

CORPORATE GOVERNANCE STATEMENT

This corporate governance statement for Matas A/S (“Matas”) has been prepared for the purpose of the company’s admission of its shares to trading and official listing (the “Admission”) on NASDAQ OMX Copenhagen A/S (“NASDAQ OMX Copenhagen”) and will be effective as from the date of the Admission. The statement includes a description of the company’s management structure, a review of how the company considers the Danish Recommendations on Corporate Governance issued by the Committee on Corporate Governance in May 2013 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.

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. Four of the five members of the Board of Directors, including the chairman, are independent, while one member is a partner of CVC Capital Partners that manages and advises certain CVC funds which indirectly owns shares in the company. 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.

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. The majority of 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. The members of the Committee are Birgitte Nielsen, Lars Vinge Frederiksen and Søren Vestergaard-Poulsen with Birgitte Nielsen as the chairman for the Audit Committee. The majority of the committee members are independent.

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. The members of the Remuneration Committee are Lars Vinge Frederiksen, Søren Vestergaard-Poulsen and Lars Frederiksen with Lars Vinge Frederiksen as the chairman for the Remuneration Committee. The majority of the committee members are independent.

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. The current members of the Nomination Committee are Lars Vinge Frederiksen, Søren Vestergaard-Poulsen and Lars Frederiksen with Lars Vinge Frederiksen as the chairman for the Nomination Committee. The majority of the committee members are independent.

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 the following. Matas complies with all but one recommendation as Matas does not disclose remuneration to the Executive Management on an individual basis as this is not considered appropriate in the given context.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason: According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead. The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.
1. Communication and interaction by the company with its investors and other stakeholders			
<i>1.1. Dialogue between company, shareholders and other stakeholders</i>			
1.1.1. THE COMMITTEE RECOMMENDS that the board of directors ensure ongoing dialogue between the company and its shareholders in order for the shareholders to gain relevant insight into the company's potential and policies, and in order for the board of directors to be aware of the shareholders' views, interests and opinions on the company.	X		<p>Matas is committed to maintain a constructive dialogue and a high level of transparency when communicating with its shareholders and other stakeholders.</p> <p>Matas has adopted a communication and stakeholder policy, an investor relations policy and a corporate responsibility policy. In addition to the investor relations policy and our communication and stakeholder policy, the Board of Directors has approved a set of internal rules aimed to ensure that the disclosure of information complies with the applicable stock exchange regulations. All company announcements are published via NASDAQ OMX Copenhagen and can subsequently be accessed from our website, www.matas.dk. All announcements will be published in Danish and English.</p>
1.1.2. THE COMMITTEE RECOMMENDS that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and other investors, and that the board ensures that the interests of the shareholders are respected in accordance with company policies.	X		<p>Matas has adopted a communication and stakeholder policy, an investor relations policy and a corporate responsibility policy. The Board of Directors ensures that stakeholder's interests and roles are respected in accordance with these policies in order to secure added value for all stakeholders in both the short and long term.</p> <p>Matas focuses on corporate responsibility and constantly seeks to create business value while ensuring proper working conditions for its employees and conducting its business in a lawful manner.</p>
1.1.3. THE COMMITTEE RECOMMENDS that the company publish quarterly reports.	X		Matas shall publish quarterly and annual reports. Investor presentations and telephone conferences are expected to be held following the publication of

