

April 28, 2020  
Tadano Ltd.  
TSE: 6395  
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### **Notice Regarding Introduction of Restricted Stock Compensation Plan**

TADANO LTD. (hereinafter “the Company”) announces that the Board of Directors held on April, 28, 2020 has reviewed the executive compensation plan, and resolved to introduce a restricted stock compensation plan (hereinafter “the Plan”) and to submit a proposal regarding the introduction of the Plan to the 72<sup>th</sup> Ordinary General Meeting of Shareholders scheduled for June, 25, 2020 (hereinafter “the General Meeting of Shareholders”).

#### 1. Purpose and requirements for the introduction of the Plan

##### (1) Purpose of introduction of the Plan

The Plan is intended to provide the Directors of the Company excluding Outside Directors (hereinafter “the Eligible Directors”) with incentives to sustainably increase the Company’s corporate value as well as to further promote shared value between the Eligible Directors and shareholders.

##### (2) Requirements for introduction of the Plan

As the Plan consists of monetary compensation to be provided for granting restricted stocks to the Eligible Directors, its introduction shall require the approval of shareholders at the General Meeting of Shareholders for the provision of compensation.

While compensation for Directors was resolved at the 60<sup>th</sup> Ordinary General Meeting of Shareholders that convened on June 24, 2008, that the aggregate compensation payable to Directors shall be no more than 450 million yen per year (including not more than 60 million yen per year for Outside Directors. However, the amount does not include the portion of employee’s salaries for Directors who serve as employees), the Company will request shareholders’ approval of the introduction of the Plan, within the scope of the aforementioned Directors’ compensation limitations, to set a compensation limitation to Eligible Directors under the Plan.

#### 2. Overview of the Plan

Under the Plan, all monetary compensation claims granted to Eligible Directors by the Company shall be delivered as property contributed in-kind, and Eligible Directors shall

receive common stock of the Company to be issued or disposed of.

Total compensation amounts payable to Eligible Directors shall be no more than 90 million yen per year, within the scope of the amount of compensation described in 1 (2) above. Total number of common stock of the Company to be issued or disposed of under the Plan shall not exceed 300,000 shares per year (although, in the event of unavoidable grounds which requires adjustment of the number of shares such as a stock split or reverse stock split of the Company's common stock, the total number of shares to be issued or disposed of may be adjusted within a reasonable range).

In order to realize the medium to long term sharing of value with shareholders, which is one of the purposes of the Plan, the transfer restriction period shall consist of the time from the date stock granted to the date when the Eligible Directors retire or resign from the post of director of the Company or other post specified by the Company's Board of Directors. Details of grant time and allocations to each Eligible Director shall be decided by the Board of Directors.

The amounts paid per one share of the Company to be issued or disposed of under the Plan will be decided by the Board of Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors (if the Company's shares are not traded on said date, the closing price of the most recent trading day preceding said date) to the extent that it will not be excessively advantageous for the Eligible Directors.

When the Company issues or disposes of common stock under the Plan, the Company and Eligible Directors shall conclude a restricted share allocation agreement (hereinafter "the Allocation Agreement") which shall include the following items.

- (i) Eligible Directors shall not transfer, create security interest on, or otherwise dispose of the Company's common stock allocated under the Allocation Agreement for the period prescribed in advance.
- (ii) If the certain event occurs, the Company shall acquire the allocated shares without consideration.