

## LONG-TERM INCENTIVE PLAN REGULATIONS

(Approved at the AEGM of 04/26/2019 and amended in the BofDM of 03/29/2021)

### I – PURPOSE

1.1 1.1 The purpose of the present Long-Term Incentive Plan (ILP Plan) of Dexco S.A. (“Dexco”) shall be:

- i) to foster the long-term commitment of Dexco executives in such a manner as to encourage them to pursue success in all of their activities and the achievement of Dexco’s objectives;
- ii) to attract and retain the best professionals by offering incentives in line with the continued growth of Dexco; and
- iii) to give Dexco, a competitive advantage compared with the market in terms of variable remuneration.

1.2 The Plan is set up in such a manner as to encourage Participants to contribute to the success of Dexco, as said Participants shall become Shareholders and directly benefit from share price appreciations. Therefore, aligning the interests of Dexco Shareholders with those of the Participants is a means to achieve the Plan’s main purpose, that is growth, success, and the achievement of Dexco’s objectives.

### II – PLAN MANAGEMENT

2.1 The Plan shall be managed by the People Division’s Remuneration area, subject to the herein terms and conditions. The Board of Directors shall, after prior consultation with the People, Governance and Appointments Committee, decide on an annual basis on whether or not the Plan shall apply, defining the Participants thereof, as well as to decide on the suspension of the Plan for a determined or undetermined period.

2.2 The Plan took effect in 2020, replacing the preceding stock options plan.

### III – PLAN CRITERIA

3.1 For the purposes of the application of the ILP Plan, the following incentives criteria shall apply:

#### a) **Performance shares**

Under the Performance Plan, shares issued by Dexco shall be transferred to Participants in the event of the attainment of their performance goals based on Dexco’s 5-year strategic plan.

The Performance goal shall be set annually by Dexco’s Committee and submitted to the Board of Directors for approval.

Receipt of the shares shall take place after a vesting period of five (5) years during which the Participant shall remain with Dexco.

The number of shares will have as a price reference the average of the last 30 trading sessions.

In the event of termination not for cause or non-reelection to the position, starting from the 37<sup>th</sup> month, the Participant shall receive, after the five-year vesting period, a number of shares proportional to the period in employment. In the event of voluntary termination, the Participant shall lose their right to shares, regardless of the period in employment.

The Performance Plan will only apply to Directors (“Statutory and Non-Statutory”).

## **b) Matching**

Dexco shall invite Participants to invest a percentage of their net ICP (short-term incentive) received in the purchase of Dexco shares.

The Matching of the shares will be carried out as follows: (i) upon completing 4 years of investment, Dexco will transfer 50% of the shares to the Beneficiary and only the transferred shares may be traded by the Beneficiary; and (ii) upon completing 5 years of investment, Dexco will complete the entire contribution of 100% of the Matching through the transfer of the remaining 50% of the shares to the Beneficiary.

In order to be entitled to full Matching, the Beneficiary will not be able to trade the shares purchased by him at the time of the investment until the 5-year grace period is completed, that is, if the Beneficiary sells the shares before the period of 5 (five) years, will lose the right to Matching.

The foregoing transfer shall be contingent upon the Participant’s continued employment with Dexco and maintenance of the investment.

In case of dismissal without just cause or non-renewal to the position, as from the 13th month of the concession, the Participant will be entitled to *pro rata temporis* Matching to be paid at the end of 5 years. In the event of voluntary termination, the Beneficiary will lose the right to Matching.

The Matching Plan will only apply to Directors (“Statutory and Non-Statutory”).

## **c) Restricted Shares**

Dexco shares will be transferred to its employees, free of charge, provided that all the terms and conditions set forth herein are met.

The Board of Directors, after consultation with Dexco's Chief Executive Officer, will grant, on a discretionary basis, shares to Participants who, within one year, have a differentiated performance and generate a high impact on Dexco's business.

The aforementioned grant will comply with: (i) criteria for the formation of an eligible pool; (ii) talent bank; (iii) consistent performance on individual targets; and (iv) potential assessment.

The shares will be transferred after the concession period of 3 (three) years.

In case of termination without just cause, as of the 13<sup>th</sup> month of the concession, the Participant will be entitled to *pro rata temporis* Matching to be paid at the end of the 3<sup>rd</sup> year. In the event of voluntary withdrawal, the Participant will lose the right to shares regardless of the period elapsed

This type of Plan will be applicable to employee-collaborators (“employees”), admitted under the legal regime of the Consolidation of Labor Laws (“CLT”).

