**SOUTH KOREA**

**Social security and Personal Income Tax Information**

You have been invited to invest in shares of Airbus SE in the context of the **2021 Airbus Employee Share Ownership Plan (2021 ESOP).**

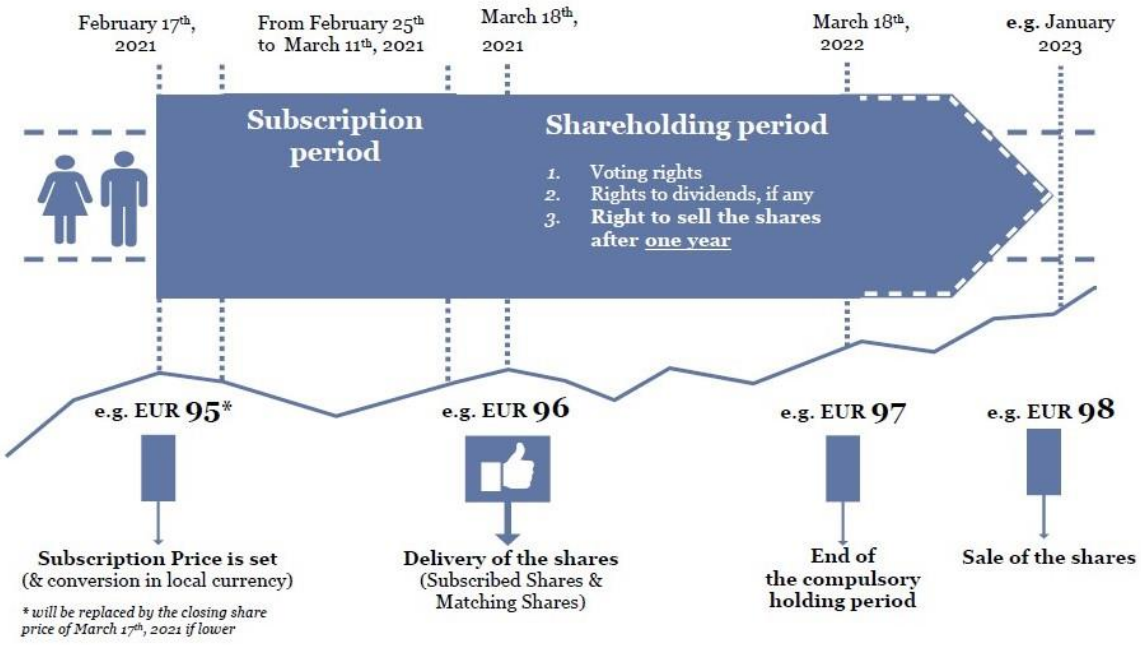
The purpose of this document is to provide to you an overview of individual income tax and social security consequences in South Korea arising from your participation in the **2021 ESOP.**

The tax and social security implications described below apply to you if at all times:

- You are subject to individual income tax in South Korea; and
- You perform your professional activity exclusively in South Korea; and
- You are subject to the mandatory State social security scheme of South Korea; and
- You are a non-American citizen.

The information set forth below is based on the individual income tax and social security laws in force in **December 2020** in South Korea. Please keep in mind that the rules may change and affect the individual income tax and/or social security treatment described below. This note is provided to you for information purposes only. It is not relevant if you are in an international mobility situation.

## Illustration




*This scheme is an illustration only and is not intended to predict the market value of the Airbus Share in the future.*

**IMPORTANT**

**Share price evolution on the stock market is unpredictable. When making your decision please remember that the price of Airbus shares can go up or down. Airbus cannot provide you with any financial/tax advice. If you are in any doubt about whether to participate in the 2021 ESOP you should speak to an independent financial/tax advisor.**

## 1. Taxation at the time of subscription of Airbus shares

In 2021 ESOP, you pay the subscription price for a number of Airbus shares (Subscription Shares) and receive additional Airbus shares (Matching Shares) for free thereby reducing your acquisition cost per share.

- You make a taxable benefit corresponding to the difference between the value of all shares delivered to you (Subscription Shares and Matching Shares) and the subscription price that you paid:

  *Taxable benefit = market value of the share x total number of shares received - price you paid in total for your purchase*

  For tax purposes, the market value is the closing listed price of Airbus SE share on the date of its delivery to you, i.e., on the date of the capital increase to take place on March 18th, 2021.

  This benefit is subject to tax at progressive rates currently ranging **from 6.6% to 46.2% (maximum tax rate to be increased to 49.5% effective from January 1st, 2021)**.

