



Equity-based compensation

**Design, implementation and review of
equity-based plans**

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Content



04

Find the right
equity culture for
your company



06

Designing the most suitable compensation plan for you



08

We will get your program on track



10

Overview of our services



There is no standardised recipe for a tailor made equity plan. We provide you with the ingredients fitting to your company's taste.

Find the right equity culture for your company

Participation as key element of employee motivation

In many companies equity-based plans are an integral part of total employee compensation. Different compensation plans are used nationally and internationally to retain qualified employees, to attract new talent and to motivate and to focus the interests of the employees on the strategic goals of the company. When doing so, many employees will become co-owners of the company, often with shareholders rights (i.e. voting rights and dividend rights). This refocusing of interests between employee-shareholders and investors are part of a modern equity culture. If promoted directly, this equity culture can also lead to a positive impact on the corporate culture.

Choose the most suitable compensation plan for your company

To design an appropriate equity-based plan is different for every company. It is important to choose the appropriate model from a diverse array of plan types and to align this model to the objectives and requirements of the company.

However, this vast array of plan types makes it difficult for companies to choose an appropriate design for their employee participation plan. The different models – like the classic broad based plans, the profit participation plans, the share matching plan, the phantom plans, options plan or the combined performance-based executive programs - all have different aims. Moreover, many organizational, fiscal, legal and financial aspects have to be considered when designing a tailor made plan.

Designing the most suitable compensation plan for you

Welcome to our „One-Stop-Shop“

At KPMG different business units – law, tax and advisory – work closely together in project teams. We offer you our full and extensive interdisciplinary know-how and longstanding expertise in the implementation of national and international employee participation plans.

In addition, thanks to our international and multidisciplinary network, we can assist you in identifying all kinds of obstacles at an early state and avoid risks in the implementation of your plans.

We support you with a well-organized team, who in close collaboration with your in house professionals defines and implements the necessary processes. Furthermore, our team supports you in the selection of an appropriate service provider for outsourcing processes and tasks.

In short, you get the complete guidance and support for your equity-based compensation for your managers and employees from one source – KPMG is your «One-Stop-Shop».

Our offer and solution for you:

1. KPMG Workshop
2. KPMG Status Check
3. KPMG Design and project implementation

1. Our workshops: Asking the right questions and find the appropriate answer together

Whether it concerns the setup of a new equity plan or the analysis or reshaping of an existing plan: In workshops we work together with you to determine the necessary questions. Your project will be analyzed in detail and in collaboration with your project team and we find the right answers.

We help you define where the costs of the plan should be allocated, which form of financing you should choose, what financial impact the model will have and which target groups should be considered within your company. Already in the conception phase your equity participation plan will be adapted to meet industry standards and country-specific circumstances, with tax and legal considerations complementing these adaptations. Our global network of experts and the specialized IT tools enable us to create individual country studies and verify the feasibility of the plan.

We clearly illustrate different opportunities a plan provides and based on our model calculations and expertise can already estimate the effects of a plan before implemented. The results of our workshops enable you to identify the appropriate plan for your company and create the ideal requirements for a successful implementation of your plan – worldwide.

KPMG's Status Check Overview

Strategy	Design	Communication	Administration	
<ul style="list-style-type: none"> – Goal-setting – Control – Participation rate – Cost-Benefit-Analysis 	<ul style="list-style-type: none"> – Plan-design – Law – Tax / Social Security 	<ul style="list-style-type: none"> – Documents and texts (online/offline) – Perception – Degree of understanding – Acceptance – Share and ownershipculture 	External <ul style="list-style-type: none"> – Bank – Planadministrator – Specialised IT-Service provider 	Intern <ul style="list-style-type: none"> – HR-IT, documentation, controlling, core processes



2. The KPMG status check

Analysis of your existing plan

The national and international standards and legal framework of an equity participation plan are subject to constant change. If you already have such a plan in place, then it may be worthwhile to undergo a status check. As part of a detailed review – we find out if your plan meets the current requirements of the labor market, whether additional tax benefits have been considered and whether the legal framework still meets the current statutory requirements. Based on this evaluation, an adjustment or realignment of an existing plan can be implemented.

3. Implementation of your new equity-based plan

KPMG offers you comprehensive support

Which of the various compensation and participation models suits the needs of your company, your strategy, your goals – and your employees? A common definition and the subsequent solutions to all important questions are essential for KPMG during a redesign of a Top Executive or employee participation plan.

We offer competent and comprehensive consulting services, which are tailored to the individual needs of your company.

We will help you
find the most fitting
shape for your
company.



We will get your program on track

We support the implementation of your plan. And are also there for you afterwards.

If all relevant factors are taken into account during the design of an equity participation plan, a good foundation is given for a successful implementation.

In a next step, KPMG supports you during the implementation of the plan: We accompany you during the introduction of the plan, the initial granting phase and beyond – nationally and internationally.

