

China Employee Tax Guide

MyShare: Free Shares

Introduction

The following is a summary of the tax treatment of an award made to you by Anglo American plc under the MyShare: Free Shares (the "Plan"). This summary assumes that you have been resident in China during the lifecycle of the award.

The tax treatment as explained herein is intended as a guide only. It is limited to a general description of the national tax laws, and is not intended to address city, regional, or other local tax laws that may be applicable to you. It may not apply to your particular tax or financial situation, and we are not in a position to assure you of any particular tax result. Therefore, we recommend that you consult with your own independent tax advisor regularly to determine the consequences of taking or not taking any action concerning your shares, and to determine how the tax or other laws in China apply to your specific situation. This information was last reviewed in December, 2025.

Overview

Award

- An award is a promise to receive Anglo American plc shares in the future.
- You must accept your award at your broker.
- You are **not subject to taxation on equity** at this point.

Vesting

- The date when you receive Anglo American plc shares.
- You **are subject to taxation on equity** at this point.
- Taxable income is calculated based on the fair market value (FMV) of the shares.
- The FMV is the closing stock price of the last trading day before the vest date.
- **Anglo American plc is responsible for reporting the income.**
- You are also **responsible for reporting the income.**

Sale

- The date you sell Anglo American plc shares.
- This event may generate additional income known as Capital Gain (CG), or a loss.
- Generally speaking, Capital Gain is the growth in value from vest to sale.
- If there is a **Capital Gain** on the sale of shares, tax is due in the tax year of sale.
- You are responsible for calculating the tax and reporting this capital gain.

Will I pay tax when I am granted an award under the Plan?

You will not have to pay any tax at the time you are granted an award under the Plan.

Will I pay tax when my award vests?

When your award vests, income tax will be triggered on the market value of the shares at the time of vesting at rates of up to 45%.

What about any social taxes?

You will also be required to pay the following taxes:

- **Pension Funds:** For earnings up to CNY 35,811 per month, you will be required to pay Pension Funds on the market value of the shares when you receive these shares at a rate up to 8%.

- **Unemployment Insurance:** For earnings up to CNY 35,811 per month, you will be required to pay Unemployment Insurance on the market value of the shares when you receive these shares at a rate up to 0.5%.
- **Medical and Maternity Insurance:** For earnings up to CNY 35,811 per month, you will be required to pay Medical and Maternity Insurance on the market value of the shares when you receive these shares at a rate up to 2%.
- **Housing Funds:** For earnings up to CNY 35,811 per month, you will be required to pay Housing Funds on the market value of the shares when you receive these shares at a rate up to 12%.

Will the company withhold any taxes from awards?

Anglo American plc will deduct and withhold tax on your behalf.

Any variance between the amount of tax withheld and your actual tax liability will be your responsibility.

How will any benefits under the Plan be reported?

You will need to report:

- Any income tax due on vesting of the shares to the tax authorities by March 31 of the following year.
There is a requirement to file a tax return if the tax amount paid in advance within a tax year is either less or more than the tax payable amount. The employee needs to report the income tax to competent tax authority from 1 March to 30 June of the subsequent year, otherwise no need to report the income tax.
- Any capital gains tax due on the sale of shares to the tax authorities in the annual tax return, due by March 31.

Will I have to pay any tax on any dividends paid on the shares?

A dividend is a right to participate in the company's profits, at the discretion of the board of directors.

Any dividends you receive will be taxed at a rate of 20%.

Foreign individuals will be subject to Chinese tax on foreign sourced dividends starting from the 7th consecutive full year of residing in China.

Will I pay any tax when I sell my shares?

As the calculation of capital gains can be complex and may be subject to certain exemptions, we recommend that you consult your personal financial/tax advisor.

If the sale price of your shares is higher than their cost basis (broadly, the cost basis is equal to the fair market value of the shares at the time of vesting), the difference will be taxable as a capital gain, at a rate of 20%. If the sale price is lower than the cost basis of the shares, you may realize a capital loss.

Capital gains tax on income derived outside of China is only payable by non-Chinese nationals if they have been resident in China for over 6 years.

The withholding obligation might depend on the practice of each local authority.

Additional Information

Social Insurance Rates

The actual rates of social taxes and applicable earnings caps vary slightly by region and specific payroll advice should be taken in each Chinese region to determine exact rates. Social taxes include contributions to pension funds, collective housing funds, unemployment insurance, medical insurance, maternity insurance and work-related injury insurance.

