

# REMUNERATION REPORT

## Introduction by the Chair of the Nomination and Remuneration Committee

On behalf of the Board, I am pleased to present our 2019 Remuneration Report.

The Nomination and Remuneration Committee (the Committee) oversees the Remuneration Policy, remuneration plans and practices of OCI N.V. and recommends changes when appropriate. The Committee is comprised of a majority of Independent Non-Executive Directors from the OCI N.V. Board of Directors.

Following a full review of the Remuneration Policy, OCI put forward a revised Remuneration Policy to the Annual General Meeting (AGM) in 2019. With over 99% votes in favor, this policy was approved.

Remuneration Policy	For	Against	Votes cast	Votes withheld
Total number of votes cast	173,478,324	982,880	174,461,204	18,506
% of votes cast	99.44%	0.56%		0.00%

The 2019 Remuneration Policy provides good alignment between the remuneration of the Executive Directors and shareholders' long-term interests, for which OCI aims to create value by focusing on its strategic priorities of operational excellence, business optimization, global commercial strategy, sustainable solutions, and maximizing free cash flow. These strategic priorities are underpinned by the organization's commitment to investing in products that help achieve OCI's vision of cultivating a more sustainable world through global food security and greener fuel solutions. The Executive Directors are incentivized through both short-term and long-term compensation schemes that align to the group's long-term value creation through the cycle as well as shorter and medium term company targets, individual objectives and focus areas, and strategic non-financial metrics that are fundamental to the group's long-term success, such as Health, Safety and Environment (HSE).

During 2019, OCI completed several key initiatives that allow the group to enter a new phase of its evolution, including:

- completing a \$5 billion, 10-year growth capex program to realize a run rate capacity of 16.1 million metric tons per year;
- achieving strong operational and commercial results to achieve a record sales volume of 11.7 million tons, despite an extensive planned turnaround schedule and a difficult pricing environment; and
- further developing the group's production and commercial capabilities with the formation of Fertiglobe, the continued expansion of N-7 and OMM, and other regional initiatives.

This Remuneration Report explains the application of the 2019 Remuneration Policy in its first year in light of the group's achievements and overall performance, and endeavors to provide additional information to ensure full transparency with our shareholders.

The Remuneration Report will be subject to an advisory vote at our AGM on 7 May 2020.

## 2019 activities of the Nomination and Remuneration Committee

The key activity for the Committee this year was the review of the Remuneration Policy in light of the new requirements under the Dutch Civil Code. The objective of OCI's Remuneration Policy is to attract, motivate and retain the qualified individuals needed to achieve its strategic and operational objectives, also on the long-term. The very high level of support (99.44%) from all shareholders on the 2019 Remuneration Policy as put forward to voting at our 2019 AGM was taken into account by the Committee when reviewing the policy for 2020. The Committee also took note of the views of the individual Executive Directors on their remuneration. The review resulted in a limited number of changes to the Remuneration Policy as summarized hereafter. The revised Remuneration Policy will be put forward to the AGM for voting on 7 May 2020.

On behalf of the Nomination and Remuneration Committee,

**Sipko Schat**  
Chairman

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## Proposed changes to our Remuneration Policy

### HSE target

In our current (2019) Remuneration Policy, the targets for the annual bonus are developed around a mix of financial (60%) and non-financial (40%) measures, with a 20% reduction in payouts if HSE targets are not met.

Given the importance of HSE in all aspects of OCI's operations, the Committee reviewed HSE target setting as part of the Remuneration Policy's non-financial measures with the following goals:

- Improved alignment to the principle of 'pay-for-performance'; and
- More holistic assessment of HSE performance through the inclusion of targets that specifically cover health, process safety, occupational safety, environmental performance, and the promotion of safety culture and awareness.

Following an internal assessment and a benchmarking exercise against global industry peers similar in size, complexity and scope to OCI, the Committee proposes to include HSE as a separate non-financial target in the 2020 Remuneration Policy and will consider adding measures to assess performance on an expanded set of metrics as described above.

The overall annual bonus opportunity will not change.

