

## Romania - Tax Guide

### Sharesave RoW (excludes UK & IOM)

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#### 1. Introduction

The following is a summary of the tax treatment of a grant granted to you by Flutter Entertainment plc under the Sharesave RoW (excludes UK & IOM) (the "Plan"). This summary assumes that you have been resident in Romania during the lifecycle of the grant.

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 options, and to determine how the tax or other laws in Romania apply to your specific situation. This information was last reviewed in July, 2024.

Please note that the information presented above is relevant for participants who have had no period of overseas work during the vesting period of their awards. The tax treatment of your share awards may change if you have relocated internationally, and as such the above rules may not be relevant to you. If you are in doubt regarding the tax treatment of your share awards, please seek advice from a professional tax advisor to confirm the tax position.

#### 2. Overview

Grant	<ul style="list-style-type: none"><li>• Option to purchase Flutter Entertainment plc shares in the future at a specified price.</li><li>• You are <b>not subject to taxation on equity</b> at this point.</li></ul>
Vesting	<ul style="list-style-type: none"><li>• You are <b>not subject to taxation on equity</b> at this point.</li></ul>

<b>Exercise</b>	<ul style="list-style-type: none"> <li>You will <b>be subject to tax</b> at this point.</li> <li>Taxable income is calculated based upon the appreciation between the grant price value and the fair market value (FMV) on exercise date.</li> <li><b>Flutter Entertainment plc is responsible for reporting the income.</b></li> <li>You are also <b>responsible for reporting the income.</b></li> </ul>
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<b>Sale</b>	<ul style="list-style-type: none"> <li>The date you sell Flutter Entertainment plc shares.</li> <li>This event may generate additional income known as Capital Gain (CG), or a loss.</li> <li>Generally speaking, Capital Gain is the growth in value from exercise to sale.</li> <li>If there is a <b>Capital Gain</b> on the sale of shares, tax is due in the tax year of sale.</li> <li>You are responsible for calculating the tax.</li> </ul>
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### 3. Tax Treatment

	Grant	Vesting	Exercise	Sale
<b>Income tax / Capital gains tax</b>	No	No	Income tax payable at a flat rate of 10%.	Capital gains tax payable at a flat rate of 10%.
<b>Employee social tax</b>	No	No	Yes <b>Pension Contribution:</b> Uncapped flat rate of 25%. <b>Health Fund Contribution:</b> Uncapped flat rate of 10%.	No
<b>Income tax withholding</b>	No	No	Yes	No
<b>Employee social tax withholding</b>	No	No	Yes	No
<b>Employee tax reporting</b>	No	No	Yes	No

**Income Tax** - The rates set out in this guide are marginal rates. In the event that you are required to pay income tax on the value of your award, the amount of income tax you pay will depend on your marginal tax rate. Generally, the more you earn, the higher your marginal income tax rate.

#### 4. Will I pay tax when I am granted options under the Plan?

You will not have to pay any tax when you are granted options under the Plan.

#### 5. Will I pay tax when my options vest under the Plan?

You will not have to pay any tax when your options become exercisable under the Plan.

#### 6. Will I pay tax when I exercise my options?

When you exercise your options you will be required to pay income tax on the difference between the option price and the market value of the shares at that time at a rate of 10%.

The 10% income tax rate applies on net income, i.e. after deducting employee social taxes (applicable at the rate of 35%) from the gross income.

## 7. How will any benefits under the Plan be reported?

You will need to report:

- Any income tax due on exercise of the options to the tax authorities in the annual tax return, due by May 25.

## 8. 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 8%.

An additional 10% health insurance contribution is applicable where dividends exceed 6 times the monthly minimum salary in a year (currently RON 3,300/month, i.e., RON 39,600). The contribution will be computed and paid as follows: a) for income deriving from sources other than employment between 6 monthly minimum salaries and 12 monthly minimum salaries, the contribution is capped at 10% of 6 monthly minimum salaries (i.e., RON 1,980); b) for income deriving from sources other than employment between 12 monthly minimum salaries and 24 monthly minimum salaries, the contribution is capped at 10% of 12 monthly minimum salaries (i.e., RON 3,960); and c) for income deriving from sources other than employment above 24 minimum salaries, the contribution is capped at 10% of 24 monthly minimum salaries (i.e., RON 7,920). The additional contribution must be settled by the employee via his or her annual tax return by May 25 of the following year.

