



Company announcement no. 02 2018/19 Allerød, 30 May 2018

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

**Thursday, 28 June 2018, at 4:00 p.m.
at IDA Mødecenter, Kalvebod Brygge 31-33, DK-1780 Copenhagen V**

Attendance at the annual general meeting must be registered no later than Monday, 25 June 2018 at 9:00 a.m. through the shareholder portal at investor.matas.dk, or by completing and submitting a registration form to Computershare A/S, Lottenborgvej 26 D, 1st floor, DK-2800 Kgs. Lyngby. The annual general meeting will be conducted in the Danish language and will not be webcast.

Tea, coffee and cake will be served from 3:30 p.m. to 4:00 p.m.

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 2017/18 financial year including the auditors' report.
3. Distribution of profit for the year according to the adopted financial statements, including declaration of dividends.
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 2018/19 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:
 - 8.a. Authorisation to acquire treasury shares
 - 8.b. Amendment to the company's remuneration policy
 - 8.c. Renewal of the authorisations to increase the company's share capital in articles 3.1-3.3 of the articles of association
 - 8.d. Removal of the age limit for members of the Board of Directors in article 9.4 of the articles of association
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 2017/18 financial year be adopted by the general meeting.

Re agenda item 3

The Board of Directors proposes that dividends of DKK 6.30 per share with a nominal value of DKK 2.50 be distributed for the 2017/18 financial year. Dividends will be paid on Monday, 2 July 2018, subject to adoption by the general meeting.

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 2018/19 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 all the members of the Board of Directors:

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

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 general meeting approve amendment to the company's revised and compiled Remuneration Policy, including the overall guidelines for incentive pay for the Board of Directors and Executive Management.

In addition to compiling the overall guidelines for incentive pay in the Remuneration Policy, the proposed revised Remuneration Policy includes the following adjustments:

- Change to the percentage related to granting performance based cash bonus to members of the Executive Management from up to a maximum of 70% to a maximum of 100% of their annual fixed base salary.
- Change to the percentage related to granting share-based incentives to members of the Executive Management from up to a maximum of 75% to a maximum of 100% of their annual fixed base salary.
- As a consequence of the updated corporate governance recommendations, it has been clarified that 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.

Further, certain additional editorial changes have been made, including changes as a consequence of the updated corporate governance recommendations.

The compiled version of the Remuneration Policy, including the overall guidelines for incentive pay, for the Board of Directors and Executive Management is attached as Annex 2 and is available on the Company's website at www.matas.dk.

As a consequence of the proposal, the following editorial changes will be made to article 12.1 of the articles of association:

"12. 1 As a part of its remuneration policy, the Company has adopted overall guidelines on incentive pay to the Board of Directors and the Executive Management, cf. section 139 of the Danish Companies Act. The remuneration policy, including the overall guidelines on incentive pay to the Board of Directors and the Executive Management, which has been approved by the general meeting, is available on the Company's website, www.matas.dk."

Re agenda item 8.c.

The Board of Directors proposes that the authorisations of the Board of Directors to increase the Company's share capital by issuing new shares, which expired on 1 April 2018, are renewed until 1 April 2023.



Consequently, it is proposed that articles 3.1-3.3 of the articles of association be worded as follows:

“3.1 In the period until 1 April 2023, the Board of Directors is authorised to increase the Company's share capital in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 5,000,000. The capital increase shall take place at market price and may be effected by cash payment or as consideration for an acquisition of business activities or other assets.

3.2 In the period until 1 April 2023, the Board of Directors is authorised to increase the Company's share capital in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 1,000,000 in connection with the issue of new shares for the benefit of the Company's employees and/or employees of its subsidiaries. The new shares shall be issued at a subscription price to be determined by the Board of Directors, which may be below the market price.

3.3 New shares issued pursuant to Articles 3.1 and 3.2 shall be issued in the name of the holder and shall be recorded in the name of the holder in the Company's register of shareholders, shall be negotiable instruments, and shall in every respect carry the same rights as the existing shares. The Board of Directors is authorised to lay down the terms and conditions for capital increases pursuant to the above authorisations and to make any such amendments to the Company's Articles of Association as may be required as a result of the Board of Directors' exercise of the said authorisations.”

Re agenda item 8.d.

