

Further description of Dutch taxation

General

This annex is a general outline of the principal Dutch tax consequences of the holding and disposing of the FT Ltd Shares. It does not present a comprehensive or complete description of all aspects of Dutch tax Law which could be relevant to a Shareholder. For Dutch tax purposes, a Shareholder may include an individual or entity not holding the legal title to the FT Ltd Shares, but to whom, or to which, the FT Ltd Shares are, or the income from the FT Ltd Shares is, nevertheless attributed based either on this individual or entity owning a beneficial interest in the FT Ltd Shares or on specific statutory provisions. These include statutory provisions attributing FT Ltd Shares to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the FT Ltd Shares.

This annex is intended as general information only. Existing and prospective Shareholders should consult their own tax adviser regarding the tax consequences of any acquisition, holding or disposal of FT Ltd Shares. Capitalised terms not defined in this annex have the meaning ascribed thereto in the Shareholders Circular.

This annex is based on Dutch tax Law as applied and interpreted by Dutch tax courts and as published and in effect on the date of this Shareholders Circular, including the tax rates applicable on that date, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect. Any reference in this annex made to Dutch taxes, Dutch tax or Dutch tax Law should be construed as a reference to any taxes of any nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities or to the Law governing such taxes, respectively. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

This annex does not describe any Dutch tax considerations or consequences that may be relevant where a Shareholder:

- (a) is an individual and the Shareholder's income or capital gains derived from the FT Ltd Shares are attributable to employment activities, the income from which is taxable in the Netherlands;
- (b) has a substantial interest (*aanmerkelijk belang*) or a fictitious substantial interest (*fictief aanmerkelijk belang*) in FT Ltd within the meaning of chapter 4 ITA;
- (c) is an entity that, although it is in principle subject to Dutch corporate income tax under the CITA, is not subject to Dutch corporate income tax or is fully or partly exempt from Dutch corporate income tax (such as a qualifying pension fund as described in Section 5 CITA and a tax exempt investment fund (*vrijgestelde beleggingsinstelling*) as described in Section 6a CITA), or is an entity that is not tax resident in the Netherlands and that has a function comparable to a tax exempt investment fund (*vrijgestelde beleggingsinstelling*) as described in Section 6a CITA;
- (d) is an investment institution (*beleggingsinstelling*) as described in Section 28 CITA, or is an entity that is not tax resident in the Netherlands and that has a function comparable to an investment institution (*beleggingsinstelling*) as described in Section 28 CITA;

- (e) is required to apply the participation exemption (*deelnemingsvrijstelling*) with respect to the FT Ltd Shares (as defined in Section 13 CITA). Generally, a Shareholder is required to apply the participation exemption if it is subject to Dutch corporate income tax and it, or a related entity, holds an interest of five percent or more of the nominal paid-up share capital in FT Ltd; or
- (f) is entitled to the dividend withholding tax exemption (*inhoudingsvrijstelling*) with respect to any profits derived from the FT Ltd Shares (as defined in Section 4 DWTA). Generally, a Shareholder may be entitled or required to apply the dividend withholding tax exemption if it holds an interest of five percent or more of the nominal paid-up share capital in FT Ltd.

Withholding tax

A Shareholder is generally subject to Dutch dividend withholding tax at a rate of fifteen percent on dividends distributed by FT Ltd. Generally, FT Ltd is responsible for the withholding of such dividend withholding tax at source.

Dividends distributed by FT Ltd include, but are not limited to:

- (a) distributions of profits in cash or in kind, whatever they be named or in whatever form;
- (b) proceeds from the liquidation of FT Ltd or proceeds from the repurchase of FT Ltd Shares by FT Ltd, other than as a temporary portfolio investment (*tijdelijke belegging*), in excess of the average paid-in capital recognized for Dutch dividend withholding tax purposes;
- (c) the par value of the FT Ltd Shares issued to a Shareholder or an increase in the par value of the FT Ltd Shares, to the extent that no related contribution, recognized for Dutch dividend withholding tax purposes, has been made or will be made; and
- (d) partial repayment of paid-in capital, that is (i) not recognized for Dutch dividend withholding tax purposes, or (ii) recognized for Dutch dividend withholding tax purposes, to the extent that FT Ltd has “net profits” (*zuivere winst*), unless (a) the General Meeting has resolved in advance to make this repayment, and (b) the par value of the FT Ltd Shares concerned has been reduced by an equal amount by way of an amendment to the Bye-Laws. The term “net profits” includes anticipated profits that have yet to be realized.

