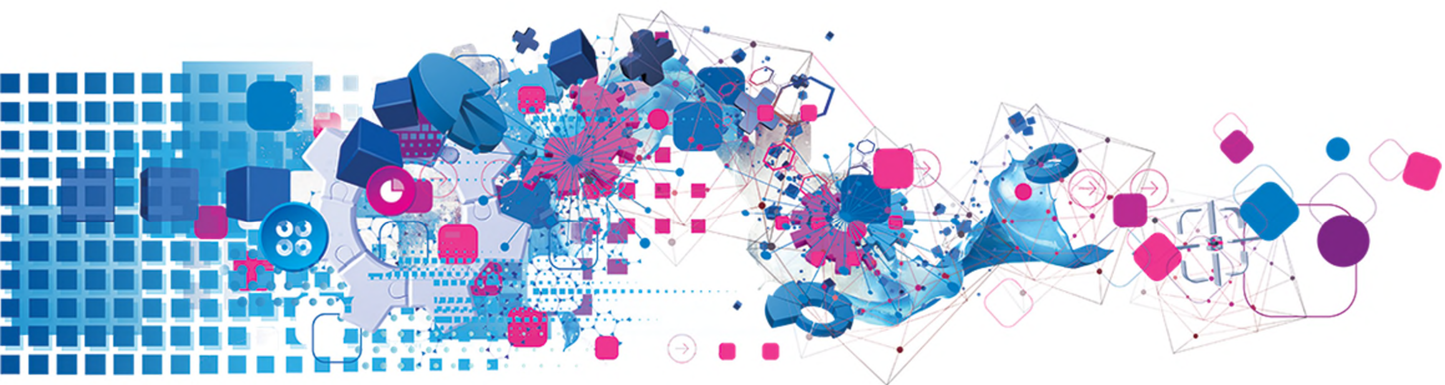
Experian plc
International Sharesave

Employee Guide - Norway



The purpose of this note is to provide you with a general overview of the personal tax treatment of options under the Experian International Sharesave (the “Plan”). This information is for guidance only and may differ according to your personal circumstances. The overview is based on the tax law and practice as at March 2020 and may be subject to change.

This document assumes that you are an employee of the Norwegian entity of Experian and that you are resident and domiciled in Norway, for taxation purposes, from the date you were granted the options to the date you exercised the options and the shares are sold.

If you have any doubts or any concerns about your particular tax position you should contact an independent tax advisor.

Summary of tax treatment

	Options	Interest
When is the tax point?	Exercise	Payment
Will I have to pay income tax?	Yes, your employer will be required to withhold income tax via payroll at exercise.	Yes, you will have to pay income tax via your annual return.
Does a social security liability arise?	Yes	No
Are there any reporting requirements for my employer?	Yes	No
Are there any reporting requirements for me?	Yes	Yes

Employee actions

	Action required	Due date
Annual tax return	You should report the exercise of your options, any interest accrued and any capital gains realised on the sale of the share on your annual tax return.	by 30 April following the year in which the taxable event occurred.
Wealth tax computation	You will be required to include details of your savings, any interest accrued on your savings and any Experian shares held (after exercise) in your wealth tax computation.	As above.
Payment of tax	You will be required to pay any capital income tax due on your interest and capital gains tax due on the capital gain realised on sale of your shares directly to the tax authorities through your annual tax return. You will be required to pay any wealth tax due directly to the tax authorities through your tax return.	As above.

1. Tax implications

Share options

1.1 Will I have to pay income tax when I am granted an option?

No, there is no income tax or social security liability at the time that you are granted an option.

1.2 Will I have to pay tax when my option vests, at the end of the savings period?

No, there is no income tax or social security liability at the time your option vests.

1.3 Will I have to pay tax if I choose not to exercise my option?

Yes, any interest you receive on your savings is taxable as capital income as it accrues.

Any cash you hold at the end of each year (including that held in your savings account) should be included in your wealth tax computation. For the year ending 31 December 2020, wealth tax is payable at a rate of 0.85% on any amount of your net wealth exceeding the annual exemption of NOK 1,500,000. This exemption is doubled for married couples.

1.4 Will I have to pay tax if I choose to exercise my option?

Yes, you will have to pay tax on any option gain and on any interest you accrue (see 1.7 below).

Income tax will be payable at your marginal rate when you exercise your option. Social security contributions will also be payable at this point. The taxable amount will be calculated as the difference between the value that can be achieved by selling the share at fair market price, reduced by 20%, and the exercise price. The tax-exempt (20% reduction) cannot exceed NOK 3,000 per tax year.

Experian has an obligation to withhold income tax on your behalf via payroll shortly after exercise. However, the mechanics for paying the tax due to the tax authorities may vary depending on whether:

- you choose to sell your shares at exercise; or
- you choose to retain the shares after exercise.

Please refer to Appendix 1 for more details, especially if you consider keeping your shares.