### Total Shareholder Return (TSR) Peer group

The Executive Directors' Performance Stock Units (PSU) Plan aims to incentivize the creation of shareholder value in excess of that achieved by comparable organizations. This is done by measuring the TSR performance of OCI and a selected peer group over a period of 3 years. To compare OCI's TSR performance fairly, the TSR peer group is intended to reflect the market in which OCI competes for investment. Next to that, the companies in our peer group should be comparable in terms of industry and market, thus facing the same market conditions as regards of volatility of commodity prices and selling prices. This year, with support from external advisors, we propose changing the TSR peer group. The TSR peer group is detailed in the Remuneration Policy which is published on the company website.

The overall opportunity under the PSU Plan will not change.

### Recruitment Policy

Our current Remuneration Policy did not include a derogation clause, allowing deviation from the policy in exceptional circumstances. After careful consideration, we drafted a Recruitment Policy, as OCI may only wish to (temporarily) deviate from the Remuneration Policy in case – in exceptional circumstances – a new Executive Director needs to be recruited as soon as possible to serve the long-term interests and sustainability of the company.

The Recruitment Policy will be added to the Remuneration Policy in the form of an addendum. If approved by the AGM, the new policy will be published on the company website.

### Other

The fixed and variable remuneration for our Executive Directors will remain the same as per last year.

Fees for our Chairman and Non-Executive Directors will remain unchanged for the forthcoming year.

### 2019 Remuneration at a glance

Based on the approval from the vast majority of our shareholders, for our Remuneration Policy (99.4%) and the PSU Plan (96.5%) at the 2019 AGM, we granted target long-term incentive awards of 125% of annual base salary to the Executive Directors on 7 February 2019. The number of performance stock units is based on the annual salaries as per 1 January 2019.

The table below provides an overview of the 2019 Remuneration of the Executive Directors in a glance.

Role		Chief Executive Officer (CEO)	Chief Financial Officer (CFO)	Chief Legal and Human Capital Officer (CLHCO)
Remuneration in 2019	Annual base salary (with effect from 1 January 2019) <sup>1</sup>	\$2,000,000	\$1,150,000	\$480,000 (with effect from 1 June 2019) <sup>2</sup>
	Bonus for financial year ending 31 December 2019	% of salary	60%	48%
		% of maximum	40%	40%
		\$ total amount	\$1,200,000	\$552,000
	Vesting of 2016 PSP award	% of salary	117.4%	n/a
		% of maximum	78.3%	n/a

<sup>1</sup> These figures exclude employer's social security payments (impact \$0.6 million).

<sup>2</sup> Based on current 80% contract; the full-time equivalent is \$600,000.

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The following part of the Remuneration Report explains in further detail how the 2019 Remuneration Policy was implemented in 2019 for the Executive Directors.

## Executive Director

### Appointment terms

The Executive Directors referred to in this Remuneration Report are the CEO, CFO, Chief Legal and Human Capital Officer (CLHCO). The details of their appointment terms are as follows:

Name	Title	Date of appointment	Current time commitment
N. Sawiris	Chief Executive Officer (CEO)	16 January 2013	Full time
H. Badrawi	Chief Financial Officer (CFO)	1 October 2017	Full time
M. de Vries	Chief Legal and Human Capital Officer (CLHCO)	1 June 2019	80% contract

### Base salary

The CEO's base salary of \$2,000,000 remained unchanged since 2013. The CFO's salary was \$1,150,000 effective 1 January 2019. The CLHCO's base salary was set at \$480,000 (pro-rated to an 80% contract) on appointment and was not increased during the year. As mentioned in the Policy, the Executive Director's base salaries include a fixed cash allowance of 25% of the total which is designed to compensate for the personal provision of key benefits such as pension, car, life and disability insurance and other key benefits. OCI does not provide for a pension fund nor contribute to a pension plan for its Executive Directors.

The Executive Directors do not receive housing allowances or other expatriate-style benefits. They are reimbursed for OCI-related expenses for travel, accommodation and representation. The CFO receives medical insurance (gross value 2019: USD 6,815). In 2019 no extra-ordinary items or one-off payments were paid.

