

GlobalSharePlans.com is delighted to announce the first edition of GlobalSharePlans News. The aim of this Newsletter is to bring you up to date with developments throughout the world of Global Share Plans including the following specific features:

| GlobalSharePlans World | GlobalSharePlans Updates | Diary Corner |
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| A series of brief articles on the major Global Share Plan developments | A series of updates on international law and tax affecting Global Share Plans | A look at events currently on in the Global Share Plans World and what is coming up |

GlobalSharePlans World

INDIA Tax change provided by Sandeep Mehta of Little & Company India

Recent changes under the Finance Bill 2007 mean that any benefit provided by a company under an employee share plan to its employees will now be subject to Fringe Benefit Tax payable by the local employer. The FBT rate will be notified by the Indian tax authorities which can be maximum 33.99%. The Fringe Benefit Tax will be on the difference between the market value of the shares and the exercise price (with an option plan) and the market value of the shares on vesting (with Restricted Share Plans). The employee will now not be subject at all to tax under employee share plans until the sale of the shares (where they will be subject to tax on sale proceeds less the value of the shares upon which the FBT was paid by their employer. This radical change will:

1. Shift the tax burden to employers;
2. Mean that employees will now pay no tax until sale under any type of employee share plan. The Guidelines for the tax approved plans will therefore cease to be in effect and Tax Approved Plans will no longer be available in India.

The amendment will come into effect retrospectively from April 1, 2007 after the Finance Bill, 2007 will be passed by the Indian Parliament. There has been no clarification from the Indian Tax Authorities ("ITA") as to whether on exercise the local company which have in the past got approval for their plans still have to pay FBT. It seems that ITA may issue clarification

BRAZIL Foreign exchange legislation applicable to Stock Option Plans offered by the Brazilian employees' parent companies provided by Irene Dias S. Cavezzale and Karen F. de A. Schiavon, partner and associate of Pinheiro Neto Advogados in Brazil

Brazilian legislation applicable to foreign exchange has recently been on March 4, 2005 by the Central Bank of Brazil ("Central Bank"), with the New Ruling of the Foreign Exchange and Capital Market.

In general terms, the new regulation provides for the unification of the foreign exchange markets into one sole foreign exchange market aimed, among other aspects, at increasing the country's economy efficiency and decreasing the costs of foreign exchange transactions. The new regulation does not however alter the convertibility of local currency into foreign currency.

Under the new rules, Brazilian individuals are now permitted to purchase and sell foreign currency in order to remit monies to and from abroad, without any restriction. This would therefore include any remittance of funds required to participate in stock option plans offered by the Brazilian employees' parent company overseas. However, these foreign exchange transactions will need to be effected by a Brazilian bank duly authorized to deal in foreign exchange. The local bank in charge of the foreign exchange transaction is responsible for verifying that all the legal requirements relating to the transactions have been fulfilled.

At present, the requirements imposed by the Brazilian law in connection with the transfer of fund as under an employee share plan are of a tax and regulatory nature:

Tax Under the regulations, each participant must include the appropriate information relating to the share acquisition in their annual income tax return and pay the applicable taxes in Brazil if and when due

Regulatory Under the regulations, each participant must inform the Central Bank any amounts to be remitted and any assets and rights held outside Brazil in the form of the statement of assets and amounts held abroad, is available in the Central Bank's Website www.bcb.gov.br. Brazilian Capital Abroad. However, Under the Central Bank rules applicable to the fiscal year of 2006, any holdings by Brazilian individuals not exceeding US\$100,000.00 as at December 31, 2006 are exempted from such disclosure.

The Difficult Countries

Starting with the more complex countries, there follows a brief roundup of the status quo in these countries.

VIETNAM

As you may be aware, there is no specific law governing Vietnamese participating in international employee share plans. The current laws on tax, securities and corporate matters were not drafted with the intention that they would apply to employee share plans. Consequently, only employee share plans that do not involve any remittance of money out of Vietnam are allowed, and even for these plans, permission is given by the State Bank of Vietnam ("SBVN") only on a case-by-case. The main issue that affects the implementation of employees share plans is therefore forex control.