Any cash you hold at the end of each year (including that held in your savings account) should be included in your wealth tax computation. Please see above for the applicable rate of wealth tax.

You should include the market value of any shares held (following exercise) at the end of each calendar year in your wealth tax computation.

1.5 Will I have to pay social security on my option?

Yes, social security contributions are payable on the amount subject to income tax which will be withheld by your employer at exercise.

1.6 **Will I have to pay tax if I sell my shares?**

Any gain on the sale of the shares will be subject to capital gains tax. Gains will be grossed up by a factor of 1.44 by the tax authorities before being subject to tax at a rate of 22% (for the tax year ending 31 December 2020). This results in an effective tax rate of 31.68% (for 2020).

You will be required to pay any tax due on the capital gain realised on sale directly to the tax authorities through your annual tax return.

Any cash you hold at the end of each year (including sale proceeds) should be included in your wealth tax computation.

Interest paid to you at the end of savings period

1.7 **Will I have to pay tax on if I receive any interest on my savings?**

You will be required to pay any tax due on the interest you receive on your savings directly to the tax authorities. You should receive a statement detailing the interest accrued following the end of the relevant year from your employer.

The interest received will be taxed at a flat rate of 22% (for 2020).

2. Reporting requirements

2.1 **Do I have any reporting requirements?**

You should report any gains you realise on the exercise of options, interest accrued on your savings and/ or any capital gains realised on the sale of the shares in your annual tax return for the relevant year. In addition, you should report any cash and/or shares held at the end of each year for wealth tax purposes.

You should submit the tax return to the tax authorities by 30 April following the year in which the taxable event occurred.

Share options

Your employer should report the exercise of your options and therefore the taxable income should be pre-populated in the tax return issued to you by the Norwegian tax authorities (for the year of exercise). However, it is your responsibility to ensure that the details included are correct.

Interest paid to you at the end of savings period

If you have reported any interest accrued in your tax return but you subsequently remove your savings during your first year of saving and therefore forfeit your interest, you should file a correction to your tax return.

Appendix 1 – Worked Example

The following worked example illustrates how the share options gains should be calculated, as well as the practical implications of (1) selling the shares on exercise and (2) retaining the shares after exercise. This example does not consider the interest paid to you at the end of the savings period.

Example:

- Share options were granted with an exercise price of £15;
- The value of Experian's shares at the time of exercise is £25;
- You exercise options over 100 shares (using your savings under the plan);
- You elect to sell all your shares immediately upon exercise;
- Maximum tax rates apply.
- FX rate (GBP to NOK) as per 16th March 2020 = 12.62

Fair market value on exercise (£25 x 100 shares)	**£2,500**
Tax exempt (20% reduction in sale price, not exceeding NOK 3,000 per tax year)	**£238**
Exercise price (£15 x 100 shares)	**£1,500**
Total taxable gain realised on exercise (£2,500 sale price - £238 tax exempt - £1,500 exercise price)	**£762** Your employer will communicate this to you.
Income tax payable (£762 x 38.2%)	**£291.10**
Social tax payable (£762 x 8.2%)	**£62.50**
Net proceeds* [(100 x £25) - £291.10 - £62.50] **without considering any brokerage costs*	**£2,146.4**

This example is based on an employee who pays income tax at a marginal rate of 22% (ordinary income tax) + 16.2% (step tax, step 4) and social security at 8.2% (with a tax free amount of NOK 3,000 of the option gain).

Exercise and Keep

If you choose to exercise your options and keep your shares, you will still have an income tax and social security liability. When you ultimately dispose of the shares in the future, a capital gains tax (CGT) liability may arise. Your base cost is set to the fair market value on exercise (using the above example, £2,500). Gains will be grossed up by a factor of 1.44 by the tax authorities before being subject to tax at a rate of 22% (for the tax year ending 31 December 2020). This results in an effective tax rate of 31.68% (for 2020). Any unused shield deduction (available under Norwegian legislation) may also reduce the taxable gain.

The mechanics of paying the tax due to the tax authorities may vary depending on whether you sell your shares on exercise or decide to retain them, as follows.

1: You choose to sell your shares at exercise

By selling shares, you become entitled to receive sales proceeds (less any selling costs) on exercise. In practice, your employer will pay to you the net proceeds (after tax and selling costs have been deducted) via payroll.

2: You choose to retain the shares after exercise

If you decide to keep your shares, no sales proceeds will be payable to you at the time of exercise. However, income tax will still become due on exercise (as explained above) and not at a later date (the due date for your annual tax return).

In order to satisfy your tax liability (and your employer's withholding requirements on exercise), your employer may withhold taxes from other payments due to you in the same period e.g. your salary (such that your salary would be less than usual or no salary may be payable after the deduction of income tax); or if not enough funds are available, your employer may either:

i. Ask you to cover the taxes due from your own funds (i.e. you would pay the taxes due directly to the tax authorities at exercise or via your tax return); or
ii. Ask you to sell enough of your shares as to cover the tax liability by way of sale proceeds.