

CORPORATE GOVERNANCE STATEMENT

This corporate governance statement for Matas A/S (“Matas”) includes a description of the company’s management structure, as well as a description of the main elements of the internal control and risk management systems in connection with the company’s financial reporting. A separate review of how the company considers the Danish Recommendations on Corporate Governance issued by the Committee on Corporate Governance in May 2013 is undertaken annually and can be found on Matas’ website.

MANAGEMENT STRUCTURE

Board of Directors

As is current practice in Denmark, the company has a two-tier management structure where powers and responsibilities are distributed between the Board of Directors and the Executive Management. No person serves as a member of both corporate bodies and the two bodies are independent. The Executive Management handles the day-to-day management, while the Board of Directors supervises the work of the Executive Management and is responsible for the overall management and strategic direction.

Currently, the Board of Directors consists of five members and has elected a chairman and a deputy chairman among its members. All five members of the Board of Directors, including the chairman, are independent. The members of the Board of Directors comprise a group of professionally skilled business people also representing diversity and international experience.

The members of the Board of Directors elected by the general meeting are elected for a term of one year. Re-election of board members may take place. Only persons who are younger than 70 years at the time of election may be elected to the Board of Directors. The Board of Directors meets six to eight times a year and on an ad-hoc basis if necessary.

The Board of Directors evaluates its work on an annual basis and describes the procedures for such evaluation as well as the overall outcome thereof in the annual report. Furthermore, the Board of Directors annually evaluates the work and performance of the Executive Management.

A list of the board members and their membership of board committees as per below can be found on Matas’ website.

Board Committees

The Board of Directors has established an Audit Committee, a Remuneration Committee and a Nomination Committee, each of which has a charter setting forth the purpose and responsibilities of such committees. The committees report to the Board of Directors. All the members of all three board committees are independent board members.

Audit Committee

The Board of Directors has established an Audit Committee, which consist of three members of the Board of Directors.

The Audit Committee reviews accounting and audit matters, which by decision of the Board of Directors or the Audit Committee are subject to a more thorough evaluation, and assesses the internal controls and risk management systems of the company.

The members, including the chairman of the Audit Committee, are appointed by and among the members of the Board of Directors. The chairman of the Board of Directors shall not be appointed chairman of the Audit Committee. Between them, the members of the Committee possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies with shares listed for trading on a regulated market. The members of the Audit Committee are appointed for one year at a time.

Meetings are held when deemed necessary by the chairman of the Audit Committee, subject to a minimum of two meetings a year.

Remuneration Committee

The Board of Directors has established a Remuneration Committee, which consist of three members of the Board of Directors.

The overall purpose of the Remuneration Committee is to ensure that the company maintains a remuneration policy for the members of the Board of Directors and the Executive Management as well as overall guidelines on incentive pay to the Executive Management. The remuneration policy, the overall guidelines on incentive pay to the Executive Management and any changes thereto are all approved by the Board of Directors as well as the general meeting. Further, the Remuneration Committee evaluates and makes recommendations for the remuneration of the members of the Board of Directors and the Executive Management. The contents of any incentive programmes will be described in the annual report in accordance with applicable rules and regulations.

The committee members are appointed by and among the members of the Board of Directors, and the chairman of the Board of Directors is chairman of the Remuneration Committee. The members of the Remuneration Committee are appointed for one year at a time.

Meetings are held when deemed necessary by the chairman of the Remuneration Committee, subject to a minimum of two meetings a year.

Nomination Committee

The Board of Directors has established a Nomination Committee, which consist of three members of the Board of Directors.

The overall purpose of the Nomination Committee is to assist the Board of Directors with ensuring that appropriate plans and processes are in place for nomination of candidates to the Board of Directors and the Executive Management. Further, the Nomination Committee evaluates the composition of the Board of Directors and the Executive Management, including making recommendations for nomination or appointment of members of the Board of Directors, the Executive Management and the committees established by the Board of Directors.

The committee members are appointed by and among the members of the Board of Directors, and the chairman of the Board of Directors is chairman of the Nomination Committee. The members of the Nomination Committee are appointed for one year at a time.

Meetings are held when deemed necessary by the chairman of the Nomination Committee, subject to a minimum of one meeting a year.

Board evaluation

The chairman of the Board of Directors is responsible for conducting an annual review of the Board of Director's performance and achievements, including the competencies of each board member as well as of the chairman.

Executive Management

The Board of Directors appoints an Executive Management responsible for the day-to-day management and compliance with the guidelines and recommendations issued by the Board of Directors. The Executive Management's responsibilities include organization of the company as well as allocation of resources, determination and implementation of strategies and policies and ensuring timely reporting and provision of information to the Board of Directors. The Executive Management also presents and recommends proposals on the overall strategy and objectives to the Board of Directors. The Executive Management consists of two members and is chaired by the chief executive officer. The Executive Management meets at least once a week and often more frequently.

Risk management

The Board of Directors regularly assesses the overall and specific risks associated with Matas' business and operations as well as the risks associated with the financial reporting and seeks to ensure that such risks are managed in a proactive and efficient manner. As part of general risk management, the company has established various internal control systems, which are reviewed regularly by the Board of Directors to ensure that such systems are appropriate and sufficient in the context of current business and operations. The annual report will contain information about the management of operational risks.

Recommendations for corporate governance in Denmark

Matas is subject to the Recommendations on Corporate Governance from May 2013, which are available on the Committee on Corporate Governance's website www.corporategovernance.dk. As a company listed on the stock exchange in Denmark, Matas is required to report on its compliance with these recommendations according to the "comply or explain" principle. Matas' position on the individual recommendations is described in a separate review, which is updated at least annually and can be found on Matas' website. Matas complies with all recommendations.