



## VERALLIA'S INTERNATIONAL SAVINGS PLAN EMPLOYEE SHARE OFFERING 2024 LOCAL SUPPLEMENT FOR SPAIN

*You have been invited to invest in the shares of Verallia in the employee share offering 2024. You will find below a brief summary of the local offering information and principal tax consequences relating to the offering.*

*Please note that the decision whether or not to participate in this offering is yours to make, taking into consideration your own particular situation and any independent advice which you may require. Please also note that this offering, including its terms will not form part of your individual employment relationship with your employer. Neither Verallia nor your employer will give you investment advice with respect to this offering.*

### Local Offering Information

#### ***Subscription period and subscription price***

During the subscription period, you will be able to submit your subscription form to participate in the Verallia employee offering. The subscription period starts on May 2, 2024 and lasts until May 17, 2024 (inclusive).

The subscription price is equal to the average listed price of Verallia shares over the 20 trading days preceding the date on which the subscription price has been set (i.e. 2 May 2024), less a 15% discount. This price has been communicated to the employees as of 3 May 2023 and is the price that employees will pay when subscribing for their shares.

#### ***Method of Payment***

The method of payment available is by bank collection:

The full amount equal to your subscription will be debited on your bank account on 14 June 2024. The bank account should be a Spanish bank account.

If the bank's collection is rejected, the subscription will be cancelled. However, the costs that such rejection may have caused will be borne by the employee.

#### ***Over subscription***

If the total number of shares requested is greater than the number of shares offered in the employee offering, the highest subscriptions (including contribution) will be reduced to the number of shares dedicated to the operation. This operation will be carried out before the final allocation of shares is confirmed.

#### ***Financing at the legal interest rate:***

The subscriber may ask his employer for a loan to finance all or part of the amount of his subscription, under the following conditions:

- In order to **apply** for the loan and justify his request, he/ she must present the subscription form, signed and stamped, to his HR manager.
- The **maximum amount** of the loan will be the lesser of 25% of his/her gross annual remuneration estimated for 2024; or the amount of the charge you will receive on your bank account for your subscription.
- The interest that will be applied for this loan will be the legal interest of the money in force at the time. As of today it is 3.25% per year.
- This financing must be cancelled by the subscriber before 31 December 2024, and always before the shares acquired in 2024 are released.

#### ***Custody of your shares***

Your shares will be subscribed and held in an account opened in your name at a custody bank in France.

### ***Dividends***

Any dividends paid with respect to Verallia shares will be paid to you in your bank account, the same account in which you are charged for the shares.

### ***Voting rights***

You will have the right to exercise the voting rights pertaining to such shares.

### ***Matching contribution***

The employee's personal contribution (subscription payment) will be supplemented by a matching contribution paid by their employer according to the following formula:

- a matching contribution equal to 100 % of the employee's personal contribution up to EUR 500; plus
- a matching contribution equal to 60 % of the employee's personal contribution between EUR 500 and EUR 2000; plus
- a matching contribution equal to 30 % of the employee's personal contribution between EUR 2000 and EUR 3000; plus
- a matching contribution equal to 10 % of the employee's personal contribution between EUR 3000 and EUR 6000.

*Please note that the total amount of the matching contribution based on the above formula will be converted in a number of shares and will be rounded down to the nearest whole number of shares.*

### ***Lock-up period and Early Exit Events***

**Under the Verallia employee share offering**, your investment must be held for a period of approximately five-years, ending on June 1<sup>st</sup>, 2029 (excluded).

