

Company announcement no. 02 2020/21
Allerød, 4 June 2020

Notice of annual general meeting

The Board of Directors of Matas A/S hereby convenes the company's annual general meeting to be held on

Tuesday, 30 June 2020, at 4:00 p.m. CEST
at Gorrissen Federspiel, Axeltorv 2, DK-1609 Copenhagen V

Due to the continued risk of COVID-19 spreading and the current government ban on larger gatherings, Matas encourages shareholders to refrain from attending the annual general meeting in person. Instead, shareholders are encouraged to exercise their shareholder rights by giving proxy to the Board of Directors or by voting by correspondence prior to the annual general meeting. Shareholders will have the opportunity to follow the annual general meeting live via webcast. The annual general meeting will be held in Danish, and there will be no refreshments served.

With a view to reduce the number of attendants at the annual general meeting, Matas will only be represented by the Company's Chairman of the Board of Directors, Chief Executive Officer and Chief Financial Officer.

The agenda of the annual general meeting will include the following business:

1. The Board of Directors' report on the company's activities in the past financial year.
2. Presentation and adoption of the audited annual report for the 2019/20 financial year including the auditors' report.
3. Proposal for distribution of profit for the year according to the adopted financial statements.
4. Discharge of the Board of Directors and the Executive Management.
5. Approval of the level of remuneration of the Board of Directors for the 2020/21 financial year.
6. Election of members to the Board of Directors.
7. Appointment of auditor.
8. Consideration of proposals from the Board of Directors and/or shareholders.
Proposals from the Board of Directors:
 - a) Proposal for authorisation to acquire treasury shares
 - b) Proposal for amendment of Article 5.2 of the Articles of Association regarding update of the standard agenda for the annual general meeting
 - c) Proposal for approval of the company's updated remuneration policy
 - d) Proposal for authorisation to the chairman of the general meeting
9. Any other business.

Complete proposals

Re agenda item 1

The Board of Directors proposes that the report by the Board of Directors be noted by the general meeting.

Re agenda item 2

The Board of Directors proposes that the audited annual report for the 2019/20 financial year be adopted by the general meeting.

Re agenda item 3

Based on the current uncertainty pertaining to economic and societal conditions in 2020/21 and on the Board of Director's decision to strengthen Matas' liquidity and reduce the gearing ratio, the Board of Directors proposes that no dividend be distributed for the 2019/20 financial year. The result for the 2019/20 financial year is thus allocated to retained earnings as set out in the annual report.

Re agenda item 4

The Board of Directors proposes that the general meeting grant discharge of liability to the Board of Directors and the Executive Management.

Re agenda item 5

The Board of Directors proposes that the general meeting approve unchanged fees to the members of the Board of Directors for the 2020/21 financial year, consisting of a base fee of DKK 300,000, with 2.5 times the base fee to the Chairman of the Board of Directors and with 1.5 times the base fee to the Deputy Chairman for their extended duties. The Chairman of the Audit Committee will receive a total of 1.25 times the base fee for her duties as a member of the Board of Directors and as Chairman of the Audit Committee.

Re agenda item 6

Pursuant to the company's Articles of Association, the board members elected by the general meeting retire each year. Board members are elected for the period until the next annual general meeting.

The Board of Directors proposes re-election of the following members of the Board of Directors as board member Christian Mariager has informed the Board of Directors that he will not stand for re-election:

- Lars Vinge Frederiksen
- Lars Frederiksen
- Signe Trock Hilstrøm
- Mette Maix
- Birgitte Nielsen

The Board of Directors proposes election of Henrik Taudorf Lorensen as a new member of the Board of Directors.

A description of the candidates proposed by the Board of Directors is set out in Annex 1.

Re agenda item 7

The Board of Directors proposes that Ernst & Young Godkendt Revisionspartnerselskab, CVR no. 30 70 02 28, be reappointed as the company's auditor in accordance with the Audit Committee's recommendation. The Audit Committee's recommendation has not been influenced by any third parties nor has it been subject to any contractual obligation restricting the general meeting's choice to certain auditors or audit firms.

Re agenda item 8.a.

The Board of Directors proposes that the Board of Directors be authorised by the general meeting to let the company acquire treasury shares for up to 10 % of its share capital in the period until the next annual general

meeting, provided that the company's holding of treasury shares may at no time exceed 10% of the share capital. The purchase price must not deviate by more than 10 % from the price quoted on Nasdaq Copenhagen at the time of purchase.

