

M A T A S

**DRAFT**

## Remuneration Policy



G R O U P

## **1 Preamble**

- 1.1 The Board of Directors of Matas Group (Matas A/S, Business Registration Number 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 Committee of Matas. The Executive Committee 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 Committee 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 Committee 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 Chair shall receive up to 3 times the fixed annual base fee and the Deputy Chair 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 that are also members of a board committee may receive separate compensation for committee work. Any such compensation shall be determined by the Board of Directors and approved by the annual general meeting after consideration of the exact scope and workload related to committee work. The Chair of a board committee may receive up to 50% of the fixed annual fee while members of the Committees may receive up to 25% of the fixed annual fee.
- 3.4 In the event that a member of the Board of Directors under exceptional circumstances 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. Total annual fees to a member of the Board of Directors 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, to the fullest extent permitted by law, for additional claims that a member of the Board of Directors personally incurs, subject to such claims not being caused by wilful misconduct or otherwise criminal offences on behalf of the member of the Board of Directors.

#### **4 Remuneration of the Executive Committee**

##### **4.1 General principles**

4.1.1 Remuneration to members of the Executive Committee consists 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 Committee shall be in line with market practice of comparable European listed companies of the same size and complexity as Matas within the retail, consumer and digital segments.

4.1.2 The remuneration to members of the Executive Committee shall be designed to create a suitable alignment of the interests of the Executive Committee with the interests of the Company and its shareholders. The remuneration shall support retention of members of the Executive Committee as well as achievement of strategic long and short-term goals of Matas by linking part of the remuneration to achievement of specific key performance indicators ("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 Committee has a genuine interest in the development of the share price through share-based incentives and by requiring that each member of the Executive Committee maintains a shareholding in the Company.

4.1.3 Variable remuneration shall to a large extent be based on performance linked to specific KPIs. Performance shall 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 Company's result as presented in the annual reports for the relevant financial years and non-financial KPIs 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 Committee 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 Committee 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 Committee 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 Committee are offered to participate in a short-term incentive programme entitling the respective members to receive an annual performance based cash bonus of 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 and certain minimum targets under the KPIs must be met in order to receive a cash bonus. The specific KPIs, including the weighting of each KPI, are determined each year by the Board of Directors in connection with the budget process. The KPIs are set with a view to support the current strategic short-term goals of the Company. Specific targets will typically include financial targets related to but not limited to, sales, EBITDA, total shareholder return, cash, profit, ESG measures and equity value creation. Non-financial targets may include completion of strategic projects, successful integration of acquired companies or activities, customer and employee satisfaction, and ESG targets as well as targets related to individual performance.
  - 4.3.3 The KPIs will be adjusted in connection with significant acquisitions that are likely to have an effect on the KPIs targets.
  - 4.3.4 The performance of a member of the Executive Committee and achievement of the predefined KPIs will be measured for each financial year and the cash bonus, if achieved, becomes payable after announcement of the annual report.
- 4.4 Long-term incentives
  - 4.4.1 Members of the Executive Committee are offered to participate in long-term incentive programme(s) ("LTIP") entitling the respective members to receive share-based incentives in the form of performance share units ("PSUs") 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 grant of long-term share-based incentives serves a purpose of retaining members of the Executive Committee while at the same time rewarding performance that supports fulfilment of Matas' long-term strategic objectives and goals and sustainability.
  - 4.4.3 Share-based incentives are granted annually at the sole discretion of the Board of Directors.
  - 4.4.4 Share-based incentives are subject to customary good leaver and bad leaver provisions.
  - 4.4.5 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 programme(s) will be disclosed in the annual report of Matas.
  - 4.4.6 Matas intends to acquire own shares in order to satisfy the obligations assumed by Matas under the long-term incentive programme.
  - 4.4.7 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 Performance Share Units
  - 4.5.1 Members of the Executive Committee are granted performance share units (PSUs) annually under the long-term incentive programme. The vesting period shall be at least three years and is determined by the Board of Directors prior to grant.

- 4.5.2 The total number of PSUs that vest may be between 75% and 150% of the initial grant depending on retention and performance.
- 4.5.3 A number of PSUs (Retention LTIP) corresponding to 75% of the initial grant will, subject to compliance with the general terms and conditions, vest upon expiry of the vesting period if the participant has been continuously employed with the Company during the vesting period.
- 4.5.4 An additional number of PSUs (Performance LTIP) corresponding to 0-75% of the initial grant vest upon achievement in whole or in part of the pre-determined KPIs.
- 4.5.5 The KPIs, including the weighting of each KPI, will be determined by the Board of Directors prior to grant and the KPIs are measured over the vesting period. The KPIs shall support the achievement of long-term and strategic goals of the Company and will primarily include accumulated financial targets linked to the strategy including but not be limited to sales, EBITDA, total shareholder return, cash, profit, ESG measures and equity value creation. Non-financial KPI may include completion of strategic projects, successful integration of acquired companies or activities, customer and employee satisfaction and ESG targets as well as targets related to individual performance.
- 4.5.6 The KPIs are determined on the basis of expected organic growth and will be adjusted in connection with significant acquisitions that are likely to have an effect on the targets of the KPIs.
- 4.5.7 Upon vesting, holders of PSUs will receive one (1) share in Matas free of charge for each vested PSU.
- 4.5.8 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 reasonable number of trading days preceding the time of grant as determined by the Board of Directors.
- 4.5.9 Prior to exercise, holders of PSUs shall not have any shareholder rights, such as voting and dividend rights. 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.
- 4.6 Adjustment, repayment and amendment
- 4.6.1 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 Committee 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 or mergers; and
  - (c) adjustment of the performance targets related to KPIs 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.
- 4.6.2 The Board of Directors is entitled to amend or discontinue one or more incentive programmes established in accordance with the Remuneration Policy, including any KPI, provided that such amendment or discontinuance is deemed necessary to obtain the objective of the Remuneration Policy, falls within the general principles of the Remuneration Policy and is not assessed to affect the overall scope and objective of the approved incentive programme(s). Substantial amendments that cannot be contained within the current Remuneration Policy are subject to approval by the general meeting.