The base salaries of the Executive Directors include their fees for their positions on the OCI N.V. Board of Directors. The Executive Directors do not receive any remuneration from other OCI Group companies.

## Summary of pay in the year

The details of the individual remuneration of the Executive Directors are as follows:

Executive Director	Year	Fixed remuneration		Variable remuneration		Medical insurance	Total Remuneration	Proportion of fixed and variable remuneration	
		Base salary <sup>1</sup>	Annual bonus	SBC <sup>3</sup>				Fixed	Variable
N. Sawiris, CEO	2019	\$ 2,000,000	\$ 1,200,000	\$ 2,641,951	n/a	\$ 5,841,951	34%	66%	
	2018	\$ 2,000,000	\$ 2,000,000	\$ 2,290,967	-	\$ 6,290,967	32%	68%	
H. Badrawi, CFO	2019	\$ 1,150,000	\$ 552,000	\$ 863,471	\$ 6,815	\$ 2,572,286	45%	55%	
	2018	\$ 950,000	\$ 950,000	\$ 497,640	\$ 5,716	\$ 2,403,356	40%	60%	
M. de Vries, CLHCO	2019	\$ 280,000 <sup>2</sup>	\$ 134,400	\$ 108,060	n/a	\$ 522,460	54%	46%	
	2018	-	-	-	-	-	-	-	

<sup>1</sup> These figures exclude employer's social security payments (impact \$0.6 m).

<sup>2</sup> Pro rated to 7 months in service.

<sup>3</sup> The amounts mentioned in this column are based on accounting standards (IFRS).

To support the objectives of the Remuneration Policy and the underlying objectives of the company, a significant portion of the Executive Directors' remuneration is 'at risk' with pay-out contingent on performance measures. As shown in the table above, a portion between 46% to 66% of the total remuneration was variable.

### Annual Bonus

The annual bonus plan supports our strategic priorities in both the short and long term, with challenging financial and non-financial targets. With the implementation of the 2019 Remuneration Policy, the bonus opportunities did not change. For the CEO the target annual bonus opportunity is 75% of annual base salary. For the Other Executive Directors (OEDs) the target opportunity is 60% of annual base salary. The maximum opportunity is 200% of target (i.e. 150% of annual base salary for the CEO and 120% of annual base salary for the OEDs).

The structure can be summarized as follows:



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For 2019, the targets can be summarized as follows:

Performance measures	Weighting	2019 performance		Positioning against target
		2019 target	Outcome	
Net debt reduction	60%	\$350-420 m	\$58 m	0%
Operational, strategic and personal objectives	40%	See table below	200%	200%
Employee Lost Time Injury Rate	Underpin	0.12	0.07	Underpin achieved
Total Recordable Injury Rate	Underpin	0.44	0.41	Underpin achieved

Group Net debt Reduction is the sole financial measure in our annual bonus. This fully aligns to our strategic priorities as we consider net debt reduction the measurable outcome of the free cash flow generated by our operational excellence, business optimization and the implementation of our disciplined commercial strategy.

Net debt reduction was \$58 million in 2019; as a result, this element of the bonus did not pay out.

OCI's commitment to HSE is reflected in the HSE performance measure. In line with OCI's approach in the past five years, each year's HSE performance targets are set at a 10% improvement over the previous year's targets for the group's Employee Lost Time Injury Rate (LTIR) and Total Recordable Injury Rate (TRIR). Accordingly, the HSE underpin was achieved and no discount was applied. Please refer to pages 30-31.

The following table summarizes performance against the 2019 operational, strategic and personal objectives for each Executive Director. These objectives link directly to the strategic priorities of operational excellence, business optimization, global commercial strategy and sustainable solutions, thus contributing to maximizing free cash flow. Based on the assessment of all targets by the Committee as approved by the Board, the outcome is determined at 200%.