The social taxes displayed are applicable for Beijing; tax rates in other areas may differ. In Beijing, the collective housing fund contribution payable by the employee and the employer ranges from 5% - 12% whereas the employer Work Related Injury Insurance contribution rate ranges from 0.2% - 1.9%. The rate displayed in this summary is the highest rate.

Shanghai social security rates are the following:

- Employee: Social taxes payable at a flat rate of 17.5%, capped at earnings of CNY 37,302 per month.
- Local Company: Social taxes payable at a flat rate of 34.4%, capped at earnings of CNY 37,302 per month

Calculation of Fair Market Value for Tax Purposes

The fair market value of a publicly traded share for tax purposes should generally be calculated using the closing price of the shares on the day of the taxable event. The fair market value of private company shares should be calculated in accordance with the sequence of net asset method, analogy method or other reasonable method. Where the net asset method is adopted, the fair market value should be determined in accordance with the net assets as at end of the preceding year in which the shares are obtained.

Sample tax calculation

The following is an example of the tax implications upon vesting of shares and subsequent sale of shares under the Plan. This example assumes:

- You were in China the whole time from grant to vest of the MyShare: Free Shares award.
- An income tax rate of 45%.
- Capital Gains Tax of 20%.
- This example does not take into account any annual Capital Gains Tax (CGT) exemptions which may be available.
- This illustration does not take into account any capped social tax amount.
- Tax calculation is based on the currency in which the shares are traded and any subsequent currency conversion has not been applied.

Tax implications

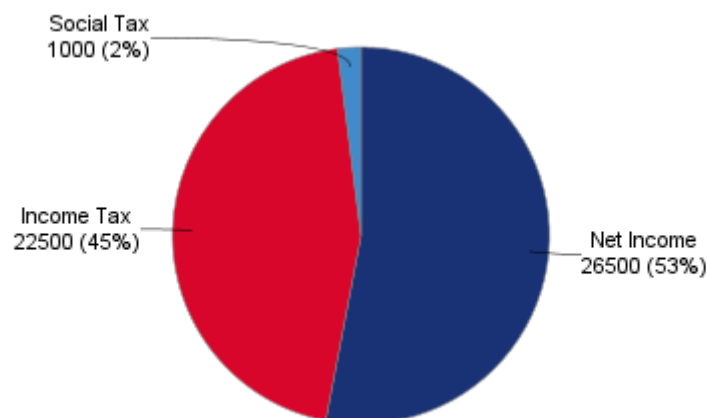
Award

No taxes due.

Vesting

Number of Shares Vested	5000
Fair Market Value (FMV) of the shares on Vesting	GBP 10
Taxable Income (5000 x GBP 10)	GBP 50,000
<u>Income Tax Withheld (GBP 50,000 x 45%)</u>	<u>GBP 22,500</u>
Net Income (GBP 50,000 - GBP 22,500)	GBP 27,500

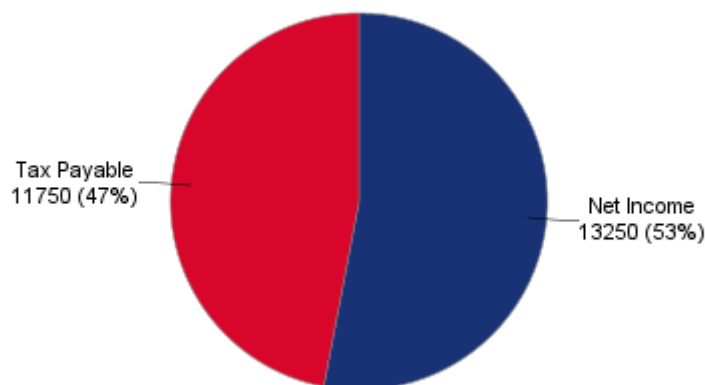
Vesting



Sale

Number of shares sold	5000
Fair Market Value (FMV) of the shares on sale	GBP 15
Sale Proceeds (5000 x GBP 15)	GBP 75,000
Less: Acquisition Costs	
Amount previously taxed	GBP 50,000
Capital Gain	GBP 25,000
Tax Payable (GBP 25,000 x 20%)	GBP 5,000
Net Income (GBP 25,000 - GBP 5,000)	GBP 20,000

Sale



** Please note the above is for information purposes only. Transaction fees may also apply and are not included.*

The share price used in this example is for illustration purposes only and does not necessarily reflect Anglo American's current share price.

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