

## COMPETENT AUTHORITY AGREEMENT

The Competent Authorities of the United States of America and the Kingdom of Norway hereby enter into the following mutual agreement (the "Agreement") clarifying the meaning of "remuneration described in Article 17 (Governmental Functions)" and "payments described in Article 19 (Social Security Payments)" as those phrases are used in the last sentence of paragraph 6 of Article 24 (Source of Income) of the Convention Between the United States of America and the Kingdom of Norway for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Property, signed on December 3, 1971, and as amended by the Protocol signed on September 19, 1980 (the "Treaty"). This Agreement is entered into under paragraph 2 of Article 27 (Mutual Agreement Procedure) of the Treaty.

Article 24 provides, in relevant part:

For purposes of this Convention:

(6) Income received by an individual for his performance of labor or personal services, whether as an employee or in an independent capacity, shall be treated as income from sources within a Contracting State only to the extent that such services are performed in that Contracting State ... Notwithstanding the preceding provisions of this paragraph, remuneration described in Article 17 (Governmental Functions) and payments described in Article 19 (Social Security Payments) shall be treated as income from sources within a Contracting State only if paid by or from the public funds of that Contracting State or a political subdivision or local authority thereof.

Article 17 provides as follows:

Wages, salaries, and similar remuneration, including pensions or similar benefits, paid by or from public funds of one of the Contracting States, or a political subdivision or local authority thereof, to a citizen of that Contracting State for labor or personal services performed for that Contracting State, or for any of its political subdivisions or local authorities, in the discharge of governmental functions shall be exempt from tax by the other Contracting State.

Article 19 provides as follows:

Social Security payments and other public pensions paid by one of the Contracting States to an individual who is a resident of the other Contracting State or a citizen of the United States shall be taxable only in the first-mentioned Contracting State. This article shall not apply to payments described in Article 17 (Governmental Functions).

The Competent Authorities agree that for purposes of the last sentence of Article 24(6):

(1) The phrase "remuneration described in Article 17 (Governmental Functions)" is limited to wages, salaries, and similar remuneration, including pensions or similar benefits,

paid by or from public funds of one of the Contracting States, or a political subdivision or local authority thereof, to a citizen of that Contracting State for labor or personal services performed for that Contracting State, or for any of its political subdivisions or local authorities, in the discharge of governmental functions. Thus, for example, remuneration paid by or from public funds of Norway to a person who is not a citizen of Norway is not remuneration described in Article 17 and, consequently, would not be treated as income from sources within Norway pursuant to the last sentence of Article 24(6). Under the first sentence of Article 24(6), such remuneration would be treated as income from sources within a Contracting State to the extent that such services are performed in that Contracting State.

(2) The phrase “payments described in Article 19 (Social Security Payments)” means Social Security payments and other public pensions paid by one of the Contracting States to an individual who is a resident of the other Contracting State or a citizen of the United States, without regard to the location of the performance of the personal services underlying the entitlement to the payments. Thus, for example, if the United States makes a Social Security payment to a resident of Norway based on personal services that were performed partly within the United States and partly without the United States, the entire amount of the payment will be treated as income from sources within the United States.

The Competent Authorities also confirm that remuneration that is not described in Article 17 is subject to the provisions of the applicable article, e.g., Article 14 (Dependent Personal Services) or Article 18 (Private Pensions and Annuities).

The Competent Authorities also agree that if remuneration described in Article 17 is paid to a citizen of Norway who is also either a citizen of the United States or a lawful permanent resident of the United States, then the United States may tax the payment under paragraph 3 of Article 22 (General Rules of Taxation) and, solely to the extent necessary to alleviate double taxation under paragraph 1 of Article 23 (Relief from Double Taxation), will treat the entire amount of the payment as income from sources without the United States.

Agreed to by the undersigned Competent Authorities:

/s/	11-12-2012
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Michael Danilack United States Competent Authority	Date

/s/	12-10-2012
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Stig Sollund Norwegian Competent Authority	Date