Re agenda item 8.b.

The Board of Directors proposes that the standard agenda for annual general meetings as set out in Article 5.2 of the Articles of Association be updated to include presentation of the company's remuneration report for advisory vote as agenda item e of the standard agenda. The update of the standard agenda is proposed in order to meet the requirement under section 139(b) of the Danish Companies Act which entails that the company must submit a remuneration report to the general meeting for an advisory vote from the annual general meeting in 2021 and forward.

Consequently, it is proposed that Article 5.2 of the Articles of Association be worded as follows:
" 5.2 The agenda for the annual general meeting shall include the following:

- (a) The Board of Directors' report on the Company's activities in the past financial year;
- (b) Presentation and adoption of the audited annual report;
- (c) Distribution of profit or covering of loss according to the adopted annual report;
- (d) Discharge of the Board of Directors and Executive Management;
- (e) Presentation of the company's remuneration report for an advisory vote;
- (f) Approval of remuneration of the Board of Directors for the present financial year;
- (g) Election of members to the Board of Directors;
- (h) Appointment of auditor;
- (i) Authorisation to acquire treasury shares;
- (j) Any proposals from the Board of Directors or shareholders;
- (k) Any other business."

Re agenda item 8.c.

The Board of Directors proposes that the general meeting approve the company's updated Remuneration Policy. The Remuneration Policy has been prepared in accordance with the new requirements under sections 139 and 139(a) of the Danish Companies Act and the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance and will replace the current Remuneration Policy, including overall guidelines on incentive pay, as approved by the general meeting on 28 June 2018. The updated Remuneration Policy is attached as Annex 2 and available on the Company's website.

If the updated Remuneration Policy is approved by the general meeting, Article 12 of the Articles of Association regarding overall guidelines on incentive pay will be deleted in accordance with section 139(6) of the Danish Companies Act. The subsequent articles of the Articles of Association will be renumbered accordingly.

Re agenda item 8.d.

The Board of Directors proposes that the general meeting authorises the chairman of the general meeting, with a right of substitution, to file the resolutions adopted with the Danish Business Authority and to make any such amendments as the Danish Business Authority may require in order to register or approve the resolutions adopted.

Adoption requirements, share capital, record date and voting rights

The adoption of the proposals by the Board of Directors under item 8.b. of the agenda requires a majority voting in favour of the proposed resolutions of at least two-thirds of both the votes cast and of the voting share capital represented at the general meeting, see Article 7.2 of the Articles of Association. All other resolutions may be passed by a simple majority of votes pursuant to Article 7.1 of the Articles of Association.

The total nominal value of the company's share capital is DKK 95,728,730 divided into shares of DKK 2.50 each, equivalent to 38,291,492 shares. Each share of DKK 2.50 carries one vote.

The right of a shareholder to attend and vote at a general meeting is determined by the shares held by the shareholder at the record date. The record date is **Tuesday, 23 June 2020**. The shares held by each shareholder at the record date are calculated based on the registration of the number of shares held by that shareholder in the company's register of shareholders as well as any notification of ownership received by the company for the purpose of registration in the company's register of shareholders but not yet registered.

COVID-19 and request for admission cards

Due to the continued risk of COVID-19 spreading and the current government ban on larger gatherings, Matas encourages shareholders to refrain from attending the annual general meeting in person. Instead, shareholders are encouraged to exercise their shareholder rights by giving proxy to the Board of Directors or by voting by correspondence prior to the annual general meeting.

Shareholders will have the opportunity to follow the general meeting live via webcast through the company's shareholder portal at investor.matas.dk. The webcast will be available to all shareholders and does not require prior registration.

Shareholders still wishing to attend the annual general meeting in person must request and obtain an admission card. The company notes that there may be restrictions in force for the venue where the annual general meeting is held, and persons may be denied access based on travel history, quarantines and/or symptoms of illness.

