

*N. B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.*

## **The nomination committee of Pandox Aktiebolag (publ)'s proposals for the annual shareholders' meeting 2021 and motivated opinion regarding the nomination committee's proposals**

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The nomination committee of Pandox Aktiebolag (publ), which was appointed in accordance with the principles established by the annual shareholders' meeting on 3 April 2020 in order to perform the tasks set out in the Swedish Code of Corporate Governance, consists of Anders Ryssdal (appointed by Eiendomsspar AS), Christian Ringnes (chairman of the board of directors), Leiv Askvig (appointed by Helene Sundt AB and Christian Sundt AB jointly), Dick Bergqvist (appointed by AMF) and Marianne Flink (appointed by Swedbank Robur fonder). The nomination committee has appointed Anders Ryssdal as the nomination committee's chairman.

### **The nomination committee's proposals**

The nomination committee makes the following proposals:

- Christian Ringnes is proposed to chair the annual shareholders' meeting.
- The number of members of the board of directors shall be six (2020: six), with no deputy members, and the number of auditors is proposed to be one registered public accounting firm.
- The following members of the board of directors are proposed for election:
  - o Christian Ringnes, chairman (re-election)
  - o Jon Rasmus Aurdal (re-election)
  - o Ann-Sofi Danielsson (re-election)
  - o Jeanette Dyhre Kvisvik (re-election)
  - o Jakob Iqbal (re-election)
  - o Bengt Kjell (re-election)
- The following fees to the board of directors are proposed (fees for 2020 in brackets):
  - o A fee to the chairman of the board of directors of SEK 820,000 (800,000).
  - o A fee to the deputy chairman of the board of directors of SEK 620,000 (600,000).
  - o A fee of SEK 410,000 (400,000) to each of the other board members elected by the shareholders' meeting.
  - o A fee to the chairman of the audit committee of SEK 150,000 (130,000) and a fee of SEK 75,000 (70,000) to each of the other two members of the audit committee.
  - o A fee to the chairman of the finance committee of SEK 150,000 (–) and a fee of SEK 75,000 (–) to each of the other two members of the finance committee.
  - o A fee of SEK 50,000 (50,000) to each of the two members, the chairman included, of the remuneration committee.

The proposed board fees, including fees for work in committees, thereby amount to SEK 3,780,000 (3,370,000). The increase follows from a minor increase of the board of directors' ordinary fees, a minor increase of the audit committees' fees (which have been unchanged for the last five years) and the constitution of a finance committee in which the fees are at the same level as for the audit committee. See further under motivated statement below.

- The accounting firm PwC is proposed for re-election as auditor for the time until the end of the annual shareholders' meeting 2022, in accordance with the audit committee's recommendation. It was noted that PwC had informed the nomination committee that Patrik Adolfson will be appointed auditor in charge should PwC be elected as auditor. Furthermore, it is proposed that the fees to the auditors, as in previous years, shall be paid in accordance with approved invoice.

### **Instruction for the nomination committee**

It is proposed that the nomination committee for the annual shareholders' meeting 2022 is appointed in accordance with the following:

Ahead of annual shareholders' meeting 2022, the nomination committee shall consist of members appointed by the four largest shareholders, in terms of votes, listed in the shareholders' register maintained by Euroclear Sweden as of 31 July 2021 together with the chairman of the board of directors, who will also convene the first meeting of the nomination committee. If a shareholder, who is entitled to appoint a member to the nomination committee, abstains from appointing a member, the right to appoint a member shall pass to the largest shareholder who was previously not entitled to appoint a member to the nomination committee. The member of the nomination committee that was appointed by the largest shareholder, in terms of votes, shall be appointed chairman of the nomination committee.

If earlier than two months prior to the annual shareholders' meeting 2022, one or more of the shareholders having appointed members to the nomination committee no longer are among the four largest shareholders, in terms of votes, the persons appointed by these shareholders shall offer to resign and the shareholders who then are among the four largest shareholders may appoint their members. Unless there are special reasons, no changes shall occur in the nomination committee's composition in the event of a marginal change in voting power or if the change occurs later than two months before the annual shareholders' meeting.

Should a member resign from the nomination committee before its work is completed and the nomination committee considers it necessary to replace him or her, such substitute member is to be appointed by the same shareholder or, if the shareholder is no longer one of the four largest shareholders, the largest shareholder in turn.

