

Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): February 21, 2020

Kellogg Company

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-4171

(Commission File Number)

38-0710690

(IRS Employer Identification No.)

One Kellogg Square

Battle Creek, Michigan 49016-3599

(Address of principal executive offices, including zip code)

(269) 961-2000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.25 par value per share	K	New York Stock Exchange
1.750% Senior Notes due 2021	K 21	New York Stock Exchange
0.800% Senior Notes due 2022	K 22A	New York Stock Exchange
1.000% Senior Notes due 2024	K 24	New York Stock Exchange
1.250% Senior Notes due 2025	K 25	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR

§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange

Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 21, 2020, the Board of Directors (the "Board") of Kellogg Company (the "Company") made compensation determinations with respect to the Company's named executive officers, and the Compensation and Talent Management Committee of the Board adopted the 2020-2022 Executive Performance Plan, each as set forth below.

2020-2022 Executive Performance Plan. The Compensation and Talent Management Committee of the Board approved the 2020-2022 Executive Performance Plan ("2020-2022 EPP") under which certain senior executives would be eligible to receive a portion of their long-term incentives in the form of performance shares based on the achievement of organic net sales growth and aggregate operating cash flow. Awards are paid in shares at the end of the performance period, except for amounts withheld by the Company for statutory withholding requirements. In addition, the independent members of the Board granted 2020-2022 EPP target awards of 73,270 shares for Steve Cahillane; 17,630 shares for Amit Banati; 15,950 shares for Gary Pilnick; 20,150 shares for Chris Hood; and 10,690 shares for Alistair Hirst. Participants in the 2020-2022 EPP have the opportunity to earn between 0% and 200% of their EPP target. Dividend equivalents accrue and vest in accordance with the underlying EPP award. A copy of the 2020-2022 EPP is attached as Exhibit 10.1 and is incorporated in its entirety into this Item.

RSU Grants. The independent members of the Board approved the following grants of restricted stock units ("RSUs") to named executive officers of the Company: 8,820 for Mr. Banati; 7,980 RSUs for Mr. Pilnick; 10,080 RSUs for Mr. Hood; and 5,350 RSUs for Mr. Hirst. Awards are paid in shares when vesting requirements are met, except for amounts withheld by the Company for statutory withholding requirements. Dividend equivalents accrue and vest in accordance with the underlying RSU award. Under the terms of the grants, the RSUs vest on the third anniversary of the grant date. A copy of the form of RSU terms and conditions for the grants is attached as Exhibit 10.2 and is incorporated in its entirety into this Item.

Option Grants. The independent members of the Board approved the following grants of stock options to named executive officers of the Company: 244,280 options for Mr. Cahillane; 44,090 options for Mr. Banati; 39,890 options for Mr. Pilnick; 50,390 options for Mr. Hood; and 26,720 options for Mr. Hirst. The exercise price under these grants is \$65.52 per share. Under the terms of the grants, the stock options vest in three equal annual installments from the anniversary of the grant date. A copy of the form of option terms and conditions for the grants is attached as Exhibit 10.3 and is incorporated in its entirety into this Item.

Executive Deferral Program. The Compensation and Talent Management Committee determined to eliminate the Company's Executive Deferral Program, which currently requires senior executives to defer base salary above \$950,000 into deferred stock units that are equivalent to the fair market value of the Company's stock. The Program will terminate at the end of fiscal year 2020.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

[Exhibit 10.1](#) 2020-2022 Executive Performance Plan

[Exhibit 10.2](#) Form of Restricted Stock Unit Terms and Conditions

[Exhibit 10.3](#) Form of Option Terms and Conditions

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KELLOGG COMPANY

Date: February 25, 2020

/s/ Gary H. Pilnick

Name: Gary H. Pilnick

Title: Vice Chairman

[\(Back To Top\)](#)

Section 2: EX-10.1 (EXHIBIT 10.1)



Exhibit 10.1

2020 – 2022 Executive Performance Plan Terms and Conditions

1. **Awards:** The Performance Shares will be earned on the Vesting Date (as defined below) as determined by the Board of Directors of Kellogg Company (the “Board”), with any unearned Performance Shares being forfeited without notice on the Vesting Date. The performance measures are Organic Net Sales Growth and Aggregate Operating Cash Flow over a three-year period as described in the 2020-2022 Executive Performance Plan Overview (the “Overview”).

This Executive Performance Plan (“EPP”) award will be void and will have no force and effect if the participant is terminated, retired, on long-term disability, on a severance leave of absence or otherwise not an active employee on the date of grant. Notwithstanding the preceding sentence, an employee who initially becomes eligible for this 2020-2022 Executive Performance Plan after the grant date and during the first year of the Performance Period may receive a prorated EPP award for the Performance Period upon vesting. In such cases the factor for proration will be the same as the factor used for proration for a participant for whom death, Disability or Retirement occurs during the Performance Period.

2. **Grant Date:** February 21, 2020
3. **Performance Period:** The Company’s 2020-2022 fiscal years.
4. **Vesting:** Performance Shares are earned and vest on the Board meeting that occurs closest to the third anniversary of the grant date, which Board meeting shall occur in the same calendar year as the third anniversary of the grant date, provided the recipient remains continuously employed from the grant through such date (the “Vesting Date”), except as otherwise provided herein.

Upon the death, Disability or Retirement of a participant prior to the Vesting Date, Performance Shares will continue to vest and the participant will be eligible for a prorated award upon vesting. In such cases, the factor for proration will be calculated

by dividing the total number of days in the Performance Period by the number of days the participant was actively employed (including weekends, holidays and vacation during the period of active employment) during the Performance Period. For example, if a participant is actively employed during the entire year of the first fiscal year of the Performance Period, but retires on the first day of the second fiscal year of the Performance Period, the pro-ration factor will be 33% calculated by dividing days actively employed (365) by the total number of days in the Performance Period (1,099). Participants will forfeit, without further notice and effective as of their date of termination any

unvested Performance Shares if their employment terminates prior to the Vesting Date for any reason other than death, Disability or Retirement.

This Performance Share partially vests if your employment with Kellogg Company or any of its subsidiaries (the "Company") terminates because of death, Disability (as defined in the Plan) or Retirement. Retirement under the Plan is the same as the participant's defined benefit pension-based eligibility criteria for those that receive a defined benefit pension from the Company. If the participant does not have a defined benefit pension from the Company, Retirement means the participant terminates employment with the Company on or after the participant has attained age 55 with at least five years of service with the Company and the participant's combined age and years of service equal at least 65. For example, a participant who has attained age 55 and 7 months and who has 9 years and 8 months of service will have a combined age and service over 65.