Requests for admission cards may be made on or before **Friday, 26 June 2020 at 11:59 p.m.** as follows:

- by registering electronically through the company's shareholder portal at investor.matas.dk; or
- by submitting the registration form available for download on the company's website, investor.matas.dk. Please send the completed, dated and signed registration form by ordinary mail to Computershare A/S, Lottenborgvej 26 D, 1st floor, DK-2800 Kgs. Lyngby or by e-mail in a scanned version to gf@computershare.dk, so it has arrived at Computershare A/S before the deadline.

Proxy

Shareholders not attending the general meeting in person may issue a proxy to the Board of Directors or to any other named third party.

Proxies may be issued on or before **Friday, 26 June 2020 at 11:59 p.m.** as follows:

- electronically through the company's shareholder portal at investor.matas.dk; or
- by submitting the proxy form available for download on the company's website, investor.matas.dk. Please send the completed, dated and signed proxy form to Computershare A/S, Lottenborgvej 26 D, 1st floor, DK-2800 Kgs. Lyngby or by e-mail in a scanned version to gf@computershare.dk, so it has arrived at Computershare A/S before the deadline.

Voting by correspondence

Shareholders not attending the general meeting in person may also vote by correspondence.

Shareholders may vote by correspondence on or before **Monday, 29 June 2020 at 4:00 p.m.** as follows:

- electronically through the company's shareholder portal at investor.matas.dk; or
- by submitting the form for voting by correspondence available for download on the company's website, investor.matas.dk. Please send the completed, dated and signed form to Computershare A/S, Lottenborgvej 26 D, 1st floor, DK-2800 Kgs. Lyngby or by e-mail in a scanned version to gf@computershare.dk, so it has arrived at Computershare A/S before the deadline.

Questions from shareholders

Shareholders not attending the annual general meeting in person may submit statements or questions in writing prior to the annual general meeting. Questions or statements must be submitted to the company no later than one week prior to the annual general meeting and may be submitted by e-mail to etk@matas.dk or by ordinary mail to the company's address, Matas A/S, Rørmosevej 1, DK-3450 Allerød, marked 'Investor Relations'. The company will address the questions in accordance with applicable requirements and limitations. Shareholders present at the annual general meeting may ask questions to Management and the auditor.

Questions regarding the agenda and other documents for the general meeting may also be submitted in writing to be received by the company not later than one week before the date of the general meeting. Questions may be sent to etk@matas.dk or by ordinary mail to the company's address, Matas A/S, Rørmosevej 1, DK-3450 Allerød, marked 'Investor Relations'.

Additional information

For a period of three weeks prior to the general meeting, including the date of the general meeting, the following information will be available on the company's website, investor.matas.dk:

- The notice convening the general meeting
- The total number of shares and voting rights at the date of the notice
- The documents to be presented at the general meeting
- The agenda and the complete proposals
- The audited annual report for the 2019/20 financial year
- The forms to be used for voting by proxy or voting by correspondence

Personal data

For further information on how the company collects and processes personal data reference is made to the company's website, investor.matas.dk, where information on the company's Privacy Policy – Shareholders and Confidentiality and Data Protection Policy are available.

Allerød, 4 June 2020

On behalf of the Board of Directors of Matas A/S

Lars Vinge Frederiksen
Chairman of the Board of Directors

For further information, please contact:

Elisabeth Toftmann Klintholm
Head of Investor Relations & Corporate Affairs
Tel. +45 48 16 55 48

Annex 1 – Candidates for the Board of Directors

Lars Vinge Frederiksen

Born 1958, Danish nationality, a professional board member since 2013. Has served as Chairman since joining the Board of Directors in 2013. Lars Vinge Frederiksen also chairs the Remuneration and Nomination Committees.

The Board of Directors proposes re-election of Lars Vinge Frederiksen on account of his special expertise in general management and strategic development and his capital markets and finance experience from listed companies.

Lars Vinge Frederiksen is nominated as an independent board member pursuant to section 3.2.1 of the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

Lars Vinge Frederiksen is chairman of the board of directors of Atos Medical, Malmö, and a member of the boards of directors of Falck A/S, Augustinus Industri A/S and Tate & Lyle PLC*, London. Chairman of the Hedorf Foundation and the Committee on Corporate Governance, member of the nomination committee of Tate & Lyle PLC and a member of the supervisory board of PAI Partners SA, France.

Lars Frederiksen

Born 1969, Danish nationality, a professional board member since 2007. A member of the Board of Directors since 2007 and a member of the Audit Committee.

