



THE BABCOCK COLLEAGUE SHARE PLAN -
INTERNATIONAL ("BCSPI")
FREE SHARE AWARD
TAX SUMMARY – CANADA

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

No, you will not have to pay income tax or social security contributions 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 and social security contributions on the market value of the shares you receive when your Free Share Award vests. Income tax rates are up to 33% and social security contributions apply at a rate of 5.95% (6.40% for Québec employees) up to a cap. Your employer will withhold the income tax and social security due.

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 your income tax rate of up to 33%. Only a portion of the gain will be subject to tax (50% to 66.67% depending on your circumstances).

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 tax at rates dependent on the nature of the dividend paid, your income level and your province of residence 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 disclose the market value of these shares at the end of the year. You will need to do this through your personal tax return.

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

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

You will need to report any foreign assets if the cost of all relevant foreign assets you hold exceeds CAD100,000.

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 Canada 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.