



**GLOBAL SHARE PLAN**  
Powered by Lovinklaan Foundation

# TAX INFORMATION SUPPLEMENT 2020 HONG KONG



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 Hong Kong as of 1 January 2020. It does not necessarily address all local tax laws that may apply to you. Such laws 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 As a result, the information contained in this summary may be out of date at the time you participate in the Plan, acquire shares, receive dividends or sell shares acquired under the Plan.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 taxation on the difference between the fair market value of the purchased Arcadis NV shares and the discounted purchase price against the regular progressive tax rates up to 17% (subject to a maximum average rate of 15%). Due to the blocking-period of one (1) year, the fair market value of the Arcadis NV shares may be decreased by a discount of 5%. However, it is your own responsibility to apply for the 5% discount when you file your individual tax return (BIR60) (see Example B below). There is no guarantee that the Inland Revenue Department would allow such discount.

Please note that any gross benefit of the participant is determined per monthly purchase period, which results in 12 different calculations per full calendar year.

### EXAMPLE A – TAX CALCULATION

(without taking the discount of 5% into account)

- |  |         |
|--|---------|
| • Monthly contribution (approximately EUR 100)                         | HKD 869 |
| • Fair market value of the shares upon purchase (approximately EUR 20) | HKD 174 |
| • Discounted purchase price (80% x HKD 174)                            | HKD 139 |
| • Shares purchased (HKD 1,012 / HKD 139)                               | 6       |



• Total gross benefit of the participant 6 shares x (HKD 174 – HKD 139)	HKD 210
• Assuming a 17% marginal income tax rate	HKD 36
= Net gain (HKD 210 – HKD 36)	HKD 174

#### EXAMPLE B – TAX CALCULATION (taking the discount of 5% into account)

• Monthly contribution (approximately EUR 100)	HKD 869
• Fair market value of the shares upon purchase (approximately EUR 20)	HKD 174
• Tax discount due to 1-year blocking period per share (5% x HKD 174)	HKD 9
• Discounted fair market value per share (HKD 174 – HKD 9)	HKD 165
• Discounted purchase price (80% x HKD 174)	HKD 139
• Shares purchased (HKD 869/ HKD 139)	6
• Taxable gross benefit of the participant 6 shares x (HKD 165 – HKD 139)	HKD 156
• Assuming a 17% marginal income tax rate	HKD 27
= Net gain (HKD 210 – HKD 27)	HKD 183

### 3 TAX WITHHOLDING AND REPORTING

In general, the local employer in Hong Kong will be required to report the difference between the fair market value and the (discounted) purchase price of the Arcadis NV shares purchased by you during a year of assessment as taxable employment income in its annual employer's return to the Hong Kong tax authorities (i.e., Example A).

It is your own responsibility to apply for the 5% discount in your individual tax return (BIR60) (see Example B above). There is no guarantee that the Inland Revenue Department would allow such discount.

The local employer in Hong Kong would not withhold payroll taxes in connection with these amounts. You will be personally responsible for reporting the taxable amount as income subject to salaries tax in your personal tax return and pay salaries tax on such income.

### 4 GAINS REALIZED ON SALE OF ARCADIS NV SHARES

No tax in Hong Kong would be imposed on gains from the sale of Arcadis NV shares.

### 5 DIVIDENDS

Any dividends received on your Arcadis NV shares are not taxable in Hong Kong.

However, dividends received on your Arcadis NV shares are generally subject to an automatic 15% dividend withholding income tax at source in the Netherlands. Under certain statutory conditions, Arcadis NV may decide to declare a dividend which will not be subject to dividend withholding income tax at source in the Netherlands. You will be informed about the amount of dividend tax actually withheld, if any.

### 6 EXCHANGE CONTROL INFORMATION

In general, you should not be subject to any foreign exchange requirements in connection with the Plan.

### 7 MISCELLANEOUS

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

**WARNING:** The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.