



Remuneration Policy
Matas A/S, CVR no. 27 52 84 06

1 Preamble

- 1.1 The Board of Directors of Matas A/S, CVR-no. 27 52 84 06, ("Matas" or the "Company") has adopted this remuneration policy (the "Remuneration Policy") based on the recommendations published by the Danish Committee on Corporate Governance and implemented by NASDAQ OMX Copenhagen A/S. The Remuneration Policy includes the Company's overall guidelines on incentive pay pursuant to Section 139 of the Danish Companies Act.
- 1.2 The Remuneration Policy provides the framework for remuneration paid to the members of the Board of Directors and the Executive Management of Matas. The Executive Management means the executives registered as such with the Danish Business Authority.
- 1.3 The Remuneration Policy applies to remuneration received by the members of the Board of Directors and the Executive Management for work performed for Matas.

2 General principles

- 2.1 The overall objective of this Remuneration Policy is to attract, motivate and retain qualified members of the Board of Directors and the Executive Management.
- 2.2 The remuneration shall be designed to create a suitable alignment of the interests of the Board of Directors and the Executive Management with the interests of the Company and its shareholders, to support the achievement of strategic long and short-term goals of Matas as well as to promote value creation for the benefit of the shareholders.
- 2.3 In extraordinary circumstances, the Board of Directors may decide to deviate from the specific requirements of the Remuneration Policy on an individual basis in order to attain the overall objectives of the Remuneration Policy. In such case the Board of Directors must explain the reason for such deviation at the first general meeting where the explanation is not in contravention with the interests of Matas.

3 Remuneration of the Board of Directors

- 3.1 Members of the Board of Directors shall receive a fixed annual base fee approved each year at the annual general meeting for the current financial year. No members of the Board of Directors shall be entitled to receive variable or incentive-based remuneration. The annual fee shall be in line with market practice taking into account the required competencies, effort and nature of the work.
- 3.2 All members of the Board of Directors receive the same annual base fee, while the Chairman shall receive at least 2.5 times the fixed annual base fee and the Deputy Chairman shall receive at least 1.5 times the fixed annual base fee. The size of the fixed fee shall depend on the competencies, effort and scope of work required.
- 3.3 The members of the Board of Directors may receive separate compensation for committee work. Any such compensation shall be determined by the Board of Directors after consideration of the exact scope and workload related to committee work. The Chairman of the Audit Committee shall receive 0.25 times the base fee. In the event a member of the Board of Directors is instructed to take on a specific task on an ad hoc basis outside the scope of ordinary duties of the Board of Directors, the member may be offered an additional fixed fee for the work carried out related to such task subject to the prior or subsequent approval of the Board of Directors.

3.4 Expenses, such as travel and accommodation in connection with board meetings as well as relevant training, may be reimbursed by Matas. If members of the Board of Directors have to travel overseas to attend board meetings, such members may receive a fixed travel allowance. Social duties or other similar taxes in relations to the directors' fees that may be levied by foreign authorities may be reimbursed by Matas.

4 Remuneration of the Executive Management

4.1 General principles

4.1.1 In addition to an annual base salary, members of the Executive Management may receive variable remuneration. The incentive pay shall reward individual effort and performance and ensure that the aggregate remuneration paid to a member of the Executive Management is in line with market practice of comparable listed companies.

4.1.2 The variable remuneration, which includes incentive-based remuneration, may consist of any form of variable components including

- (a) Non share-based incentives, such as cash bonus, which may include ongoing as well as single or event-based bonus, and
- (b) Share-based incentives, such as free shares, stock options, restricted share units ("RSUs"), warrants and phantom shares.

4.1.3 Key performance indicators ("KPIs") on strategic targets and priorities including EBITDA growth, total shareholder return, cash, profit, and equity value creation may be used as a measure of the performance, as well as the performance of the Executive Management, historic as well as expected, motivation and loyalty factors and the general situation. Performance may be measured on rolling three-year cycles. KPIs are determined by the Board of Directors on or prior to any specific grant.

4.1.4 The Board of Directors may lay down specific terms governing the lapse of an incentive scheme or repayment of the incentive-based remuneration (claw-back) as well as accelerated vesting or exercise and adjustment of the incentive-based remuneration, exercise price, performance targets, etc.

4.1.5 The Board of Directors shall carefully consider the overall principles of this Remuneration Policy, including the aim of supporting the achievement of strategic long and short-term goals of Matas, when determining the size and composition of the variable incentive-based remuneration and the split between the total awarded incentive-based remuneration and the fixed base fee.

4.2 Fixed base salary

4.2.1 Each member of the Executive Management receives an annual fixed base salary. The fixed base salary shall be in line with market practice and based on the scope of the work required, and the performance and responsibilities of the individual member. The fixed base salary is subject to annual reassessment.

4.2.2 The members of the Executive Management may be granted customary non-monetary benefits such as company car, insurance, free telephone, internet access, newspaper, etc.

4.2.3 The members of the Executive Management shall be entitled to receive a pension contribution to be determined by the Board of Directors.

4.3 Non-share based incentives

4.3.1 Members of the Executive Management may, depending on position and responsibility, be offered to participate in a short-term incentive program entitling the respective members to receive an annual performance based cash bonus up to a maximum of 100% of their annual fixed base salary excluding pension contribution upon achievement in whole or in part of certain KPIs. The grant of non-share-based incentives primarily supports fulfillment of the member's or Matas' short-term objectives and goals.

