

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.

## Press release

Stockholm, 04/03/2020

---

### Notice to annual shareholders' meeting in Pandox Aktiebolag (publ)

**The shareholders in Pandox Aktiebolag (publ), reg. no. 556030-7885, are hereby summoned to an annual shareholders' meeting to be held on 3 April 2020 at 10.00 CEST at Hilton Slussen, Guldgränd 8 in Stockholm. Registration starts at 09.30 CEST.**

#### ***Notification, etc.***

Shareholders who wish to participate in the shareholders' meeting must:

- firstly* be included in the shareholders' register maintained by Euroclear Sweden AB as of 28 March 2020; and
- secondly* notify the company of their participation in the shareholders' meeting no later than 30 March 2020, whereas the notification shall be in writing to Pandox Aktiebolag, c/o Euroclear Sweden AB, "Årsstämma", Box 191, 101 23 Stockholm or via telephone +46 (0)8 402 91 53. Shareholders, who are private individuals and wish to participate in the annual shareholders' meeting, may also submit their notification via the company's webpage, [www.pandox.se](http://www.pandox.se). The notification shall state the name, personal/corporate identity number, shareholding, address and daytime telephone number, and information about any assistants and, where applicable, representatives. When applicable, complete authorisation documents, such as powers of attorney for representatives, registration certificates or corresponding documents, shall be appended to the notification.

#### ***Nominee registered shares***

Shareholders whose shares have been registered in the name of a bank or securities institute must temporarily re-register their shares in their own names with Euroclear Sweden AB in order to be entitled to participate in the shareholders' meeting. Shareholders wishing such re-registration must inform their nominee of this well before 28 March 2020, when such registration must have been completed.

#### ***Proxy, etc.***

Shareholders represented by proxy shall issue a dated power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or a corresponding document for the legal entity shall be appended. The power of attorney is valid for a maximum of one year after the issuance or for the duration indicated in the power of attorney, whichever is longer, but not for more than five years after issuance. The registration certificate, where applicable, may not be older than one year. The power of attorney in original and, where applicable, the registration certificate should be submitted to the company by mail at the address set

forth above well in advance of the shareholders' meeting. The form to use for a power of attorney can be found on [www.pandox.se](http://www.pandox.se).

### ***Shareholders' right to request information***

Shareholders are reminded of their right to request information in accordance with Chapter 7 Section 32 of the Swedish Companies Act (*Sw. aktiebolagslagen*).

### ***Number of shares and votes***

There are a total of 75,000,000 class A shares, corresponding to 225,000,000 votes, and 108,849,999 class B shares, corresponding to 108,849,999 votes, in the company as of the date of this notice.

### ***Proposed agenda***

1. Opening of the meeting;
2. Election of a chairman at the meeting;
3. Preparation and approval of the voting list;
4. Approval of the agenda;
5. Election of two persons who shall approve the minutes of the meeting;
6. Determination as to whether the meeting has been duly convened;
7. Submission of the annual report and the auditors' report and the consolidated financial statements and the auditors' report for the group;
8. Resolutions regarding:
  - a. adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
  - b. allocation of the company's profits or losses in accordance with the adopted balance sheet;
  - c. discharge of the members of the board of directors and the CEO from liability;
9. Determination of the number of members of the board of directors to be elected by the shareholders' meeting and the number of auditors and, where applicable, deputy auditors;
10. Determination of fees for members of the board of directors and auditors;
11. Election of the members of the board of directors;
12. Election of auditors and, where applicable, deputy auditors;
13. The nomination committee's proposal for principles for appointment of a nomination committee for the annual shareholders' meeting 2021;
14. The board of directors' proposal for guidelines for remuneration to executive managers and board members;
15. The board of directors' proposal on authorisation for the board of directors to resolve on new share issues;
16. Closing of the meeting.

