

1. Will I be taxed when I am granted a Free Share Award?

No, you will not have to pay income tax or Medicare levy when you are granted a Free Share Award.

2. Will I be taxed when the Free Share Award vests?

Yes, you will need to pay income tax on the market value of the shares you receive when your Free Share Award vests. Income tax rates are up to 47% (including 2% Medicare levy).

Your employer will not be required to withhold the income tax and Medicare levy due if you have provided your tax file number to them.

3. Will I be taxed when I sell my shares?

Any gain you make on the sale of your shares will be subject to capital gains tax at a rate of up to 47%. If you sell your shares more than 12 months after your Free Share Award vests, a 50% discount applies so that the marginal tax rate reduces to 23.5%.

Your employer will not withhold any capital gains tax due on the sale of your shares.

4. Will I be taxed when I receive my dividends?

If any dividends are paid on your Free Shares, they will be subject to income tax and Medicare levy at a rate of up to 47% (including 2% Medicare levy) when they are paid.

Your employer will not withhold the tax due.

5. What do I need to do?

You will need to report any Free Shares you receive in your annual tax return and lodge the return with the ATO. When you receive your Free Shares, any tax due is payable through self-assessment.

When you sell your shares, you will have to report any capital gain in your annual tax return and pay the tax due.

If you receive any dividends, you will have to report any dividends you receive in your annual tax return and pay the tax due.

*This tax summary applies to any Free Share Award you may be granted under the Babcock Colleague Share Plan - International. We have assumed that you are tax resident in Australia and have been at all times from the grant of Free Share Awards to the vesting of a Free Share Award or sale of shares.*

*This information is provided to you for general guidance only and is correct as at May 2025. The actual tax implications of your participation in BCSPI will depend on your own individual circumstances. If you are in any doubt as to your tax position, you should seek independent tax advice.*