The Board of Directors proposes that the existing age limit of 70 years for members of the Board of Directors in article 9.4, third paragraph of the articles of association be removed. The proposal is based on the updated Recommendations on Corporate Governance which no longer contain a recommendation stipulating that an age limit for members of the board of directors be included in the articles of association.

Consequently, it is proposed that the third paragraph of article 9.4 of the articles of association is deleted, whereby article 9.4 be worded as follows:

“9.4 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.”



Adoption requirements, share capital, record date, attendance and voting rights

The adoption of the proposals by the Board of Directors under items 8.c. and 8.d. 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 **Thursday, 21 June 2018**. 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.

Shareholders holding shares in the company at the record date are entitled to attend and vote at the general meeting. Shareholders must obtain an admission card in order to attend the general meeting.

Requests for admission cards may be made on or before **Monday, 25 June 2018 at 9:00 a.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, by fax on +45 45 46 09 98 or by e-mail in a scanned version to gf@computershare.dk to be received by Computershare A/S before the deadline.

Proxy

Shareholders who are unable to attend the general meeting may issue a proxy to the Board of Directors or to any other named third party.

Proxies may be issued on or before **Monday, 25 June 2018 at 9:00 a.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, by fax on +45 45 46 09 98 or by e-mail in a scanned version to gf@computershare.dk to be received by Computershare A/S before the deadline.



Voting by correspondence

Shareholders who are unable to attend the general meeting may also vote by correspondence.

Shareholders may vote by correspondence on or before **Wednesday, 27 June 2018 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, by fax on +45 45 46 09 98 or by e-mail in a scanned version to gf@computershare.dk to be received by Computershare A/S before the deadline.

Questions from shareholders

Shareholders may ask questions to Management at the general meeting. 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 2017/18 financial year
- The forms to be used for voting by proxy or voting by correspondence

Allerød, 30 May 2018

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, 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 management and strategic development and his experience from listed companies.

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

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

Lars Frederiksen

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

The Board of Directors proposes re-election of Lars Frederiksen on account of his general management experience and retailing expertise.

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

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

Signe Trock Hilstrøm

Born 1974, Danish nationality, CMO & Ecommerce Director at Imerco 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 skills in ecommerce, omnichannel and membership clubs and her general expertise in digital marketing in the retail sector.

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

Signe Trock Hilstrøm is a member of the jury for e-Handelsprisen (FDIH).



Mette Maix

Born 1969, Danish nationality, CEO of Flying Tiger Copenhagen. A member of the Board of Directors since 2017.

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

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

Mette Maix is a member of the Danish Ministry of Business and Industry's Growth Team for trade and transport.

Christian Mariager

Born 1961, Danish nationality, professional board member since 2015. A member of the Board of Directors since 2014 and a member of the Audit Committee.

The Board of Directors proposes re-election of Christian Mariager on account of his general strategy and management experience in consumer goods and retailing.

Christian Mariager is deemed an independent board member pursuant to section 3.2.1 of the Recommendations on Corporate Governance issued by the Committee on Corporate Governance.

Christian Mariager is Operating Partner at L Catterton, chairman of the boards of directors of Comitel A/S and Coffeewebrewer Nordic A/S, deputy chairman of the board of directors of Brunata A/S and a member of the boards of directors of Imerco A/S, Michael Goldschmidt Holding A/S, Ganni A/S and Innis&Gunn Ltd. He is also a member of the Advisory Board of Columbia Business School.

Birgitte Nielsen

Born 1963, Danish nationality, 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 general management and board experience and extensive financial and accounting expertise.

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

Birgitte Nielsen is deputy chairman of the board of directors of Arkil Holding A/S, a member of the boards of directors of Kirk Kapital A/S, Coloplast A/S, the Danish Rheumatism Association and chairman of the audit committee of Arkil Holding A/S. She is also a member of the board of directors of De Forenede Ejendomsselskaber A/S, including the companies Valby Maskinfabrik 7 ApS, Valby Maskinfabrik 8 ApS, Valby Maskinfabrik 10 ApS, Valby Maskinfabrik 11 ApS, Valby Maskinfabrik 12 ApS and Nimbusparken I ApS.



Annex 2 – Draft for 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 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.

Approved by the Board of Directors of Matas A/S on 28 June 2018.