



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.
- 1.2 The Remuneration Policy is supplemented by the overall guidelines on incentive pay of Matas (the "Incentive Guidelines") available at the Company's website, www.matas.dk.
- 1.3 The Remuneration Policy and the Incentive Guidelines provide 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.
- 1.4 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.

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 based on certain Key Performance Indicators ("KPIs") on the individual performance and responsibility of the respective member as well as the performance of the Company including EBITDA growth, total shareholder return, cash, profit, and equity value creation.

- 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 The Board of Directors may lay down specific terms governing the lapse of the 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. in accordance with the Incentive Guidelines.

- 4.1.4 The Board of Directors shall carefully consider the overall principles of this Remuneration Policy, including the aim to avoid undesired incentives for the Executive Management, 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.

- 4.1.5 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 and/or Incentive Guidelines.

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 maybe offered to participate in an incentive program entitling the respective members to receive cash based bonus up to a maximum of 70% of their annual fixed base salary excluding pension contribution in accordance with the Incentive Guidelines.

4.3.2 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 and phantom shares.

4.4.2 The share-based incentives will as a main rule have a vesting period of no less than three years from the relevant grant date after which time they vest, subject to fulfillment of certain pre-determined KPIs. The Board of Directors may decide that the grant will vest gradually over a period of three years.

4.4.3 The value of share-based incentives granted to a member of the Executive Management in a given financial year may not exceed 75% of that individual member's annual fixed base salary excluding pension contribution at the time of grant.

4.4.4 The value of the share-based incentives is calculated as described in the Company's annual report.

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 extraordinary 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 because of local regulatory requirements, the Board of Directors may decide to satisfy a grant in cash.

4.5 Termination and severance payment

4.5.1 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.

4.5.2 Any termination and/or severance payments cannot exceed the aggregate remuneration paid to the member of the Executive Management during the last two years.

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 and/or Incentive Guidelines.

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 Remuneration Committee

6.1 The Board of Directors' remuneration committee (the "Remuneration Committee") must ensure that Matas maintains a remuneration policy and overall guidelines on incentive pay of the members of the Board of Directors and the Executive Management at all times.

6.2 The Remuneration Committee shall evaluate and make recommendations for the remuneration of the members of the Board of Directors and the Executive Management and ensure that such remuneration is consistent with the Remuneration Policy and Incentive Guidelines.

6.3 The Remuneration Committee shall retain its own external advisers separate from the external advisers engaged by Matas and/or the Executive Management.

7 Information on Remuneration

7.1 The Chairman shall in connection with the report from the Board of Directors at the annual general meeting comment on the principles of the Remuneration Policy and Matas' compliance therewith.

7.2 The Company's annual report must include a description of this Remuneration Policy. Information on the total remuneration in the aggregate for each of the Executive Management and the Board of Directors and on an individual basis for the Board of Directors shall be disclosed in the Company's annual report for the relevant financial year including a statement on compliance with this Remuneration Policy.

8 Approval and publication

8.1 The Remuneration Policy, the Incentive Guidelines and any changes thereto shall be adopted by the Board of Directors and approved by the general meeting. The Remuneration Policy shall be reviewed at least once every year.

8.2 This Remuneration Policy has been adopted by the Board of Directors and approved by the general meeting of Matas on 10 June 2013 and latest changed on 30 June 2014 in regard to decision made on the general meeting of Matas on 30 June 2014

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

Approved by the Board of Directors of Matas A/S on 30 June 2014.