5. **Non-Solicitation:** As a condition for receipt of this EPP award, and in consideration of the compensation and benefits provided pursuant to this EPP award, the sufficiency of which is hereby acknowledged, acceptance of this EPP award is agreement by the participant that during the participant's active employment and thereafter for a period of two years, the participant shall not, without the prior written consent of the Chief Legal Officer, directly or indirectly employ, solicit the employment of (whether as an employee officer, director, agent, consultant or independent contractor), or otherwise encourage to leave the Company, any person who is, or at any time during the previous year was, an officer, director, representative, agent or employee of the Company; or directly or indirectly, divert or take away, or attempt to divert or take away, any customers, business or suppliers of the Company upon whom the participant called, serviced, or solicited, or with whom the participant became acquainted as a result of the participant's employment with the Company.
6. **Non-Disparagement of the Company:** As a condition for receipt of this EPP award, and in consideration of the compensation and benefits provided pursuant to this EPP award, the sufficiency of which is hereby acknowledged, acceptance of this EPP award is agreement by the participant that during the term of the participant's active employment and thereafter, the participant will not engage in any form of conduct or make any statements or representations that disparage, portray in a negative light, or otherwise impair the reputation, goodwill or commercial interests of the Company or its past, present and future subsidiaries, divisions, affiliates, successors, officers, directors, attorneys, agents and employees.
7. **Preservation of Company Confidential Information:** As a condition for receipt of this EPP award, and in consideration of the compensation and benefits provided pursuant to this EPP award, the sufficiency of which is hereby acknowledged, acceptance of this EPP award is agreement by the participant that the participant will not (without first obtaining the prior written consent in each instance from the Company) during the term of the participant's employment and thereafter, disclose, make commercial or other use of, give or sell to any person, firm or corporation (other than agents or representatives of the Company in furtherance of the participant's duties), any information received directly or indirectly from the Company or acquired or developed in the course of the participant's employment, including, by way of example only, trade secrets (including organizational charts, employee information such as

credentials, skill sets, salaries and background information), ideas, inventions, methods, designs, formulas, systems, improvements, prices, discounts, business affairs, products, product specifications, manufacturing processes, data and know-how and technical information of any kind whatsoever unless such information has been publicly disclosed by authorized officials of the Company.

8. **Change of Control**: Notwithstanding the above, in the event of a Change of Control, all Performance Shares will fully vest immediately as of the Change of Control and will be considered fully earned and will be payable at target as promptly as practicable following the Change of Control if the awards have not been assumed or replaced by a Substitute Award, as defined below. The Compensation and Talent Management Committee of the Board of Directors of Kellogg Company (the “Committee”) may adjust the Performance Shares earned to the extent the Organic Net Sales Growth and Aggregate Operating Cash Flow at that date exceeds the target specified in the Overview, but in no case will the Performance Shares earned be less than the target.

An award will qualify as a Substitute Award (“Substitute Award”) if it is assumed by a successor corporation, affiliate thereof, person or other entity, or replaced with awards that, solely in the discretionary judgment of the Committee, preserves the existing value of the outstanding Performance Shares at the time of the Change of Control and provide vesting, payout terms, performance goals and performance period, as applicable, that are at least as favorable to participants as vesting, payout terms, performance goals and performance period applicable to the Performance Shares (including the terms and conditions that would apply in the event of a subsequent Change of Control).

If and to the extent that Performance Shares are assumed by the successor corporation (or affiliate, person or other entity thereto) or are replaced with Substitute Awards, then all such Substitute Awards shall remain outstanding and be governed by their respective terms and the provisions of the applicable plan.

If the Performance Shares are assumed or replaced with a Substitute Award and the participant’s employment with the Company is thereafter terminated by (i) the Company or successor, as the case may be, for any reason other than cause; or (ii) a participant eligible to participate in the Kellogg Company Change of Control Severance Policy for Key Executives, for Good Reason (as defined in that Policy), in each case, within the two-year period commencing on the date of the Change of Control, all Substitute Awards for that Participant will fully vest immediately as of the date of the participant’s termination and will be considered fully earned and will be payable at target promptly as practicable following the termination of employment.

9. **Settlement**: As soon as administratively possible after the Vesting Date, or the Change in Control, whichever is applicable, but in any event within the same calendar year as the Vesting Date or the Change in Control, the number of net shares of the Kellogg Company common stock earned will be deposited into a Merrill Lynch account. After the shares of Kellogg Company common stock are deposited following the Vesting Date, Participants can contact Merrill Lynch at 1-866-866-4050 or 1-609-818-8669 (outside of the U.S., Canada or Puerto Rico), or the Merrill Lynch Grand Rapids Office at 1-877-884-4371 or 1-616-774-4252 (outside the U.S., Canada or Puerto Rico) for customer service.

10. **Dividends:** If cash dividends are declared and paid on Kellogg Company common stock prior to the date the Performance Share award is vested, an amount equal to the cash dividends payable on the Kellogg Company common stock represented by the Performance Share award will be converted as of the dividend payment date to the equivalent number of whole shares of Kellogg Company common stock, including fractional shares, and credited to a bookkeeping account maintained for the participant's benefit ("Dividend Equivalent Units"). Cash dividends declared and paid on the Kellogg Company common stock represented by Dividend Equivalent Units prior to the date the Dividend Equivalent Units are vested shall also be credited to the participant's account and converted to Kellogg Company common stock in the same manner as dividends with respect to Performance Share awards. Upon the vesting of the Performance Shares, the amount of Dividend Equivalent Units that vest will be adjusted in the same manner as the corresponding Performance Shares and be paid in shares of Kellogg Company common stock (rounded up to the nearest whole number of shares). If the Performance Shares partially vest as the result of the participant's death, Disability or Retirement, the Dividend Equivalent Units will vest in the same proportion that the corresponding Performance Shares vest. Dividend Equivalent Units attributable to forfeited Performance Shares shall also be forfeited.
11. **Voting:** Performance Shares are not entitled to any voting rights until after they are vested and shares of Kellogg Company common stock are deposited in a Merrill Lynch account for the Participant (net of taxes). As soon as administratively possible after that occurs, the participant will be entitled to voting rights on such shares of Kellogg Company common stock.
12. **Taxes:** Prior to the delivery of any shares of Kellogg Company common stock in settlement of Performance Shares, the Company shall have the power and right to deduct or withhold or require the participant to remit to the Company an amount sufficient to satisfy any federal, state, local, or foreign taxes of any kind which the Company in its sole discretion deems necessary to be withheld or remitted to comply with any applicable law, rule, or regulation. Participants will be deemed to have elected to pay the withholding taxes owed by allowing the Company to withhold shares on the Vesting Date (and delivering to the participant the net shares of Kellogg Company common stock) having a Fair Market Value equal to the amount sufficient to satisfy the Company's statutory withholding obligations. The participant is responsible for paying participant's taxes that result from the granting or vesting of the Performance Shares. Taxes include, but are not limited to, Federal or national taxes, social insurance or FICA taxes, state and local taxes, and any other tax, if applicable.
13. **Communication:** Target awards will be communicated to participants during the salary planning communication in late February or early March 2020. Participants will receive confirmation of the actual number of Performance Shares earned during the first quarter of the 2022 calendar year.
14. **Registration:** Upon the depositing of the shares of the Company's common stock in the Merrill Lynch account, the shares of the Company's common stock will be registered in the participant's name. Participants can change the registration of the shares by calling Merrill Lynch.
15. **Disposition at Vesting:** After the shares of Kellogg Company common stock are deposited in the Merrill Lynch account in the participant's name, the participant can leave the shares with Merrill Lynch, ask Merrill Lynch to sell the shares, have a certificate issued to the participant

or have the shares electronically transferred to another broker. Certain fees may apply to selling or transferring shares – contact Merrill Lynch for details.