A minimum health contribution will be paid by reference to a computation base of 6 minimum gross salaries, if in the year when the dividends are obtained:

- the individual did not earn income from wages and salaries for which he is required to pay social health insurance contributions at a level at least equal to 6 gross national minimum wages;
- the individual did not fall within the categories of persons exempted from the payment of social health insurance contributions;
- the individual did not obtain income from independent activities for which social health insurance contributions is owed at a level at least equal to 6 gross national minimum wages.

## 9. 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 exercise), the difference will be taxable as a capital gain, at a rate of 10%. If the sale price is lower than the cost basis of the shares, you may realize a capital loss.

Tax on sale is due at a flat rate of 10%.

An additional 10% health insurance contribution is applicable where income deriving from sources other than employment (including dividends, interests, capital gains) exceeds 6 times the monthly minimum salary in a year (currently RON 3,300 /month, i.e., RON 39,600).

The contribution will be computed and paid as follows:

a) for income deriving from sources other than employment (including dividends, interests, capital gains) between 6 monthly minimum salaries and 12 monthly minimum salaries, the contribution is capped at 10% of 6 monthly minimum salaries (i.e., RON 1,980);

b) for income deriving from sources other than employment (including dividends, interests, capital gains) between 12 monthly minimum salaries and 24 monthly minimum salaries, the contribution is capped at 10% of 12 monthly minimum salaries (i.e., RON 3,960); and

c) for income deriving from sources other than employment (including dividends, interests, capital gains) above 24 minimum salaries, the contribution is capped at 10% of 24 monthly minimum salaries (i.e., RON 7,920).

The additional contribution must be settled by the employee via his or her annual tax return by May 25 of the following year.

However, a minimum health contribution will be paid by reference to a computation base of 6 minimum gross salaries, if in the year when the capital gains are obtained:

- the individual did not earn income from wages and salaries for which he is required to pay social health insurance contributions at a level at least equal to 6 gross national minimum wages;
- the individual did not fall within the categories of persons exempted from the payment of social health insurance contributions;
- the individual did not obtain income from independent activities for which social health insurance contributions is owed at a level at least equal to 6 gross national minimum wages.

### **Reduction in Capital Gains Tax for Transactions Carried Out through Romanian Intermediaries**

Effective as of January 1, 2023, the current income tax rate of 10% applicable to capital gains realized by individuals from the sale of shares carried out through Romanian intermediaries (i.e., Romanian tax residents or non-residents with a permanent establishment in Romania with the status of intermediary) will be reduced to:

- 1% for shares held for one year or longer, and
- 3% for shares held for less than one year.

The intermediaries are required to calculate, withhold, declare and pay the income tax for every transaction, on income obtained both from Romania and from abroad. Starting January 1, 2023, any losses arising from the sale of shares by Romanian intermediaries are not carried forward and may not be offset against capital gains, representing final losses of the taxpayer.

The tax is declared and paid to the state budget by the 25th of the month following that in which it was withheld.

Note that if a Romanian intermediary is not involved, the reduction in the capital gains tax rate will not be available.

To compute the capital gains for this purpose, the fiscal value of the shares sold will be determined by applying the weighted average cost method, including the costs related to the sale or other transaction, regardless of the length of time the individual holds the securities.

As regards the computation of the gain/loss from the sale of shares that are not carried out through Romanian intermediaries, this represents the positive/negative difference realized between the disposal value/sale price and their tax value (i.e., the market value of the shares at the time the shares were acquired). Note, any transaction costs and related ownership transfer costs proven with supporting documents can also be deducted from the sale price in calculating any capital gain.

When you sell your shares, the local company will not withhold any taxes on the gains. You should report any gain or loss arising in your tax return for the tax year in which the sale took place.

## **10. Additional Information**

### **Employee social taxes**

Social taxes are levied on the employee at a flat rate of 35% consisting of a social security contribution of 25% and a health insurance contribution of 10% (calculated over the monthly gross salary).

