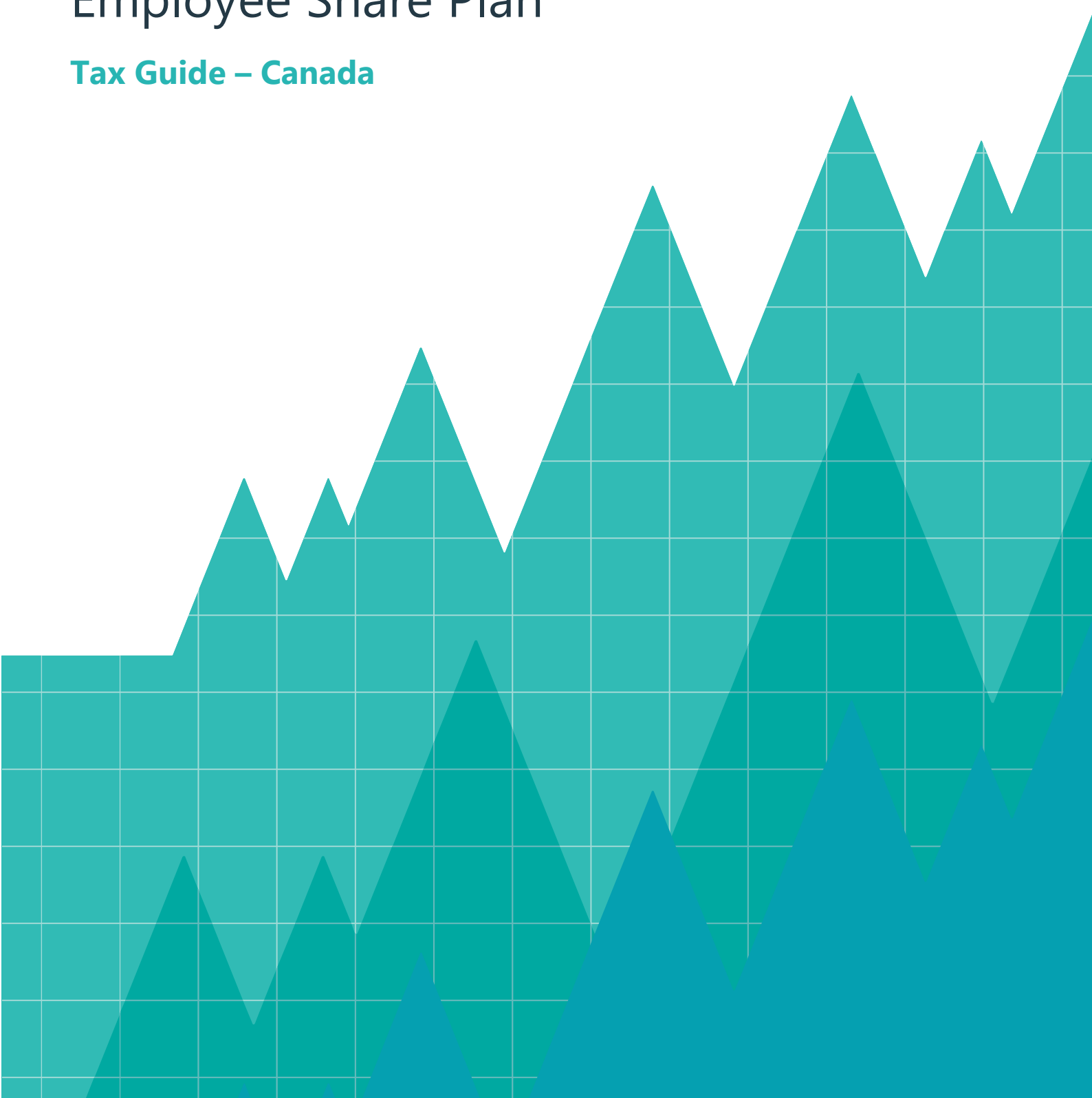


Wood Guidance

Employee Share Plan

Tax Guide – Canada



Wood Guidance Employee Share Plan Tax Guidance – Canada Employees

This information is for guidance only and may differ according to your personal circumstances. Other than in the “Income tax and Social Security for mobile employees” section below, it assumes that for tax purposes you are a domiciliary, national and resident of the Canada and have been/will be at all material times – i.e. from the date on which you purchase your first shares in the Plan until the end of the Plan period 24 months later – this is known as the Holding Period.