- 16. Benefits:** Income from the Performance Shares will not be included in earnings for the purposes of determining benefits, including pension, defined contribution retirement,, disability, life insurance and other survivor benefits.
- 17. Insiders:** After the Performance Shares vest and the net shares of Kellogg Company common stock are deposited in the participant’s Merrill Lynch account, any participant who is an insider cannot dispose of the shares of common stock without prior approval of the Legal & Compliance Department.
- 18. Recoupment:** If at any time (including after the Vesting Date or after payment), the Committee, including any person authorized pursuant to Section 3.2 of the 2017 Long-Term Incentive Plan (the “Plan”) (an “Authorized Officer”):
- (a) reasonably believes that a participant has engaged in “Detrimental Conduct” (as defined below), then the Committee or an Authorized Officer may suspend the participant’s right to participate in the Executive Performance Plan pending a determination of whether the participant has engaged in Detrimental Conduct;
 - (b) determines that a participant has engaged in “Detrimental Conduct” (as defined below), then the grant of Performance Shares under the Plan and all rights thereunder shall terminate immediately without notice effective the date on which the participant engages in such Detrimental Conduct, unless terminated sooner by operation of another term or condition of this document or the Plan; and/or
 - (c) determines the participant has engaged in “Detrimental Conduct” (as defined below), then the participant may be required to repay to the Company, in cash and upon demand, any payment of Performance Shares under the EPP made during and after the year in which the Detrimental Conduct occurred.

The return of EPP payment under paragraph (c) is in addition to and separate from any other relief available to the Company due to the participant’s Detrimental Conduct.

“Detrimental Conduct” means conduct that is contrary or harmful to the interest of the Company, including, but not limited to, (i) conduct relating to the participant’s employment for which either criminal or civil penalties against the participant may be sought, (ii) breaching the participant’s fiduciary duty or deliberately disregarding any of the Company’s policies or code of conduct, (iii) violating the Company’s insider trading policy or the commission of an act or omission which causes the participant or the Company to be in violation of federal or state securities laws, rules, regulations, and/or the rules of any exchange or association of which the Company is a member, including statutory disqualification, (iv) disclosing or misusing any confidential information or material concerning the Company, (v) participating in a hostile takeover attempt of the Company, (vi) engaging in an act of fraud or intentional misconduct during the participant’s employment that causes the Company to restate all or a portion of the Company’s financial statements, or (vii) conduct resulting in a financial loss to the Company

even though the Company is not required to or does not actually restate all or any portion of its financial statements.

For a participant who is an executive officer for purposes of Section 16 of the Exchange Act, any determination of whether the participant has engaged in an act of fraud or intentional misconduct during the participant's employment that causes the Company to restate all or a portion of the Company's financial statements shall be made by the Committee and shall be subject to the review and approval of the Board of Directors.

If a participant voluntarily leaves employment of the Company within one year of the Vesting Date to work for a direct competitor of the Company, then the value of the Performance Shares on the Vesting Date, less any tax withholding or tax obligations, but without regard to any subsequent market price decrease or increase (the "Net Performance Shares Proceeds"), shall be immediately due and payable in cash by the participant, without notice, to the Company. For purposes of this award (i) "a direct competitor of the Company" means any person, firm, partnership, corporation or other business or entity that sells any of the Products (as defined below) in the Geographic Area (as defined below) and any retailer that sells a private label version of any of the Products in the Geographic Area, including, without limitation, General Mills, Nestle, ConAgra, Post, Mondelez, Malt-0-Meal, Quaker, Diamond Foods, Campbell's, PepsiCo, Hershey, Utz, Snyder's-Lance, Cereal Partners Worldwide, Intersnack, Ulker; or any affiliate or successor to any such company, (ii) "Products" means ready-to-eat cereal products, hot cereal products, breakfast, protein or meal replacement beverages, toaster pastries, wholesome snacks including, but not limited to, cereal bars, granola bars, protein bars, crispy marshmallow treats, frozen waffles, frozen pancakes, crackers, salty snacks including by not limited to potato and tortilla chips, any other grain-based convenience foods, noodles, meat substitutes, and plant-based products, or any other product which the Company manufactures, distributes, sells or markets at the time the participant's active employment with the Company ends, and (iii) "Geographic Area" means any territory, region or country where the Company sells any Products at any time ending on the one year period following the Vesting Date.

If at any time the Company determines that a participant has breached the non-solicitation, non-disparagement, confidentiality or non-compete provisions of this EPP award, the participant will be obligated, to the maximum extent permitted by law, to reimburse the Company for the Net Performance Share Proceeds paid to the participant pursuant to this EPP award. By accepting this EPP award, the participant also agrees and acknowledges that if the participant breaches the non-solicitation, non-disparagement, confidentiality, or non-compete provisions of this EPP award, because it would be impractical and excessively difficult to determine the actual damages to the Company as a result of such breach, any remedies at law (such as a right to monetary damages) would be inadequate. The participant therefore agrees that, if the participant breaches the non-solicitation, non-disparagement, confidentiality or non-compete provisions of this EPP award, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy available to it) to a temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without proof of actual damage. If this EPP award has not vested on the date the Company determines the participant breached the non-solicitation, confidentiality, or non-disparagement provisions of this EPP award, this EPP award shall be forfeited by the participant and cancelled by the Company.

The rights contained in this section shall be in addition to, and shall not limit, any other rights or remedies that the Company may have under law or in equity, including, without limitation, (i) any right that the Company may have under any other Company recoupment policy or other agreement or arrangement with a participant, or (ii) any right or obligation that the Company may have regarding the clawback of “incentive-based compensation” under Section 10D of the Securities Exchange Act of 1934, as amended (as determined by the applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission).

- 19. Offsets:** Any amounts the Company owes the participant from time to time (including amounts owed to the participant as wages or other compensation, fringe benefits, or vacation pay, as well as, any other amounts owed to the participant by the Company) may be offset, to the extent of the amounts the participant owes the Company, provided that amounts owed to the participant which constitute “non-qualified deferred compensation” under Code Section 409A shall only be offset to the extent allowed under Code Section 409A. Whether or not the Company elects to make any set-off for the full amount owed, calculated as set forth above, the participant agrees to pay immediately the unpaid balance to the Company. The participant may be released from obligations under this section only if the Committee or an Authorized Officer determines in its sole discretion that such action is in the best interests of the Company.
- 20. Recordkeeping and Authorization:** By entering into and accepting receipt of this EPP award, the participant (i) authorizes the Company and any agent of the Company administering the Plan or providing Plan recordkeeping services to disclose to the Company such information and data as the Company shall request in order to facilitate the grant of EPP awards and the administration of the Plan; (ii) waives any data privacy rights you may have with respect to such information; and (iii) authorizes the Company to store and transmit such information in electronic form.
- 21. Other Plan Provisions:** The 2020-2022 EPP was adopted under the Plan and is subject to all the provisions of the Plan, including those related to the ability of the Board of Directors to amend the Plan, the EPP or any awards thereunder. Nothing in this summary, the Overview, or the Plan shall confer upon the participant any right of continued employment. Capitalized terms not defined herein shall have the meaning given such term in the Plan.
- 22. Administration:** The Plan and this EPP award shall be administered and interpreted by the Committee, as provided in the Plan. Any decision, interpretation or other action made or taken in good faith by the Committee or the Board, arising out of or in connection with the Plan shall be final, binding and conclusive on the Company and all employees and their respective heirs, executors, administrators, successors and assigns. Determinations by the Committee or the Board, including without limitation determinations of employee eligibility, the form, amount and timing of awards, the terms and provisions of awards, and the agreements evidencing awards, need not be uniform and may be made selectively among eligible employees who receive or are eligible to receive awards under the Plan, whether or not such eligible employees are similarly situated. The Committee or the Board may amend this EPP award to the extent provided in the Plan or this EPP award.