Executive Director	Operational, strategic and personal objectives	Weighting	2019 performance Outcome	Positioning against target
<b>N. Sawiris,</b> CEO	Management and execution of strategic opportunities (divestments, mergers & acquisitions) contributing to the long-term shareholders value.*	20%	200%	200%
	Management and organizational development, including succession planning and staffing of key positions.	20%	200%	200%
<b>H. Badrawi,</b> CFO	Management and execution of strategic opportunities (divestments, mergers & acquisitions) contributing to the long-term shareholders value.*	20%	200%	200%
	Management and organizational development of the risk management /internal controls function.	10%	200%	200%
	Management and organizational development of the IT function, including management of OCI's cybersecurity,	10%	200%	200%
<b>M. de Vries,</b> CLHCO	Management and organizational development, including succession planning and staffing of key positions.	15%	200%	200%
	Management and organizational development of the compliance function.	10%	200%	200%
	Integration of newly acquired and merged companies.	15%	200%	200%

\* As we consider further transparency on this strategic target to be commercially sensitive and eventually prejudicial to OCI's business and long-term interests, we choose not to disclose more detailed information.

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The following table shows actual bonuses earned compared to opportunity in 2019:

Executive Director	2019 base salary	Variable remuneration			2019 Bonus outcome		
		Target (% of salary)	Maximum (% of salary)	Financial performance (% of salary)	Individual objectives (% of salary)	Total 2019 bonus (% of salary)	Total 2019 bonus
<b>N. Sawiris,</b> CEO	\$2,000,000	75%	150%	0%	60%	60%	\$1,200,000
<b>H. Badrawi,</b> CFO	\$1,150,000	60%	120%	0%	48%	48%	\$552,000
<b>M. de Vries,</b> CLHCO	\$280,000 <sup>1</sup>	60%	120%	0%	48%	48%	\$134,400

<sup>1</sup> \$480,000 pro rated to 7 months in service.

## Long-term variable remuneration

### Options

As at 31 December 2019, N. Sawiris held no stock options (2018: 0). H. Badrawi holds 35,000 stock options (2018: 35,000). M. de Vries holds no stock options. These stock options are granted to Mr Badrawi prior to his board appointment. The stock options will vest in 2020 contingent on his continued employment with OCI.

### Share Matching rights (legacy arrangement)

The plan was discontinued effective 1 January 2019; as such no new matching rights were awarded in 2019.

As at 31 December 2019, the Executive Directors had 53,834 share matching rights to bonus shares outstanding.

Executive Director	Award cycle	Outstanding year-end 2019	Value at grant date in USD	Vesting date	End of lock-up period
N. Sawiris	2016	21,571	379,345	12-04-2020	12-04-2022
	2017	17,190	381,810	23-04-2021	23-04-2023
H. Badrawi	2016 <sup>1</sup>	7,500	131,894	12-04-2020	12-04-2022
	2017	1,398	31,067	23-04-2021	23-04-2023
M. de Vries	2016 <sup>1</sup>	1,200	21,103	12-04-2020	12-04-2022
	2017 <sup>1</sup>	4,975	110,495	09-04-2021	09-04-2023

<sup>1</sup> These represent awards granted before the appointment to the Board.

Vesting of the share matching rights is contingent on the continued employment with OCI.

### Restricted Stock Unit Plan (legacy arrangement)

As at 31 December 2019, the CLHCO had been granted Restricted Stock Units.

Executive Director	Award cycle	Outstanding year-end 2019	Value at grant date in USD <sup>2</sup>	Vesting date	End of lock-up period
M. de Vries	2018 <sup>1</sup>	14,263	296,163	1/3 <sup>rd</sup> : 17-04-2021	17-04-2023
				2/3 <sup>rd</sup> : 17-04-2022	17-04-2024

