



Equity FAQs for Block Candidates

Equity awards are a valuable part of your total compensation by providing an opportunity to become a shareholder and participate in Block's success!

What is equity?

Essentially, equity = shares of stock. At Block, we grant equity in the form of Restricted Stock Units (RSUs), which are converted into Block shares (ticker symbol: SQ) over time as the RSUs vest. It is important to note that RSUs do not provide guaranteed value like base salary. The value of RSUs fluctuates in line with the stock price.

Why do we provide equity?

At Block, we firmly believe that our employees are the cornerstone of our success, and we are committed to ensuring that everyone is a part of this journey. One of the ways we achieve this is by offering equity to our employees, enabling them to become true stakeholders in the company. Equity forms a significant component of our compensation structure at Block, presenting a fantastic opportunity for long-term growth and active participation in the success of our organization.

Who is eligible for equity?

All full-time regular Block employees (including affiliated entities) are eligible to receive equity awards, which can be offered at the time of hire, upon a promotion, and during the compensation review cycle for employees in good standing.

How many RSUs will I receive from my equity award?

The specific number of RSUs is determined by (i) the target US dollar value of the RSUs (RSUs are always awarded in USD), and (ii) the company's stock price.

Here's how it works for new hire RSU awards:

1. Your employment offer letter will include a target value of RSUs (e.g. \$20,000 USD).
2. That target value will be used to calculate a specific number of RSUs. To do this, the company divides the target value by Block's trailing 30-trading day average closing price leading up to and ending on a vesting commencement date (VCD). The VCD is either the 20th day of the month you start work, or the following month, based on your specific start date:

START DATE	VCD DATE
1st - 19th of the month (e.g., March 15th)	20th of the current month (e.g., March 20th)
20th to the end of the month (e.g., March 25th)	20th of the following month (e.g., April 20th)

Note: The VCD is NOT the date that your RSUs start to vest. The VCD is the date used to arrive at the average stock price that is ultimately used to calculate the number of RSUs granted. See below for specific vesting dates.

3. A few weeks before your first vest date, you will receive an invitation to set up your online equity account and view and accept your award.

Here's an example:

$$\frac{\text{Target Equity Value (e.g., \$20,000 USD)}}{\text{30-Trading Day Average Stock Price ending on VCD (e.g. \$100)}} = \text{Number of RSUs Granted} \\ (\$20,000 / \$100 = 200 \text{ RSUs})$$

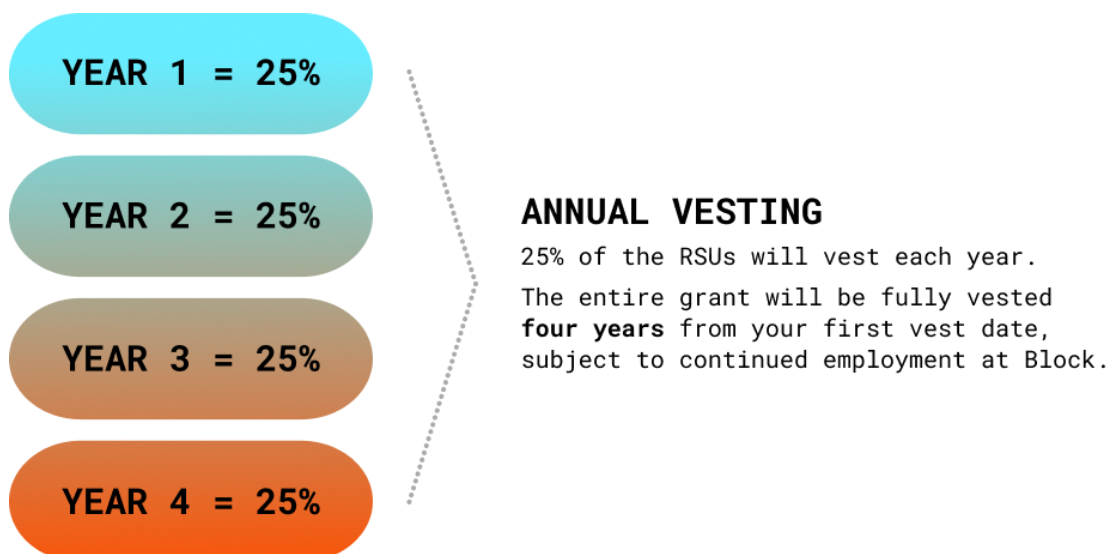
When will my RSUs be converted to Block stock?

RSUs are converted into shares of Block stock over time when those RSUs vest. It is at this time when ownership is transferred to you, and you can choose to hold or sell the shares (note: selling is subject to Block's Insider Trading rules). If you were to leave Block, any shares that have already vested that you have not disposed of (i.e., through a sale) up to that point will stay with you, whereas any shares that have not yet vested at the time of your departure will be forfeited.

Vesting occurs on a schedule and is subject to an employee's continued employment.

- The entire grant will be fully vested four years from your first vest date.
- Vesting occurs at annual intervals: 25% vesting every 12 months for 4 years (4 vesting dates).
- The first vest date occurs in the year following your start date (the first 25% vests) - see the table below for details. Your second vest occurs one year after your first vest and so on.

START DATE	JAN-MAR	APR-JUNE	JULY-SEPT	OCT-DEC
First Vest Date (occurs the year following start date)	Feb 20th	May 20th	Aug 20th	Nov 20th
Calculation Date for # of RSUs	Average of the last 30 trading days as of the 20th day of the current or following month, depending on start date (see above)			



Do I need to pay taxes on RSUs?

In most countries, RSUs are subject to taxes upon vesting, and they are taxed similarly to regular income. However, the specific tax treatment varies by country and region. Please note that we are unable to provide specific tax advice, and you should consult a local tax professional for all tax-related questions you may have.

Who should I reach out to should I have further questions regarding Block's equity programs?

Please reach out to your recruiter if you have additional questions not answered here. If you become a Block employee, you will have access to further materials and be able to attend live info sessions about Block's equity offerings.