The Plan is hereby incorporated by reference. Capitalized terms not defined herein shall have the meaning given such term in the Plan. In the event of any conflict between the Plan and this EPP award, the provisions of the Plan shall control and this EPP award shall be deemed modified accordingly.

23. **Severability:** The provisions of this EPP award are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provision to the extent enforceable in any jurisdiction, shall nevertheless be binding and enforceable.

These terms and conditions are subject to the provisions of the Kellogg Company 2017 Long Term Incentive Plan document and any additional terms and conditions as determined by the Committee.

Date: February 2020

[\(Back To Top\)](#)

Section 3: EX-10.2 (EXHIBIT 10.2)



Exhibit 10.2

Kellogg Company Long Term Incentive Plan RESTRICTED STOCK UNIT TERMS AND CONDITIONS For Performance Year 2019, RSUs granted in 2020

- Type of Award:** Restricted Stock Unit (“RSU”) awards are granted to participants upon the approval of the Compensation and Talent Management Committee of the Board of Directors of Kellogg Company (the “Committee”). This RSU award will be forfeited if the participant is terminated, retired, on long-term disability, on a severance leave of absence or otherwise not an active employee on the date of grant. Employees who receive and accept an RSU award are participants in the Kellogg Company 2017 Long-Term Incentive Plan (the “Plan”).
- Vesting:** RSU awards become unrestricted and no longer subject to forfeiture and will fully vest on the third anniversary of the grant date. Participants will immediately forfeit any non-vested RSUs upon termination of employment with Kellogg Company or any of its subsidiaries (the “Company”), for any reason other than death, Disability, Retirement or Change of Control (as those terms are defined in the Plan. In the case of a participant’s, death, Disability or Retirement, RSUs will partially vest. Vesting in those cases will be pro-rated based on the number of days the participant was actively employed during the vesting period.

This RSU award partially vests if the participant’s employment with the Company terminates because of death, Disability (as defined in the Plan) or Retirement. Retirement under the Plan is the same as the participant’s defined benefit pension-based eligibility criteria for those that receive a defined benefit pension from the Company. If the participant does not have a defined benefit pension from the Company, Retirement means the participant terminates employment with the Company on or after the participant has attained age 55 with at least five years of service with the Company and the participant’s combined age and years of service equal at least 65. For example, a participant who has attained age 55 and 7 months and who has 9 years and 8 months of service will have a combined age and service over 65.

3. **Change of Control:** Notwithstanding the above, in the event of a Change of Control, all outstanding RSU awards will fully vest immediately as of the Change of Control and will be considered fully earned and will be payable as promptly as practicable following the Change of Control if the RSU awards have not been assumed or replaced by a Substitute Award, as defined below.

An award will qualify as a Substitute Award (“Substitute Award”) if it is assumed by any successor corporation, affiliate thereof, person or other entity, or replaced with awards that, solely in the discretionary judgment of the Committee, preserves the existing value of the outstanding RSU awards at the time of the Change of Control and provide vesting and payout

terms, as applicable, that are at least as favorable to participants as vesting and payout terms applicable to this RSU award (including the terms and conditions that would apply in the event of a subsequent Change of Control).

If and to the extent this RSU award is assumed by a successor corporation (or affiliate, person or other entity thereto) or is replaced with a Substitute Award, then such Substitute Award shall remain outstanding and be governed by its respective terms and the provisions of the applicable plan.

If this RSU award is assumed or replaced with a Substitute Award and the participant's employment with the Company is thereafter terminated by (i) the Company or successor, as the case may be, for any reason other than cause; or (ii) a participant eligible to participate in the Kellogg Company Change of Control Severance Policy for Key Executives, for Good Reason (as defined in that Policy), in each case, within the two year period commencing on the date of the Change of Control, then all Substitute Awards for that participant will fully vest immediately as of the date of the participant's termination and will be considered fully earned and will be payable promptly as practical following the Change of Control.

The Committee may make additional adjustments or settlements of outstanding RSU awards as it deems appropriate and consistent with the Plan's purposes, including adjustments related to adverse tax consequences for participants or the Company.

4. **Non-Solicitation:** As a condition for receipt of this RSU award, and in consideration of the compensation and benefits provided pursuant to this RSU award, the sufficiency of which is hereby acknowledged, acceptance of this RSU award is agreement by the participant that during the participant's active employment and thereafter for a period of two years, the participant shall not, without the prior written consent of the Chief Legal Officer, directly or indirectly employ, solicit the employment of (whether as an employee, officer, director, agent, consultant or independent contractor), or otherwise encourage to leave the Company, any person who is, or at any time during the previous year was, an officer, director, representative, agent or employee of the Company; or directly or indirectly divert or take away or attempt to divert or take away any customers, business, or suppliers of the Company upon whom the participant called, serviced, or solicited, or with whom the participant became acquainted as a result of the participant's employment with the Company.
5. **Non-Disparagement of the Company:** As a condition for receipt of this RSU award, and in consideration of the compensation and benefits provided pursuant to this RSU award, the sufficiency of which is hereby acknowledged, acceptance of this RSU award is agreement by the participant that during the term of the participant's active employment and thereafter, the participant will not engage in any form of conduct or make any statements or representations that disparage, portray in a negative light, or otherwise impair the reputation, goodwill or commercial interests of the Company or its past, present and future subsidiaries, divisions, affiliates, successors, officers, directors, attorneys, agents and employees.
6. **Preservation of Company Confidential Information:** As a condition for receipt of this RSU award, and in consideration of the compensation and benefits provided pursuant to this RSU award, the sufficiency of which is hereby acknowledged, acceptance of this RSU award is agreement by the participant that the participant will not (without first obtaining the prior written

consent in each instance from the Company) during the term of the participant's employment and thereafter, disclose, make commercial or other use of, give or sell to any person, firm or corporation (other than agents or representatives of the Company in furtherance of the participant's duties), any information received directly or indirectly from the Company or acquired or developed in the course of the participant's employment, including, by way of example only, trade secrets (including organizational charts, employee information such as credentials, skill sets, salaries and background information), ideas, inventions, methods, designs, formulas, systems, improvements, prices, discounts, business affairs, products, product specifications, manufacturing processes, data and know-how and technical information of any kind whatsoever unless such information has been publicly disclosed by authorized officials of the Company.

