to qualify with the requirements of Section 422 of the Internal Revenue Code, or options other than incentive stock options, which are not intended to so qualify (referred to as “nonqualified stock options”). The grant of an option is not a taxable event. However, the transfer of shares to an employee upon exercise of his or her option may or may not give rise to taxable income to the employee depending upon whether the option is a nonqualified stock option or an incentive stock option. The exercise of a nonqualified stock option by an employee generally results in immediate recognition of taxable ordinary income by the employee in the amount by which the fair market value of the shares purchased, on the exercise date, exceeds the aggregate exercise price paid. Any appreciation or depreciation in the fair market value of those shares after the exercise date will generally result in a capital gain or loss to the employee at the time he or she disposes of those shares.

Social Insurance Contributions

Amounts taxable upon the exercise of nonqualified stock options are subject to social security contributions to the extent the employee has not exceeded the applicable wage base. The employer is required to withhold the employee’s portion of the social security taxes. The employer must then pay the employee’s withholdings and the employer’s contributions at the time the employee receives the earnings. Neither the exercise of an incentive stock option nor a disposition of shares purchased under an incentive stock option (whether or not in a disqualifying disposition (described below)) is subject to social security contributions.

Tax-Favored Program

The exercise of an incentive stock option by an employee is exempt from income tax, although not from the alternative minimum tax, if the employee has been an employee of the employer at all times beginning with the option grant date and ending three months before the date the employee exercises the option (or twelve months in the case of termination of employment due to disability). If the employee has not been so employed during that time, the employee will be taxed as described above for nonqualified stock options. If the employee disposes of the shares purchased more than two years after the option was granted and more than one year after the option was exercised, then the employee will recognize any gain or loss upon disposition of those shares as capital gain or loss.

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United States (cont.)

However, if the employee disposes of the shares prior to satisfying these holding periods (known as a “disqualifying disposition”), the employee will be obligated to report as taxable ordinary income for the year in which that disposition occurs the excess, with certain adjustments, of the fair market value of the shares disposed of, on the date the incentive stock option was exercised, over the exercise price paid for those shares. Any additional gain realized by the employee on the disqualifying disposition would be capital gain. If the total amount realized in a disqualifying disposition is less than the exercise price of the incentive stock option, the difference would be a capital loss for the employee.

If an employee's incentive stock option becomes exercisable for the first time in any calendar year for shares with a fair market value in excess of \$100,000, determined as of the grant date of the option, the employee will be taxed on exercise of the option as described above for nonqualified stock options to the extent of this excess.

Withholding and Reporting

Amounts taxable upon the exercise of nonqualified stock options are subject to income tax withholding and reporting by the employer on Form W-2. Neither the exercise of an incentive stock option nor a disposition of shares purchased under an incentive stock option (whether or not in a disqualifying disposition) is subject to income tax withholding. However, income taxable upon a disqualifying disposition is reportable by the employer on Form W-2.

Additionally, an employer that in the preceding year transferred shares of stock to an employee upon the employee's exercise of an incentive stock option, must furnish the employee with a statement, and file a return within the Internal Revenue Service, that includes certain information concerning the employer, the employee, the incentive stock option and the shares.

Employer Tax Treatment

The exercise of a nonqualified stock option by an employee results in a tax deduction for the employer equal to the amount of ordinary income reported by the employee. The exercise of an incentive stock option by an employee does not result in a tax deduction for the employer. If the employee disposes of the shares purchased upon exercise of an incentive stock option in a disqualifying disposition, however, the employer is entitled to a tax deduction equal to the amount of ordinary income reported by the employee. In each case, the employer's tax deduction is conditioned on the employer's timely compliance with the Form W-2 reporting requirements described above.

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Glossary

Some terms used in the summaries have particular meanings and certain assumptions are made which may require clarification. These are described below.

| | |
|--------------------------|--|
| EU | The European Union. |
| Home Member State | The Member State with whose regulatory authority the Issuer is required to file a prospectus in certain circumstances. The rules for determining the Home Member State are complex. However, generally speaking, if the Issuer's registered office is in the EU, its Home Member State will be the Member State of its registered office. If the Issuer is listed on a regulated market in the EU, its Home Member State will be the Member State in which it is listed. If the Issuer is not EU-listed and its registered office is not in the EU, its Home Member State will generally be the Member State in which the Issuer's securities are first offered to the public or admitted to trading after 31 December 2003. |
| Issuer | The company which is offering awards to employees under a Plan. |
| Member State | A member state of the European Union. |
| Plan | An option plan where participants in an option plan, who can be selected from amongst all employees on a discretionary basis, are granted a right to acquire shares for a price determined at grant. This price will usually (but not always) be the market value of the Stock being placed under option on the date of grant. Participants must normally remain in employment for a certain period before they can exercise their options. In some cases, options will become exercisable or "vest" over this period, meaning that, should an employee leave employment before an option has fully vested, he or she may be entitled to exercise the option over a proportionate amount of the Stock under option. |
| Stock | Shares of stock in the Issuer. |
| Subsidiary | A local subsidiary of the Issuer which employs the employees to whom awards are being offered. |

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