



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

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 on the market value of the shares you receive when your Free Share Award vests. Income tax rates are up to 45%.

Your employer will withhold the income tax 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. 40% of any capital gain would be taxed at your marginal income tax rate of up to 45%, making an effective rate of a maximum 18%.

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 a tax rate of 20%.

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.

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 South Africa 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.*