

Employee Stock Purchase Plan (ESPP): Canadian Teammate FAQs

Get answers to your questions about how it works, when to enroll, timeline summary, and more.

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What is an ESPP?

Truist created its Employee Stock Purchase Plan to provide you with an affordable, convenient, innovative method to purchase stock, become an owner and share in Truist's potential future success.

The Truist ESPP allows you to:

- Invest 1 - 15% of eligible compensation through after-tax payroll deductions
- Purchase Truist stock at a 10% discount
- Become a shareholder in a convenient manner

How does the ESPP work?

An employee stock purchase program is a benefit that allows teammates to use after-tax payroll deductions to acquire shares of company's stock, usually at a discounted price. If eligible, a teammate must enroll in the plan during the semi-annual enrollment window. Once the offering period starts, payroll deductions start to accumulate in preparation for the purchase date (i.e., the last trading day of the offering period). On the purchase date, shares are purchased for Truist teammates at a discounted rate of 10%.

What is considered Eligible Compensation?

Eligible Compensation includes base pay (including overtime). Eligible Compensation does not include non-cash compensation under our LTI plan (RSUs, stock options, etc.).

Who can participate in the ESPP?

Teammates of Truist and Participating Subsidiaries (i) with 12 months of service, and (ii) who are scheduled to work 20 hours or more per week are eligible to participate in the ESPP.

When can I enroll in the ESPP?

The enrollment period is a predetermined time frame when you can enroll in your ESPP. During the enrollment period, eligible teammates can enroll in the ESPP through Fidelity NetBenefits.

What is an offering period?

During the offering period, Truist will deduct after-tax payroll contributions and hold the money until it's time to purchase company stock.

Enrollment Dates	Offering Period
December 1 – December 15	January 1– June 30
June 1 – June 15	July 1– December 31

If I decide not to join right now, will I have another opportunity?

Yes, you may join during any future semi-annual enrollment window. Once open enrollment closes, you will have to wait for the next enrollment period. For each future open enrollment, Fidelity Stock Plan Services (Fidelity) will send an email letting you know that you are in an open enrollment period.

Do I need to re-enroll in the ESPP for each offering period?

Once you enroll for an offering period, you will automatically be re-enrolled for subsequent offering periods at the same contribution level, unless you withdraw. You also have the ability to change your contribution percentage for each offering period during each open enrollment.

May I change my contribution rate during an offering period?

You may decrease your contribution percentage to zero (also known as withdrawing participation) once per offering period. You may not increase your contribution rate during the offering period.

Can I withdraw from the Plan and have my money refunded?

You may withdraw from the ESPP by completing and delivering a withdrawal notice through Fidelity at least fifteen (15) days prior to the purchase date. If your withdrawal notice is received prior to the deadline, any accumulated payroll deductions credited to your account will be refunded to you without interest as soon as possible. You may not withdraw less than all of your payroll deductions.

What can I do with my shares?

Any shares that you purchase through the ESPP are yours. You may choose to hold those shares, or you may sell the shares at any time, unless prohibited under the company's insider trading policy. Shares will be deposited in a Stock Plan Account at Fidelity at the end of each offering period. Purchased shares are yours to keep even if you choose to leave the company. Please see below regarding tax consequences.

Are there any restrictions on my shares?

Yes. Truist's ESPP does administer a 2-year transfer restriction on shares purchased through the plan, to encourage preferential tax treatment. This restriction will automatically be in place upon shares being deposited into your Stock Plan Account. The 2-year transfer restriction is based on the start date of the Offering Period (January 1st or July 1st) as opposed to the date in which shares are deposited.

What is a discounted purchase price?

On the purchase date, Truist Financial Corporation and Fidelity will work together to take your payroll deductions and purchase Truist Financial Corporation stock at a 10% discount based on the closing price of the stock on the purchase date.

Does the ESPP use a lookback provision for determining the discounted purchase price of the stock?

