India - Tax Guide

Employee Share Purchase Plan

1. Introduction
2. Overview
3. Tax Treatment
4. Will I pay tax when I am granted an award under the ESPP?
5. Will I pay tax when I receive my shares?
6. How will any benefits under the ESPP be reported?
7. Will I have to pay any tax on any dividends paid on the shares?
8. Will I pay any tax when I sell my shares?
9. Additional Information
10. Sample tax calculation

1. Introduction

The following is a summary of the tax treatment of an award made to you by Seagate Technology Holdings PLC under the Employee Share Purchase Plan (the "Plan"). This summary assumes that you have been resident in India 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 India apply to your specific situation. This information was last reviewed in October, 2025.

2. Overview

Award

- It allows you to purchase Seagate Technology Holdings PLC shares at a discount.
- You are **not subject to taxation on equity** at this point.

Purchase

- You will **be subject to tax** at this point.
- The taxable amount is calculated based upon the market value of the shares at the date of purchase less the price paid for the shares.
- **Seagate Technology Holdings PLC is responsible for reporting the income.**
- You are also **responsible for reporting the income.**

Sale

- The date you sell Seagate Technology Holdings 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 purchase 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.

3. Tax Treatment

	Award	Purchase	Sale
Action required	No action required.	Pay any taxes due.	Pay any taxes due.

		Report the income on tax return.	Report the income on tax return.
Income tax / Capital gains tax	No	Income tax payable at rates up to 39%.	Capital gains tax payable at rates up to 39%.
Employee social tax	No	No	No
Employer's social tax	No	No	No
Income tax withholding	No	Yes	No
Employee tax reporting	No	Yes	Yes
Employer tax reporting	No	Yes	No
Tax return deadline	By July 31 of the following tax year		
What documents do I need for my taxes	N/A	N/A	N/A
Foreign asset reporting	You should report any foreign assets to the Tax Authorities (on Form Schedule FA of the Income Tax Return - Form ITR 2) by July 31.		

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 an award under the ESPP?

You will not have to pay any tax when you are granted a right to acquire shares under the ESPP.

5. Will I pay tax when I receive my shares?

Income Taxes

When the shares are purchased, you will be required to pay income tax on the difference between the purchase price and the market value of the shares at that time at rates of up to 39%.

Social Taxes

You will not be required to pay any social taxes.

Payment Method

Seagate Technology Holdings 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.

6. How will any benefits under the ESPP be reported?

You will need to report:

- Any income tax due on purchase of the shares to the tax authorities in the annual tax return, due by July 31.
- Any capital gains tax due on the sale of shares to the tax authorities in the annual tax return, due by July 31.

7. 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 rates up to 35.88%.

Dividend payments from foreign as well as Indian companies are included in an individual's total income and are charged at an individual’s marginal income tax rate. The enhanced surcharge rates of 25% and 37% are not levied on dividend income. As a result, the maximum surcharge rate applicable for dividend income is 15%.

In respect of dividends received from a foreign company, such dividends may be subject to tax withholding in a foreign jurisdiction. Such tax withheld may be creditable against any tax liability of an Indian resident individual in accordance with the provisions of the Income Tax Act.

8. 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 purchase), the difference will be taxable as a capital gain, at a rate up to 39%. If the sale price is lower than the cost basis of the shares, you may realize a capital loss.

The tax rates payable on the sale of shares are as follows:

- long-term capital gains (being gains realised on the sale of shares held for more than 24 months) are taxed at a flat rate of 12.5% (plus applicable surcharge and cess).
- short-term capital gains (being gains realised on the sale of shares held for 24 months or less) are treated as ordinary income and taxed at progressive rates of up to 30% (plus applicable surcharge and cess).

Note:

- long-term capital gains are subject to a maximum 15% additional surcharge and short-term capital gains are subject to a maximum 25% / 37% additional surcharge under the new tax regime/old tax regime respectively;
- additionally, capital gains are subject to a combined 4% health and education cess, which is levied on the tax on capital gains as increased by the surcharge;
- a credit may be available for an Indian resident individual under the Income Tax Act 1961 for any taxes paid in a foreign jurisdiction on the sale of foreign listed shares, or for any tax withheld by the buyer in a foreign jurisdiction; and
- different time frames and rates apply to shares in unlisted Indian companies and shares listed on an Indian stock exchange. The shares of a company listed on a foreign stock exchange are treated as an unlisted company in India.

