



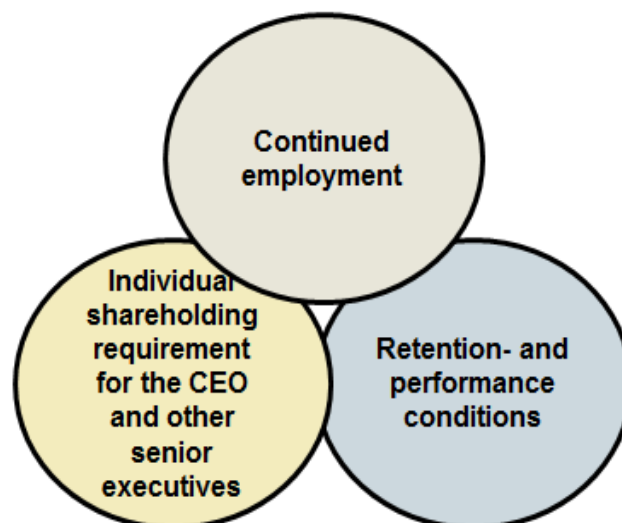
# THE PROPOSED LONG-TERM INCENTIVE PLAN 2016 (THE “PLAN”) IN BRIEF

## Purpose of Plan

- To enhance MTG’s ability to recruit, motivate and retain high performing employees
- To further align participants’ interests and rewards with those of the shareholders
- To offer the employees a long-term share based incentive in order to provide a balance between short and long-term remuneration and fixed and variable remuneration

## The Plan is based on the following key principles:

- Senior executives and certain key employees are invited to participate
- Individual shareholding requirements (Target Holding) to be fulfilled by the CEO and the senior executives
- Vesting dependent on fulfilment of retention- and performance conditions and participant being in continued employment of MTG





## THE PLAN

### **The participants**

- Approximately 85 key persons will be invited to participate. The participants will be divided into three categories

### **The Share Awards**

- Granted free of charge after the 2016 Annual General Meeting
- May not be transferred or pledged
- Vest after the release of the interim report for Q1 2019
- Adjusted for dividends in order to align the participants' and shareholders' interests

### **General vesting conditions for Share Awards**

- Continued employment
- Requirement for the CEO and other senior executives (currently 7 people) to have a certain shareholding in MTG Class B shares (Target Holding) in order for the Share Awards to vest
- The retention- and performance conditions have been reached
- Each category has a pre-determined maximum vested amount (corresponding to approximately 2 – 3 times the participant's annual gross base salary, depending on category)



## SHAREHOLDING REQUIREMENT

- To encourage the CEO and other senior executives (currently 7 people) to build up a significant shareholding over time and to ensure close alignment with shareholders, the vesting of Share Awards granted to the CEO and other senior executives is conditional on the achievement of Target Holding.
- The Target Holding to be achieved in order for shares to vest is the following:

CEO: Shareholding of MTG Class B shares equivalent to the value of 1 year net base salary (as at time of grant)

Senior executives (currently 7 people): Holding of MTG Class B shares equivalent to the value of 0.5 year net base salary (as at time of grant)



# THE RETENTION AND PERFORMANCE CONDITIONS

## Performance period

- 1 January 2016 – 31 December 2018

## Retention and performance conditions

- Retention Series A: Total shareholder return for MTG Class B shares (TSR) compared to a peer group comprising: CME, ITV, M6, Mediaset, ProSieben, RTL, Sky, TF 1, Schibsted, Comhem and Sanoma. Companies in peer group which have the highest and lowest TSR, respectively, are excluded from the calculation
- Performance Series B: Operating income (EBIT), measured during three stand-alone one-year periods, the calendar years 2016, 2017 and 2018
- Performance Series C: total shareholder return for MTG Class B shares (TSR)

## Entry level and target level

- Retention Series A: If the entry level is not reached, the share awards lapse. If the entry level (exceeding average TSR for peer group) is reached, 100% of the share awards vest
- Performance Series B: If the target level is not reached, the share awards lapse. The target level for the performance condition is set by the Board each year during the three-year period. The outcome is measured against the level after each year during the measurement period, in order to assess how many awards will vest in the series after the three-year period. If the target level is reached for each of the three one-year periods, 100% of the share awards will vest; if it is reached for two of the three one-year periods, 66% of the share awards will vest; and if it is reached for one of the three one-year periods, 33% of the share awards will vest
- Performance Series C: If the entry level is not reached, the share awards lapse. If the entry level (>10%) is reached, 20% of the share awards will vest; and if the target level (33%) is reached, 100% of the share awards will vest. Linear interpolation will apply for outcomes between the entry level and target level



# GRANT STRUCTURE

- The participants are allocated different numbers of Share Awards based on their annual gross base salary
- The CEO and other senior executives (currently 7 people) are also required to hold different levels of shares for the granted Share Awards to vest

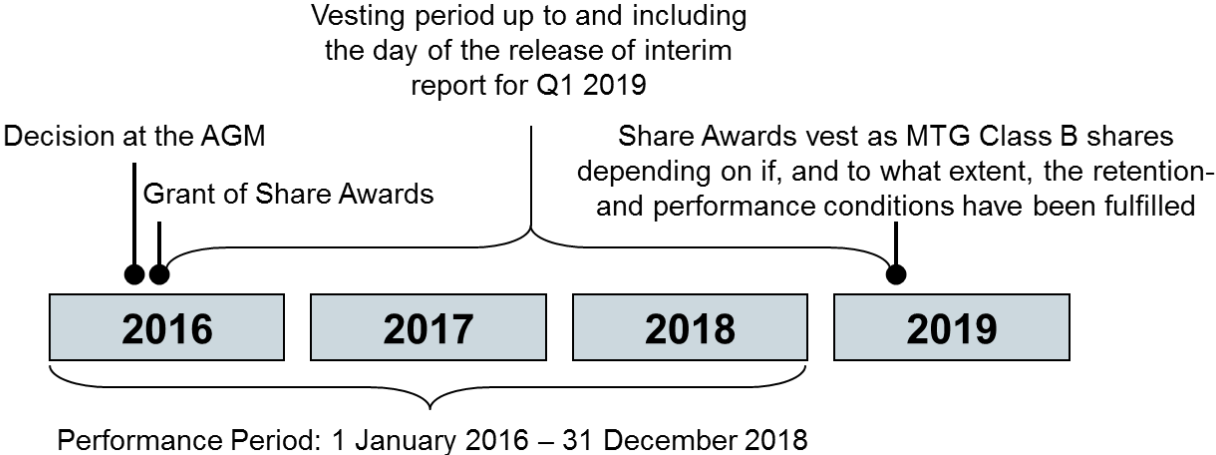
	Level of shareholding requirement	Share Awards, as % of annual gross base salary
<b>CEO</b>	Equivalent to 1 annual net base salary	75%
<b>other senior executives</b>	Equivalent to 0.5 annual net base salary	75%
<b>certain key employees</b>	No shareholding requirement	50%



# TIME PLAN & ADDITIONAL INFORMATION

## Time plan

- The timeline below illustrates the key events



## Additional information

- For the complete terms and conditions as well as the scope and costs of the Plan, see the Notice to attend the Annual General Meeting, item 19