  You will be responsible for reporting the taxable benefit in your annual tax return to be filed before **May 31st (without any extensions) of the year following the allocation of the shares**. Tax due will depend on actual rates when tax return is filed.

  Your employer will not withhold taxes and **you will be individually responsible for their payment**.

  If you join a Taxpayers' Association whereby employees routinely report the taxable discount paid outside Korea and pay tax on a monthly basis through that Taxpayer's Association, you may be eligible for a 5% tax credit on the tax dues arising from such taxable discount

- Additionally, you benefit from a facility offered by your employer for payment of the subscription price. Your employer will make an advance for the total amount of your subscription to be repaid through salary deductions in 3 installments of equal amount.

  It will be considered that you have benefited from a taxable income equal to a deemed interest of 4.6% per annum of the amount of the advance made by your employer, which is the amount of your subscription.

  Such income will be subject to tax as salary income, **at progressive rates ranging from 6.6% to 46.2 % (maximum tax rate to be increased to 49.5% effective from January 1st, 2021).** The same amount is **subject to social security contributions**.

  As salary income, the amount of tax and social security contributions owed by you **will be withheld by your employer** from your salary.

## 2. Taxation/reporting during the holding of your Airbus shares

You are required to hold your shares for a period of at least **one year**. As long as you will continue to hold your Airbus shares, you will be taxable with respect to dividends if any are distributed by Airbus SE.

- Dividends will be subject to a dividend withholding tax in the Netherlands and will then be taxable in your country.

### a. Taxation of dividends in the Netherlands

Under Dutch domestic law, dividends paid by Airbus will be subject to a withholding tax in the Netherlands at the time the dividend is declared by the general meeting of shareholders. The rate of the Dutch dividend withholding tax is 15%.

A supporting document (Tax Voucher) evidencing the payment of Dutch withholding tax is made available each year on SHARINBOX –Société Générale website.

### b. Taxation of dividends in South Korea

Under South Korea tax law, dividends are taxed at **progressive rates ranging from 6.6% to 46.2% (maximum tax rate to be increased to 49.5% effective from January 1st, 2021)**

**A tax credit will be available** for the withholding tax paid in the Netherlands.

You will be responsible for reporting the dividends in your annual income tax return following the year during which the income is received or made available to you and paying the corresponding tax.

However, please note that tax residents in Korea of foreign nationality who have been domiciled or residing in Korea for less than five years in total during the previous ten years ending on the last day of the relevant taxation year, are not subject to Korean income tax on their foreign source income attributable to that taxation year, unless such income is transferred or paid to Korea.

- A South Korea tax resident is required to **report their bank and financial accounts in a foreign country to the Korean tax authority by June 30th of the following year if the aggregate balance of these accounts exceed KRW 500 million at the end of any month during a calendar year**.

  Airbus shares or the accounts in which they are held may need to be reported on the Foreign Bank and Financial Accounts Reporting Form 21. You should discuss whether your personal circumstances will require you to file this Form with your personal tax adviser.

  A foreign tax resident who has resided in Korea for no more than five years in aggregate during a ten-year period from the end of a tax year can be exempted from the reporting obligation.

## 3. Taxation at sale of your Airbus shares

You will not be able to sell or transfer the shares acquired under the 2021 ESOP for a period of **one year**. In practice, you will be able to sell your shares **from March 19th, 2022**. End of the holding period is not a taxable event.

Taxation will take place at the time of sale of your shares, if you make a capital gain.

The capital loss from the sale of shares can be offset against the capital gain from the sale of shares to the extent that the loss takes place in the same calendar year when the gain arises. The unutilized loss balance, however, can be not be carried forward nor reportable for the future years.

The capital gain is equal to the difference between the gross sale proceeds on the date of the sale and the tax cost basis of the shares minus the transaction costs (e.g. broker's fees).

*Taxable benefit = sale proceeds - market value of shares received - broker's commissions*

**Capital gain of KRW 2,500,000 or less per year is tax exempt**. Any excess beyond this amount is taxed at the **flat rate of 22%.**

**You must declare** your capital gain through capital gain tax return for the year during which the gain was received or made available to you. **You are responsible for paying** this capital gain tax.

Same as with dividends, tax residents in Korea of foreign nationality who have been domiciled or residing in Korea for less than five years in total during the previous ten years ending on the last day of the relevant taxation year, are not subject to Korean income tax on their foreign source income attributable to that taxation year, unless such income is transferred or paid to Korea.

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