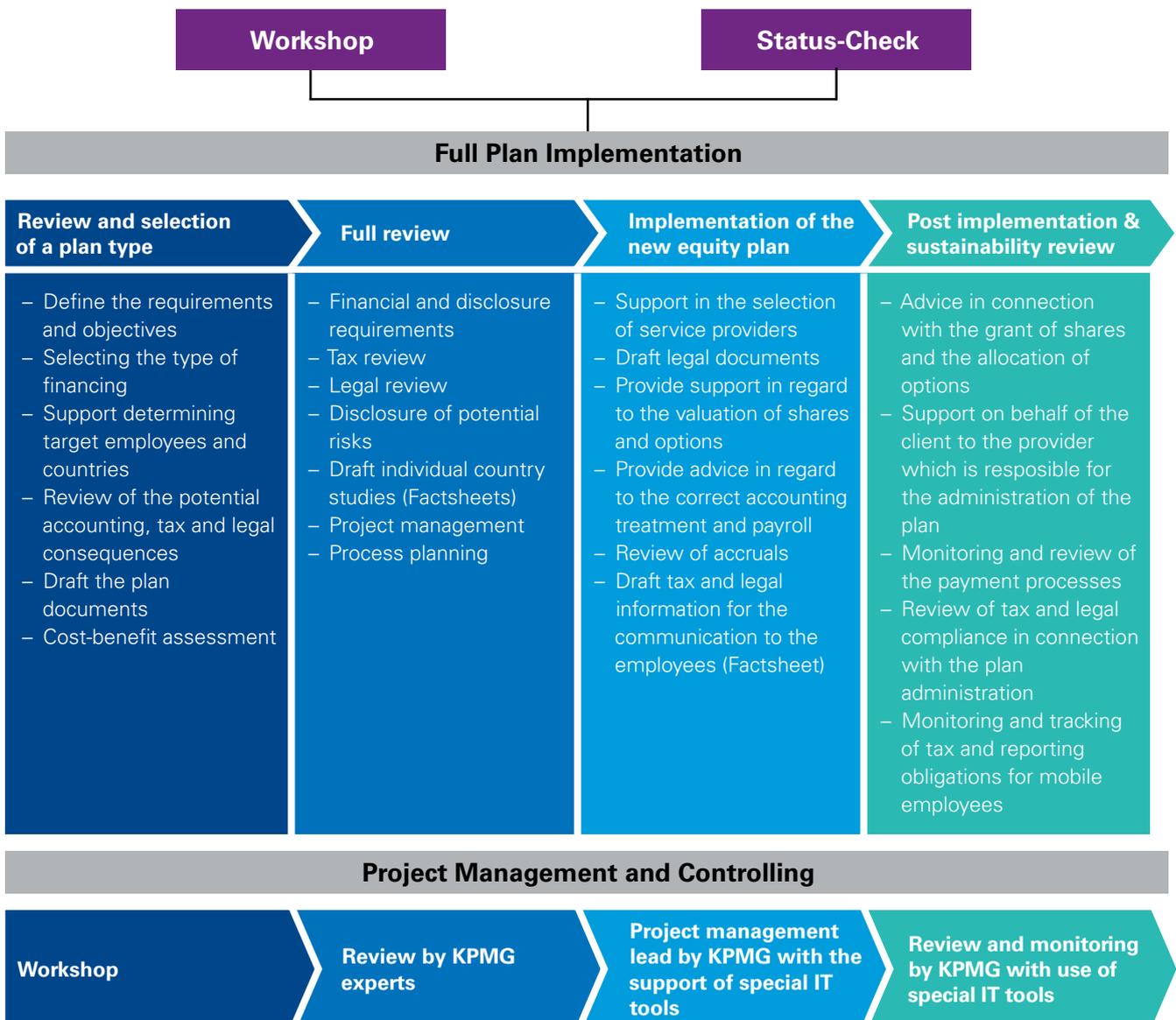
According to our «One-Stop-Shop – Everything from one source» mission, we offer you the coordination of the project through the use of our global network of KPMG tax, legal and equity specialists. Having a single point of contact and a project manager (additionally – a project-management-office in your company, if requested) leads to a smooth handling and the avoidance of any unnecessary costs.

Due to our extensive experience, we are well-equipped to handle the entire plan cycle:

- In collaboration with communication experts we develop and create a coherent information leaflet for all participants.
- We draft the necessary legal documents.
- Based on our strong network within the industry, we assist you in the selection of other professional service providers, give you an overview of the market benchmarks and put in place a pitch process.
- In coordination with you, we put procedures in place to ensure a correct taxation of the plan and offer our support when obtaining securities and foreign exchange approval.
- We assist you in negotiations with local tax authorities and we define the qualification of the plan, so that you and your employees can benefit from tax or social security advantages where available under the existing country laws.

We create an individual and understandable recipe from the appropriate ingredients and shapes – all according to your taste.

KPMG „One-Stop-Shop“: How we support you from initialization to implementation



Overview of our services

In good hands: Our full-service package

Take advantage of a partnership with the multi-disciplinary team at KPMG. We support you with comprehensive solutions from a single source for all challenges related to the design and implementation of your employee equity plan.

- We assist you in the selection and design of an employee equity plan for your company.
- In collaboration with you, we prepare the implementation of the plan into your company.
- We provide you with advice and assistance during the implementation.
- After the implementation we continue to support your company in all matters relating to human resources, compensation, tax and legal issues.

Perfectly set-up: Our team

Our staff has extensive experience in Top Executive and broad based employee stock plans and – for example through their active participation in the DACH chapter of the global equity organization (GEO) in Germany, Austria and Switzerland – has access to a global network of leading experts in the industry.

Have we sparked your interest?

For further information or queries please do not hesitate to contact our contact persons.

KPMG compact

KPMG is with more than 2,000 employees one of the leading audit and advisory firms in Switzerland. Through its strong regional presence in Switzerland and Liechtenstein KPMG is close to its clients, who count mid-sized companies with local focus just as much as global companies from a variety of sectors among their number. In audit, tax and

advisory, KPMG is noted for clear and consistent solutions. Audit creates the transparency and trust vital to good corporate governance.

Tax and Advisory create a framework for successful, comprehensive company management. With our broad base in many specialist areas and

sectors, we provide multi-disciplinary services from a single source. This leads to synergies and relieves the pressure on client budgets.

On an international level, KPMG employs 189,000 people in 152 countries.



Different tasks require different tools. We offer interdisciplinary solutions from a single source.

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