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

#### **Proposal regarding the chairman of the annual shareholders' meeting, the number of members of the board of directors, the number of auditors and deputy auditors, fees to the board of directors and auditors, and election of members of the board of directors, as well as election of auditors and deputy auditors (items 2 and 9-12)**

The nomination committee, consisting of Anders Ryssdal (appointed by Eiendomsspar AS), Christian Ringnes (chairman of the board of directors), Jakob Iqbal (appointed by Helene Sundt AB and Christian Sundt AB jointly), Lars-Åke Bokenberger (appointed by AMF), and Marianne Flink (appointed by Swedbank Robur fonder), has submitted the following proposals:

- Christian Ringnes is proposed to chair the annual shareholders' meeting (item 2).
- The number of members of the board of directors is proposed to be six (six), with no deputy members, and the number of auditors is proposed to be one registered public accounting firm (item 9).
- The following fees to the board of directors are proposed (fees for 2019 in brackets):
  - o A fee to the chairman of the board of directors of SEK 850,000 (800,000) and, as applicable, a fee to the deputy chairman of the board of directors of SEK 650,000 (600,000), and a fee of SEK 425,000 (400,000) to each of the other board members elected by the shareholders' meeting.
  - o A fee of SEK 60,000 (50,000) to each of the two members, the chairman included, of the remuneration committee.
  - o A fee to the chairman of the audit committee of SEK 150,000 (130,000) and a fee of SEK 80,000 (70,000) to each of the other two members of the audit committee.

The proposed board fees, including fees for work in committees, thereby amount to a maximum of SEK 3,630,000 (3,370,000).

Furthermore, it is proposed that the fees to the auditors shall be paid in accordance with approved invoice (item 10).

- Christian Ringnes, Ann-Sofi Danielsson, Bengt Kjell, Jon Rasmus Aurdal and Jeanette Dyhre Kvisvik are proposed for re-election and Jakob Iqbal for new election, as board members for the time until the end of the next annual shareholders' meeting. Leiv Askvig has declined re-election. Furthermore, it is proposed that Christian Ringnes is elected as the chairman of the board of directors (item 11).

The nomination committee notes that the board of directors intends to appoint Bengt Kjell as deputy chairman of the board of directors (re-election).

#### **Information about board members proposed for new election**

Jakob Iqbal is a Norwegian citizen and was born in 1972. Jakob Iqbal is the CEO of Sundt AS and holds board and management positions in several of the group's companies. He is also chairman of the board of Helene Sundt AB and Christian Sundt AB and board member of Equitile Investments Ltd. Jakob Iqbal is also a member of the nomination committee for Otello ASA,

Panoro ASA and Ultimovacs ASA. Jakob Iqbal's past experience includes positions as investment director at Sundt AS, and working with corporate transactions and equity analysis at Morgan Stanley and ABG Sundal Collier. Jakob Iqbal holds a Master of Business Economics from BI Norwegian Business School (1996). He is also a Certified European Financial Analyst (AFA) at the NHH Norwegian School of Economics (2005) and has completed the Advanced Management Program at Harvard Business School (2019).

The board members proposed for re-election until the end of the annual shareholders' meeting 2021 has been presented in the company's annual report and on the company's webpage, [www.pandox.se](http://www.pandox.se).

- The accounting firm PwC is proposed for re-election as auditor for the time until the end of the annual shareholders' meeting 2021, in accordance with the audit committee's recommendation. The nomination committee notes that Patrik Adolfson will be appointed auditor in charge should PwC be elected as auditor (item 12).

### **The nomination committee's proposal for principles for appointment of a nomination committee for the annual shareholders' meeting 2021 (item 13)**

It is proposed that the nomination committee for the annual shareholders' meeting 2021 is appointed in accordance with the following:

Ahead of annual shareholders' meeting 2021, 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 2020 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 representative to the nomination committee, abstains from appointing a representative, the right to appoint a representative shall pass to the largest shareholder who was previously not entitled to appoint a representative 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 one or more of the shareholders having appointed members of the nomination committee no longer are among the four largest shareholders, in terms of votes, and this occurs earlier than two months prior to the annual shareholders' meeting 2021, the members appointed by these shareholders shall offer to resign and the shareholders who then are among the four largest shareholders may appoint their representatives. 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 represent the same shareholder or, if the shareholder is no longer one of the 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 board of directors' proposals***

#### **Allocation of the company's profits or losses in accordance with the adopted balance sheet (item 8b)**

The funds at the meeting's disposal consists of the profit of the year, SEK 2,312,881,098 and the company's accumulated results, SEK 6,306,438,152, in total SEK 8,619,319,250.

