

## **Tax information regarding convertibles – Norway**

The issuance of the convertible will result in a loan from You to the employer. Generally, interests on loan from a taxable individual to a company are taxable with a flat tax rate of 27 % (2016). However, if the interest exceeds the calculated fixed rate set by the authorities, an additional tax must be calculated and reported on the interest income exceeding the fixed rate.

The interest income from the convertible must be reported by You and should be reported on an accrual basis in your annual tax return plus in an additional scheme for "calculation of extra tax on interest income on loan from a taxable individual to a company" (RF-1070).

Gain received from the convertible should be taxed as employment income at the date of conversion i.e. when You have become legal owner of the shares. This should be withheld at your individual withholding rate as shown on your tax withholding card and reported by the employer to the Norwegian tax authorities.

The employer will get access to your tax withholding cards electronically. You are however responsible for making sure that the information on the electronic tax withholding card is accurate. If the information needed to calculate the withholding tax rate or the tax withholding card for other reasons cannot be made, the withholding rate (including employee social security contributions) will be 50 %.

No further action, except for the above stated, should be undertaken by You from a tax perspective.

Please note that the above is based on advice provided to ÅF Pöyry AB by Ernst & Young (EY). Your particular tax situation has not been assessed and you take part on the advice above on a non-reliance basis. We recommend that you consult your personal tax advisor.