

### **Eligible Dividend Designation**

For purposes of the *Income Tax Act* (Canada) and any similar provincial legislation, ZCL Composites Inc. designates all dividends paid after 2005 as “eligible dividends” unless indicated otherwise.

Eligible dividends received by individuals resident in Canada are entitled to an enhanced dividend gross-up and dividend tax credit resulting in a reduction in the income tax otherwise payable on those dividends.

Please consult your own tax advisor for advice with respect to the income tax consequences to you of ZCL designating dividends which it pays as “eligible dividends”.