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			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p> <p>each interim and annual report to provide participants with the opportunity to ask questions to our Executive Management. Webcasts of such presentations by our Executive Management will subsequently be available on our website, www.matas.dk. Investors may also contact our investor relations department to obtain additional information.</p>
1.2. General meeting			
1.2.1. THE COMMITTEE RECOMMENDS that, when organising the company's general meeting, the board of directors plans the meeting to support active ownership.	X		<p>The Board of Directors promotes active ownership and attendance at general meetings by among other things striving to ensure that the general meeting is planned in a manner that encourages active ownership by the shareholders.</p> <p>All shareholders shall be entitled to have specific business considered at the annual general meeting, provided that a written request to that effect is submitted to the Board of Directors no later than six weeks prior to the general meeting. At general meetings the attending shareholders shall be able to ask questions to the Board of Directors and the Executive Management concerning the items on the agenda.</p>
1.2.2. THE COMMITTEE RECOMMENDS that proxies granted for the general meeting allow shareholders to consider each individual item on the agenda.	X		Proxies allow shareholders to consider each individual item on the agenda.
1.3. Takeover bids			
1.3.1. THE COMMITTEE RECOMMENDS that the company set up contingency procedures in the event of takeover bids from the time that the board of directors has reason to	X		Matas has adopted contingency procedures in the event of takeover bids according to which the Board of Directors in case it obtains knowledge that a takeover bid will be submitted or is likely to be submitted will not make decisions or initiate defense measures without the prior approval of the general

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believe that a takeover bid will be made. According to such contingency procedures, the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid themselves.			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p> <p>meeting.</p>
2. Tasks and responsibilities of the board of directors			
<i>2.1. Overall tasks and responsibilities</i>			
2.1.1. THE COMMITTEE RECOMMENDS that at least once a year the board of directors take a position on the matters related to the board's performance of its responsibilities.	X		<p>At least once a year, the Board of Directors shall determine its most important tasks in relation to the financial and managerial supervision of the company, including the way in which it intends to supervise the work of the Executive Management.</p> <p>Further, the Board of Directors shall at least once a year discuss whether the company is in possession of or has access to the competences and financial resources necessary to ensure that the company can reach its strategic objectives.</p> <p>The rules of procedure for the Board of Directors are regularly, and at least once a year, reviewed and updated, if necessary.</p>
2.1.2. THE COMMITTEE RECOMMENDS that at least once a year the board of directors take a position on the overall strategy of the company with a	X		The Board of Directors shall regularly, and at least once a year, lay down the strategic objectives of the company with a view to ensuring value creation in the company.

Recommendation	The company complies	The company does not comply	<p>The company complies/does not comply with the recommendation for the following reason:</p> <p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
view to ensuring value creation in the company.			
2.1.3. THE COMMITTEE RECOMMENDS that the board of directors ensure that the company has a capital and share structure ensuring that the strategy and long-term value creation of the company are in the best interest of the shareholders and the company, and that the board of directors presents this in the management commentary on the company's annual report and/or on the company's website.	X		The Board of Directors shall regularly assess whether the share capital and the share capital structure is in accordance with the shareholders' interests. The Board of Directors will include any assessment in the annual report. The company has one single class of shares and all shares rank pari passu.
2.1.4. THE COMMITTEE RECOMMENDS that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board on timely, accurate and adequate reporting to the board of directors.	X		<p>The Board of Directors has issued rules of procedure for the Executive Management applicable to the overall duties, obligations and liabilities of the Executive Management including specific authorizations within which the Executive Management may transact business. The rules of procedures and authorizations are subject to annual evaluation, update and approval by the Board of Directors.</p> <p>The rules of procedure for the Executive Management include requirements for the Executive Management's timely, accurate and adequate reporting to the Board of Directors.</p>
2.1.5. THE COMMITTEE RECOMMENDS that at least once a year the board of directors discuss the composition of the executive board, as well as developments, risks and succession plans.	X		At least once a year, the Board of Directors shall discuss the composition of the Executive Management as well as developments, risks and succession plans.
2.1.6. THE COMMITTEE RECOMMENDS that once a year the board of directors discuss the	X		The Board of Directors shall regularly, and at least annually, discuss the company's activities to ensure relevant diversity at management levels and set