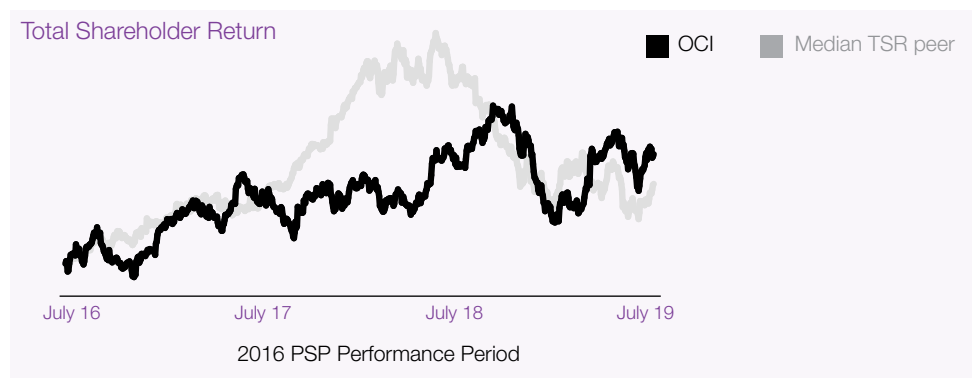
<sup>1</sup> These represent awards granted before the appointment to the Board.

Vesting of the Restricted Stock Units is contingent on the continued employment with OCI.

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## Performance Shares – 2016 award

Based on the PSP awards of 1 July 2016, conditional shares were granted to the Executive Director. The vesting of these shares was conditional on OCI's TSR performance in the three-year performance period ending 30 June 2019 and continued employment.



TSR remains an important performance measure aligning executives remuneration to long-term shareholders value and demonstrating the Group's absolute commitment to delivering returns to shareholders. The TSR performance is measured relative to the performance of the TSR peer group. This means that only if and to the extent that OCI's TSR performance exceeds the TSR performance of the companies in the peer group, the conditional share awards will vest.

For the 2016 PSP Award, OCI's TSR grew by 63.5% over the 3-year period measured in the 2016 PSP award; performance was upper quartile relative to the peer group; as a result, the award vested 117.4% of target.

The Committee reviewed this achievement in light of the broader financial as well as non-financial performance of the Group in the respective period. In view of the excellent progress on the deleveraging following the strong free cash flow generated in 2017 and 2018, the disciplined commercial strategy and the strong operational performance above the industry the Committee decided to make no further adjustments to the pay-out.

The Committee believes that TSR is an important performance measure aligning executives to shareholders and demonstrating the Group's absolute commitment to delivering returns to shareholders.

After vesting, the performance shares awarded will be subject to a further 2-year holding period in line with the Dutch Corporate Governance demonstrating a further commitment to the long-term sustainability of the Group.

## Performance Shares – awards granted in 2019

In 2019 Awards were granted under the new Performance Share Units Plan on 7 February.

As at 31 December 2019, the Executive Directors had been granted 411,478 conditional performance share units at target.

Name	Award cycle	Outstanding year-end 2018	Granted conditional in 2019	Outstanding year-end 2019	Value at grant date in USD	Vesting date	End of lock-up period
N. Sawiris	2017	103,587	-	103,587	1,973,124	07-02-2020	07-02-2022
	2018	84,873	-	84,873	2,181,674	07-02-2021	07-02-2023
	2019	-	116,002	116,002	116,002	07-02-2022	07-02-2024
H. Badrawi	2018	40,315	-	40,315	1,036,304	07-02-2021	07-02-2023
	2019	-	66,701	66,701	1,437,500	07-02-2022	07-02-2024

## Share ownership guidelines

Subject to the Share Ownership Guidelines for the Executive Directors of the Board as per 1 December 2018 all Executive Directors are required to own a percentage of OCI shares of their salary. These percentages are a holding of 300% for the CEO and 150% for the other Executive Directors.

The table below summarizes the number of shares currently held by Executive Directors (which have no further performance conditions attached). Their holding as a percentage of salary is based on a share price of € 18.75 (being the closing share price on 31 December 2019). Executive Directors are expected to build up share ownership over a period of five years of the date of appointment. Until this requirement has been met, Executive Directors must retain at least 50% of any vested shares from the PSU Plan. The CEO and CFO already meet the share ownership guidelines.

Executive Director	Shares held	Shareholding <sup>1</sup> (% of salary)
N. Sawiris	62,768,285	Majority shareholder in OCI N.V.
H. Badrawi	117,101	214%
M. de Vries	9,447	41%

<sup>1</sup> Based on a share price of € 18.75 on 31 December 2019.

