



GLOBAL SHARE PLAN
Powered by Lovinklaan Foundation

TAX INFORMATION SUPPLEMENT 2020 GERMANY



This supplement has been prepared to provide you with a summary of the tax consequences of the Global Share Plan ("Plan"). The description of the tax consequences is not decisive when completing your personal income tax return.

All capitalized terms used herein are used as they are defined or used in the Plan.

This supplement is based on tax laws in effect in Germany as of January 1, 2020 and as currently interpreted by tax courts and tax authorities. It does not necessarily address all local tax laws that may apply to you. Such laws and their interpretation are often complex and can change frequently. As a result, the information contained in this summary may be out of date at the time you participate in the Plan, acquire shares, receive dividends or sell shares acquired under the Plan.

Please note that this supplement is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation, and Arcadis NV is not in a position to assure you of any particular tax result.

Accordingly, you are strongly advised to seek appropriate professional advice as to how the tax laws in your country apply to your specific situation.

If you are a citizen or resident of another country, the information contained in this supplement may not be applicable to you.

TAX INFORMATION

1 DATE OF GRANT

On the date you enroll in the Plan and you are granted a purchase right to purchase shares in Arcadis NV against a discounted purchase price, you are not subject to taxation.

2 PURCHASE DATE

On the date your accumulated savings are used to purchase whole or fractional shares in Arcadis NV against a discounted purchase price, you will be subject to tax on the balance between the fair market value of the purchased Arcadis NV shares and the discounted purchase price. Such balance is taxed at your regular progressive personal tax rate of up to 45% (plus 5.5% solidarity surcharge and – to the extent applicable – up to 9% church tax thereon) and social security contributions (to the extent that the relevant contribution ceilings have not been exceeded). However, benefits in the amount of up to € 360 per year might be tax exempt if certain conditions are met.

EXAMPLE TAX CALCULATION

(assuming a marginal tax rate (incl. solidarity surcharge) of 40%)

Assuming an annual base salary of € 60,000, the relevant ceiling for contributions to the health and long-term care insurance is exceeded but not the ceiling for contributions to the old age and unemployment insurance.



• Monthly contribution	€ 100	
• Closing trading price at purchase	€ 25	
• Amount paid per share (€ 25 – 20% discount)	€ 20	
• Shares purchased (€ 100 : € 20)	5	
• Total monthly (gross) taxable fiscal benefit (€ 25 – € 20) x 5		€ 25
• Total taxes due (40% x € 25)		€ 10.00
• Additional social security contributions to be borne by employee (10.5%)		€ 2.63
• Paid (€ 100 + € 10.00 + € 2.63)	€ 112.63	
• Value received (5 x €25)	€ 125,00	
= Net benefit at purchase	€ 12.37	

3 TAX WITHHOLDING AND REPORTING

In general, on the purchase date the local employer in Germany will be required to report the difference between the fair market value of the acquired Arcadis NV shares and the discounted purchase price as taxable salary to the German tax authorities, and will be required to withhold wage taxes and social security contributions (to the extent that the relevant contribution ceilings have not been exceeded) in connection with these amounts. Such wage taxes and social security contributions can be deducted from your regular salary.

4 DIVIDENDS AND CAPITAL GAINS

Any dividends received on your Arcadis NV shares will qualify as investment income and are subject to the flat tax at the rate of 25% (plus 5.5% solidarity surcharge thereon and church tax, if any). The tax base is determined by taking into account a lump sum tax allowance of € 801 (€ 1,602 if you file a joint tax return together with your spouse) per year for income-related expenses applicable to the total amount of investment income. Since Arcadis NV is a foreign corporation, it is not obliged to withhold and remit withholding tax on the dividends pursuant to German tax law. However, in case the Arcadis NV shares are stored in an investment deposit with a German bank, the German bank is obliged to withhold the flat tax as withholding tax from such dividend income. Only if the Arcadis NV shares are deposited at a foreign bank, are you obliged to report such income in your annual tax return. In case your personal income tax rate is lower than the flat tax rate, you may report the dividend income in your personal income tax return and apply for that income to be subject to your personal income tax rate. Any taxes withheld from the dividend amount are credited against your tax liability.

Any dividends – in cash or in kind – received on your Arcadis NV shares shall be subject to a Dutch dividend withholding tax of 15%. Under certain statutory conditions, the dividend may be exempt from Dutch dividend withholding tax. You will be informed about the amount of Dutch dividend tax actually withheld. Under certain conditions, the Dutch dividend withholdings tax serves as tax credit for the German income tax due.

In case you generate capital gains from the later sale of the acquired Arcadis NV shares, such capital gain is also subject to the flat tax at the rate of 25% (plus 5.5% solidarity surcharge thereon and church tax, if any) provided that: (i) you have not, at any time during the last five years, held 1% or more of the stated capital of Arcadis NV; and (ii) the shares are not held as a business asset. The same taxation principles apply as outlined above.

5 EXCHANGE CONTROL INFORMATION

In general, you should not be subject to any foreign exchange requirements in connection with the Plan. However, certain reporting obligations for statistical purposes may apply.

6 MISCELLANEOUS

Your Arcadis NV shares are registered at the following account: 02300000012813S2.