4.6.3 The Board of Directors may decide to shorten the vesting period of long-term incentives for newly appointed members of the Executive Committee in order for such member to participate in already established long-term incentive programmes.

4.7 Malus and clawback

4.7.1 In exceptional cases, the Company is entitled to reduce, withhold or reclaim, in full or in part, variable remuneration that is earned, granted or paid on the basis of information, which subsequently proves to be misstated or if a member of the Executive Committee is deemed to have caused a material loss to the Company due to wilful misconduct or acted in bad faith in respect of other matters which implied payment of a too large variable remuneration.

4.8 Termination and severance payment

4.8.1 The terms regarding termination and resignation of members of the Executive Committee is determined by the Board of Directors. The ordinary termination notice cannot exceed 24 months' notice. Termination by a member of the Executive Committee 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 Committee shall not exceed two years' total remuneration including all remuneration components.

4.9 Indemnification

4.9.1 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 Committee, to the fullest extent permitted by law, for additional claims that a member of the Executive Committee personally incurs, subject to such claims not being caused by wilful misconduct or otherwise criminal offences on behalf of the member of the Executive Committee.

## 5 Shareholding obligation

5.1 In order to create a significant interest in the share price development and thereby further alignment of the interest of the Executive Committee and those of the shareholders, it is a prerequisite for being granted long-term incentives that members of the Executive Committee have invested in or hold shares in Matas with a value corresponding to at least 50% of the relevant member's fixed base salary (before tax). Newly appointed members of the Executive Committee may build up such shareholding over a period of four years by purchase of shares or by retaining shares received in connection with vesting of PSUs (allowing for disposal each year of up to 50% of shares from vested PSUs in order to cover tax obligations). The shareholding obligation shall be based on the value of the shares at the time of acquisition.

## 6 Relocation allowances

In the event that a new or existing member of the Executive Committee is to relocate, the Board of Directors may approve appropriate relocation allowances for a specified time period. This may cover costs (on a zero or partial net cost basis to the individual), where appropriate such as (but not limited to) relocation, cost of living allowance, housing allowance, home leave allowances, tax and social security equalisation and education assistance.

## 7 Extraordinary incentives

7.1 In individual cases, the Board of Directors may grant a one-off bonus or other extraordinary incentive remuneration to a member of the Executive Committee in order to support the Company's strategy, long or short-term goals or to meet the overall objectives of the Remuneration Policy. The possibility to grant one-off bonuses or extraordinary incentive remuneration shall be limited to retention or sign-on bonuses, transaction related bonuses and/or extraordinary workload

over a longer period or significant expansions of the responsibilities of a member of the Executive Committee.

- 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 share-based remuneration. The Board of Directors may in connection with such grant decide whether an extraordinary grant and/or vesting shall be subject to fulfilment of KPIs.

## **8 Terms of employment and remuneration to other employees**

- 8.1 The Board of Directors has taken the terms of employment and remuneration of employees other than the Board of Directors and Executive Committee into consideration in the preparation of this Remuneration Policy.
- 8.2 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.

## **9 Deviation from the Remuneration Policy**

- 9.1 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 changes to the relative proportions of the remuneration components and the terms of long-term incentives.
- 9.2 Any deviations shall be approved by the Board of Directors.
- 9.3 A description of deviations, if any, and the reasons behind such deviations shall be included in the remuneration report.

## **10 Preparation of the Remuneration Policy**

- 10.1 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 Committee with the sustainability of the Company, the Company's long and short-term goals and the interests of the shareholders.
- 10.2 The Remuneration Policy will be submitted to the general meeting for approval at least every four years and upon any material amendments.
- 10.3 The Remuneration Committee oversees that the remuneration paid to members of the Board of Directors and Executive Committee adheres to the principles and is within the limits of the Remuneration Policy.
- 10.4 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 Committee 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.

**11 Remuneration Report**

11.1 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 Committee on both an aggregate and an individual level. The remuneration report shall be submitted to the general meeting for an advisory vote.

**12 Publication**

12.1 The Remuneration Policy is available on the Company's website, [www.matasgroup.com](http://www.matasgroup.com), specifying the date of adoption.

[Approved by the Annual General Meeting of Matas A/S on 19 June 2024.]



M A T A S

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