## **IV–CONDITION AND ANNUAL LIMIT FOR GRANTING SHARES**

4.1 Shares will only be granted in relation to years in which sufficient profits have been recorded to allow the distribution of the mandatory dividend to shareholders.

4.2 The total number of shares to be granted in each year will not exceed the maximum limit of 0.5% (half percent) of all Dexco shares that the majority and minority shareholders hold on the balance sheet date of the previous year's closing.

## V – PLANS SUMMARY:

Parameters	ILP PLANS		
	Performance Shares	Matching	Restricted Shares
Period	Annual		
Eligibility	Statutory Officers		All employees (except for Statutory Officers)
Award assumption (trigger)	Performance, minimum attainment of a percentage of an indicator set annually by the BoD	Retention, no performance conditions	Talent retention, no performance conditions
Total number of shares granted	Amount in shares by hierarchy	Duratex will match shares purchased by the executive at a 1:1 ratio. At the end of the periods (4 <sup>th</sup> and 5 <sup>th</sup> years), a number of shares according to hierarchy	A number of shares to be set annually by the BoD
Vesting period	5 years (from the date of the award)	4 years for 50% of the award and 5 years for the remaining 50%.	3 years (from the date of the award)
Strike Price	Lot of shares based on the 30 latest trading days	Participants uses 25%-75% (by level) of his/her net bonus to buy shares	Lot of shares based on the 30 latest trading days
Lock-up	None	Shares purchased cannot be traded until the end of the vesting period (4th and 5th years)	None
Duration (fiscal years)	none		

## VI – ELIGIBLE PUBLIC

6.1 For the purposes of this ILP Plan, the eligible public initially comprises, for criteria “a” and “b” of item III, Statutory and Non-Statutory Directors.

6.2 For criterion “c” of item III, all employees.

6.3 The Board of Directors may, if it deems it appropriate and timely, expand or reduce the eligible audience for any of the ILP plans.

6.4 The ILP Plan does not interfere with the employment relationship and/or mandate and, consequently, cannot be interpreted as any constitution of rights for the Participants, nor will it grant them guarantees of permanence at Dexco, either as a director or as an employee.

6.5 For the purposes of this ILP Plan, the term "Termination" means any act or fact that puts an end to the legal relationship of the Participant, covering, among others, the hypotheses of (i) voluntary termination contained in letters "a" and "b" of this Plan; (ii) non-reelection; (iii) death. As for the Participants listed in letter “c”, termination covers: death, resignation, termination without or with just cause of the employment contract.

6.6 In the event of termination for just cause or removal from office or non-reelection of the Participant listed in letters “a” and “b”, for reasons that Dexco understands equivalent to the hypothesis of just cause, it will result in the loss of the right to ILP

6.7 In the event of permanent disability, the full transfer of Dexco shares to the Beneficiary will take place upon the occurrence of the event.

6.8 In the event of the Beneficiary's death, the shares will only be transferred, in their entirety, upon presentation of the judicial decision or public deed of extrajudicial inventory that defines which will be the Beneficiary's heirs who will be entitled to receive such shares.

6.9 Cases of dismissal without just cause, when the Beneficiary is retired, will be taken to the Board of Directors that will analyze and decide on the transfer or not of the shares to the Beneficiary, as well as the quantity and period in which it will be carried out.

## **VII – GENERAL PROVISIONS**

7.1 No Participant shall have any rights or privileges as a shareholder of Dexco, including dividends, until the shares granted are granted and the registration of shares in their name is duly completed.

7.2 In the event of a change in Dexco's shareholding structure, involving a split, grouping or bonus in shares, the People Department, through its Remuneration area, will make the resulting adjustments in the number of common shares issued by Dexco attributed to the Participants, which are complying with the grace period defined in the ILP Plan, as well as in the contracts signed with them.

7.3 Any taxes levied on and arising from the Plan will be the responsibility of each party in accordance with current legislation.

7.4 The provisions contained in this ILP Plan come into force immediately after its approval, however, it will depend on the annual resolution of the Board of Directors.

7.5 The Board of Directors, in the interest of Dexco and its shareholders, may, at any time, suspend the application of this ILP Plan, for a fixed or indefinite period, and any legal change regarding the regulation of corporations or its tax effects, which significantly affect the present ILP Plan, may lead to its partial or complete review, or even its suspension or termination.

7.6 Nothing in this ILP Plan will grant the Participants rights related to the guarantee of employment or permanence and/or re-election in any positions, nor will it interfere in any way with Dexco's right to, as applicable in the case, terminate/remove, at any time, the relationship with any Participant.

7.7 Any omissions shall be subject to the decision of the Board of Directors.

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