

Stockholm, 3rd of April 2020

Pandox Fair Play **Anti-corruption Policy**

This Environmental Policy was adopted by the Board of Directors of Pandox Aktiebolag (publ) (Reg. No. 556030-7885) on 3rd of April 2020.

Anti-corruption Policy

Pandox's vision is to be a world-leading hotel property company offering specialist expertise in the active ownership, management and development of hotel properties, and in hotel operations.

Being a leader means constantly creating sustainable value for our stakeholders while earning their respect and trust. The Anti-corruption policy is an important component in this effort. The Anti-corruption Policy is part of Pandox's Code of Conduct.

Sustainability is a natural part of Pandox's operations and is based on our corporate culture and our values, gathered under the concept of "Pandox Fair Play."

*Anders Nissen
CEO Pandox AB*

Scope and responsibility

Pandox Anti-corruption Policy (the Policy) applies to all employees at Pandox who should respect and comply with its content. All employees also have the responsibility to be observant in the workplace, regardless of department or position. If non-compliance with the Policy occurs or is suspected, all parties involved have a responsibility to report this to the immediate manager. Deviations from the Policy can also be reported through a whistle blower mechanism that is available on Pandox's website. (The whistle blower mechanism can be accessed through the following link: <https://report.whistleb.com/en/Pandox>)

Pandox's Anti-corruption Policy is incorporated into the annual Group-wide online training.

The CFO is responsible for the Policy, its implementation as well as updating the Policy, which is revised annually by Pandox's Board of Directors and is available on its website.

Governance

The Policy is based on the UN Convention against Corruption and relevant legislation in the countries where Pandox operates. Everyone involved in Pandox's business operations is responsible to comply with applicable legislation, policies, guidelines and internal routines. Pandox applies the four-eyes principle and an attestation routine as preventive anti-corruption measure. If there is a conflict between national legislation and this Policy, national legislation prevails. However, if the principles in this Policy are stricter than national legislation, the Policy applies.

Aspects

There is a zero tolerance towards any form of corruption within Pandox and the Company is actively working to prevent, detect and remedy corruption.

Offers of representation or similar can be accepted only if they are within the boundaries of fair business practices and align with this Policy. Offers that do not fulfil these requirements need to be discussed with the immediate manager, who will decide in writing how the offer should be handled.

Bribery

- Bribery is defined as when a person requests, receives, accepts, offers, pays, or seeks an offer or an improper advantage or reward in connection with his or her position, office or assignment. Bribes can consist of money, goods, trips, services, discounts, gift cards and hospitality of different kinds.
- Illegal facilitation payments, other compensation or gifts of material size should never occur in business decisions, relations or actions that are linked to Pandox.

Example of proper (acceptable) benefits are:

- Business meals of a common type
- Celebration of special birthdays and other personal anniversaries provided that they are moderate and appropriate, considering the circumstances in each individual case.

- Ornamental objects with low or no market value and similar memorial gifts to guests, for example at company jubilee and similar.

Examples of improper (non-acceptable) benefits are:

- Gifts in the form of cash, gift cards or any other form, for example, bank-papers, loans, guarantees, debt coverage or concessions of claim, repayment or interest.
- Side-deliveries of goods or services from suppliers, hired by Pandox, for private affairs for non-market based compensation
- Disposal of a vehicle, boat or holiday residence for private use and fully or partly paid leisure trips or holidays.

Examples of benefits that need written approval

- Decisions about study visits, fair visits or similar that is provided by business partners must be made by the immediate manager. Participation should, on principle, be fully paid by Pandox as a preventive corruption measure. If special circumstances justify granting external financing for some parts of the trip or event, this needs a written approval by the immediate manager.
- Before all decisions about participation, the immediate manager should leave written information about the trip or event and give their consent. Decisions should be made by your immediate manager with no exceptions, well in advance of the trip or event.
- Purchase discounts, provisions or bonus arrangements and kickbacks should be approved in writing by the immediate manager.

Financial offences

- Financial offences include money laundering, fraud and extortion. Money laundering is defined as the process of concealing the origin of money that has been obtained illegally by passing it through a sequence of banking transfers or commercial transactions. Fraud is defined as a deception intended to result in financial or personal gain. Extortion is when money, property or services is obtained through coercion.
- Employees at Pandox must actively collaborate with internal and external investigations of potential financial offences.

Conflict of interest, cronyism and nepotism

- Conflict of interest is defined as a situation where a person or organisation have multiple interests and serving one would involve working against the others. Cronyism is the practice of favouriting friends and Nepotism is the same but for family.
- It is prohibited for employees to use relationships with business partners such as customers, partners, suppliers or equivalent for their own personal gain.
- Business decisions connected to Pandox's operations can never be motivated by personal relationships and/or interests.
- A financial cooperation or other business relationship with a partner that contributes to or risks to contribute to a conflict of interest should only be initiated if necessary precautions are made.
- When recruiting, both internally or externally, desired competencies should be established to ensure that the candidate is employed due to merit and not due to relationships. If a person finds him- or herself in a situation where there is a risk of conflict of interest in a recruitment process, that person should remove him- or herself from the process and be replaced.

- If a person finds him- or herself in a situation where there is a risk of a conflict of interest for example in a procurement process, they must report the incident without delay to their immediate manager for further action.

Unfair competition

- Unfair competition is defined as price collusion, cartel formation or abuse of market dominance. Pandox recognises the importance of correct and diverse competition during the entire procurement process.

Follow-up and compliance

If corruption is suspected this will be adjudicated based on the type and value of the benefit. Were it applies, the relation between the benefit and the services and the parties' relationship will also be considered. If this policy is violated it will lead to disciplinary measures and in severe cases to dismissal from work and a police report.

If an incident occurs or is suspected, the immediate manager needs to be alerted. If this is not possible, the immediate manager's manager needs to be alerted according to the grandfather principle. When none of these options are possible, whistleblowing can be used as a last resort, see Pandox Whistleblowing Guidelines. The guidelines are available on Pandox's website and can be accessed through the following link: <https://report.whistleb.com/en/Pandox>.

When in doubt, contact the immediate manager should be contacted for further guidance.

For more information about Pandox's sustainability work, see www.pandox.com.