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.

9. Additional Information

Calculation of Fair Market Value for Tax Purposes

The fair market value of foreign company shares for tax purposes must be assessed by a licensed (Category 1) merchant banker in India for both private and public companies. For publicly traded companies, the merchant bank valuation may be different than the trading value at the time of taxation. This value will need to be provided to employees by the Company. The valuation is effective for 180 days. Local advice is recommended.

Income tax rates

Income tax

Income tax is payable at progressive rates up to 30%, adjusted up to 39% under the new tax regime, or up to 42.74% under the old tax regime including the highest effective rate of the surcharge and Health and Education Cess.

The new tax regime (with no deductions/exemptions) is now the default regime, although taxpayers can elect to be taxed under the old tax regime. The new tax regime is mandatory unless an individual specifically opts for the old regime. The maximum general effective tax rate including the maximum surcharge and the Health and Education Cess is either:

- new tax regime: 39% (including the maximum surcharge capped at 25%); or
- old tax regime: 42.74% (including the maximum surcharge of 37%).

Surcharge

In addition to income tax, taxpayers must contribute a surcharge on the income tax, which is calculated as follows:

- exceeding INR 5million up to INR 10million: 10%
- exceeding INR 10million up to INR 20million: 15%
- exceeding INR 20million up to INR 50million: 25%
- exceeding INR 50million: 37% (old tax regime) or 25% (new tax regime).

Health and Education Cess

The Health and Education Cess is payable at a rate of 4% on the total income tax, plus surcharge, due.

The progressive income tax rates displayed in this summary are the rates applicable under the new tax regime and include the effective tax rates including the surcharge and 4% Health and Education Cess.

Employee annual tax return

While the general deadline for an employee to file his or her annual income tax return is July 31 of each year, the deadline may be extended to October 31 under certain circumstances. Employees should seek independent tax advice to confirm the applicable income tax return filing deadline.

Exchange Control issues

Generally, any proceeds from the sale of shares acquired under the plan and/or from the receipt of dividends paid on such shares must be repatriated to India 180 days from the date of receipt of such foreign currency. You will receive a foreign inward remittance certificate (“FIRC”) from the bank where the foreign currency is deposited and should retain the FIRC as evidence of the

repatriation of funds in the event the Reserve Bank of India or the employer requests proof of such repatriation. However, if you own less than 10% of the company's share capital, you are permitted to reinvest such sales proceeds and/or dividends, instead of repatriating them, in compliance with the exchange control rules within the 180-day period following receipt. In the unlikely event that you acquire securities that represent, in the aggregate, 10% or more of the company's share capital, you will be required to repatriate the proceeds within 90 days of receipt, and will be subject to additional reporting obligations.

Under the Liberalised Remittance Scheme ("LRS"), Indian residents can remit funds abroad up to a limit of USD 250,000 per individual, per financial year (i.e. 1 April to 31 March) without Reserve Bank of India ("RBI") consent. As part of the OI Regime, outward remittances for shares under an employee share plan will count towards the LRS limit. When any remittance is made from India under the LRS, the Authorised Dealer Bank undertaking the remittance transaction on behalf of must obtain Form A2 from the resident employee regardless of the transaction value.

It is mandatory for a resident individual to provide their Permanent Account Number ("PAN") to the Authorised Dealer Bank to make a remittance under the LRS.

Outward remittances under the LRS are subject to tax collected at source ("TCS") on outward remittances over INR 1,000,000 per individual per financial year (this has been revised from the current limit of INR 700,000 and will take effect in the financial year ending March 31, 2026). The relevant TCS rate is 20% (separate rules apply to remittances for medical or educational payments). Technically, the TCS is collected by the Authorised Dealer Bank when the remittance is made but the process should be checked with the Authorised Dealer Bank. TCS is shown in Form 26AS as a tax credit, which can be claimed against the tax payable while filing the income tax return. TCS can also be offset while filing for advance taxes. For resident individuals who are not able to offset this amount against taxes payable or any other form, it will be available as a refund after filing the income tax return. From October 1, 2024, the employer can set-off the TCS paid against income tax withholding so employees can essentially reclaim the TCS when they are paid via a reduction in the amount of income tax withheld by the employer. This change has been introduced to help with the cash flow issue.

Foreign asset reporting

You are required to report any cash or share accounts held in a foreign institution. The information must be submitted to the Tax Authorities (on Form Schedule FA of the Income Tax Return - Form ITR 2) by July 31.