7. **Payment:** This RSU award will be paid, when and as vested, in shares of Kellogg Company common stock based on the applicable number of RSUs unless Kellogg Company determines otherwise (see 'Tax and Legal Issues' below). Until the time of vesting, no shares of common stock will be issued for the RSUs.
8. **Dividends:** If cash dividends are declared and paid on Kellogg Company common stock prior to the date the RSU award is vested, an amount equal to the cash dividends payable on the Kellogg Company common stock represented by the RSU award will be converted as of the dividend payment date to the equivalent number of whole shares of Kellogg Company common stock, including fractional shares, and credited to a bookkeeping account maintained for the participant's benefit ("Dividend Equivalent Units"). Cash dividends declared and paid on the Kellogg Company common stock represented by Dividend Equivalent Units prior to the date the Dividend Equivalent Units are vested shall also be credited to the participant's account and converted to Kellogg Company common stock in the same manner as dividends with respect to RSU awards. Upon the vesting of the corresponding RSUs, the Dividend Equivalent Units will vest and be paid in shares of Kellogg Company common stock (rounded up to the nearest whole number of shares). If the RSUs partially vest as the result of the participant's death, Disability or Retirement, the Dividend Equivalent Units will vest in the same proportion that the RSUs vest. Dividend Equivalent Units attributable to forfeited RSUs shall also be forfeited.
9. **Voting:** RSUs do not give their holder any voting rights, or any other right of a holder of Kellogg Company common stock. The shares of Kellogg Company common stock that are issued for RSUs upon vesting will have voting rights.
10. **Taxes:** Taxes will be due when the RSUs vest based on the Fair Market Value (as defined in the Plan) of the shares on the vesting date. This amount, considered taxable compensation, will be included in appropriate tax forms for the participant, for example, W2 income for U.S. employees and T4 income for Canadian employees. Participants will pay withholding taxes by selling shares. Taxes include, but are not limited to, Federal or national, social insurance or FICA taxes, state and local, if applicable, and as required by local requirements. FICA taxes may be due before the vesting date for U.S. and Puerto Rico participants who are Retirement eligible.
11. **Settlement:** Participants will not receive stock certificates when RSUs vest. The shares of Kellogg Company common stock issued in payment for RSUs will initially be held via book entry at Merrill Lynch. Those shares will be registered in the participant's name as soon as

administratively feasible. Participants can change the registration of the shares after the vesting period. Contact Merrill Lynch within in the U.S. at 1-866-866-4050 or outside the U.S. at 1-609-818-8669.

- 12. Communication:** Each participant will be provided with a written confirmation of the RSU award. Participants will also receive a notice after vesting that explains the number of shares issued as well as the number of shares to be sold to pay the withholding tax.
- 13. Disposition at Vesting:** After RSUs vest and shares are issued, participants can leave the shares with Merrill Lynch, ask Merrill Lynch to sell the shares, have a certificate issued to the participant or have the shares electronically transferred to another broker. Certain fees may apply to selling or transferring shares – contact Merrill Lynch for details.
- 14. Benefits:** RSU grants or vesting income will not be included in earnings for the purposes of determining benefits, including pension, defined contribution retirement, disability, life insurance and other survivor benefits (for U.S. participants).
- 15. Insiders:** Insiders cannot dispose of the shares issued after vesting without prior approval of the Legal & Compliance Department.
- 16. Tax and Legal Issues:** Prior to vesting, the Company reserves the right to replace RSUs granted with a cash equivalent benefit if there are any adverse tax or legal consequences for either the participant or the Company related to the ownership of Kellogg Company shares (generally for participants outside North America).
- 17. Recoupment:** If at any time (including after the vesting date or after payment), the Committee, including any person authorized pursuant to Section 3.2 of the Plan (an “Authorized Officer”):
 - (a) reasonably believes that a participant has engaged in “Detrimental Conduct” (as defined below), the Committee or an Authorized Officer may suspend the participant’s participation in this RSU award pending a determination of whether the participant has engaged in Detrimental Conduct;
 - (b) determines that a participant has engaged in “Detrimental Conduct” (as defined below), then the grant of RSUs under the Plan and all rights thereunder shall terminate immediately without notice effective the date on which the participant engages in such Detrimental Conduct, unless terminated sooner by operation of another term or condition of this RSU award or the Plan; and/or
 - (c) determines the participant has engaged in “Detrimental Conduct” (as defined below), then the participant may be required to repay to the Company, in cash and upon demand, any payment in shares from any RSU award made during and after the year in which the Detrimental Conduct occurred.

The return of RSU payments under paragraph (c) is in addition to and separate from any other relief available to the Company due to the participant’s Detrimental Conduct.

“Detrimental Conduct” means conduct that is contrary or harmful to the interest of the Company, including, but not limited to, (i) conduct relating to the participant’s employment for which

either criminal or civil penalties against the participant may be sought, (ii) breaching the participant's fiduciary duty or deliberately disregarding any of the Company's policies or code of conduct, (iii) violating the Company's insider trading policy or the commission of an act or omission which causes the participant or the Company to be in violation of federal or state securities laws, rules, regulations, and/or the rules of any exchange or association of which the Company is a member, including statutory disqualification, (iv) disclosing or misusing any confidential information or material concerning the Company, (v) participating in a hostile takeover attempt of the Company, (vi) engaging in an act of fraud or intentional misconduct during the participant's employment that causes the Company to restate all or a portion of the Company's financial statements, or (vii) conduct resulting in a financial loss to the Company even though the Company is not required to or does not actually restate all or any portion of its financial statements.

For a participant who is an executive officer for purposes of Section 16 of the Exchange Act, any determination of whether the participant has engaged in an act of fraud or intentional misconduct during the participant's employment that causes the Company to restate all or a portion of the Company's financial statements shall be made by the Committee and shall be subject to the review and approval of the Board of Directors.

If a participant voluntarily leaves employment of the Company within one year of the vesting date to work for a direct competitor of the Company, then the value of this RSU award on the vesting date, less any tax withholding or tax obligations, but without regard to any subsequent market price decrease or increase (the "Net RSU Proceeds"), shall be immediately due and payable in cash by the participant without notice, to the Company. For purposes of this RSU award (i) "a direct competitor of the Company" means any person, firm, partnership, corporation or other business or entity that sells any of the Products (as defined below) in the Geographic Area (as defined below) and any retailer that sells a private label version of any of the Products in the Geographic Area, including, without limitation, General Mills, Nestle, ConAgra, Post, Mondelez, Malt-0-Meal, Quaker, Diamond Foods, Campbell's, PepsiCo, Hershey, Utz, Snyder's-Lance, Cereal Partners Worldwide, Intersnack, Ulker; or any affiliate or successor to any such company, (ii) "Products" means ready-to-eat cereal products, hot cereal products, breakfast, protein or meal replacement beverages, toaster pastries, wholesome snacks including, but not limited to, cereal bars, granola bars, protein bars, crispy marshmallow treats, frozen waffles, frozen pancakes, crackers, salty snacks including by not limited to potato and tortilla chips, any other grain-based convenience foods, noodles, meat substitutes, and plant-based products, or any other product which the Company manufactures, distributes, sells or markets at the time the participant's active employment with the Company ends, and (iii) "Geographic Area" means any territory, region or country where the Company sells any Products at any time ending on the one year period following the vesting date.

If at any time the Company determines that a participant has breached the non-solicitation, non-disparagement, confidentiality, or non-compete provisions of this RSU award, the participant will be obligated, to the maximum extent permitted by law, to reimburse the Company for the Net RSU Proceeds paid to the participant pursuant to this RSU award. By accepting this RSU award, the participant also agrees and acknowledges that if the participant breaches the non-solicitation, non-disparagement, confidentiality, or non-compete provisions of this RSU award, because it would be impractical and excessively difficult to determine the actual damages to

the Company as a result of such breach, any remedies at law (such as a right to monetary damages) would be inadequate. The participant therefore agrees that, if the participant breaches the non-solicitation, non-disparagement, confidentiality, or non-compete provisions of this RSU award, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy available to it) to a temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without proof of actual damage. If this RSU award has not vested on the date the Company determines the participant breached the non-solicitation, confidentiality, or non-disparagement provisions of this RSU award, this RSU award shall be forfeited by the participant and cancelled by the Company.