The “Income tax and Social Security for mobile employees” section outlines the tax treatment for your shares if you have spent time working outside the Canada – for these purposes it is assumed that you are tax resident in the respective countries where you are working at the relevant times.

This is not tax advice tailored to your personal situation. If you require confirmation of your personal tax position, you should contact a professional tax advisor.

This information is understood to be correct as at 6 November 2018. Any future changes to legislation or tax rates may affect this information.

Income tax and Social Security

Will I have to pay income tax or social security in respect of my Shares?

The table below sets out the point at which tax will be paid, and the taxable amount for the shares received, under the Plan:

Income tax and Social Security		
	Point at which tax will be paid	Taxable amount
Purchased Shares	No income tax or social security will apply.	N/A
Matching Shares	Income tax and social security will be payable when your Matching Shares are delivered to your personal account following the end of the Holding Period. This is known as the Delivery Date.	The amount subject to income tax will be the market value of the shares on the Delivery Date. Social Security will also be payable - on the same amount which is subject to income tax.
Dividend Shares	You will be taxed upon receipt of the cash dividend used to acquire Dividend Shares. No NIC will be payable on this amount.	The amount subject to income tax is the cash dividend received and used to acquire the Dividend Shares.

How do I pay the income tax and NIC due in respect of my Shares?

Your employer will withhold the income tax and NIC payable on the Matching Shares. Your employer will **not** withhold any income tax due on the dividend income used to acquire the Dividend Shares. You are responsible for any income tax due on the dividend income.

Wood Guidance Employee Share Plan Tax Guidance – Canada Employees

Income tax and social security for mobile employees

Will I have to pay income tax or NIC in respect of my Shares if I have only spent a portion of the Holding Period working in the Canada?

The tax treatment for the Purchased Shares and Dividend Shares is generally the same as specified above.

For Matching Shares, if you are not resident in Canada on the Delivery date but have work days in Canada during the Holding Period, the amount subject to income tax will be the market value of the shares on the Delivery Date but then apportioned based on your Canadian workdays during the Holding Period.

If you are resident at the Delivery Date, the amount subject to income tax will be the market value of the shares on the Delivery Date. A foreign tax credit may be available for the portion related to the non-Canadian workdays where you have paid taxes in another country on your Matching Shares.

How do I pay the income tax and NIC due in respect of my shares?

Your employer will withhold the income tax and NIC payable on the Matching Shares. Your employer will **not** withhold any tax due on the Dividend Shares. You are responsible for any tax due on dividend income used to acquire the Dividend Shares.

Sale of shares

Will I incur a further tax liability when I sell my Shares?

You may be liable to pay capital gains tax on any gains arising when you sell your shares. The taxable gain is calculated as the difference between your sale proceeds and the weighted average cost of the Wood shares you hold.

Only 50% of the capital gain is included as taxable income and is subject to normal income tax rates but no social security.

You are responsible for reporting any chargeable gains and paying any tax due via your personal tax return (see below).

Reporting

Will I have any reporting requirements?

Yes, you must file your Canada personal income tax return by 30 April following the end of the tax year in which your matching shares are delivered to you. You should also report any dividends received or capital gains realized during the tax year in your tax return.

Your Wood shares are foreign assets and subject to foreign asset reporting rules. If the aggregate cost of all foreign assets you own is over CAD 100,000 at any time during a tax year, disclosure of these assets held and the income derived from them, such as dividends is required on form T1135. Form T1135 must be filed by 30 April of the year following the tax year in which your assets exceed the threshold.