10. Sample tax calculation

This illustrative example assumes the following:

- Purchase price of USD 70.
- An income tax rate of 39%.
- Capital Gains Tax of 39%.
- 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

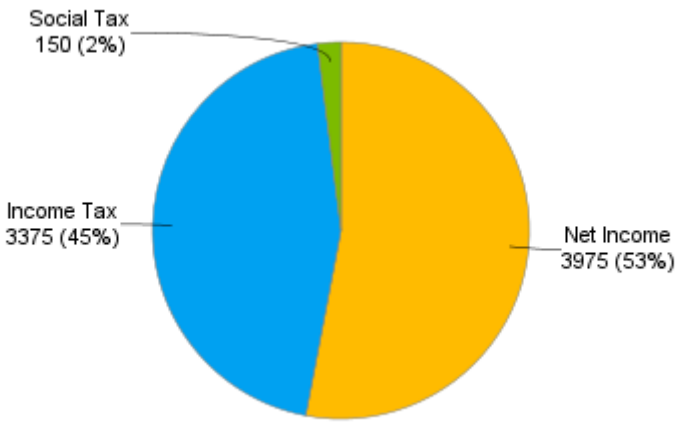
Award

No taxes due.

Purchase

Number of Shares Purchased	100
Purchase Price	USD 70
Fair Market Value (FMV) of the shares on Purchase	USD 80
Taxable Income (100 x USD 80) - (100 x USD 70)	**USD 1,000**
Income Tax Withheld (USD 1,000 x 39%)	**USD 390**
Net Income (USD 1,000 - USD 390)	**USD 610**

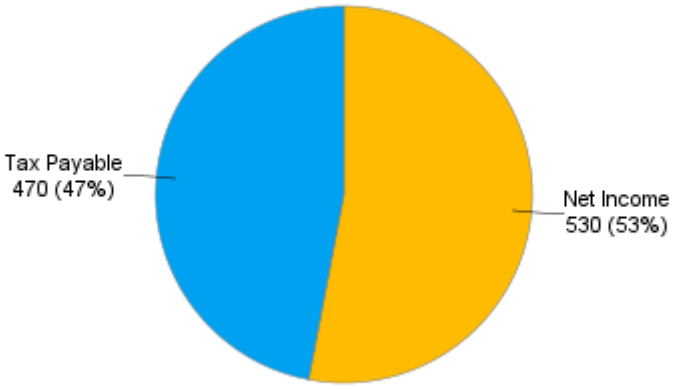
Vesting



Sale

Number of shares sold	100
Fair Market Value (FMV) of the shares on sale	USD 85
Sale Proceeds (100 x USD 85)	USD 8,500
Less: Acquisition Costs	
Amount previously taxed	**USD 8,000**
Capital Gain	USD 500
Tax Payable (USD 500 x 39%)	**USD 195**
Net Income (USD 500 - USD 195)	**USD 305**

Sale



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

This tax information was provided to Seagate Technology Holdings PLC by Global Intelligence for information purposes only, and is based on the terms of Global Intelligence Legal Disclaimer. It has not been signed-off or reviewed specifically for Seagate Technology Holdings PLC by local lawyers. Neither Seagate Technology Holdings PLC nor Global Intelligence accept any liability for any loss caused by reliance upon this information, or acting upon or refraining from acting in reliance upon this information.

INFORMATION MADE AVAILABLE BY MORGAN STANLEY SMITH BARNEY LLC, MEMBER SIPC, AND ITS AFFLIATES ("MORGAN STANLEY AT WORK") ON THIS SITE IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE LEGAL OR TAX ADVICE. You should always consult with and rely on your own legal and/or tax advisor(s) as Morgan Stanley at Work does not provide legal or tax advice and the information is not tailored to the specific situations of your company or your employees.
The information is sourced from third parties, may not be current and is subject to change without notice. Morgan Stanley at Work makes no representations or warranties concerning the accuracy, completeness or timeliness of the information and is not implying an affiliation, sponsorship or endorsement with/of any third parties or views expressed by such parties.
Any views expressed in the information are solely those of the third-party source. Morgan Stanley at Work shall have no liability

arising out of, or in connection with, the information, including any loss caused by use of, or reliance on, the information.
All information made available by Morgan Stanley at Work is subject to the terms of the written agreement entered into between Morgan Stanley at Work and your company.