The rights contained in this section shall be in addition to, and shall not limit, any other rights or remedies that the Company may have under law or in equity, including, without limitation, (a) any right that the Company may have under any other Company recoupment policy or other agreement or arrangement with a participant, or (b) any right or obligation that the Company may have regarding the clawback of “incentive-based compensation” under Section 10D of the Securities Exchange Act of 1934, as amended (as determined by the applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission).

18. Offsets: Any amounts the Company owes the participant from time to time (including amounts owed to the participant as wages or other compensation, fringe benefits, or vacation pay, as well as, any other amounts owed to the participant by the Company) may be offset, to the extent of the amounts the participant owes the Company, provided that amounts owed to the participant which constitute “non-qualified deferred compensation” under Code Section 409A shall only be offset to the extent allowed under Code Section 409A. Whether or not the Company elects to make any set-off for the full amount owed, calculated as set forth above, the participant agrees to pay immediately the unpaid balance to the Company. The participant may be released from obligations under this Section only if the Committee or an Authorized Officer determines in its sole discretion that such action is in the best interests of the Company.

19. Administration: The Plan and this RSU award shall be administered and interpreted by the Committee, as provided in the Plan. Any decision, interpretation or other action made or taken in good faith by the Committee or an appropriately designated proxy, arising out of or in connection with the Plan shall be final, binding and conclusive on the Company and all employees and their respective heirs, executors, administrators, successors and assigns. Determinations by the Committee or an appropriately designated proxy, including without limitation determinations of employee eligibility, the form, amount and timing of awards, the terms and provisions of awards, and the agreements evidencing awards, need not be uniform and may be made selectively among eligible employees who receive or are eligible to receive awards under the Plan, whether or not such eligible employees are similarly situated. The Committee may amend this RSU award to the extent provided in the Plan or this RSU award.

The Plan is hereby incorporated by reference. Capitalized terms not defined herein shall have the meaning given such term in the Plan. In the event of any conflict between the Plan and this RSU award, the provisions of the Plan shall control and this RSU award shall be deemed modified accordingly.

- 20. Assignability and Transfer:** RSUs may not be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of prior to vesting, except as provided in the Plan.
- 21. Recordkeeping and Authorization:** By accepting this RSU award, the participant (i) authorizes the Company and any agent of the Company administering the Plan or providing Plan recordkeeping services to disclose to the Company such information and data as the Company shall request in order to facilitate the grant of RSU awards and the administration of the Plan; (ii) waives any data privacy rights the participant may have with respect to such information; and (iii) authorizes the Company to store and transmit such information in electronic form.
- 22. Severability:** The provisions of this RSU award are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provision to the extent enforceable in any jurisdiction, shall nevertheless be binding and enforceable.

These terms and conditions are subject to the provisions of the Kellogg Company 2017 Long-Term Incentive Plan document and any additional terms and conditions as determined by the Committee.

Date: February 2020

RSU Grant Terms and Conditions page 7

[\(Back To Top\)](#)

Section 4: EX-10.3 (EXHIBIT 10.3)



Exhibit 10.3

**Kellogg Company
Long Term Incentive Plan
OPTION TERMS AND CONDITIONS
For Performance Year 2019, Options awarded in 2020**

1. **Type of Award:** Kellogg Company awards to you and you accept an option to purchase the number of shares of Kellogg Company Common Stock (\$0.25 par value) (the “Common Stock”) at the option price per share on the date of award described in the Employee Compensation Statement and distributed to you by your manager (such document, together with the Terms and Conditions, being the “Option”). This Option will be forfeited if you are terminated, retired, on long-term disability, on a severance leave of absence or otherwise not an active employee on the date of grant.

This Option is not a tandem grant nor an Incentive Stock Option under the provisions of the U.S. Internal Revenue Code and, notwithstanding any other provision of this Option or the Kellogg Company 2017 Long Term Incentive Plan (the “Plan”), it must be exercised prior to or on the expiration date ten (10) years from the Award Date (the “Expiration Date”).

2. **Vesting:** This Option vests and becomes exercisable in equal installments over three (3) years: one-third on the first anniversary date of the grant, one-third on the second anniversary date of the grant and the remaining one-third on the third anniversary date of the grant. It is your responsibility to exercise this Option prior to or on its Expiration Date, just as is the case with any other employee stock option. Kellogg Company has no obligation to notify or contact you prior to the Expiration Date of this Option, or any other option. This Option partially vests if your employment with Kellogg Company or any of its subsidiaries (the “Company”) terminates because of death, Disability (as defined in the Plan) or Retirement (as

defined in the Plan). Vesting in those cases will be pro-rated based on the number of days you were employed during the applicable vesting period of the award. If your employment terminates because of death, the legal representative of your estate or your beneficiary, if so designated, may exercise the vested portion of this Option on or before the first to occur of the Expiration Date and two days after the first anniversary of your death. If your employment terminates because of Disability or Retirement, you may exercise the vested portion of this Option on or before the first to occur of the Expiration Date and the day after the fifth anniversary of your termination of employment due to Disability or Retirement. Retirement under the Plan is the same as the participant's defined benefit pension-based eligibility criteria for those that receive a defined benefit pension from the Company. If you do not have a defined benefit pension from the Company, Retirement means you terminate employment with the Company on or after you have attained age 55 with at least five years of service with the Company and your combined age and years of service

equal at least 65. For example, a participant who has attained age 55 and 7 months and who has 9 years and 8 months of service will have a combined age and service over 65.

Except as set forth in Section 3, if the Company terminates your employment for cause as that term is defined in the Plan, vesting stops as of the date of your termination of employment and any vested portion of this Option must be exercised by you on or before such termination date (or the Expiration Date, if earlier). Any unvested Options or any vested and unexercised Options outstanding on the date of termination shall be forfeited by you and cancelled by the Company.

Except as set forth in Section 3, if the Company terminates your employment without cause or if you voluntarily terminate employment, vesting stops as of your date of termination of employment and any vested portion of this Option must be exercised by you on or before the first to occur of the Expiration Date and the date that is three months and one day following the date of your termination of employment. Any unvested Options outstanding on the date of termination shall be forfeited by you and cancelled by the Company.

- 3. Change of Control:** In the event of a Change of Control, as defined in the Plan, this Option becomes fully exercisable and vested as of the date of such Change of Control if the award has not been assumed or replaced by a Substitute Award, as defined below.

An award will qualify as a Substitute Award (“Substitute Award”) if it is assumed by any successor corporation, affiliate thereof, person or other entity, or replaced with awards that, solely in the discretionary judgment of the Compensation and Talent Management Committee of the Board of Directors of Kellogg Company (the “Committee”), preserves the existing value of the outstanding Option at the time of the Change of Control and provide vesting and other terms and conditions, as applicable, that are at least as favorable to participants as vesting and other terms and conditions applicable to the Option (including the terms and conditions that would apply in the event of a subsequent Change of Control).

If and to the extent this Option is assumed by a successor corporation (or affiliate, person or other entity thereto) or is replaced with a Substitute Award, then such Substitute Award shall remain outstanding and be governed by its respective terms and the provisions of the applicable plan.

If this Option is assumed or replaced with a Substitute Award and your employment with the Company is thereafter terminated by (i) the Company or successor, as the case may be, for any reason other than cause; or (ii) you are eligible to participate in the Kellogg Company Change of Control Severance Policy for Key Executives, for Good Reason (as defined in that Policy), in each case, within the two-year period commencing on the date of the Change of Control, then all Substitute Awards for you will fully vest immediately as of the date of your termination and will be fully exercisable subject to the terms and conditions of that award; provided, however, that Options that become exercisable in accordance with this Section shall remain exercisable until the earlier of (x) expiration of the original term or (y) the second anniversary of the date of termination.

