To All Employees

July 2021

Shotaro Kawahara

**Change to the RSU Transaction Process**

At the beginning of August 2021 Mobileye Japan will change the cash transfer process of proceeds from sale of shares and it will no longer be wired to Mobileye Japan's bank account due to the below reasons.

**Reasons for the Process Change**

1. When an employee receives money through MEJP, it is considered a salary payment from a Japanese corporation, and it is likely that the employee will be charged for social insurance premium (10 to 15%) in the future.
2. Money transfer can happen whenever the employee wishes while in the current process, it can only be paid on the next paycheck date.
3. The changed process allows transactions in USD in addition to JPY. This should be confirmed with the employee's bank.

**Current Process**

1. RSU is being Granted.
2. Upon vesting of the RSU the income tax applies immediately (quantity x market price), and the employee is required to pay the income tax through Mobileye Japan (MEJP) during the same month the RSU was vested.
3. There are three payment methods to choose from, depends on the tax amount:

- Deduction from paycheck

- Money Transfer to MEJP bank account

- Share Sale (common stock) and deduction of the amount from it

* + 1. In the case of shares sale (common stock) from the E-trade account:
			1. The sale amount will be transferred to MEJP bank account in JPY (the exchange rate will be the daily market price).
			2. From MEJP, the sale amount will be transferred to the employees' bank account, along with the monthly salary.
1. When paying income tax from the shares' sale amount in section 2 above, the difference after deducting the income tax will be transferred to the bank account.
2. In case there is a gain (sections 2 or 3 above), it is necessary to include that gain in the individual tax return.

**Future Process**

1. RSU is being Granted.
2. Upon vesting of the RSU the income tax applies immediately (quantity x market price) and the employee is required to add that to the tax declaration at the beginning of the next year.
3. In case of shares sale (common stock) from the E-trade account, the sale amount will be transferred to the employee's E\*TRADE account (under "other holdings").
	1. Make sure to update your bank account information to receive the funds.
	2. Please note. E\*TRADE's conversion fee is 1.25% and will apply when converting to other currencies than USD. No fee will be charged for USD transactions.
	3. Other bank fees may apply, depends on the employee's bank policy.
	4. Corresponded Bank fee may occur (the amount depends on your bank).
4. In case of a gain (section 3 above), it is required to include that gain in the individual's tax return.

**If you have any question- feel free to send it to us via email.**