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company's activities to ensure relevant diversity at management levels, including setting specific goals and accounting for its objectives and progress made in achieving the objectives in the management commentary on the company's annual report and/or on the website of the company.			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p> <p>measurable objectives.</p>
2.2. Corporate social responsibility			
2.2.1. The Committee recommends that the board of directors adopt policies on corporate social responsibility.	X		The Board of Directors has adopted a corporate responsibility policy. Matas focuses on corporate responsibility and constantly seeks to create business value while ensuring proper working conditions for our employees and conducting our business in a lawful manner and minimizing our impact of the society.
2.3. Chairman and vice-chairman of the board of directors			
2.3.1. THE COMMITTEE RECOMMENDS appointing a vice-chairman of the board of directors who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.	X		As soon as possible after the annual general meeting in any year, a board meeting shall be held for the purpose of electing a chairman and a deputy chairman. The role of the deputy chairman is in accordance with the recommendation.
2.3.2. THE COMMITTEE RECOMMENDS ensuring that, if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special operating activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect	X		The chairman of the Board of Directors shall not assume special tasks for the company or participate in the day-to-day management, unless and as an exception there is a special need therefore in which case such assignment or managerial involvement shall be subject to prior approval of the Board of Directors and be confined to a limited period of time.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
be passed to ensure that the board of directors maintains its independent, overall management and control function. Resolutions on the chairman's participation in day-to-day management and the expected duration hereof should be published in a company announcement.			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
3. Composition and organisation of the board of directors			
<i>3.1. Composition</i>			
<p>3.1.1. THE COMMITTEE RECOMMENDS that the board of directors annually accounts for</p> <ul style="list-style-type: none"> • the skills it must have to best perform its tasks, • the composition of the board of directors, and • the special skills of each member. 	X		<p>The Board of Directors, with input from the nomination committee, shall be responsible for annually determining the appropriate qualifications, experience and competencies required of board candidates in order for the Board of Directors to best perform its tasks, taking into account the company's needs and the current composition of the Board of Directors. Nomination of candidates to be submitted to the annual general meeting shall be prepared in light hereof.</p> <p>A description of the composition of the Board of Directors, including diversity and special skills necessary is included in the annual report.</p>
<p>3.1.2. THE COMMITTEE RECOMMENDS that the selection and nomination of candidates for the board of directors be carried out through a thoroughly transparent process approved by the overall board of directors. When assessing its composition and nominating new candidates, the board of directors must take into consideration the need for inte-</p>	X		<p>Nomination of candidates to be submitted to the annual general meeting shall be prepared in light of the competences specified. Each nomination shall always be accompanied by detailed explanations and background information concerning the person in question. The Board of Directors shall consider the need for integration of new talent and diversity into consideration when evaluating its composition and, further, take into account the objectives laid down in the company's policy for gender representation.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
gration of new talent and diversity in relation to age, international experience and gender.			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
<p>3.1.3. THE COMMITTEE RECOMMENDS that a description of the nominated candidates' qualifications, including information about the candidates'</p> <ul style="list-style-type: none"> • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises, be accompanied by the notice convening the general meeting when election of members to the board of directors is on the agenda. • demanding organisational tasks, and information • about whether candidates to the board of directors are considered independent. 	X		A description of the nominated candidates' qualifications, including information about other board functions and whether the candidates can be considered independent, shall be sent out with any notice convening the annual general meeting.
3.1.4. THE COMMITTEE RECOMMENDS that the company's articles of association stipulate a retirement age for members of the board of directors.	X		The members of the Board of Directors elected by the general meeting shall be 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.
3.1.5. THE COMMITTEE RECOMMENDS that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.	X		All members of the Board of Directors elected by the annual general meeting stand for election each year at the annual general meeting.
3.2 Independence of the board of directors			

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
<p>3.2.1. THE COMMITTEE RECOMMENDS that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests. To be considered independent, this person may not:</p> <ul style="list-style-type: none"> • be or within the past five years have been member of the executive board, or senior staff member in the company, a subsidiary undertaking or an associate, • within the past five years, have received larger emoluments from the company/group, a subsidiary undertaking or an associate in another capacity than as member of the board of directors, • represent the interests of a controlling shareholder, • within the past year, have had significant business relations (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management in companies with corresponding connection) with the company, a subsidiary undertaking or an associate, • be or within the past three years have been 	X		<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p> <p>More than half of the shareholder-elected board members are deemed independent according to the definitions outlined in the recommendation.</p>