The Board of Directors proposes re-election of Lars Frederiksen on account of his special expertise in retailing, including physical retailing, and his experience in general management, strategic development and finance.

Lars Frederiksen is nominated as a non-independent board member pursuant to section 3.2.1 of the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance on account of his length of service on the Board of Directors.

Lars Frederiksen is chairman of the boards of directors of Clea Capital Ltd., Burner International A/S, Burner Holding A/S and Jægersborg Ejendom A/S.

Signe Trock Hilstrøm

Born 1974, Danish nationality, Director Digital Commerce at Impact A/S. A member of the Board of Directors since 2017 and a member of the Remuneration and Nomination Committees.

The Board of Directors proposes re-election of Signe Trock Hilstrøm on account of her special expertise in retailing, including brand and marketing, e-commerce, omnichannel, loyalty clubs and physical retailing.

Signe Trock Hilstrøm is nominated as an independent board member pursuant to section 3.2.1 of the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

Signe Trock Hilstrøm is a member of board of directors of Stibo A/S and of the eCommerce Awards jury (FDIH).

Henrik Taudorf Lorensen

Born 1971, Danish nationality, founder and CEO of TAKT A/S. Henrik Taudorf Lorensen has previously been CEO of B&O Play, where he built and developed the new business area for Bang & Olufsen. Further, Henrik Taudorf Lorensen has experience as CEO of the technology company ROLI in London and as Vice President for LEGO Digital.

The Board of Directors proposes election of Henrik Taudorf Lorensen because of his special expertise within development of brands, digitisation, business development and international sales and marketing.

Henrik Taudorf Lorensen is nominated as an independent board member pursuant to section 3.2.1 of the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

Henrik Taudorf Lorensen is chairman of the board of directors of Pure International Ltd. in London and member of the board of directors of EarLabs AB in Malmø, Bubblebee Industries ApS and Pongo Partners ApS as well as CEO of TAKT A/S' subsidiary TAKT Export ApS.

Mette Maix

Born 1969, Danish nationality, CEO of Rosendahl Design Group from 1 March 2020. A member of the Board of Directors since 2017.

The Board of Directors proposes re-election of Mette Maix on account of her special expertise within all aspects of retailing, her experience in combining physical and online sales, in general management and strategic development.

Mette Maix is nominated as an independent board member pursuant to section 3.2.1 of the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

Mette Maix is a member of board of directors of Good Food Group A/S owned by Maj Invest.

Birgitte Nielsen

Born 1963, Danish nationality, a professional board member since 2006. A member of the Board of Directors since 2013 and Chairman of the Audit Committee.

The Board of Directors proposes re-election of Birgitte Nielsen on account of her special expertise in general management and strategic development, her board experience, including extensive financial and accounting expertise, and her capital markets experience.

Birgitte Nielsen is nominated as an independent board member pursuant to section 3.2.1 of the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

Birgitte Nielsen is a member of the boards of directors of Coloplast A/S*, Kirk Kapital A/S, De Forenede Ejendomsselskaber A/S and a member of the audit committee of Coloplast A/S.

**) Listed company*

**Annex 2 – Draft Remuneration Policy
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 prepared this remuneration policy (the “Remuneration Policy”) in accordance with sections 139 and 139(a) of the Danish Companies Act and the recommendations published by the Danish Committee on Corporate Governance as implemented by Nasdaq Copenhagen A/S.
- 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.

2 General principles

- 2.1 The overall objectives of this Remuneration Policy are to attract, motivate and retain qualified members of the Board of Directors and the Executive Management and support the long-term interests of the Company, including the sustainability of the Company and its business.
- 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 by linking incentives to the performance of the Company.

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. The fees offered to the Board of Directors primarily serve the purpose of attracting and retaining qualified members to the Board of Directors. 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 up to 3 times the fixed annual base fee and the Deputy Chairman shall receive up to 2 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. Compensation related to committee work may not exceed 100% of the fixed annual base fee.
- 3.4 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. Fees for ad hoc tasks may not exceed 100% of the fixed annual base fee.
- 3.5 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.
- 3.6 Social duties or other similar taxes in relations to the directors’ fees that may be levied by foreign authorities may be reimbursed by Matas.

- 3.7 The Company has taken out customary directors' and officers' liability insurance. To the extent such insurance coverage should prove to be insufficient, the Company may in certain cases decide to indemnify members of the Board of Directors.