Nevertheless, you may be able to request early release and exit from the plan before the end of the lock-up period in the case of early exit events as described below:

1. your marriage or entry into a civil partnership;
2. the birth or adoption of a third (or subsequent) child provided that your household is already financially responsible for at least two children;
3. your divorce, the dissolution of your civil partnership or a separation when it is accompanied by a court decision specifying that your home is to be the sole or shared ordinary place of residence of at least one child;
4. your disability or the disability of your spouse, civil partner or child;
5. your death or the death of your spouse or civil partner;
6. your use of invested amounts for the purpose of acquisition or enlargement of a principal residence which includes the creation of new living space;
7. the creation or takeover, by you, your children, spouse or civil partner, of a business, provided that you have control of it, or the setting up of another self-employed activity, or the acquisition of shares in a production cooperative society;
8. termination of your employment contract;
9. your over-indebtedness; and
10. domestic violence against you by your spouse, civil partner or co-habiting partner, or your former spouse, civil partner or cohabiting partner, when such violence triggers legal proceedings.

Upon the occurrence of an event of early exit under the case numbers 1, 2, 3, 6 and 7 above, a beneficiary wishing to request redemption must contact his or her HR manager for the relevant supporting documents for the occurrence of the event to be submitted with the application. Both the application and the supporting documents must be submitted to the HR manager within six months of the event. In all other cases, after consultation with his or her HR manager regarding the relevant supporting documents, the beneficiary may submit his or her application to his or her employer, together with such supporting documents, at any time.

These early exit events are defined by French law and must be interpreted and applied in a manner consistent with French law. You should not conclude that an early exit event is available unless you have described your specific case to your employer and your employer has confirmed that it applies to your situation, upon you providing the requisite supporting documentation, which will be indicated to you, for each specific case, by your HR manager.

### ***Legal notices***

In accordance with paragraph 1 e) of article 41 of the Royal Decree 1310/2005, of November 4th, and Article 1.4. (i) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, Verallia is exempted from the obligation to publish a public offer prospectus in Spain regarding the Verallia Employee Share Offering.

This document, jointly with the subscription form for Spain and the brochure provided to you, comply with the requirements under paragraph 1 e) of article 41 of the Royal Decree 1310/2005, of November 4th, and Article 1.4. (i) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, which set forth the obligation of having a document containing information regarding the offering available for the persons to whom such offering is addressed.

## Tax and Social Security Information for Employees Resident in Spain

*This summary sets forth general principles that are expected to apply to employees who are, and shall remain until disposal of their investment, (i) residents in Spain for the purposes of the tax laws of Spain and the Convention between Spain and France for the avoidance of double taxation dated 10<sup>th</sup> October 1995 (the "Treaty") and (ii) entitled to apply the benefits of the Treaty.*

*For definitive advice, employees should consult their own tax and legal advisors regarding the tax consequences of subscribing to Verallia shares.*

*This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive.*

*The tax consequences listed below are described in accordance with Spanish tax law and certain French tax law and tax practices, as well as the Treaty, all of which are applicable at the time of the offering. These laws, practices and the Treaty may change over time.*

### Upon subscription

#### **I. Will I be required to pay any tax or Social Security contributions at the moment of subscription?**

##### **• Subscription:**

The acquisition of shares at a discounted price to their fair market value would be considered as remuneration in kind (salary) for the employees, being taxable by Personal Income Tax ("PIT") at progressive tax rates ranging from 18% to 54% (depending on the Autonomous Region in which the employee habitually resides).

The employer should carry out the corresponding payment on account ("*ingreso a cuenta*"), equivalent to the result of applying the withholding rate applicable to each employee to the remuneration in kind satisfied. In practice, the employer usually charges the payment on account to the employees through deduction from their payrolls.

Notwithstanding the above, a PIT exemption up to EUR12,000 could apply to the remuneration in kind received (calculated as the difference between the fair market value of the shares acquired at delivery and the subscription price) for shares held directly, provided that the offer complies with the following requirements:

- (i) Shares should be offered by the employer company or, in general terms, by any other company of the same group or sub-group of companies.
- (ii) Shares should be offered to all the employees in the same conditions (the requirement related to the minimum employment condition should not prevent availability of the tax exemption).
- (iii) Employees together with relatives should not have more than 5% of the company or of any other company of the group or subgroup of companies, and
- (iv) Shares should be held by the employees for at least 3 years<sup>1</sup>

Regarding the matching contribution received by you, it would also be considered as remuneration in kind (salary), being taxable by PIT at the moment of the delivery of the shares at progressive rates ranging between 18% and 54% (depending on the Autonomous Region in which the employee habitually resides). The taxable base would be quantified by the market value of the shares received at the moment of the delivery.