- 4. Non-Solicitation:** As a condition for receipt of this Option, and in consideration of the compensation and benefits provided pursuant to this Option, the sufficiency of which is hereby

acknowledged, acceptance of this Option is agreement by you that during your active employment and thereafter for a period of two years, you shall not, without the prior written consent of the Chief Legal Officer, directly or indirectly employ, solicit the employment of (whether as an employee, officer, director, agent, consultant or independent contractor), or otherwise encourage to leave the Company any person who is, or at any time during the previous year was, an officer, director, representative, agent or employee of the Company ; or directly or indirectly divert or take away or attempt to divert or take away any customers, business or suppliers of the Company upon whom you called, serviced, or solicited, or with whom you became acquainted as a result of your employment with the Company.

5. **Non-Disparagement of the Company:** As a condition for receipt of this Option, and in consideration of the compensation and benefits provided pursuant to this Option, the sufficiency of which is hereby acknowledged, acceptance of this Option is agreement by you that during the term of your active employment and thereafter, you will not engage in any form of conduct or make any statements or representations that disparage, portray in a negative light, or otherwise impair the reputation, goodwill or commercial interests of the Company or its past, present and future subsidiaries, divisions, affiliates, successors, officers, directors, attorneys, agents and employees.
6. **Preservation of Company Confidential Information:** As a condition for receipt of this Option, and in consideration of the compensation and benefits provided pursuant to this Option, the sufficiency of which is hereby acknowledged, acceptance of this Option is agreement by you that you will not (without first obtaining the prior written consent in each instance from the Company) during the term of your employment and thereafter, disclose, make commercial or other use of, give or sell to any person, firm or corporation (other than agents or representatives of the Company in furtherance of your duties), any information received directly or indirectly from the Company or acquired or developed in the course of your employment, including, by way of example only, trade secrets (including organizational charts, employee information such as credentials, skill sets, salaries and background information), ideas, inventions, methods, designs, formulas, systems, improvements, prices, discounts, business affairs, products, product specifications, manufacturing processes, data and know-how and technical information of any kind whatsoever unless such information has been publicly disclosed by authorized officials of the Company.
7. **Exercise:** If the exercise of this Option within the time periods set forth herein is prevented by the provisions of Section 16.6 of the Plan, the Option shall remain exercisable until thirty (30) days after the date such exercise first would no longer be prevented by such provisions, but in any event no later than the Expiration Date.

This Option may be exercised, in whole or in part during the term, by contacting Merrill Lynch at 1- 866-866-4050 or 1-609-818-8669 (outside of the U.S., Canada, or Puerto Rico), or the Merrill Lynch Grand Rapids Office at 1-877-884-4371 or 1-616-774-4252 (outside of the U.S., Canada, or Puerto Rico). You will have until the market close on the Expiration Date to exercise your stock options. If your Expiration Date falls on a weekend or a New York Stock Exchange holiday, you must exercise by the market close on the trading day prior to your Expiration Date. This Option may be exercised by paying the exercise price in cash or surrendering (or attesting

to) shares of Common Stock duly owned by you as provided in the Plan, based on the Fair Market Value (as provided in the Plan) or via a buy/sell exercise with Merrill Lynch.

You agree and understand that applicable securities laws and stock option exchange rules may restrict your right to exercise this Option or to dispose of any shares, which you may acquire upon any such exercise and may govern the manner in which such shares must be sold. You acknowledge access to a copy of the Plan and the prospectus (including all supplements and amendments thereto) most recently issued by the Company under the Securities Act of 1933, as amended relating to the Plan. The prospectus consists of a Statement of General Information and a Statement of Availability of Information. You also acknowledge that you have no right to receive any future option grants.

8. **Taxes:** The Company shall have the right to deduct or otherwise require any payment by you of any Federal, state, local or foreign taxes required by law to be withheld. The Company has the right to deduct or require this payment prior to, and as a condition precedent to, issuing or delivering any shares of Common Stock, to you pursuant to this Option. Subject to any terms and conditions which the Committee may impose, the required withholding obligation may be satisfied by reducing the number of shares of Common Stock otherwise deliverable pursuant to this Option. You acknowledge that (i) the ultimate liability for any and all taxes is and remains your responsibility, (ii) the Company makes no representations or undertaking regarding the amount or timing of any taxes, (iii) the Company does not commit to structure the terms of this Option or any aspect of the transfer of the shares to reduce or eliminate your liability for taxes, and (iv) in no event shall the Company be liable for any tax or other costs to you that may arise under Section 409A of the Internal Revenue Code of 1986 (the “Code”).
9. **No Reload:** You will not receive any accelerated ownership feature or “reload” options when this Option is exercised or when any tax withholding is paid using shares of Common Stock or otherwise.
10. **Governing Law:** This Option shall be construed according to the laws of the State of Delaware (regardless of the law that might otherwise govern under applicable Delaware principles of conflict laws) to the extent not superseded by Federal U.S. law.
11. **Recoupment:** If at any time (including after a notice of exercise has been delivered), the Committee, including any person authorized pursuant to Section 3.2 of the Plan (an “Authorized Officer”):
 - (a) reasonably believes that you have engaged in “Detrimental Conduct” (as defined below), then the Committee or an Authorized Officer may suspend your right to exercise this Option pending a determination of whether you have engaged in Detrimental Conduct;
 - (b) determines that you have engaged in “Detrimental Conduct” (as defined below), then this Option and all rights thereunder shall terminate immediately without notice effective the date on which you engage in such Detrimental Conduct, unless terminated sooner by operation of another term or condition of this Option or the Plan; and/or

- (c) determines you have engaged in “Detrimental Conduct” (as defined below), then you may be required to repay to the Company, in cash and upon demand, the Option Proceeds (as defined below) resulting from the sale or other disposition (including to the Company) of shares of Common Stock issued or issuable upon exercise of this Option if the sale or disposition was effected after the Detrimental Conduct occurred.

The term “Option Proceeds” means, with respect to any sale or other disposition (including to the Company) of shares of Common Stock issued or issuable upon exercise of this Option, an amount equal to the number of shares of Common Stock sold or disposed of multiplied by the difference between the market value per share of Common Stock at the time of such sale or disposition and the exercise price.

The return of Option Proceeds under paragraph (c) is in addition to and separate from any other relief available to the Company due to your Detrimental Conduct.

“Detrimental Conduct” means conduct that is contrary or harmful to the interest of the Company, including, but not limited to, (i) conduct relating to your employment for which either criminal or civil penalties against you may be sought, (ii) breaching your fiduciary duty or deliberately disregarding any of the Company’s policies or code of conduct, (iii) violating the Company’s insider trading policy or the commission of an act or omission which causes you or the Company to be in violation of federal or state securities laws, rules, regulations, and/or the rules of any exchange or association of which the Company is a member, including statutory disqualification, (iv) disclosing or misusing any confidential information or material concerning the Company, (v) participating in a hostile takeover attempt of the Company, (vi) engaging in an act of fraud or intentional misconduct during your employment that causes the Company to restate all or a portion of the Company’s financial statements, or (vii) conduct resulting in a financial loss to the Company even though the Company is not required to or does not actually restate all or any portion of its financial statements.