Subject to certain exceptions under Dutch domestic Law, FT Ltd may not be required to transfer to the Dutch tax authorities the full amount of Dutch dividend withholding tax due in respect of dividends distributed by FT Ltd, if FT Ltd has received a profit distribution from a qualifying foreign subsidiary as described in Section 11 DWTA, which distribution (i) is exempt from Dutch corporate income tax and (ii) has been subject to a foreign withholding tax of at least five percent. The amount that does not have to be transferred to the Dutch tax authorities can generally not exceed the lesser of either (a) three percent of the dividends distributed by FT Ltd, or (b) three percent of the profit distributions FT Ltd received from qualifying foreign subsidiaries in the calendar year in which FT Ltd distributes the dividends (up to the moment of this dividend distribution) and the two previous calendar years; further limitations and conditions apply.

If a Shareholder is an individual that is resident or deemed to be resident in the Netherlands or is an individual that is not resident or deemed to be resident in the Netherlands, but for whom dividends distributed by FT Ltd or income deemed to be derived from the FT Ltd Shares is subject to income tax under the ITA, such Shareholder is generally entitled to a credit for any Dutch dividend withholding tax against his Dutch tax liability and to a refund of any residual Dutch dividend withholding tax. Entities that are resident or deemed to be resident in the Netherlands and entities that are not resident or deemed resident in the Netherlands, but for which dividends distributed by FT Ltd are subject to corporate income tax under the CITA, can only credit Dutch dividend withholding tax up to the total amount of their Dutch corporate income tax liability without taking into account any credit for Dutch dividend withholding tax and gaming tax (*kansspelbelasting*). To the extent the aggregate of the Dutch dividend withholding tax and gaming tax exceeds the aggregate Dutch corporate income tax liability in respect of the relevant year, the excess is not refunded, but carried forward to future years subject to certain restrictions and conditions.

Depending on specific circumstances, a Shareholder resident in a country other than the Netherlands and for whom dividends distributed by FT Ltd or income deemed to be derived from the FT Ltd Shares is not subject to tax under the ITA or the CITA may be entitled to exemptions from, reduction of, or full or partial refund of, Dutch dividend withholding tax under Dutch Law, EU Law, or treaties for the avoidance of double taxation.

Furthermore, if a Shareholder (i) is an entity which is resident in a member state of the EU, or a state that is a party to the EEA, or is a Qualifying Shareholder (as defined below), (ii) is not subject to a profit tax levied by that state and (iii) would not have been subject to Dutch corporate income tax had the Shareholder been resident in the Netherlands, this Shareholder will generally be eligible for a refund of Dutch dividend withholding tax on dividends distributed by FT Ltd.

For purposes of the above, a "Qualifying Shareholder" is an entity that (i) is resident in a jurisdiction with which the Netherlands can exchange information in line with the international standard on exchange of information, and (ii) holds its FT Ltd Shares as a portfolio investment, *i.e.*, its FT Ltd Shares are not held with a view to establish or maintain lasting and direct economic links between the Shareholder and FT Ltd and the FT Ltd Shares do not allow the Shareholder to participate effectively in the management or control of FT Ltd.

A Shareholder that is resident (i) in an EU member state, (ii) in a state that is a party to the Agreement on the EEA, or (iii) in a designated third state with which the Netherlands has agreed to an arrangement for the exchange of information on tax matters and for whom dividends distributed by FT Ltd or income deemed to be derived from the FT Ltd Shares is not subject to tax under the ITA or the CITA, may be entitled to a full or partial refund of Dutch dividend withholding tax incurred in respect of the FT Ltd Shares if the final tax burden in respect of the dividends distributed by FT Ltd of a comparable Dutch resident shareholder is lower than the withholding tax incurred by the non-Dutch resident Shareholder. The refund is granted upon request, and is subject to conditions and limitations. No entitlement to a refund exists if the disadvantage for the non-Dutch resident Shareholder is entirely compensated in his state of residence under the provisions of a treaty for the avoidance of double taxation concluded between his state of residence and the Netherlands.