The employer should carry out the corresponding payments on account ("*ingresos a cuenta*") equivalent to the result of applying the withholding rate corresponding to each employee to the remuneration in kind satisfied. In practice, the employer usually charges the payment on account to the employee through its deduction from their payrolls.

Notwithstanding so, the aforesaid PIT exemption (up to EUR12,000) could apply to the shares received for free (together with the remuneration in kind derived from the shares acquired at a discount if allocated in the same calendar year) provided that the conditions already described for the subscription discount are met.

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<sup>1</sup> Please note that if said requirement is not fulfilled, the employee should file an extemporary PIT return of the fiscal year when the shares were acquired, with the corresponding delay interests, within the period existing between the moment of the breach of the holding period requirement and the last day for the filing of the PIT return of the fiscal year when the requirement is breached. Therefore, no obligations would arise for the employer.

Additionally, Social Security contributions would apply at the rate of 6.47% (6.52% for temporary employees) from your side (to be withheld by the employer from your monthly payslip) and 30.48% (plus a variable rate for work accidents purposes depending on the specific activity of the employee) for the employer, up to a maximum monthly contribution base as established yearly by the Spanish Authorities (EUR 4,720.50 as from 1<sup>st</sup> January 2024).

The granting by the employer of a possible loan at the legal interest rate (*i.e.*, 3.25% in 2024) would not have any tax implications provided that said loan will comply with the arm's length principle. Likewise, no Social Security contributions would arise.

### **During the life of the Plan**

#### ***II. Will I be required to pay any tax or Social Security contributions on dividends?***

##### **(i) Taxation in France**

Under French domestic law, dividends distributed by a French issuer to natural persons who are not French tax residents are subject to a French withholding tax at the rate of 12.8%<sup>2</sup>.

##### **(ii) Taxation in Spain**

As the dividends are paid directly by a financial institution resident in France, no withholding obligation would arise for the Spanish employer, nor for other company of the group.

Dividends directly paid to the employees would be taxable by PIT at the following tax rates:

- 19% for the first EUR 6,000;
- 21% on the amount received between EUR 6,000.01 up to EUR 50,000;
- 23% on the amount received between EUR 50,000.01 up to EUR 200,000;
- 27% on the amount received between EUR 200,000.01 and EUR 300,000; and,
- 28% on the amount exceeding EUR 300,000.

No Social Security contributions will apply upon dividends.

An International Double Taxation Relief equivalent to the amount of the tax paid in France (French withholding tax) may be applied, subject to certain conditions and limits.

### **Upon redemption**

#### ***III. Will I be required to pay any tax or Social Security contributions when, at the end of the lock-up period (or in the event of an authorized early exit event), I ask to redeem my shares for cash?***

##### **(i) Taxation in France**

You will not be subject to income taxes in France on the gain, if any, realized on the redemption of your shares.

##### **(ii) Taxation in Spain**

Capital gains (calculated as the difference between the redemption proceeds and the subscription price plus the remuneration in kind received, even when exempt or, in other words, calculated as the difference between the redemption price and the market value of the shares on the date of delivery) would be subject to PIT at the following tax rates:

- 19% for the first EUR 6,000;
- 21% on the amount received between EUR 6,000.01 up to EUR 50,000;
- 23% on the amount received between EUR 50,000.01 and EUR 200,000.
- 27% on the amount received between EUR 200,000.01 and EUR 300,000; and,
- 28% on the amount exceeding EUR 300,000.

