

This summary assumes that you only pay tax in one place. Different rules may apply if you pay tax in different places.

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The information provided is understood to be correct as of 18 July 2024. Changes in legislation or practice after this date may affect the tax treatment.

Tax - Employee Notes - Your Shares: Gifted

Norway	
When will I be taxed in relation to my plan benefits?	<p>Award: No income tax. No social security.</p> <p>Unlocking: Income tax and social security.</p> <p>Sale by participant: Capital gains tax on increase in value since unlocking. No social security.</p>
What is the maximum rate of income tax payable in relation to my plan benefits?	39.6% (2024) excluding social security tax. Any change in tax rates usually takes effect from 1 January.
Income tax rates	<p>The ordinary tax rate is 22% which covers all taxable income. For certain financial entities, the tax rate is 25%.</p> <p>A further state tax on salary income is assessed on earned income exceeding certain thresholds. The 2024 thresholds are:</p> <ul style="list-style-type: none"> • on income between NOK208,050 and NOK292,849: 1.7% • on income between NOK292,850 and NOK669,999: 4.0%; • on income between NOK670,000 and NOK937,899: 13.6%; • on income between NOK937,900 and NOK1,349,999: 16.6%; • on income exceeding NOK1,350,000: 17.6%.
Will my employer withhold income tax in relation to my plan benefits?	Yes.
Are my plan benefits subject to social security contributions?	Yes.

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Will my employer withhold social security contributions in relation to my plan benefits?	Yes.
Employee social security	Employee social security (max rate): 7.8% (2024). Employee social security (cap): no cap.
What is the maximum rate of capital gains tax?	37.84% (2024) Capital gains are subject to an upward adjustment factor of 1.72 to gross-up the ownership income before calculating the taxable gain. This results in an overall tax rate of 37.84% (being 1.72 x 22 ordinary tax rate).
How will I be taxed on shareholder distributions?	<p>In Rolls-Royce, if a decision is taken to make shareholder distributions, these are currently paid in the form of 'C Shares'. You will only be eligible to receive C Shares on Your Shares: Gifted once they unlock. After that, you will receive C Shares on your unlocked shares, whenever we pay them, until you choose to sell your shares. Whilst you hold your unlocked shares in your Equiniti share account, your C Shares will be redeemed for cash which will automatically be reinvested into ordinary shares.</p> <p>Declaration of shareholder distribution: taxed as a dividend subject to income tax. Dividends are subject to an upward adjustment factor of 1.72 to gross-up the ownership income before calculating the taxable gain. This results in an overall tax rate of 37.84% (being 1.72 x 22 ordinary tax rate). This tax will not be collected by Rolls-Royce. No social security.</p> <p>Issue and redemption of C Shares, reinvestment into ordinary shares: no income tax or social security.</p>

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	Sale of reinvested ordinary shares: Taxed as a capital gain and subject to capital gains tax. This tax will not be collected by Rolls-Royce. No social security.
Do I have to report any income in relation to the plan to my local tax authority?	<p>An employee is required to file an annual tax return, if the pre-recorded tax return they have received is wrong or incomplete, or if they have received income which has not been taxed under the PAYE system and is not included in the pre-recorded tax return.</p> <p>There is no specific filing in relation to share related incentives.</p> <p>Report name: Annual Tax Return (RF-1030). Capital gains and dividends are reported on the same return or as an attachment in the Form RF-1159. The return can be filed online. The tax return can be downloaded from the website here.</p> <p>Tax period: 1 January to 31 December.</p> <p>Reporting deadline: tax returns must be filed by 30 April.</p> <p>Payment of tax: any unpaid taxes are due by 20 August. If the unpaid tax exceeds NOK1,000, the payment will be made in two instalments, the first on 20 August and the second on 24 September. If the individual receives the tax statement on 15 August or later, the first and second instalments will be due 3 and 8 weeks, respectively, after receipt of the tax statement. Capital gains tax and dividend tax must be paid by 31 May to avoid accumulating interest.</p>