

Attention: Non-Canadian Vendors/Suppliers

Re: Withholding Tax on Services Performed in Canada

Tolko Industries Ltd. is required by law to withhold 15% of amounts payable to non-Canadian vendors for services performed in Canada. This applies to the service component only and includes travel time (i.e. labour charge etc.) to and from Canada but excludes travel costs. The amount withheld will be remitted to the Receiver General of Canada on your behalf. A T4A-NR will be issued to you by February 28th of the year following the year in which the services were performed. The amount withheld can be claimed as a payment made against taxes in Canada and may be fully refundable if a nil Treaty based return is filed. Otherwise, a foreign tax credit might be claimable in your country of residence. **Please consult a tax specialist in your area for further advice.**

As an alternative, a Regulation 105 Waiver may be filed with Canada Revenue Agency prior to commencing services in Canada. If approved, Tolko Industries Ltd. will not have to withhold on the applicable payment. Tolko Industries Ltd. will still be required to withhold if the waiver is not received by the time of payment.

For more information on the non-residents tax, please visit the Canada Revenue Agency website at: <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/ic75-6/required-withholding-amounts-paid-non-residents-providing-services-canada.html>