4 Remuneration of the Executive Management

4.1 General principles

- 4.1.1 Remuneration to members of the Executive Management may consist of an annual fixed base salary, including pension and benefits, and variable remuneration in the form of non-share-based and share-based incentives. The incentive pay shall reward individual effort and performance. The aggregate remuneration paid to a member of the Executive Management shall be in line with market practice of comparable listed companies.

- 4.1.2 The remuneration to members of the Executive Management shall be designed to create a suitable alignment of the interests of the Executive Management with the interests of the Company and its shareholders. The remuneration shall support the achievement of strategic long and short-term goals of Matas by linking part of the remuneration to achievement of KPIs that support the strategy as well as long and short-term goals. Further, the remuneration shall seek to promote the Company's sustainability as well as value creation for the benefit of the shareholders by ensuring that each member of the Executive Management have a genuine interest in the development of the share price through share-based incentives and by requiring that each member of the Executive Management maintains a shareholding in the Company.

- 4.1.3 Key performance indicators ("KPIs") on strategic targets and priorities including, but not limited to, sales growth, 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 yearly or on rolling three-year cycles for short-term and long-term incentives, respectively. KPIs are determined by the Board of Directors on or prior to any specific grant. The level of achievement of financial KPIs will be assessed based on the result as presented in the annual reports for the relevant financial years and non-financial KPIs, if applicable, may be assessed internally or with external assistance as deemed relevant.

- 4.1.4 The Board of Directors shall carefully consider the overall principles of this Remuneration Policy, including the aim of supporting the Company's sustainability and 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 salary.

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 insurance, free telephone, internet access, newspaper, etc., and other benefits such as company car. Other benefits may have an annual value of up to 15% of the annual fixed base salary.

- 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 with a value of up to 15% of the annual fixed base salary.

4.3 Short-term 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. The grant of short-term cash incentives primarily supports fulfilment of the member's or Matas' short-term objectives and goals.

4.3.2 The cash bonus is subject to achievement in whole or in part of certain predefined KPIs as determined by the Board of Directors. See also 4.1.3.

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

4.4 Long-term incentives

4.4.1 Members of the Executive Management may be offered to participate in long-term incentive program(s) entitling the respective members to receive share-based incentives, such as stock options, performance share units ("PSUs"), warrants and phantom shares up to an aggregate maximum value at the time of grant of 100% of their annual fixed base salary excluding pension contribution.

4.4.2 The share-based incentives may be subject to achievement in whole or in part of certain KPIs as determined by the Board of Directors. See also 4.1.3.

4.4.3 The grant of long-term share-based incentives primarily supports fulfilment of the member's and/or Matas' long-term sustainability, objectives and goals.

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

4.4.5 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.

4.4.6 Share-based incentives are subject to customary good leaver and bad leaver provisions.

4.4.7 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.

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

4.4.9 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 Members of the Executive Management may be granted stock options, warrants and/or phantom shares. 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 achievement of a number of pre-determined KPIs.