According to Dutch domestic anti-dividend stripping rules, no credit against Dutch tax, exemption from, reduction, or refund of Dutch dividend withholding tax will be granted if the recipient of the dividends paid by FT Ltd is not considered to be the beneficial owner (*uiteindelijk gerechtigde*) of those dividends.

The DWTa provides for a non-exhaustive negative description of a beneficial owner. According to the DWTa, a Shareholder will not be considered the beneficial owner of the dividends if as a consequence of a combination of transactions:

- (a) a person other than the Shareholder wholly or partly, directly or indirectly, benefits from the dividends;
- (b) whereby this other person retains or acquires, directly or indirectly, an interest similar to that in the FT Ltd Shares on which the dividends were paid; and
- (c) that other person is entitled to a credit, reduction or refund of Dutch dividend withholding tax that is less than that of the Shareholder.

Taxes on income and capital gains

Residents of the Netherlands

The description of certain Dutch tax consequences in relation to taxes on income and capital gains in this annex is only intended for the following Shareholders: (i) individuals who are resident or deemed to be resident in the Netherlands (“**Dutch Resident Individuals**”) and (ii) entities or enterprises that are subject to the CITA and are resident or deemed to be resident in the Netherlands (“**Dutch Resident Corporate Entities**”).

Dutch Resident Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Resident Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to income tax at statutory progressive rates with a maximum of 49.50 percent on any benefits derived or deemed to be derived from the FT Ltd Shares, including any capital gains realized on any disposal of the FT Ltd Shares, where those benefits are attributable to:

- (a) an enterprise from which a Dutch Resident Individual derives profits, whether as an entrepreneur (*ondernemer*) or by being co-entitled (*medegerechtigde*) to the net worth of this enterprise other than as an entrepreneur or shareholder; or
- (b) miscellaneous activities, including activities which are beyond the scope of active portfolio investment activities (*meer dan normaal vermogensbeheer*).

Dutch Resident Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, FT Ltd Shares held by a Dutch Resident Individual who is not engaged or deemed to be engaged in an enterprise or in miscellaneous activities, or who is so engaged or deemed to be engaged but the FT Ltd Shares are not attributable to that enterprise or miscellaneous activities, will be subject to an annual income tax imposed on a fictitious yield on the FT Ltd Shares under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realized, the annual taxable benefit from a Dutch Resident Individual's assets and liabilities taxed under this regime, including the FT Ltd Shares, is based on fictitious percentages of the positive balance of the fair market value of these assets, including the

FT Ltd Shares, and the fair market value of these liabilities. No taxation occurs if this positive balance does not exceed a certain threshold (*heffingvrij vermogen*). The fair market value of assets, including the FT Ltd Shares, and liabilities that are taxed under this regime is measured once in each calendar year on January 1. The tax rate under the regime for savings and investments is a flat rate of 31 percent.

Based on a decision by the Dutch Supreme Court of 24 December 2021 (ECLI:NL:HR:2021:1963) concerning the years 2017 and 2018, taxation under the regime for savings and investments as currently included in the Dutch tax code may under specific circumstances contravene the European Convention on Human Rights. On 28 June 2022 the Dutch State Secretary of Finance has issued a decree amending the regime for taxation of savings and investments as in effect on the date of this Shareholders Circular to comply with this Dutch Supreme Court ruling. On the basis of the decree as published on 28 June 2022 the tax will be levied at the lowest outcome of the following two calculation methods:

Method 1:

Under method 1, the annual taxable benefit from a Dutch Resident Individual's assets and liabilities taxed under this regime, including the FT Ltd Shares, is based on fictitious percentages of the positive balance of the fair market value of those assets, including the FT Ltd Shares, and the fair market value of these liabilities, which percentages increase:

- (a) from 1.82 percent over the first EUR 50,650 of the positive balance;
- (b) to 4.37 percent over any excess positive balance between EUR 50,650.01 up to and including EUR 962,350; and
- (c) to a maximum of 5.53 percent over any excess positive balance of EUR 962,350.01 or higher.