Wood Guidance Employee Share Plan Tax Guidance – Canada Employees

Appendix A – relevant tax rate summary Ontario

This appendix sets out the relevant tax rates in the Canada (Ontario), for the tax year ending 31 December 2018.

Income tax		
	Maximum effective tax rate	Notes
Income tax (Federal rate)	33%	Maximum rate applies to income over CAD 205,842
Provincial/Territory	13.16%	Maximum applied to income over CAD 220,000

Social tax		
	Tax rate	Notes
Social Security	6.61%	Maximum pensionable earnings is CAD 55,900 subject to a basic exemption of CAD 3,500

Dividends and capital gains tax	
	Notes
Dividends	Dividends are subject to income tax
Capital gains tax	Capital gains are subject to income tax, however only 50% of the gain is taxable.

Wood Guidance Employee Share Plan Tax Guidance – Canada Employees

Appendix B – relevant tax rate summary Newfoundland & Labrador

This appendix sets out the relevant tax rates in the Canada (Newfoundland & Labrador) for tax year ending 31 December 2018

Income tax		
	Maximum effective tax rate	Notes
Income tax (Federal rate)	33%	Maximum rate applies to income over CAD 205,842
Provincial/Territorial rate	18.3%	Maximum rate applied to income over CAD 184,590

Social tax		
	Tax rate	Notes
Social Security	6.61%	Maximum pensionable earnings is CAD 55,900 subject to a basic exemption of CAD 3,500

Dividends and capital gains tax	
	Notes
Dividends	Dividends are subject to income tax
Capital gains tax	Capital gains are subject to income tax, however only 50% of the gain is taxable.

Wood Guidance Employee Share Plan Tax Guidance – Canada Employees

Appendix C – relevant tax rate summary Alberta

This appendix sets out the relevant tax rates in the Canada (Alberta) for tax year ending 31 December 2018

Income tax		
	Maximum effective tax rate	Notes
Income tax (Federal rate)	33%	Maximum rate applies to income over CAD 205,842
Provincial/Territorial rate	15%	Maximum rate applies to income over CAD 307,547

Social tax		
	Tax rate	Notes
Social Security	6.61%	Maximum pensionable earnings is CAD 55,900 subject to a basic exemption of CAD 3,500

Dividends and capital gains tax	
	Notes
Dividends	Dividends are subject to income tax
Capital gains tax	Capital gains are subject to income tax, however only 50% of the gain is taxable.

Wood Guidance Employee Share Plan Tax Guidance – Canada Employees

Appendix D – relevant tax rate summary British Columbia

This appendix sets out the relevant tax rates in the Canada (British Columbia) for tax year ending 31 December 2018

Income tax		
	Maximum effective tax rate	Notes
Income tax (Federal rate)	33%	Maximum rate applies to income over CAD 205,842
Provincial/Territorial rate	16.8%	Maximum rate applied to income over CAD 150,000

Social tax		
	Tax rate	Notes
Social Security	6.61%	Maximum pensionable earnings is CAD 55,900 subject to a basic exemption of CAD 3,500

Dividends and capital gains tax	
	Notes
Dividends	Dividends are subject to income tax
Capital gains tax	Capital gains are subject to income tax, however only 50% of the gain is taxable.

Wood Guidance Employee Share Plan Tax Guidance – Canada Employees

Appendix E – relevant tax rate summary Quebec

This appendix sets out the relevant tax rates in the Canada (Quebec) for tax year ending 31 December 2018

Income tax		
	Maximum effective tax rate	Notes
Income tax (Federal rate)	33%	Maximum rate applies to income over CAD 205,842
Provincial/Territorial rate	25.75%	Maximum rate applies to income over CAD 104,765

Social tax		
	Tax rate	Notes
QPP	5.4%	Maximum pensionable earnings is CAD 55,900 subject to a basic exemption of CAD 3,500
QPIP	0.548%	Maximum insurable earnings is CAD 74,000

Dividends and capital gains tax	
	Notes
Dividends	Dividends are subject to income tax
Capital gains tax	Capital gains are subject to income tax, however only 50% of the gain is taxable.