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<p>employed or partner at the external auditor,</p> <ul style="list-style-type: none"> • have been chief executive in a company holding cross-memberships with the company, • have been member of the board of directors for more than 12 years, or • have been close relatives with persons who are not considered independent. 			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
<p><i>3.3. Members of the board of directors and the number of other executive functions</i></p>			
<p>3.3.1. THE COMMITTEE RECOMMENDS that each member of the board of directors assesses the expected time commitment for each function in order that the member does not take on more functions than he/she can manage satisfactorily for the company.</p>	X		<p>All members of the Board of Directors assess their expected time commitment and do not consider that they hold more positions than they can manage satisfactorily for the company.</p>
<p>3.3.2. THE COMMITTEE RECOMMENDS that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:</p> <ul style="list-style-type: none"> • the position of the relevant person, • the age and gender of the relevant person, • whether the member is considered independent, • the date of appointment to the board of di- 	X		<p>The management report in the annual report shall contain all information recommended, including information on the board members' occupation, the members' other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees in foreign companies as well as demanding organizational tasks, and the number of shares, options, warrants, etc. that the member holds in the company and its consolidated companies and any changes in such holdings during the financial year.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
<p>rectors of the member,</p> <ul style="list-style-type: none"> • expiry of the current election period, • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises and • demanding organisational tasks, and • the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year. 			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
3.4. Board committees			
<p>3.4.1. THE COMMITTEE RECOMMENDS that the company publish the following on the company's website:</p> <ul style="list-style-type: none"> • the terms of reference of the board committees, • the most important activities of the committees during the year, and the number of meetings held by each committee, and • the names of the members of each commit- 	X		<p>The Board of Directors has established an audit committee, a remuneration committee and a nomination committee. A description of important activities during the year as wells as the number of meetings, names, positions and relevant qualifications shall be disclosed on the company's website.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
tee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications.			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
3.4.2. THE COMMITTEE RECOMMENDS that a majority of the members of a board committee be independent.	X		The majority of audit committee, remuneration committee and nomination committee members are independent.
<p>3.4.3. THE COMMITTEE RECOMMENDS that the board of directors set up a formal audit committee composed such that</p> <ul style="list-style-type: none"> • the chairman of the board of directors is not chairman of the audit committee, and • between them, the members should possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies whose shares are admitted to trading on a regulated market. 	X		<p>The chairman of the audit committee is neither chairman nor deputy chairman of the Board of Directors.</p> <p>All members of the company's audit committee possess the qualifications and experience necessary for them to independently assess whether the financial reporting, internal auditing, risk management and statutory auditing of the company is planned and carried out in an appropriate way considering the size and complexity of the company.</p>
<p>3.4.4. THE COMMITTEE RECOMMENDS that, prior to the approval of the annual report and other financial reports, the audit committee monitors and reports to the board of directors about:</p> <ul style="list-style-type: none"> • significant accounting policies, • significant accounting estimates, • related party transactions, and • uncertainties and risks, including in rela- 	X		The audit committee reports to the Board of Directors in connection with the annual report. In addition, the Committee reports any changes in the accounting policies or accounting estimates or any related-party transactions that took place during the financial year. It also keeps the Board of Directors informed on uncertainties and risks.