The board proposes that the funds at the meeting's disposal, SEK 8,619,319,250, shall be allocated as dividends to the shareholders of SEK 3.60 per share, in total SEK 661,859,996, and that the remaining unrestricted equity, SEK 7,957,459,254, is carried forward. 7 April 2020 is proposed as record day for dividends. If the annual shareholders' meeting adopts a resolution in accordance with the proposal, the dividend is estimated to be paid through Euroclear Sweden on 14 April 2020.

#### **The board of directors' proposal for guidelines for remuneration to executive managers and board members (item 14)**

The board of directors proposes that the annual shareholders' meeting resolves to adopt the following guidelines for remuneration to executive managers and board members.

##### *Scope*

The executive managers and board members, including the CEO and other executive managers, fall within the provisions of these guidelines. The guidelines are forward-looking and applicable to remuneration already agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

##### *Promotion of the company's business strategy, long-term interests and sustainability*

Pandox's vision is to be one of the leading hotel property companies in the world with expertise in active ownership, hotel property management and development, as well as hotel operation. Pandox's strategy is to own large hotel properties in the upper-medium to high-end segment in strategic locations and to lease them to strong hotel operators under long-term revenue-based leases. In situations where conditions are not in place for a profitable lease relationship, Pandox can choose to operate the hotel itself. Pandox is an active owner with the ability to be involved throughout the hotel value chain, which both reduces risk and creates new business opportunities. Through specialisation, business flexibility and well thought-out diversification over numerous dimensions, Pandox is laying the foundation for the company's value creation.

A prerequisite for a long-term successful and sustainable implementation of the company's business strategy is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

#### *Remuneration to executive management*

##### Types of remuneration etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, short-term variable cash remuneration, cash-based incentive programs, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-, share price-related and performance-based remunerations.

For the CEO, variable remuneration shall amount to not more than six months' salary and not more than four months' salary for other executive managers. In addition thereto, the CEO and other executive managers shall be offered the opportunity to participate in long-term cash-based incentive programs which, if such incentive programs are implemented by the board of directors and remuneration committee, shall be structured similarly to Pandox's existing cash-based incentive program. If such a program is implemented, it shall continue to be possible to receive several annual salaries within the scope of the program, provided that the return for the company's shareholders has been very good during the same period.

For the CEO and other executive managers, pension benefits shall be premium defined. The pension premiums for premium defined pensions, shall amount to not more than 35 per cent of the fixed annual cash salary. Variable cash remuneration shall not qualify for pension benefits.

Other benefits may include, for example, life insurance, medical insurance (*Sw: sjukvårdsförsäkring*) and company cars. Such benefits shall not constitute a substantial part of the total remuneration.

Additional cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary work performance beyond the individual's ordinary tasks. Such remuneration shall be commercially justified, in proportion to the individuals fixed salary and not be paid more than once a year and per person. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the remuneration committee.

For employments governed by rules other than Swedish these may be duly adjusted for compliance with such mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

##### Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration and remuneration awarded under potential cash-based incentive programs shall be linked to predetermined and measurable criteria which can be financial or non-financial. Fulfillment of the criteria for awarding short-term variable cash-based remuneration may be measured for a period of one year. They may also be individualized, quantitative or qualitative objectives. The criteria for short-term as well as long-term variable cash remuneration shall be designed so as to contribute to the company's business strategy and long-term interests, including its

sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The remuneration committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

The board of directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds.