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## Internal pay ratio

In the past two years, we calculated the internal pay ratio on the basis of the 2019 average employee benefits expense (IFRS-based) of a reference group (our employees in Europe and North America on an FTE basis) compared to the CEO's and average Executive Directors' total direct compensation (base salary and annual bonus). In view of the purposes of the EU Shareholder Rights Directive, we decided to change our calculation method going forward and report the internal pay ratio on the basis of the reference group consisting of all our employees globally (on an FTE basis). For the sake of completeness, we calculated both the regional and the global internal pay ratio for 2019 as shown in the table below.

	Internal pay ratio as at 31 December 2019	
	Global employee reference group	Regional employee reference group
CEO	44.5:1	21.4:1 (2018: 29.6:1)
Average Executive Directors	27.2:1	13.2:1 (2018: 22.2:1)

For our internal pay ratio, we consider the total direct compensation of the CEO most relevant, as the long-term incentive (PSP/PSU) is only granted to the Executive Directors, it is highly volatile and at risk during the three year vesting period.

The following part of the Remuneration Report explains in further detail how the 2019 Remuneration Policy was implemented in 2019 for the Non-Executive Directors.

## Non-Executive Directors

The remuneration of the Non-Executive Directors consists of fixed fees for their Board Membership and for services on the Committees. To ensure their independence the Non-Executive Directors are not entitled to any variable remuneration linked to the performance of the Company. The remuneration is set at the level required to attract qualified Non-Executive Directors with the personal skills, competencies and international experience required to oversee the company's strategy and contribute to its performance and the long-term value creation. In view of the increased responsibilities and time spent, the fees for the Non-Executive Directors were increased in 2019.

The Non-Executive Directors do not receive any benefits. They are reimbursed for OCI-related expenses for travel, accommodation and representation.

The table below summarizes the details of the individual remuneration of the Non-Executive Directors.

Non-Executive Director	Year	Fixed remuneration in USD					Total Remuneration	Proportion of fixed remuneration
		Board fee	Audit Committee	N&R Committee	HSE Committee	Extraordinary Items		Fixed
<b>M. Bennett</b> Chairman <sup>1</sup>	2019	290,000	-	7,500	3,750	-	301,250	100%
	2018	260,000	-	7,500	7,500	81,575	356,575	100%
<b>J. Ter Wisch</b>	2019	145,000	20,000	7,500	-	-	172,500	100%
	2018	130,000	20,000	7,500	-	-	157,500	100%
<b>S. Schat</b>	2019	145,000	20,000	17,500	-	-	182,500	100%
	2018	130,000	20,000	10,000	-	-	160,000	100%
<b>J. Guiraud</b>	2019	145,000	20,000	7,500	-	-	172,500	100%
	2018	130,000	20,000	7,500	-	-	157,500	100%
<b>R. J. van de Kraats</b>	2019	145,000	25,000	7,500	-	-	177,500	100%
	2018	130,000	25,000	7,500	-	-	162,500	100%
<b>G. Heckman</b>	2019	145,000	-	-	8,750	-	153,750	100%
	2018	130,000	-	-	10,000	-	140,000	100%
<b>A. Montijn-Groenewoud</b>	2019	145,000	-	-	8,750	-	153,750	100%
	2018	130,000	-	-	7,500	-	137,500	100%
<b>D. Welch</b> <sup>2</sup>	2019	88,710	-	-	3,750	-	92,460	n/a
	2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>D. Fraser</b> <sup>2</sup>	2019	88,710	10,000	-	-	-	98,710	n/a
	2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	<b>2019</b>	<b>1,337,420</b>	<b>95,000</b>	<b>47,500</b>	<b>25,000</b>	<b>n/a</b>	<b>1,504,920</b>	<b>100%</b>
	<b>2018</b>	<b>1,040,000</b>	<b>85,000</b>	<b>40,000</b>	<b>25,000</b>	<b>81,575</b>	<b>1,271,575</b>	<b>100%</b>

<sup>1</sup> The additional fee for Mr. Bennett is for service on the Board of OCI Beaumont in the US / on the board of OCI Partners, a publicly-traded subsidiary of the Company in the United States.

<sup>2</sup> Appointed May 2019.