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tion to the outlook for the current year.			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
<p>3.4.5. THE COMMITTEE RECOMMENDS that the audit committee:</p> <ul style="list-style-type: none"> annually assesses the need for an internal audit, and in such case, makes recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function. 	X		<p>In accordance with its charter, the audit committee annually considers whether there is a need for an internal audit function. On the basis of the recommendations of the committee, the Board of Directors then decides whether the internal control systems are adequate and whether there is a need for an internal control function. So far, the Board's assessment – based on the size and complexity of the company – has been that there is no need to establish an internal audit function.</p>
<p>3.4.6. THE COMMITTEE RECOMMENDS that the board of directors establish a nomination committee chaired by the chairman of the board of directors with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> describe the qualifications required by the board of directors and the executive board, and for a specific membership, state the time expected to be spent on having to carry out the membership, as well as assess the competences, knowledge and experience of the two governing bodies combined, annually assess the structure, size, compo- 	X		<p>The Board of Directors has established a nomination committee the charter of which complies with the recommendation.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
<p>sition and results of the board of directors and the executive board, as well as recommend any changes to the board of directors,</p> <ul style="list-style-type: none"> • annually assess the competences, knowledge and experience of the individual members of management, and report to the board of directors in this respect, • consider proposals from relevant persons, including shareholders and members of the board of directors and the executive board for candidates for the board of directors and the executive board, and • propose an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes. 			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
<p>3.4.7. THE COMMITTEE RECOMMENDS that the board of directors establish a remuneration committee with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • to recommend the remuneration policy (including the general guidelines for incentive-based remuneration) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting, 	X		<p>The Board of Directors has established a remuneration committee the charter of which complies with the recommendation.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
<ul style="list-style-type: none"> make proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensure that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group, and recommend a remuneration policy applicable for the company in general. 			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
3.4.8. THE COMMITTEE RECOMMENDS that the remuneration committee do not consult with the same external advisers as the executive board of the company.	X		The remuneration committee does not use the same external advisers as the Executive Management of the company.
3.5. Evaluation of the performance of the board of directors and the executive board			
3.5.1. THE COMMITTEE RECOMMENDS that the board of directors establish an evaluation procedure where contributions and results of the board of directors and the individual members, as well as collaboration with the executive board are annually evaluated. Significant changes deriving from the evaluation should be included in the man-	X		<p>The Board of Directors shall undertake an annual evaluation of the performance and achievements of the Board of Directors and its individual members.</p> <p>The chairman of the Board of Directors is in charge of the evaluation.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
agement commentary or on the company's website.			According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead. The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.
3.5.2. THE COMMITTEE RECOMMENDS that in connection with preparation of the general meeting, the board of directors consider whether the number of members is appropriate in relation to the requirements of the company. This should help ensure a constructive debate and an effective decision-making process in which all members are given the opportunity to participate actively.	X		The Board of Directors shall annually review its size and determine whether the size of the Board of Directors is appropriate considering the size of the company and the skills and activities of the Board.
3.5.3. THE COMMITTEE RECOMMENDS that at least once every year the board of directors evaluate the work and performance of the executive board in accordance with predefined clear criteria.	X		The Board of Directors shall assess the performance of each executive continuously on an informal basis and formally once a year with predefined key performance indicators.
3.5.4. THE COMMITTEE RECOMMENDS that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the board of directors and the chief executive officer and that the outcome of the evaluation be presented to the board of directors.	X		In connection with the annual board evaluation as well as through a formalized dialogue between the chairman of the Board of Directors and the chief executive officer, the cooperation between the Board of Directors and the Executive Management shall be evaluated and the outcome of the evaluation shall be presented to the Board of Directors.
4. Remuneration of management			
<i>4.1. Form and content of the remuneration policy</i>			
4.1.1. THE COMMITTEE RECOMMENDS that the board of directors prepare a clear and			The Board of Directors has adopted a remuneration policy applicable to the Board of Directors and the Executive Management. The remuneration policy

