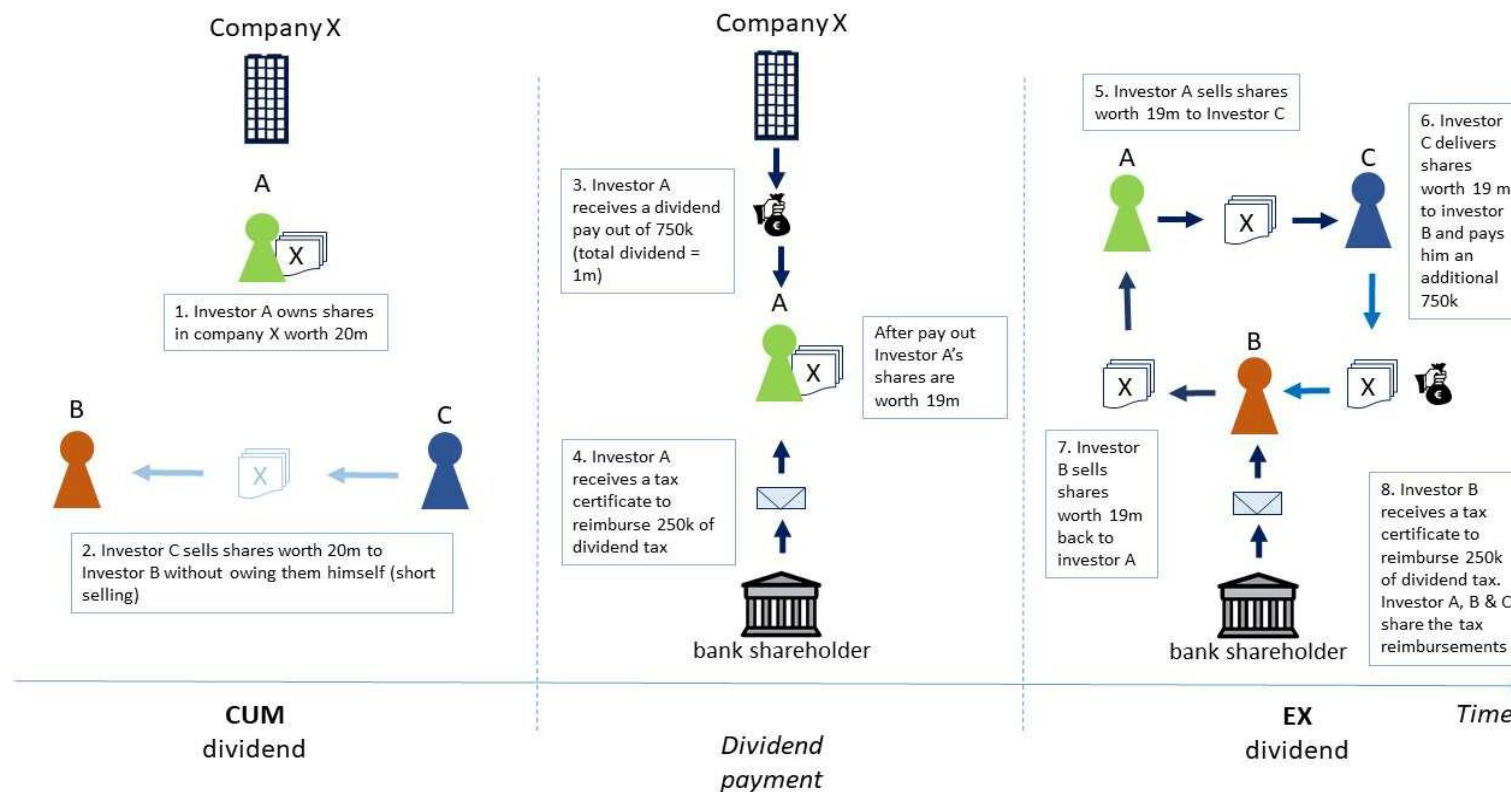


Cum ex transactions explained



A and B both have a tax profile that entitles them to a refund of dividend tax.

At the end of the transaction, **A retains the same shares**. The value of the shares has dropped by 1M as a result of the 1M dividend received. A's total value, however, was and remains 20M. His cash gain of 1M is offset by the same decrease of the value of his shares.

B has no cash effect from the transaction

C gains 0.25M which is shared between the parties and paid by Company X's residence country tax administration. The gain results from two parties, A and B, claiming a refund of dividend tax on a single dividend payment. Instead of collecting 0.25M dividend tax on the dividend distribution, the tax administration is out of pocket 0.25M.

	CUM dividend		Dividend payment		EX dividend		End position
	Step 1	Cash	Step 2	Cash	Step 3	Cash	Cash
A		0		1		0	1
B		-20		0		20	0
C		20		0		-19,75	0,25

