



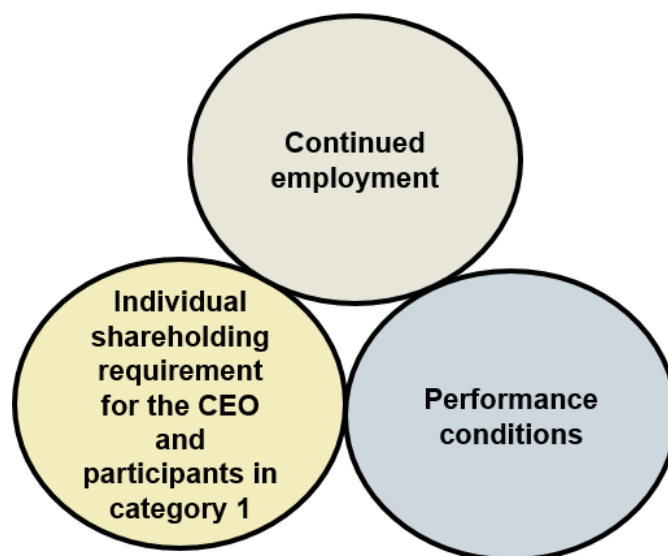
# THE PROPOSED LONG-TERM INCENTIVE PLAN 2017 (THE “PLAN”) IN BRIEF

## 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:

- CEO, Senior executives and certain key employees are invited to participate
- Individual shareholding requirements to be fulfilled by the CEO and the participants in category 1 (approximately 10 people)
- Vesting dependent on fulfilment of performance conditions and participant being employed throughout the Plan’s term





## 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 2017 Annual General Meeting
- May not be transferred or pledged
- Vest after the release of the interim report for Q1 2020
- Grant value adjusted for dividend 2016.

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

- Continued employment
- Requirement for the CEO and the participants in category 1 to have a certain shareholding in MTG Class B shares in order for the Share Awards to vest
- The performance conditions have been reached
- Each category has a pre-determined maximum vested amount (corresponding to maximum 2 or 3 times the participant's annual gross base salary, depending on category)



## SHAREHOLDING REQUIREMENT

- To encourage the CEO and senior executives and key employees in category 1 to build up a significant personal shareholding over time to ensure close alignment with shareholders, the vesting of Share Awards granted to the CEO and the senior executives in category 1 is conditional on the achievement of a 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's net base salary (as at time of grant)
  - Participants in category 1: Shareholding of MTG Class B shares equivalent to the value of 0.5 year's net base salary (as at time of grant)



## THE PERFORMANCE CONDITIONS

### Performance period

- 1 January 2017 – 31 December 2019

### Performance conditions

- MTG absolute TSR: total shareholder return for MTG Class B shares (TSR) over the 3-year period (2017-2019)
- MTG EBIT: Operating income (EBIT), measured during three stand-alone one-year periods, the calendar years 2017, 2018 and 2019
- MTGx value creation: Organic sales growth and increased EBIT margin, measured during three stand-alone one-year periods, the calendar years 2017, 2018 and 2019
- MTGx vertical's value creation (4 senior executives in category 1) measured in accordance to what is set out regarding MTGx's value creation

### Entry level, target and stretch level

- MTG absolute TSR:  
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
- MTG EBIT\* – set annually by the Board:  
If the entry level is not reached, the share awards lapse.  
The achievement levels are set the following way:  
Entry level is 90% of Budget; if met, 20% of the rights vest  
Target level is 100% of Budget; if met, 70% of the right vest and  
Stretch level is 110% of Budget; if met, 100% of the right vest  
Linear interpolation applies for interval outcomes
- MTGx value creation\* – Organic sales growth and EBIT margin set annually by the Board:  
If the entry level is not reached, the share awards lapse.  
The achievement levels are set the following way:  
Entry level is 90% of Budget; if met, 20% of the rights vest  
Target level is 100% of Budget; if met, 70% of the right vest and  
Stretch level is 110% of Budget; if met, 100% of the right vest  
Linear interpolation applies for interval outcomes.  
Minimum threshold of 15% organic sales growth and a year-on-year



improved EBIT.

- MTGx verticals value creation – see above regarding MTGx’s value creation

Please note that the performance conditions have different relative weight, in the calculation of outcome, depending on participant’s category.

\* EBIT and organic sales growth may be adjusted for extraordinary or non-budgeted items or events not related to the ordinary course of business to arrive at normalised EBIT and organic sales growth (e.g. M&A, items affecting comparability)



# GRANT STRUCTURE

- The participants are allocated different numbers of Share Awards based on their annual gross base salary
- The CEO and participants in category 1 are also required to hold different levels of shares for the granted Share Awards to vest

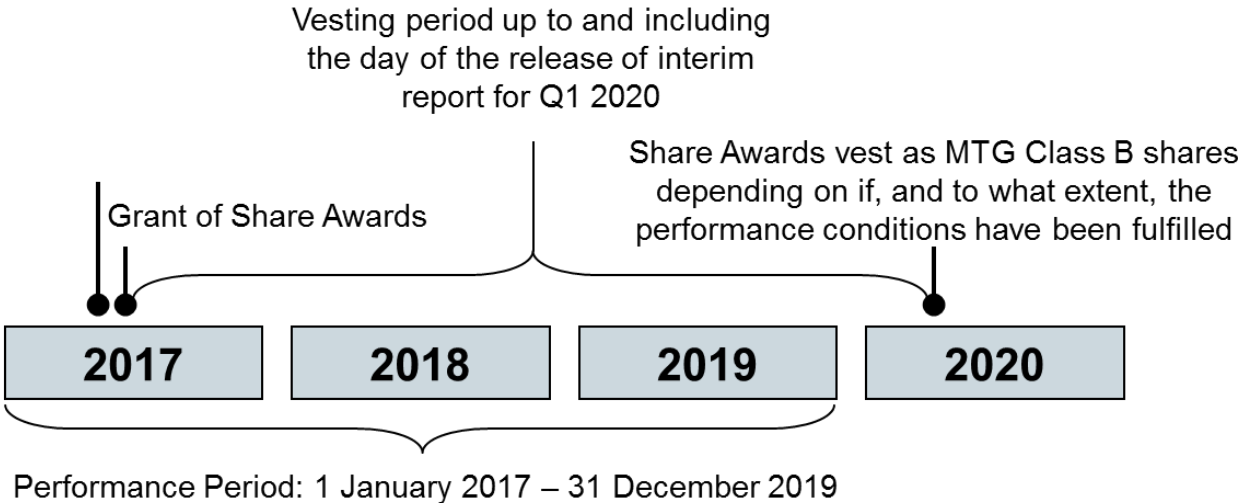
	Level of shareholding requirement	Share Awards, as % of annual gross base salary
<b>CEO</b>	Equivalent to 1 annual net base salary	125%
<b>Category 1</b>	Equivalent to 0.5 annual net base salary	100%
<b>Category 2</b>	No shareholding requirement	75%



# 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 (a)