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
<p>transparent remuneration policy for the board of directors and the executive board, including</p> <ul style="list-style-type: none"> • a detailed description of the components of the remuneration for members of the board of directors and the executive board, • the reasons for choosing the individual components of the remuneration, and • a description of the criteria on which the balance between the individual components of the remuneration is based. <p>The remuneration policy should be approved by the general meeting and published on the company's website.</p>	X		<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p> <p>has been approved by the general meeting and is available on the company's website www.matas.dk.</p> <p>The remuneration policy contains a detailed description of the components of the remuneration and includes the reasons for choosing the individual components of the remuneration as well as a description of the criteria on which the balance between the individual components of the remuneration is based.</p>
<p>4.1.2. THE COMMITTEE RECOMMENDS that, if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> • limits be set on the variable components of the total remuneration package, • a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long terms, • there be clarity about performance criteria 	X		<p>The company's remuneration policy complies with the recommended criteria. The remuneration policy can be found at the company's website www.matas.dk.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
<p>and measurability for award of variable components,</p> <ul style="list-style-type: none"> • there be criteria ensuring that qualifying periods for variable components in remuneration agreements are longer than one calendar year, and • an agreement is made which, in exceptional cases, entitles the company to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be misstated. 			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
4.1.3. THE COMMITTEE RECOMMENDS that remuneration of members of the board of directors does not include share options.	X		The company's remuneration policy does not include share or warrant programs or other incentive based remuneration for the members of the Board of Directors.
4.1.4. THE COMMITTEE RECOMMENDS that if share-based remuneration is provided, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should have a maturity of at least three years from the date of allocation.	X		The company's remuneration policy complies with the recommendation.
4.1.5. THE COMMITTEE RECOMMENDS that agreements on termination payments should not amount to more than two years' annual remuneration.	X		The company's remuneration policy complies with the recommendation.
4.2. Disclosure of the remuneration policy			
4.2.1. THE COMMITTEE RECOMMENDS that the			The chairman's statement at the company's annual general meeting will in-

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.	X		According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead. The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here. clude an explanation and justification of the company's remuneration policy as well as the compliance herewith.
4.2.2. THE COMMITTEE RECOMMENDS that the proposed remuneration for the board of directors for the current financial year be approved by the shareholders at the general meeting.	X		The approval of the remuneration of the board members shall be dealt with and approved as a separate agenda item at the annual general meeting.
4.2.3. THE COMMITTEE RECOMMENDS that the total remuneration granted to each member of the board of directors and the executive board by the company and other companies in the group, including information on the most important contents of retention and retirement/resignation schemes, be disclosed in the annual report and that the linkage with the remuneration policy be explained.		X	Remuneration to each member of the Board of Directors is disclosed on an individual basis whereas the remuneration to the Executive Management is disclosed on an aggregated basis which is considered appropriate in the given context. The remuneration of each member of the Executive Management is seen to be a private matter and it is the company's judgment that disclosure of the remuneration paid to each individual member of the Executive Management will not add additional value for shareholders and other stakeholders.
5. Financial reporting, risk management and audits			
<i>5.1. Identification of risks and transparency about other relevant information</i>			
5.1.1. THE COMMITTEE RECOMMENDS that the board of directors in the management commentary review and account for the most important strategic and business-related risks, risks in connection with the financial reporting as well as for the company's risk management.	X		Matas' annual report includes information about the company's management of business risks. In connection with the preparation of the annual report the most important business and financial risks are identified in connection with the realization of the company's strategy and overall goals as well as the risks associated with

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation for the following reason:
			<p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here, it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
financial reporting.			
5.2. Whistleblower scheme			
5.2.1. THE COMMITTEE RECOMMENDS that the board of directors decide whether to establish a whistleblower scheme for expedient and confidential notification of possible or suspected wrongdoing.	X		The Board of Directors has for the time being determined not to establish a formal whistleblowing scheme.
5.3. Contact to auditor			
5.3.1. THE COMMITTEE RECOMMENDS that the board of directors ensure regular dialogue and exchange of information between the auditor and the board of directors, including that the board of directors and the audit committee at least once a year meet with the auditor without the executive board present. This also applies to the internal auditor, if any.	X		The Board of Directors, through the audit committee, maintains a regular dialogue and exchange of information with the external auditor. The audit committee and the Board of Directors meet with the auditor at least once a year without the Executive Management being present.
5.3.2. THE COMMITTEE RECOMMENDS that the audit agreement and auditors' fee be agreed between the board of directors and the auditor on the basis of a recommendation from the audit committee.	X		The auditor agreement and the auditor's fees are agreed between the Board of Directors and the auditor on the basis of a recommendation from the audit committee.