

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP*)

*Regulated through the Employee Investment Act (EIA)



PROGRAM INFORMATION

- 20% tax credit to eligible employees
- Up to \$2,000 in tax credits annually; no lifetime limit
- Investment can be held in an RRSP
- Tax credit is non-refundable
- Share purchase is payroll deductible



ELIGIBLE EMPLOYEES

- B.C. residents
- Work 20 or more hours per week
- Not existing major shareholders of the company



ELIGIBLE COMPANIES

- Canadian companies that pay at least 25% of wages to B.C. residents
- Together with affiliates, have less than \$500 million in total assets



ESOP SHARES

- Equity shares issued from treasury
- Must be held for three years
- No guarantee of return on investment



WHY ESOP

- Succession planning
- Employee recruitment and retention
- Employee engagement
- Financing growth