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The following part of the Remuneration Report explains how the remuneration of the Directors develops over time and for the relevant periods it includes remuneration details for current and former Directors.

### Development of directors' remuneration, company performance and employee remuneration

The table below sets out the change in remuneration for each individual director, the change in OCI's company performance and the average change in remuneration for the employees at OCI (excluding directors) over the past 5 years.

For the Non-Executive Directors, there is no link to the company performance to ensure their independence.

The company performance is presented as the TSR performance applied as the sole performance measure for our PSP/PSU plans.

For the average employee remuneration, we used the same data as for the calculation of the internal pay ratio. As the internal pay ratio is disclosed by OCI since 2017, only the data of the last three years is available.

### 5-year table

	2019	2018	2017	2016	2015
<b>Executive Director's Remuneration in USD</b>					
<b>N. Sawiris, CEO</b>	5,841,951	6,290,697	4,842,242	5,243,873	3,411,935
<b>H. Badrawi, CFO</b>	2,565,471	2,397,640	351,500 <sup>1</sup>	n/a	n/a
<b>S. Butt, former CFO</b>	n/a	n/a	5,600,665	3,080,962	2,474,861
<b>M. de Vries, CLHCO</b>	522,460 <sup>2</sup>	n/a	n/a	n/a	n/a
<b>Non-Executive Director's Remuneration in USD</b>					
<b>M. Bennett, USA, Chairman</b>	301,250	356,575	428,750	653,486	432,500
<b>J. Ter Wisch, NED</b>	172,500	157,500	162,500	167,500	167,500
<b>S. Schat, NED</b>	182,500	160,000	160,000	160,000	160,000
<b>A. Montijn-Groenewoud, NED</b>	153,750	137,500	141,250	72,500 <sup>3</sup>	n/a
<b>R.J. van de Kraats, NED</b>	177,500	162,500	162,500	162,500	162,500
<b>G. Heckman, USA</b>	153,750	140,000	140,000	138,125	103,125 <sup>4</sup>
<b>J. Guiraud, FR</b>	172,500	157,500	157,500	157,500	157,500
<b>C. Welch, USA</b>	92,460 <sup>5</sup>	n/a	n/a	n/a	n/a
<b>D. Fraser, USA</b>	98,710 <sup>6</sup>	n/a	n/a	n/a	n/a

	2019	2018	2017	2016	2015
<b>Performance at OCI</b>					
<b>TSR performance</b>	78.50	74.57	88.05	69.42	95.46
<b>Average Employee Remuneration and Internal pay ratio's</b>					
<b>Average employee remuneration – global employee reference group</b>					
<b>(FTE, Total Remuneration Costs)</b>	70,692 <sup>7</sup>	n/a	n/a	n/a	n/a
<b>Internal pay ratio – global employee reference group</b>					
	44.5 <sup>7</sup>	n/a	n/a	n/a	n/a
<b>Average employee remuneration – EU+USA employee reference group</b>					
<b>(FTE, Total Remuneration Costs)</b>	146,019	122,040	122,843	n/a	n/a
<b>Internal pay ratio – EU+USA employee reference group</b>					
	21.4	29.6	24.8	n/a	n/a

<sup>1</sup> H. Badrawi was appointed CFO on 1 October 2017 and appointed a member of the Board at the 2018 AGM; the amount represents his remuneration for the part of 2017 financial year he was a Director.

<sup>2</sup> M. de Vries was appointed as Executive Director per 1 June 2019; the amount is based on her 80% contract and represents her remuneration for the part of 2019 financial year she was a Director.

<sup>3</sup> A. Montijn-Groenewoud was appointed as Non-Executive Director per June 2016.

<sup>4</sup> G. Heckmann was appointed as Non-Executive Director per June 2015.

<sup>5</sup> C. Welch was appointed as Non-Executive Director per May 2019.

<sup>6</sup> D. Fraser was appointed as Non-Executive Director per May 2019.

<sup>7</sup> Per 2019 we changed the employee reference group for calculating our internal pay ratio from regional to global.