4.5.2 Upon vesting, holders have a period of 3 years 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 as quoted on Nasdaq Copenhagen during a number of trading days preceding the time of grant as determined by the Board of Directors. 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 a recognised valuation model as determined by the Board of Directors 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 Performance Share Units
- 4.6.1 Members of the Executive Board may be granted performance share units (PSUs). 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.
- 4.6.2 The number of PSUs that vest may be between 75% and 150% of the granted PSUs depending on achievement of a number of pre-determined KPIs. See also 4.1.3.
- 4.6.3 Upon vesting, holders of PSUs shall have four weeks during the first open trade window to exercise their PSUs. Each PSU 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.
- 4.6.4 The value of PSUs shall be based on the market price of the shares at the time of grant as further determined by the Board of Directors and may be calculated as an average price as quoted on Nasdaq Copenhagen during a number of trading days preceding the time of grant as determined by the Board of Directors
- 4.6.5 Prior to exercise, holders of PSUs shall not have any shareholder rights, such as voting and dividend rights.
- 4.6.6 If the Company distributes ordinary or extraordinary dividends in the period between grant and vesting of PSUs, a number of additional PSUs shall be granted. The number of additional PSUs shall reflect the value of the dividend, which would have been paid to the holders of the PSUs had these vested and been converted into shares at the time of distribution of the dividends.
- 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) 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
 - (c) 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 falls within the general principles of the Remuneration Policy and is 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.
- 4.7.3 The Board of Directors may decide to shorten the vesting period of long-term incentives for newly appointed members of the Executive Management in order for such member to participate in already established long-term incentive programs.
- 4.8 Malus and clawback
- 4.8.1 In exceptional cases, the Company is entitled to reduce, withhold or reclaim, in full or in part, variable remuneration that is payable or was paid on the basis of information, which subsequently proves to be misstated or if a member of the Executive Management is deemed to have caused a material loss to the Company due to gross negligence or wilful misconduct.
- 4.9 Termination and severance payment
- 4.9.1 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.
- 4.9.2 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.
- 4.10 Indemnification
- 4.10.1 The Company has taken out customary directors' and officers' liability insurance. To the extent such insurance coverage should prove to be insufficient, the Company may in certain cases decide to indemnify members of the Executive Management.
- 5 Shareholding obligation**
- 5.1 As a prerequisite for being granted long-term incentives, members of the Executive Management must have invested in or hold shares in Matas with a value of at least 50% of the relevant member's fixed base salary (before tax). Newly appointed members of the Executive Management may build up such shareholding over a period of four years. The shareholding obligation shall be based on the value of the shares at the time of acquisition.
- 6 Extraordinary incentives**
- 6.1 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, in order to support the Company's strategy, long or short-term goals or to meet the overall objectives of the Remuneration Policy.
- 6.2 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.
- 6.3 A grant may be incentive-based and may consist of cash and/or share-based remuneration. The Board of Directors may decide whether grant and/or vesting should be subject to fulfilment of KPIs.

7 Terms of employment and remuneration to other employees

- 7.1 The Board of Directors has taken the terms of employment and remuneration of employees other than the Board of Directors and Executive Management into consideration in the preparation of this Remuneration Policy.
- 7.2 The Company strives to be a safe, inclusive and developing workplace for all employees, and the Company is committed to ensuring that employees are provided with relevant education. The employment terms, including remuneration levels, are for a large number of employees based on collective agreements.

8 Deviation from the Remuneration Policy

- 8.1 In exceptional circumstances, the Board of Directors may deviate from the principles of the Remuneration Policy if deemed necessary in order to ensure the long-term interests and sustainability of the Company. Deviations may include one-off bonuses in excess of the limits set out in 6.2, changes to the relative proportions of the remuneration components, including the upper limits to variable components, the terms and vesting period of long-term incentives as well as changes to the term and termination provisions in agreements entered into with Executive Management.
- 8.2 Any deviations shall be approved by the Board of Directors.
- 8.3 A description of deviations, if any, and the reasons behind such deviations shall be included in the remuneration report.

9 Preparation of the Remuneration Policy

- 9.1 The Board of Directors has established a remuneration committee. The remuneration committee shall prepare the Remuneration Policy and present it to the Board of Directors for approval. The remuneration committee may engage external advisers when preparing the Remuneration Policy. The remuneration committee shall annually review the Remuneration Policy to ensure the continued alignment of the interests of the Board of Directors and the Executive Management with the sustainability of the Company, the Company's long and short-term goals and the interests of the shareholders.
- 9.2 The Remuneration Policy will be submitted to the general meeting for approval at least every four years and upon any material amendments.
- 9.3 The remuneration committee oversees that the remuneration paid to members of the Board of Directors and Executive Management adheres to the principles and is within the limits of the Remuneration Policy.
- 9.4 It is the assessment of the Board of Directors that conflicts of interests in connection with the preparation of the Remuneration Policy have been minimised and managed as the actual remuneration to members of the Executive Management is determined by the Board of Directors and must be within the limits of the Remuneration Policy, and remuneration to the Board of Directors is approved annually by the general meeting. Further, any material amendments to the Remuneration Policy are subject to the approval of the general meeting.

10 Remuneration Report

10.1 The Board of Directors shall annually prepare a remuneration report which provides an overview of remuneration paid to members of the Board of Directors and Executive Management. The remuneration report shall be submitted to the general meeting for an advisory vote.

11 Publication

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

Approved by the annual general meeting of Matas A/S on [30 June 2020].