

Overall Guidelines on Incentive Pay

Matas A/S, CVR nr. 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 these overall guidelines on incentive pay (the “Incentive Guidelines”) pursuant to section 139 of the Danish Companies Act.
- 1.2 These Incentive Guidelines are supplemented by the remuneration policy (the “Remuneration Policy”) 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 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 These Incentive Guidelines apply to incentive-based variable remuneration received by the Executive Management for work performed for Matas.

2 Remuneration of the Board of Directors

- 2.1 Members of the Board of Directors shall receive a fixed annual fee approved each year at the annual general meeting for the current financial year, while the Chairman shall receive 2.5 times that fee. No members of the Board of Directors shall be entitled to receive variable or incentive-based remuneration.

3 General principles on incentive pay to the Executive Management

- 3.1 The overall objective of granting incentive pay is to align the interests of the Executive Management with the interests of Matas and the shareholders of Matas by providing incentives for the Executive Management to meet the strategic long and short-term goals of Matas as well as to promote value creation for the benefit of the shareholders.
- 3.2 In addition 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.
- 3.3 The variable 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.
- 3.4 The Board of Directors shall carefully consider the overall principles of the Remuneration Policy 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. In addition, the size and composition of the incentive pay shall support the achievement of Matas’ short and long-term goals.

3.5 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 Adjustment, repayment and amendment

4.1 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 manifestly 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.

4.2 The Board of Directors is entitled to amend or discontinue one or more incentive programs established in accordance with these Incentive Guidelines, including any KPI, provided such amendment fall within the general principles of the Incentive Guidelines and does not affect the overall scope and objective of the approved incentive program(s). Any amended KPI must be determined by the Board of Directors as materially no more or no less difficult to satisfy than the original KPI. Substantial amendments are subject to approval by the general meeting.

5 Non-share-based incentives

5.1 Members of the Executive Management may, depending on position and responsibility, be offered to participate in a short-term incentive program entitling the members of the Executive Management to receive an annual performance based cash bonus up to a maximum of 70% 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.

5.2 Non-share-based incentives may be granted annually at the sole discretion of the Board of Directors. 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.

- 5.3 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.

6 Share-based incentives

6.1 General principles

- 6.1.1 Members of the Executive Management may be offered to participate in an incentive program entitling the respective members to receive share-based incentives, such as free shares, stock options, restricted share units (“RSUs”), warrants and phantom shares, up to a maximum of 75% 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.
- 6.1.2 Share-based incentives may be granted annually at the sole discretion of the Board of Directors.
- 6.1.3 The value of the share-based incentives is calculated as described in the annual report of Matas.
- 6.1.4 The aggregate value of the long-term incentive program(s) will be disclosed in the annual report of Matas.
- 6.1.5 Matas intends to purchase own shares to cover its obligations under long-term incentive program(s).
- 6.1.6 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.
- ### 6.2 Stock options, warrants and phantom shares
- 6.2.1 The vesting 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.
- 6.2.2 Upon vesting, holders have a period of at least two 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. Upon vesting, holders shall have four weeks during the first open trade window to exercise.
- 6.2.3 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.

- 6.2.4 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.
- 6.2.5 It may be agreed that a part of the grant may be settled in cash with no right and no obligation for Matas to deliver shares. In this case, the exercise price shall be the same as where actual shares are delivered.
- 6.3 **RSUs**
- 6.3.1 The vesting 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.
- 6.3.2 Upon vesting, holders of RSUs shall have four weeks during the first open trade window to exercise the RSUs. 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.
- 6.3.3 Prior to vesting, holders of RSUs shall not have any shareholder rights, such as voting and dividend rights. Unvested RSUs shall lapse in the event that the employee terminates the employment.
- 7 **Extraordinary Incentives**
- 7.1 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.
- 7.2 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.
- 7.3 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.
- 8 **Approval and publication**
- 8.1 These Incentive Guidelines have been approved by the Board of Directors and adopted by the general meeting of Matas on 10 June 2013. These Incentive Guidelines will be published on the Company's website (www.matas.dk) specifying the date of adoption.

Approved by the Board of Directors of Matas A/S on 10 June 2013.