No withholding tax obligations would arise neither for the employer nor for other entity of the group.

No Social Security contributions will apply upon redemption.

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<sup>2</sup> The dividend withholding tax rate is increased to 75% when the dividends are paid to a bank account opened in a Non-Cooperative State or Territory ("NCST"), unless the distribution of the dividends in a NCST has neither the object nor the effect of locating the dividends in such a NCST for tax evasion purposes. The list of NCSTs is updated at least once a year.

**IV. Will I be required to pay any tax or Social Security contributions, if I do not choose immediately to redeem my investment upon the expiration of the lock-up period.**

No. If the shares are maintained, no taxation and Social Security contributions should arise.

**Additional information**

**V. What are my reporting obligations with respect to the subscription, holding and redemption of the shares as well as the payment of dividends, as applicable?**

Income/capital gains derived from the subscription and redemption of the shares, as well as dividends, if any, should be declared by you in your PIT return (Form 100) corresponding to the fiscal year in which said income/dividend/capital gain has been obtained. The tax return must be filed, in general terms, within April-June of the year following the year during which you receive the income/capital gain (*i.e.*, the PIT tax return should be filed, in general terms, between April and June of 2025, regarding the remuneration in kind and capital gains obtained, if any, in 2024).

Additionally, the tenancy of shares could be taxable by the Spanish Wealth Tax, which is an annual tax payable on the total net value of taxable assets on 31 December of each fiscal year. This tax has been transferred from the Government to the different Spanish Autonomous Regions, which have approved the corresponding regional laws in this regard.

Therefore, the tax rates as well as the method of payment of the Wealth Tax, would depend on the Autonomous Region in which the individual habitually resides. Notwithstanding the above, each resident individual has a tax-free allowance of EUR 700,000 (as stated above, this tax-free allowance could vary depending on the Spanish Autonomous Region in which the individual is resident).

Please note that the obligation to file the corresponding Wealth Tax return would only be applicable, in general terms, for (i) individuals who are required to make a tax payment and (ii) individuals with rights and assets valued over EUR 2,000,000.00, even if they are not required to make any tax payment.

If, according to the preceding paragraph, the employee is obliged to file the Wealth Tax return (Form 714), he/she should file said return, in general terms, within April-June of the year following to the year concerned.

On top of the above, in December 2022, the Spanish Government approved (initially, only for the years 2022 and 2023, but it has been extended for years 2024 and on) a complimentary tax to the Spanish Wealth Tax, the Tax on Large Fortunes (“TLF”). The TLF taxes, at rates which vary between 1.7% and 3.5%, the ownership by individuals of net assets exceeding EUR 3,700,000 (considering the tax-free allowance of EUR 700,000 foreseen) in value, at the time of accrual. The Wealth Tax effectively paid can be deducted from the TLF final liability.

Those employees obliged to file this tax must submit the Form 718 between 1 July and 31 July of the year following the date accrual.

Finally, individuals would be obliged to inform the Spanish Tax Authorities, through the filing of 720 form / 721 form, regarding the assets held abroad when the value of the sum of all the following assets exceeds, in one fiscal year, EUR 50,000:

- i. securities or entitlements representative of share capital or equity of any entity,
- ii. crypto assets,
- iii. securities representatives of the transfer of own capital to third parties or,
- iv. securities contributed to any legal instrument as trusts or similar instruments, for its management, without legal personality but that were capable to act in the business course.

Said value shall be determined, in each case, according to specific rules (e.g., in case of securities representative of share capital or equity of an entity the balance of said securities on December 31st).

Please note that if the individuals have filed said returns in prior fiscal years, they would be required to file this form only if (i) the sum of the value of each of the category of assets mentioned above suffered an increase higher than EUR 20,000, or (ii) they cancel/sell the assets declared in the prior returns.

This return should be filed, in general terms, from January 1st to March 31st of each tax year regarding the assets held abroad in the immediately prior year.