

Latvia	RSUs
<b>When will I be taxed in relation to my plan benefits?</b>	<p><b>Grant:</b> No income tax. No social security.</p> <p><b>Vesting:</b> Income tax and social security.</p> <p><b>Transfer to participant:</b> No income tax. No social security.</p> <p><b>Sale by participant:</b> Capital gains tax. No social security.</p>
<b>What is the maximum rate of income tax payable in relation to my plan benefits?</b>	33% (2025). Any change in tax rates usually takes effect from 1 January.
<b>Income tax rates</b>	<p>Annual salary income and benefits are taxed at the following rates (2025):</p> <ul style="list-style-type: none"> <li>• Personal allowance (non-taxable): EUR510 per month (to increase to EUR550 in 2026, and EUR570 in 2027);</li> <li>• up to EUR105,300: 25.5% PIT;</li> <li>• above EUR105,300: 33% PIT.</li> </ul> <p>Additionally, from tax year 2025, a new 3% tax is applicable, upon filing the annual income tax return, for income exceeding EUR200,000 per year. This additional rate is applicable to salary, capital gains, other capital income, income from economic activity, intellectual property income, and dividends (which are otherwise exempt from PIT).</p>
<b>Will my employer withhold income tax in relation to my plan benefits?</b>	Employer withholding will apply if there is a recharge or the shares are transferred through the local employer. If there is no recharge, employer withholding may not be required. This can be confirmed by a tax ruling.
<b>Are my plan benefits subject to social security contributions?</b>	<p>Yes, both employer and employee social security apply.</p> <p>Employer must withhold the employee contribution.</p>
<b>Employee social security</b>	<p><b>Employee social security (max rate):</b> 10.50% for both National Social Insurance (NSI) and solidarity tax.</p> <p><b>Employee social security (cap) in 2025:</b></p> <ul style="list-style-type: none"> <li>• NSI contributions are levied on income up to EUR105,300; and</li> <li>• solidarity tax is levied on income over EUR105,300.</li> </ul>

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<p><b>What is the maximum rate of capital gains tax?</b></p>	<p>25.5% (flat rate). Following the change in CGT in 2025, income from the sale of shares, initiated but not completed by 31 December 2024, will be taxed at 20% for the years 2025, 2026 and 2027, if the capital gains declaration appendix "<i>Information on transactions is started but not completed in one tax year</i>" is submitted.</p> <p>Additionally, starting from tax year 2025, a new 3% tax rate is applicable upon filing the annual income tax return, for income exceeding EUR200,000 per year, including income from capital gains. As a result, the maximum rate of income exceeding EUR200,000 will be 28.5%.</p>
<p><b>What is the maximum tax rate payable on dividends?</b></p>	<p>Dividend income is exempted, if the following preconditions are met:</p> <ul style="list-style-type: none"> <li>• if Latvia corporate income tax has been paid;</li> <li>• if foreign country corporate income tax or equal tax has been paid or personal income tax or equal tax has been deducted from dividends.</li> </ul> <p>If no tax has been paid for company profits or withheld from distribution of dividends, then received dividends are taxed at a rate of 25.5%.</p> <p>If the payer of the dividends is a non-resident, the recipient of the dividends is required to declare the received dividends for the period when the dividends were calculated and, with the declaration, provide proof that corporate income tax or equal tax has been paid or personal income tax or equal tax has been deducted from dividends (however, this is not needed if dividends are paid by an EU/EEA company).</p> <p>Starting from tax year 2025, a new 3% tax is applicable upon filing the annual income tax return, for income exceeding EUR200,000 per year, the tax is also applicable for income from dividends.</p>
<p><b>Do I have to report any income in relation to the plan to my local tax authority?</b></p>	<p>Yes</p> <p>There is no specific filing in relation to equity related incentives.</p> <p><b>Report name:</b> Annual Tax Return. Dividends are reported on the same return. The return must be filed online. The tax return is available in the Electronic Declaration System (EDS) of the Latvian State revenue service. An example can be downloaded from the website <a href="#">here</a>.</p> <p><b>Tax period:</b> 1 January to 31 December.</p> <p><b>Reporting deadline:</b> The report must be filed by 1 June, or by 1 July if income exceeds EUR105,300.</p>

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	<p><b>Capital gains tax is reported separately:</b></p> <ul style="list-style-type: none"> <li>• if the capital gain is less than EUR1,000 (quarterly), then by 15 January of the following year;</li> <li>• if the capital gain is more than EUR1,000 (quarterly), then by the 15th day of the month following the quarter.</li> </ul> <p><b>Payment of tax:</b> any unpaid income tax and dividend tax (if applicable) is due by 16 June if the tax payable is less than EUR640. If the tax payable is more than EUR640, tax can be paid in instalments. Capital gains tax must be paid by the 23rd day of the month that the tax declaration was submitted. For example, if a quarterly declaration is submitted, then by the 23rd day of the month following the quarter.</p>

This summary assumes that you only pay tax in one place. Different rules may apply if you pay tax in different places.

This summary is only a guide. It is limited to a general description of national tax laws and does not address various issues which may impact the tax result, including: local, city, regional, state or other provincial taxes; retention and holding periods; restrictions on the shares; clawback terms and periods; and your own individual circumstances. We do not guarantee any particular tax result. Therefore, we recommend that you consult your own tax advisor regularly to determine your tax position.

The information provided is understood to be correct as of 26 November 2025. Changes in legislation or practice after this date may affect the tax treatment.

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