However, Vietnamese law in this area is developing. On December 28, 2006, a new Foreign Exchange Decree provided that residents may make offshore investment in the form of indirect investment if they meet all the conditions set by the SBVN. The Governor of SBVN will specify the conditions, order, procedures and the use of foreign currencies for offshore indirect investment. Although the Governor of the SBVN has not yet issued any forex regulations, this new Decree does create an opportunity for the SBVN to adopt specific procedures to invest in shares issued offshore, which could have a positive effect on employee share plans. If the SBVN ever issues such regulations the hope is that the procedures will be transparent and aid the running of employee share plans in Vietnam. For the time being however companies will need to be patient and monitor any developments.

Article Provided by Russin Vecchi

CHINA

The Chinese government has hinted that it may be prepared to give approval to certain employee share plans where these plans are put through a process with the State Administration of Foreign Exchange. This could be a significant advance as exchange controls can be a significant barrier to the operation of share plans in China. However, at present the proposal is in its formative stage and local advice and assistance would be required before going through any approval process. As far as we aware no company has yet gone through this approval process.

RUSSIA

Despite welcome changes to the currency controls in 2006 which apparently allow individuals to remit funds out of Russia with no limits as to amounts; it is still not entirely straightforward running international share plans in Russia. The lack of clarity around securities laws and the requirement to register any remittances in compliance with the Law on Currency Regulation and Currency Control means that operating share plans in Russia, while on paper is now a more straightforward process, continues to be complicated and requires local advice.

ZIMBABWE

Zimbabwe continues to be a difficult country to run employee share plans and effectively can only be run in a cashless way. Obtaining official approval to run employee share plans particularly if they involve the remittance of funds, is still proving extremely difficult

All the above articles can all be found on the GlobalSharePlans.com website

GlobalSharePlans Updates

Brief snippets as to changes that have occurred in the first quarter of 2007. These are all available on www.globalshareplans.com

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| <p>Venezuela Recent amendments to exchange control laws require companies to register with the Comision de Administracion de Divisas (“CADIVI”). Where employees receive cash in foreign currency in Venezuela (through dividends or share sales) these foreign exchange regulations may affect the receipt of that foreign currency. Local advice is recommended</p> | <p>Czech Republic A Recent decree by the Ministry of Finance clarifies that taxation of options is likely to be on exercise and that withholding is only required and social tax payable where there is a chargeback of costs</p> | <p>Italy The Italian government is considering an increase in CGT rates on non qualified stock from 12.5% to 20%</p> |
| <p>Holland EU Prospectus Directive Recent indications from the Dutch Regulatory Authorities appear to indicate that options will be considered non-transferable securities and are unlikely to trigger a prospectus requirement on grant or exercise. However, the double offer (on grant and exercise) still remains an issue in Holland (as well as Germany, France and Italy).</p> | <p>China The Chinese government has hinted that it may be prepared to give approval to certain employee share plans where these plans are first put through an approval process with the State Administration of Foreign Exchange</p> | <p>Bulgaria Recent changes to securities laws now define a public offer as the supply of any information concerning shares addressed to 100 or more persons. Employee share offers above this 100 person threshold may therefore be considered public offer</p> |

Diary Corner

GEO Annual Conference 2007 - 27 to 29 June Regional Meetings – 11 April Netherlands, 2 May Boston, 8 May New York, 15 May US Midwest---- Full Details at www.globalequity.org

NASPP Annual Conference October 9-12, 2007 The 2007 Annual Conference in San Fransisco will focus on today’s hot topics, including stock option expensing, deferred compensation, changing shareholder expectations, increased public scrutiny of executive compensation and stock plans, the new executive compensation disclosures, new opportunities in plan design, the latest administrative innovations, and international developments ---- Full Details at www.naspp.com