4.3.2 The performance of a member of the Executive Management will be measured for each financial year and 100% of the cash bonus becomes payable after announcement of the annual report.

4.3.3 In extraordinary circumstances the Board of Directors may decide to award members of the Executive Management a cash bonus of up to 150% of the annual base salary.

4.4 Share-based incentives

4.4.1 Members of the Executive Management may be offered to participate in incentive program(s) entitling the respective members to receive share-based incentives, such as free shares, stock options, restricted share units ("RSUs"), warrants, matching shares and phantom shares up to a maximum of 100% of their annual fixed base salary excluding pension contribution upon achievement in whole or in part of certain KPIs. The full grant will not necessarily be made each year. The grant of share-based incentives primarily supports fulfillment of the member's or Matas' long-term objectives and goals.

4.4.2 Share-based incentives may be granted annually at the sole discretion of the Board of Directors.

4.4.3 The share-based incentives will as a main rule have a vesting or maturity period of no less than three years from the relevant grant date until the time they vest or mature.

4.4.4 The value of the share-based incentives is calculated as described in the Company's annual report. The aggregate value of the long-term incentive program(s) will be disclosed in the annual report of Matas.

4.4.5 Matas intends to acquire own shares in order to satisfy the obligations assumed by Matas under the long-term incentive program.

4.4.6 In cases, where the Board of Directors assesses that the issue or transfer of shares would have a materially adverse effect on the Company and/or the recipient, the Board of Directors may decide to satisfy a grant in cash.

4.5 Stock options, warrants and phantom shares

4.5.1 The vesting or maturity period shall as a main rule be at least three years and is determined by the Board of Directors prior to grant. The Board of Directors may decide that the grant will vest gradually over a period of three years. Vesting will be subject to the attainment of a number of pre-determined KPIs.

4.5.2 Upon vesting, holders have a period to exercise the options as determined by the Board of Directors. Exercise may take place no earlier than three years from the date of grant.

4.5.3 The exercise price must correspond to at least 5% of the market price at the time of grant as further determined by the Board of Directors and may be calculated as an average price during a reasonable period preceding the time of grant. The exercise price may increase over time if determined by the Board of Directors prior to grant.

- 4.5.4 The value of the grant is calculated according to Black-Scholes (or another relevant method) and will be described in the annual reports on an ongoing basis.
- 4.5.5 A part of the grant may be settled in cash as determined by the Board of Directors resulting in Matas having no right or obligation to deliver shares. In this case, the exercise price shall be the same as where actual shares are delivered.
- 4.6 RSUs
- 4.6.1 The vesting or maturity period shall as a main rule be at least three years and is determined by the Board of Directors prior to the grant. The Board of Directors may decide that the grant will vest gradually over a period of three years. Vesting will be subject to the attainment of a number of pre-determined KPIs.
- 4.6.2 Upon vesting, holders of RSUs shall have four weeks during open trade windows to exercise their RSUs over a period as determined by the Board of Directors. Each RSU shall entitle the holder to acquire one (1) share in Matas either free of charge, at the price of DKK 1, or as determined by the Board of Directors at the time of the grant.
- 4.6.3 Prior to exercise, holders of RSUs shall not have any shareholder rights, such as voting and dividend rights. Unexercised RSUs shall lapse in the event that the holder of RSUs terminates the employment.
- 4.7 Adjustment, repayment and amendment
- 4.7.1 The Board of Directors may lay down specific terms governing
- (a) the lapse of the scheme, including lapse in the event that the member of Executive Management resigns;
 - (b) repayment of the incentive-based remuneration, in full or in part of variable remuneration that was paid on the basis of information, which subsequently proves to be misstated (claw back);
 - (c) accelerated vesting or exercise, or adjustment of incentive-based remuneration in case of a take-over in whole or in part, significant divestments, demerger, merger etc.; and
 - (d) adjustment of the exercise price, performance targets, etc. in the event of changes to the capital structure or other material events, which would otherwise influence adversely the value or effect of the incentive-based remuneration.
- 4.7.2 The Board of Directors is entitled to amend or discontinue one or more incentive programs established in accordance with the Remuneration Policy, including any KPI, provided such amendment fall within the general principles of the Remuneration Policy and are not assessed to affect the overall scope and objective of the approved incentive program(s). Substantial amendments are subject to approval by the general meeting.
- 4.8 Termination and severance payment
- 4.8.1 The terms regarding termination and resignation of members of the Executive Management is determined by the Board of Directors. The ordinary termination notice cannot exceed 24 months' notice. Termination by a member of the Executive Management shall be subject to a minimum of four months' notice.

4.8.2 The total value of the remuneration relating to the notice period, including any severance payments, to a member of the Executive Management shall not exceed two years' total remuneration including all remuneration components.

5 Extraordinary Incentives

5.1 In individual cases, the Board of Directors may grant a one-off bonus or other extraordinary incentive remuneration, e.g. retention bonus, severance payment, sign-on bonus or other schemes in connection with appointment, provided that it is deemed necessary in order to meet the overall objectives of the Remuneration Policy.

5.2 The value of such grants may not exceed an amount corresponding to 150% of the annual fixed base salary of the recipient in the year of award.

5.3 A grant may be incentive-based and may consist of cash and/or a share-based remuneration. The Board of Directors may decide whether grant and/or vesting should be subject to fulfillment of KPIs.

6 Publication

6.1 The Remuneration Policy is available on the Company's website, www.matas.dk, specifying the date of adoption.

Adopted at the annual general meeting of Matas A/S on 28 June 2018.