### **Local company social taxes**

Employer social security contributions consist of the following:

- 4% social security contribution (uncapped) for hard working conditions or 8% social security contribution (uncapped) for special working conditions, as applicable
- 2.25% contribution for work insurance, uncapped.

### **Exchange Control issues**

Romanian residents are entitled to purchase and hold foreign securities, as well as to receive dividends in foreign currency, although certain foreign asset reporting requirements may be applicable (e.g., acquisition by a Romanian

resident of 10% or more of the registered capital of a non-resident company is subject to reporting by the resident to the National Bank of Romania (NBR) in 30 days from the date the participation level was reached) on form *Notification regarding direct investments abroad of residents*.

### Foreign asset reporting

A notification to the National Bank of Romania (“NBR”) is required to be made when a Romanian resident acquires 10% or more of the registered capital of a non-resident company within 30 calendar days from the date of acquiring shares at or above the 10% threshold.

## 11. Sample tax calculation

This illustrative example assumes the following:

- Grant price of GBP 100.
- Income tax withholding will be calculated on the taxable compensation after social tax has been deducted.
- An income tax rate of 10%.
- Social taxes of 35%.
- Capital Gains Tax of 10%.
- This example does not take into account any annual Capital Gains Tax (CGT) exemptions which may be available.
- Tax calculation is based on the currency in which the shares are traded and any subsequent currency conversion has not been applied.

### Tax implications

#### Grant

No taxes due.

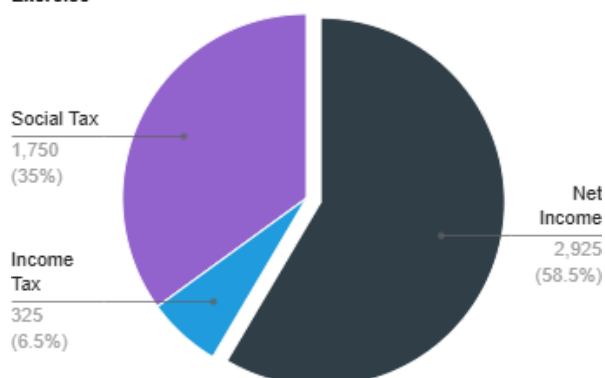
#### Vesting

No taxes due.

#### Exercise

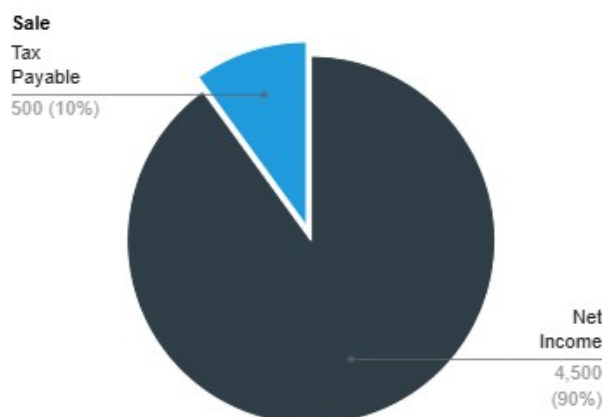
Number of Options Exercised	100
Grant Price	GBP 100
Fair Market Value (FMV) of the shares on exercise	GBP 150
Taxable Income (100 x GBP 150) - (100 x GBP 100)	<b>GBP 5,000</b>
Social Tax Withheld (GBP 5,000 x 35%)	GBP 1,750
Income Tax Withheld ((GBP 5,000 - GBP 1,750) x 10%)	GBP 325
<b>Total Tax Withheld (GBP 325 + GBP 1,750)</b>	<b>GBP 2,075</b>
Net Income (GBP 5,000 - GBP 2,075)	<b>GBP 2,925</b>

### Exercise



### Sale

Number of shares Sold	100
Fair Market Value (FMV) of the shares on Sale	GBP 200
Sale Proceeds (100 x GBP 200)	GBP 20,000
<b>Less: Acquisition Costs</b>	
Amount Previously Taxed	<b>GBP 15,000</b>
Capital Gain	GBP 5,000
<b><u>Tax Payable (GBP 5,000 x 10%)</u></b>	<b><u>GBP 500</u></b>
Net Income (GBP 5,000 - GBP 500)	<b>GBP 4,500</b>



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

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