



Executive movement

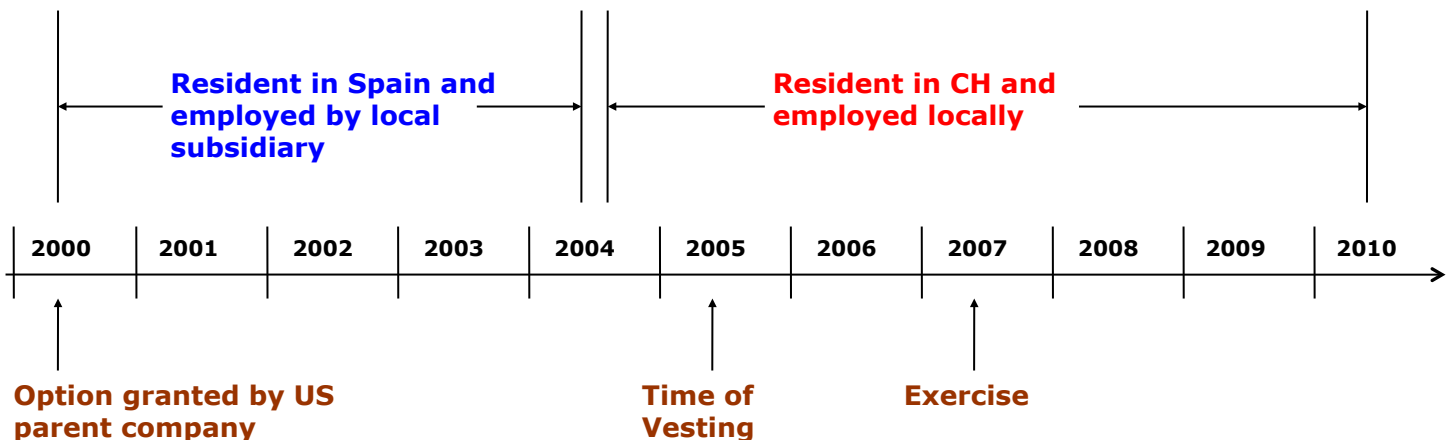
Relocation within European countries

There are two main approaches to taxation of stock options in Europe today: at grant or at exercise.

When executives move cross jurisdictions, it is important to be aware of the taxation applied in the country of origin and as well as the new residence. Furthermore, issues such as capital gains tax should be considered as well, in order to optimize the benefits from the stock options and/or shares already received.

Option granted in Spain and exercised in Switzerland

In this example we illustrate a situation where the executive can optimize the benefits of the stock options granted. By receiving grants while resident in Spain and later exercise while resident in Switzerland, no taxes are paid.

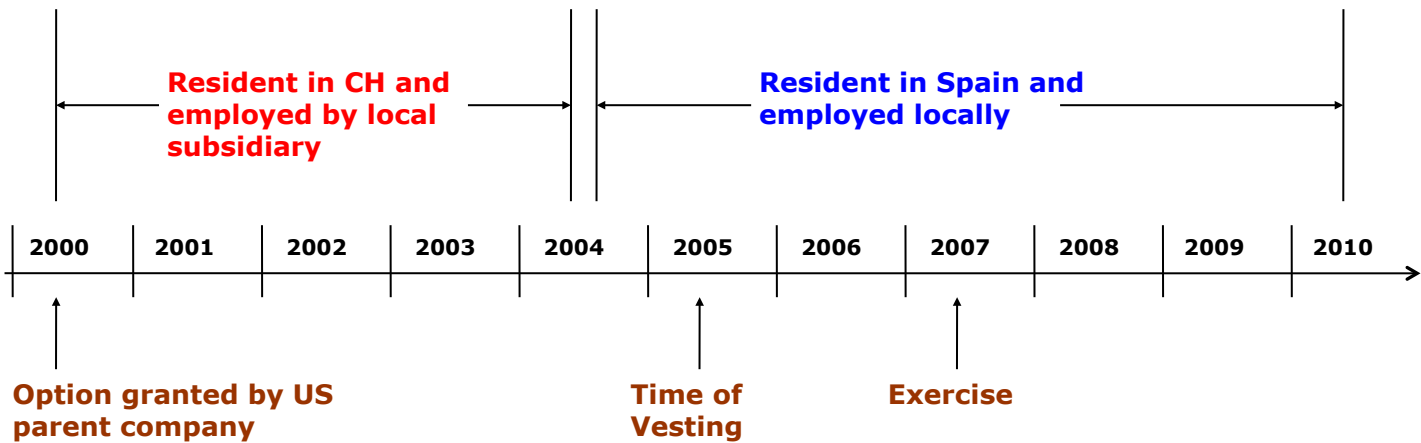


No taxation, neither in Spain nor in Switzerland



Option granted in Switzerland and exercised in Spain

In this example we illustrate the reverse situation where the executive is subject to taxation both at grant and exercise of the options. With the proper advice and knowledge, this situation can and should be avoided.



Taxation in Switzerland at grant and in Spain at exercise!