Changes to the composition of the nomination committee must be announced immediately. The composition of the nomination committee shall be announced no later than six months before the annual shareholders' meeting.

Remuneration shall not be paid to the members of the nomination committee. The company is, however, to pay any necessary expenses that the nomination committee may incur in its work.

The term of office for the nomination committee ends when the composition of the following nomination committee has been announced.

### **The work of the nomination committee**

The members of the nomination committee have established that there are no conflicts of interest in respect of the work in the nomination committee. The nomination committee has held two meetings, for which minutes have been kept, ahead of the annual shareholders' meeting 2021. In addition, there has been continuous contact between the members and board interviews has been conducted.

The nomination committee has reviewed all matters that the nomination committee is to review according to the Swedish Code of Corporate Governance, including (a) the board of directors' competence and ability in relation to Pandox' operations and development, (b) the size of the board of directors, (c) the composition of the board of directors with respect to the board members' experience, gender and background, (d) the fees to the members of the board of directors, (e) proposals for election of auditor and auditor fees, as well as (f) how the nomination committee for the annual shareholders' meeting 2022 shall be appointed.

### **Motivated statement**

Following interviews conducted by the nomination committee and the board of directors' evaluation, the nomination committee has a good and positive perception of the board of directors' work. The nomination committee has during 2020 conducted interviews with all board members and the company's CEO. The conclusion is that the board of directors is composed of individuals with qualifications that meet the strategic and operational requirements imposed on the company and that the work of the board of directors is conducted in an efficient and professional manner. The nomination committee is of the opinion that the board of directors' continuity and extensive experience within the hotel real estate market, as well as in-depth financial competence, is of great value for the company and its shareholders, not at least in light of the challenging situation following Covid-19. The nomination committee is of the opinion that the proposed six board members together constitute a well-balanced and qualified board of directors.

Since 2018, the board of directors has, in connection with its inaugural board meetings, appointed Bengt Kjell as deputy chairman of the board of directors, to further strengthen the board of directors' ongoing work and to ensure good communication in decision-making processes which often are driven at a high pace. The board of directors is very satisfied with the result and the nomination committee has been informed that the board of directors intends to appoint Bengt Kjell as deputy chairman of the board of directors for the next period as well. The nomination committee has further assessed that the board members have the time and availability required to perform their duties.

When preparing the proposal in respect of the election of the board of directors, the nomination committee applies the provisions of rule 4.1 of the Swedish Corporate Governance Code as diversity policy and with regard to the objectives of such policy. The objective is that the board of directors shall be composed of members of different age, gender, geographical origin and with a varied academic and professional background. Provided that the annual shareholders' meeting resolves in accordance with the nomination committee's proposal, two out of six board members will be female.

The nomination committee has assessed whether the proposed board members are to be considered independent of the larger shareholders and/or the company's management. The nomination committee has determined that three of the proposed board members are to be considered dependent in relation to the company's large shareholders; Christian Ringnes, Jon Rasmus Aurdal, and Jakob Iqbal. The nomination committee has determined that three of the six proposed board members are to be considered independent in relation to the company's larger shareholders; Ann-Sofi Danielsson, Bengt Kjell and Jeanette Dyhre Kvisvik. The nomination committee has determined that all proposed board members are to be considered independent in relation to the company's management. The proposal therefore fulfils existing code requirements regarding board members' independence in relation to the company, the company's management and larger shareholders.

The nomination committee has been informed that Pandox' board of directors has constituted a finance committee comprising the board members Christian Ringnes, Bengt Kjell and Jon Rasmus

Aurdal. Padox' executive management, represented by Anders Nissen (CEO) and Liia Nõu (CFO) attends the finance committee's meetings with the right to participate in discussions but not in the decision-making. The committee handles matters of particular importance for the financial position of Padox, for instance rent payments and terms in credit agreements. The board of directors has further informed the nomination committee that the need of a finance committee will be evaluated annually. The nomination committee assess that the work of the finance committee can be motivated in the current market both from a risk mitigating and value creating perspective and that it is therefore reasonable that board members in the finance committees receives remuneration in line with the constituted audit committee. The nomination committee is, in accordance with the board of directors, of the opinion that the need of a certain finance committee shall be assessed annually.

Detailed information regarding the proposed board members and auditors is available on the company's website, [www.padox.se](http://www.padox.se).

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Stockholm, March 2021  
**Padox Aktiebolag (publ)**  
The nomination committee