#### *Remuneration to board members*

Remuneration to board members for their work in the board of directors of Pandox shall be resolved upon by the general meeting. The board of directors are only entitled to remuneration resolved by the general meeting. However, board members may receive additional remuneration for services board members provide to Pandox within their respective areas of expertise in addition to their duties as board members. Such remuneration shall be on market terms and based in a consultancy agreement approved by the board of directors.

#### *Employment conditions*

##### Salary and employment conditions for employees

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

##### Termination of employment

The notice period for the CEO and other executive managers may not exceed six to twelve months if notice of termination of employment is made by the company. When termination is made by the executive, the notice period may not exceed six months. When termination of the CEO's employment is made by the company, the CEO shall receive a severance pay of an amount equivalent to the CEO's monthly salary for eighteen months, which can be reduced if the CEO receives other income. Severance pay shall not be paid to other executive managers.

#### *Decision-making process, amendments and deviations, etc.*

##### The decision-making process to determine, review and implement the policy

The board of directors has established a remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive



remuneration as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

#### Derogation from the guidelines

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

#### **The board of directors' proposal on authorisation for the board of directors to resolve on new share issues (item 15)**

The board of directors proposes that the annual shareholders' meeting authorises the board to resolve – at one or several occasions and for the time period until the next annual shareholders' meeting – to increase the company's share capital by new share issues, to the extent that it corresponds to a dilution of not more than 10 percent of the number of shares outstanding at the time of the notice of the annual shareholders' meeting, after full exercise of the hereby proposed authorisation.

New share issues may be made with or without deviation from the shareholders' preferential rights and with or without provisions for contribution in kind, set-off or other conditions. Pursuant to Chapter 16 of the Swedish Companies Act, the board of directors may not by virtue of this authorisation resolve on issues to board members in group companies, employees, etc. The purpose of the authorisation is to increase the financial flexibility of the company and the acting scope of the board. Should the board of directors resolve on an issue with deviation from the shareholder's preferential rights, the reason shall be to secure financing capacity to current or future possible acquisitions of property companies, properties or hotel related businesses. Upon such deviation from the shareholders' preferential rights, the new issue shall be made at market terms and conditions.

The board of directors or the CEO shall have the right to make such minor adjustments in this resolution that may be necessary in connection with the registration of the authorisation with the Swedish Companies Registration Office.

#### ***Majority requirements***

A resolution in accordance with the board's proposal under item 15 shall only be valid where supported by not less than two-thirds (2/3) of both the votes cast and the shares represented at the meeting.



***Other information***

The annual report and the auditor's report for the financial year 2019, as well as documents related to the general meeting, will be available at the company's office, Vasagatan 11, 101 20 Stockholm and at the company's webpage [www.pandox.se](http://www.pandox.se) at least three weeks before the general meeting. Further, the nomination committee's complete proposals and motivated statement will be available on the address stated above as well as on the webpage stated above at least four weeks before the meeting. Copies of the documents will be sent to the shareholders who so request and who inform the company of their postal address.

For information on how your personal data is processed, see the integrity policy that is available at Euroclear's webpage [www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

Pandox has its registered office in Stockholm.

---

Stockholm, March 2020

**Pandox Aktiebolag (publ)**

*The board of directors*

FOR MORE INFORMATION, PLEASE CONTACT:

Anders Nissen, CEO, +46 (0) 708 46 02 02

Liia Nõu, CFO, +46 (0) 702 37 44 04

Anders Berg, Head of Communications and IR, +46 (0) 760 95 19 40

***About Pandox***

*Pandox is a leading owner of hotel properties in Northern Europe with a focus on sizeable hotels in key leisure and corporate destinations. Pandox's hotel property portfolio comprises 156 hotels with approximately 35,000 hotel rooms in fifteen countries. Pandox's business is organised into Property management, which comprises hotel properties leased on a long-term basis to market leading hotel operators, and Operator activities, which comprises hotel operations executed by Pandox in its owner-occupied hotel properties. Pandox was founded in 1995 and the company's B shares are listed on Nasdaq Stockholm. [www.pandox.se](http://www.pandox.se)*