# REMUNERATION REPORT CONTINUED

## Implementation of Policy in 2020

### Salary

We do not propose any increase to salaries per 1 January 2020.

### Annual Bonus

The bonus will be based on corporate financial objectives (60%) and strategic, operational and personal objectives, now including HSE (40%). These will be measured over the financial year ending 31 December 2020.

The bonus opportunities remain unchanged with an at target opportunity of 75% of annual base salary for the CEO and 60% for the other Executive Directors.

The maximum opportunity remains at 150% of annual base salary for the CEO and at 120% of annual base salary for the other Executive Directors.

### Performance Share Unit Plan

Opportunities are unchanged from 2019. Target opportunities are 125% of salary for all Executive Directors.

The 2020 awards were granted on 7 February 2020 in line with our consistent course of action.

In line with the Dutch Corporate Governance Code, awards will be subject to a two-year holding period in addition to the current three-year performance period, resulting in a total five-year period from the date of grant.

### Shareholding Guidelines

The Guidelines introduced in 2019 will remain unchanged; the CEO has a requirement of 300% of salary; the other Executive Directors have a requirement of 150% of salary.

## 2020 Remuneration at a glance

The table below provides an overview of the 2020 Remuneration of the Executive Directors in a glance.

	Chief Executive Officer (CEO)	Chief Financial Officer (CFO)	Chief Legal and Human Capital Officer (CLHCO)	
Remuneration in 2020	<b>Annual base salary</b> (with effect from 1 January 2020)	\$2,000,000	\$1,150,000	\$ 480,000 <sup>1</sup>
	<b>2020 Target Bonus opportunity</b>	75% of annual base salary	60% of annual base salary	60% of annual base salary
	<b>2020 Target PSU award</b> (subject to shareholder approval)	125% of annual base salary	125% of annual base salary	125% of annual base salary
	<b>Share ownership guidelines</b>	300% of annual base salary	150% of annual base salary	150% of annual base salary

<sup>1</sup> Based on current 80% contract; the full-time equivalent is \$600,000.

## 2020 Remuneration Scenarios

The Remuneration Committee conducts pay scenario modelling on an annual basis which investigates pay-out quantum for Executive Directors under different performance scenarios. This modelling is undertaken to ensure that the Remuneration Policy links directly with the performance of OCI and therefore, is in the interests of shareholders.

In the event that specific short-term and long-term threshold performance targets are not achieved, there will be no variable pay vesting or payout for Executive Directors for the relevant period.

The charts below illustrate how much the current Executive Directors could receive under different scenarios in the first year of the Remuneration Policy, assuming a constant share price (i.e. no appreciation) and no dividend payments.

# REMUNERATION REPORT

## CONTINUED

Element of remuneration	Details of assumptions
Fixed remuneration	This comprises base salary with effect from 1 January 2020. The base salary is inclusive of the 25% benefits allowance. The CEO's salary amounts to \$2,000,000, the CFO's salary \$1,150,000 and the salary of the CLHC \$480,000 (pro-rated on a 80% contract)
Annual bonus	Assumes maximum opportunity of 150% of salary for the CEO and 120% of salary for the OEDs Directors. For target, the scenario assumes 75% of annual base salary for the CEO and 60% of annual base salary for the OEDs. For threshold, the scenario assumes 30% of salary for the CEO and 24% of salary for the OEDs. For minimum, the scenario assumes no pay-out of the bonus.
Performance Share Unit Plan	Assumptions apply to all Executive Directors. There is a maximum opportunity of 150% of target (187.5% of annual base salary) in conditional shares. For target, the scenario assumes 125% of annual base salary for all Executive Directors. For threshold, the scenario assumes 25% of target for all Executive Directors. For minimum, the scenario assumes 0% of target for all Executive Directors.

Further to the pay scenario modelling conducted, the Committee concluded that the relationship between the financial and strategic priorities of the company and the performance measures set for the annual bonus as well as the PSP/PSU plan are adequate. Next, the Committee concluded that the objectives of the Remuneration Policy and the underlying objectives of the company are well served by the ratio between fixed and variable pay, which is at least 62:38 in the threshold scenario and 25:75 in the maximum scenario.