No. The discounted purchase price under the ESPP is based on the price of the stock on the purchase date.

How many shares can I buy?

The maximum annual purchase of shares under the plan in a calendar year is \$25,000 U.S. dollars (USD) per IRS guidelines. If you have reached the \$25,000 USD contribution limit, any excess funds will be refunded to you and you will be unable to participate in the plan for the remainder of the calendar year.

How do I calculate the contribution maximum?

While \$25,000 USD per year is the statutory maximum, the highest amount you can actually contribute to purchase shares is less than that because the calculation of the maximum is based on the undiscounted purchase price at the start of the offering period (i.e. it does not matter that the purchase-price calculation is based on the ending-date price).

Example:

- The stock price at the start of the offering period is \$10 per share.
- The stock price is \$11 on the purchase date.
- Your purchase price is \$9.90 (after the 10% discount).
- The maximum number of shares you can buy is 2,500 (\$25,000 divided by \$10), not 2,525 shares (\$25,000 divided by \$9.90).
- To purchase these shares, you pay \$24,750 during the year (2,500 shares multiplied by \$9.90).

In what currency are the shares purchased under the Plan?

Contributions made in any currency other than U.S. dollars (USD) will be converted to U.S. dollars on or prior to the date shares are purchased under the Plan using a prevailing exchange rate in effect at the time such conversion is performed, as determined by Truist.



What happens if I terminate my employment?

If your employment terminates during an offering period, you will be withdrawn from the plan and all contributions made during the offering period will be refunded to you. If you have any shares already purchased through the plan, those are yours to keep even if you leave the company.

What are the trading fees associated with the purchase or sale of shares?

There are no teammate commissions/trading fees for the purchase of shares. For the sale of shares, it depends on how the shares are sold.

1. If ESPP shares are sold on-line, there are no trading fees.
2. If ESPP shares are sold through a Fidelity phone team representative, there is a trading fee of \$32.95.

Are there tax consequences to selling my shares?

The summary below is general in nature and is based on Canadian tax laws and the Canadian taxation obligations in relation to participation in the Plan. We recommend that you contact your personal tax advisor to assist in this regard.

Taxation will generally occur in two stages under the provisions of the Canadian Income Tax Act.

- **First Taxation Point:** The taxable benefit will generally be equal to the difference between the Fair Market Value of the shares at the time of purchase and the discounted price. The taxable benefit is included in employment income and subject to tax at applicable marginal income tax rates.
 - **Foreign Income Reporting Obligation:** On an annual basis, you may be required to report your interest on Form T1135, "Foreign Income Verification Statement." The Form is due at the same time as and filed with the annual tax return.
- **Second Taxation Point:** Generally, when you sell your shares, the taxable gain is subject to capital gains tax at your marginal tax rate. Capital gains are reported by you in your personal annual tax return for the year of sale.

Timeline Summary:

- Shares are purchased two times per year and deposited to the teammate's account at Fidelity based on the following:
 - 1) There are two enrollment windows each year, June 1 – 15 and December 1 – 15.
 - 2) Teammates can select a deferral percentage of 1 – 15% in the Fidelity NetBenefits system during the enrollment window.
 - 3) Payroll deductions will begin July 1 or January 1 based on the current deferral election.
 - 4) The plan will purchase shares at a 10% discount off the closing price on December 31 and June 30.
 - 5) Shares will be deposited to the teammate's account at Fidelity.
 - 6) In order to avoid unfavorable taxation, teammates must satisfy two holding periods. See "*Are there tax consequences to selling my shares?*" above.
 - 7) If a teammate wishes to sell shares, they can initiate that trade in Fidelity's NetBenefits system.

Investing involves risk, including risk of loss.

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The plan document and Canadian Rules for the Plan are available at Benefits.Truist.com and on Fidelity NetBenefits under Plan & Grant Documents. Benefits described in the current ESPP plan document for all benefits will prevail where any discrepancies between this FAQ and the current plan document conflict.

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