If you are an executive officer for purposes of Section 16 of the Exchange Act, any determination of whether you have engaged in an act of fraud or intentional misconduct during your employment that causes the Company to restate all or a portion of the Company’s financial statements shall be made by the Committee and shall be subject to the review and approval of the Board of Directors.

If you exercise any portion of this Option and voluntarily leave employment of the Company within one year of such exercise to work for a direct competitor of the Company, then the gain on exercise represented by the mean market price of the Common Stock on the date of exercise over the exercise price, multiplied by the number of shares purchased, less any tax withholding or tax obligations, but without regard to any subsequent market price decrease or increase (the “Net Option Proceeds”), shall be immediately due and payable in cash by you, without notice, to the Company. In addition, any unvested Options or any vested and unexercised Options outstanding on the date you went to work for a direct competitor of the Company shall be forfeited by you and cancelled by the Company. For purposes of this award (i) “a direct competitor of the Company” means any person, firm, partnership, corporation or other business or entity that sells any of the Products (as defined below) in the Geographic Area (as defined

below) and any retailer that sells a private label version of any of the Products in the Geographic Area, including, without limitation, General Mills, Nestle, ConAgra, Post, Mondelez, Malt-O-Meal, Quaker, Diamond Foods, Campbell's, PepsiCo, Hershey, Utz, Snyder's-Lance, Cereal Partners Worldwide, Intersnack, Ulker; or any affiliate or successor to any such company, (ii) "Products" means ready-to-eat cereal products, hot cereal products, breakfast, protein or meal replacement beverages, toaster pastries, wholesome snacks including, but not limited to, cereal bars, granola bars, protein bars, crispy marshmallow treats, frozen waffles, frozen pancakes, crackers, salty snacks including but not limited to potato and tortilla chips, any other grain-based convenience foods, noodles, meat substitutes, and plant-based products, or any other product which the Company manufactures, distributes, sells or markets at the time the participant's active employment with the Company ends, and (iii) "Geographic Area" means any territory, region or country where the Company sells any Products at any time ending on the one year period following the exercise date.

If at any time the Company determines that you have breached the non-solicitation, non-disparagement, confidentiality, or non-compete provisions of this Option, you will be obligated, to the maximum extent permitted by law, to reimburse the Company for the Net Option Proceeds paid to you pursuant to this Option. By accepting this award, you also agree and acknowledge that if you breach the non-solicitation, confidentiality, non-disparagement or non-compete provisions of this Option, because it would be impractical and excessively difficult to determine the actual damages to the Company as a result of such breach, any remedies at law (such as a right to monetary damages) would be inadequate. You therefore agree that, if you breach the non-solicitation, confidentiality, non-disparagement or non-compete provisions of this Option, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy available to it) to a temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without proof of actual damage. In addition, any unvested Options or any vested and unexercised Options outstanding on the date the Company determines you breached the non-solicitation or non-disparagement provisions of this Option shall be forfeited by you and cancelled by the Company.

The rights contained in this section shall be in addition to, and shall not limit, any other rights or remedies that the Company may have under law or in equity, including, without limitation, (i) any right that the Company may have under any other Company recoupment policy or other agreement or arrangement with you, or (ii) any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Securities Exchange Act of 1934, as amended (as determined by the applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission).

- 12. Offsets:** Any amounts the Company owes you from time to time (including amounts owed to you as wages or other compensation, fringe benefits, or vacation pay, as well as, any other amounts owed to you by the Company) may be offset, to the extent of the amounts you owe the Company, provided that amounts owed to you which constitute "non-qualified deferred compensation" under Code Section 409A shall only be offset to the extent allowed under Code Section 409A. Whether or not the Company elects to make any set-off for the full amount owed, calculated as set forth above, you agree to pay immediately the unpaid balance to the Company.

You may be released from obligations under this Section only if the Committee or an Authorized Officer determines in its sole discretion that such action is in the best interests of the Company.

- 13. Assignability and Transfer:** This Option shall be personal to you and not be assignable or transferable by you except as otherwise specifically provided in this document or the Plan.

Notwithstanding the preceding sentence, for employees who are Senior Vice Presidents of Kellogg Company or an equivalent or higher level, upon the approval by the Company's Legal and Compliance Department, you can transfer this Option to (a) members of your immediate family (spouse, children, stepchildren, grandchildren); (b) a trust of the benefit of such family members; (c) a partnership whose only partners are such family members; and (d) pursuant to decrees of domestic relations orders from tribunals or agencies of competent jurisdiction authorized by laws in the state to provide such orders. The Company shall not be obligated to provide any family member notices regarding this Option, including, but not limited to, early termination of this Option due to termination of the transferor's employment. Consideration cannot be paid for the transfer of this Option. All terms and conditions applicable to this Option prior to its transfer shall remain in place. Subsequent transfers by the transferee are not permitted except by the laws of descent and distribution, and by will.

- 14. Administration:** The Plan and this Option shall be administered and interpreted by the Committee, as provided in the Plan. Any decision, interpretation or other action made or taken in good faith by the Committee or an appropriately designated proxy, arising out of or in connection with the Plan shall be final, binding and conclusive on the Company and all employees and their respective heirs, executors, administrators, successors and assigns. Determinations by the Committee or an appropriately designated proxy, including without limitation determinations of employee eligibility, the form, amount and timing of awards, the terms and provisions of awards, and the agreements evidencing awards, need not be uniform and may be made selectively among eligible employees who receive or are eligible to receive awards under the Plan, whether or not such eligible employees are similarly situated. The Committee may amend this Option to the extent provided in the Plan or this Option.

The Plan is hereby incorporated by reference. Capitalized terms not defined herein shall have the meaning given such term in the Plan. In the event of any conflict between the Plan and this Option, the provisions of the Plan shall control and this Option shall be deemed modified accordingly.

- 15. Benefits:** This document does not confer on you any right to continue in the employ of the Company, nor does it interfere with the Company's right to terminate your employment or alter other duties at any time. This Option will not be deemed to be compensation for purposes of computing benefits under any retirement plan of the Company, nor will it affect benefits under any other benefit plan, including any benefit plan under which the availability or amount of benefits is related to compensation. The grant of this Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options. All decisions with respect to future option grants, if any, will be at the sole discretion of the Company.

- 16. Substitution:** The Committee shall have the ability to substitute, without receiving your permission, Stock Appreciation Rights to be paid only in shares of Common Stock for any or

all outstanding Options on a one-for-one basis; so long as the term of the substituted Stock Appreciation Rights is the same as the term of the Options and the exercise price of the Stock Appreciation Rights is the same as the exercise price of the Options, provided that such substitution shall not be allowed to the extent any such substitution constitutes a “modification” of this Option for purposes of Code Section 409A and Treasury Regulation 1.409A-1(b)(5)(v).

17. Recordkeeping and Authorization: By accepting this Option, you (i) authorize the Company and any agent of the Company administering the Plan or providing Plan recordkeeping services to disclose to the Company such information and data as the Company shall request in order to facilitate the grant of options and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information; and (iii) authorize the Company to store and transmit such information in electronic form.

18. Severability: The provisions of this Option are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provision to the extent enforceable in any jurisdiction, shall nevertheless be binding and enforceable.

These terms and conditions are subject to the provisions of the Kellogg Company 2017 Long Term Incentive Plan document and any additional terms and conditions as determined by the Committee.

Date: February 2020

[\(Back To Top\)](#)