Method 2:

Under method 2, the annual taxable benefit from a Dutch Resident Individual's assets and liabilities taxed under this regime, including the FT Ltd Shares, is based on the actual allocation of the Dutch Resident Individual's assets and liabilities over the following three categories: (i) bank savings, (ii) other investments, including the FT Ltd Shares, and (iii) liabilities. The tax is calculated as follows:

- (a) a fictitious yield percentage of the fair market value of the actual amount of bank savings; plus
- (b) a fictitious yield percentage of the fair market value of the actual amount of other investments, including the FT Ltd Shares; minus
- (c) a fictitious costs percentage of the fair market value of the actual amount of liabilities.

Under the second method, the threshold (*heffingvrij vermogen*) is divided pro-rata over the three assets and liabilities categories mentioned above. At the date of this Shareholders Circular, the fictitious percentages under (i) to (iii) above have not been published for the year 2022. Shareholders are advised to consult their own tax advisor to ensure that the tax is levied in accordance with the decision of the Dutch Supreme Court.

Dutch Resident Corporate Entities

Dutch Resident Corporate Entities are generally subject to corporate income tax at statutory rates up to 25.8 percent on any benefits derived or deemed to be derived from the FT Ltd Shares, including any capital gains realized on their disposal.

Non-Residents of the Netherlands

The description of certain Dutch tax consequences in this annex is only intended for the following Shareholders: (i) individuals who are not resident and not deemed to be resident in the Netherlands (“**Non-Dutch Resident Individuals**”) and (ii) entities that are not resident and not deemed to be resident in the Netherlands (“**Non-Dutch Resident Corporate Entities**”).

Non-Dutch Resident Individuals

A Non-Dutch Resident Individual will not be subject to any Dutch taxes on income or capital gains derived from the purchase, ownership and disposal or transfer of the FT Ltd Shares, other than withholding tax as described above, unless:

- (a) the Non-Dutch Resident Individual derives profits from an enterprise, whether as entrepreneur or by being co-entitled to the net worth of this enterprise other than as an entrepreneur or shareholder and this enterprise is fully or partly carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the FT Ltd Shares are attributable;
- (b) the Non-Dutch Resident Individual derives benefits from miscellaneous activities carried on in the Netherlands in respect of the FT Ltd Shares, including activities which are beyond the scope of active portfolio investment activities; or
- (c) the Non-Dutch Resident Individual is entitled to a share – other than by way of securities – in the profits of an enterprise, which is effectively managed in the Netherlands and to which the FT Ltd Shares are attributable.

Non-Dutch Resident Corporate Entities

A Non-Dutch Resident Corporate Entity will not be subject to any Dutch taxes on income or capital gains derived from the purchase, ownership and disposal or transfer of the FT Ltd Shares, other than withholding tax as described above, unless:

- (a) the Non-Dutch Resident Corporate Entity derives profits from an enterprise, which is fully or partly carried on through a permanent establishment or a permanent representative in the Netherlands to which the FT Ltd Shares are attributable; or
- (b) the Non-Dutch Resident Corporate Entity is entitled to a share – other than by way of securities – in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which the FT Ltd Shares are attributable.

Under certain specific circumstances, Dutch taxation rights may be restricted for Non-Dutch Resident Individuals and Non-Dutch Resident Corporate Entities pursuant to treaties for the avoidance of double taxation.

Dutch Gift Tax or Inheritance Tax

No Dutch gift tax or inheritance tax is due in respect of any gift of the FT Ltd Shares by, or inheritance of the FT Ltd Shares on the death of, a Shareholder, unless:

- (a) the Shareholder is resident, or is deemed to be resident, in the Netherlands at the time of the gift or death of the Shareholder;
- (b) the Shareholder dies within 180 days after the date of the gift of the FT Ltd Shares and was, or was deemed to be, resident in the Netherlands at the time of the Shareholder's death but not at the time of the gift; or
- (c) the gift of the FT Ltd Shares is made under a condition precedent and the Shareholder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

Other Taxes and Duties

No other Dutch taxes, including taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by, or on behalf of, the Shareholder by reason only of the purchase, ownership and disposal of the FT Ltd Shares.

Residency

A Shareholder will not become a resident or deemed resident of the Netherlands by reason only of holding the FT Ltd Shares.