



Corporate Governance Report

Pages 71–77 constitute the Company's Corporate Governance Report and have not been audited by the Company's auditor. Good corporate governance is about ensuring that a company is managed as responsibly and efficiently as possible on behalf of the shareholders. Corporate governance determines how rights and responsibilities are distributed among a company's various bodies in accordance with internal processes and the laws and regulations in effect. Pandox AB (publ) is a Swedish public limited company headquartered in Stockholm with shares listed on Nasdaq Stockholm. Corporate governance within Pandox is based on Swedish laws, the Articles of Association, the Nasdaq Rule Book for Issuers and the Swedish Corporate Governance Code ("the Code"). The Code is available at www.corporate-governanceboard.se and describes good practices in the stock market. Pandox complies with the Code with no deviations.

In 2023 no breaches of applicable stock market rules or of good practices in the stock market were reported by Nasdaq Stockholm's Disciplinary Committee or by the Swedish Securities Council in relation to Pandox.

SHAREHOLDERS AND THE SHARE

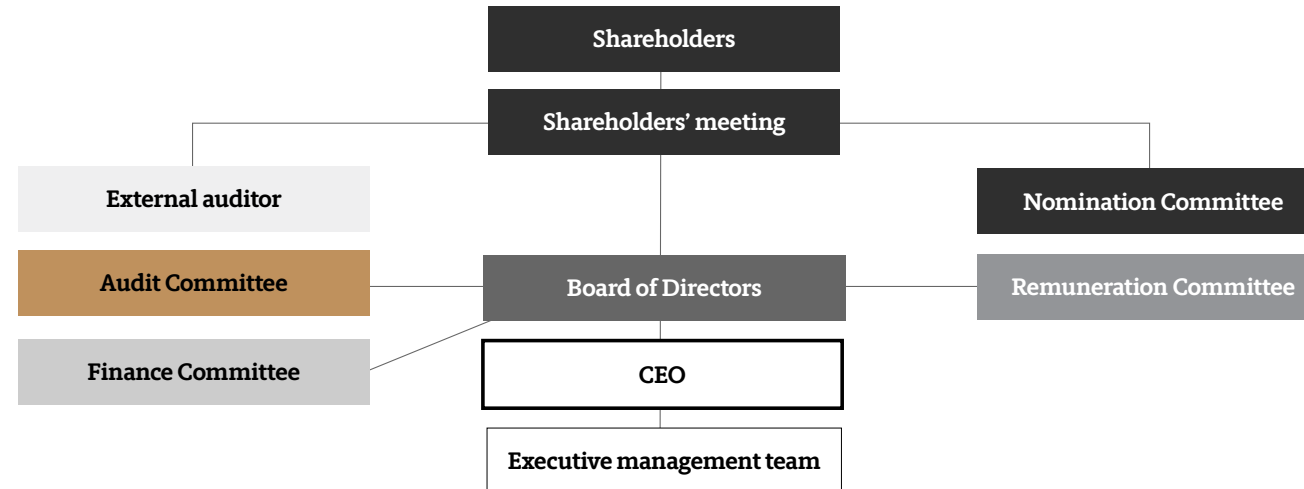
The Pandox class B share was listed on Nasdaq Stockholm on 18 June 2015 in the Large Cap segment. The Company's share capital amounted to SEK 459,624,998 as of 31 December 2023, distributed among 75,000,000 class A shares and 108,849,999 class B shares. Each class A share entitles the holder to three votes at shareholders' meetings, while each class B share entitles the holder to one vote at shareholders' meetings.

Pandox's Articles of Association contain a conversion clause and a pre-emption clause for Pandox's class A shares. All class B shares are transferable without restriction.

At the end of 2023 the following shareholders had direct or indirect ownership representing 10 percent or more of the voting rights for all shares in the Company:

Holding on 31 December 2023	% of votes
Eiendomsspar AS	37
Helene Sundt AB	18
Christian Sundt AB	18

Overall corporate governance structure



At year-end the Company's market capitalisation, calculated for both class A and class B shares, amounted to MSEK 27,651 (23,976).

SHAREHOLDERS' MEETING

The shareholders' meeting is Pandox's highest decision-making body, where the shareholders are entitled to make decisions on Pandox's affairs. Decisions at a shareholders' meeting are normally taken by simple majority, i.e. with the support of half of the votes cast at the meeting. In certain matters, however, Sweden's Companies Act requires proposals to be approved by a greater share of the votes. According to the Articles of Association, notice of shareholders' meetings is to be issued through an announcement in Post- och Inrikes Tidningar (Sweden's official gazette) and published on Pandox's website pandox.se. An announcement is also to be placed in the Swedish national daily newspaper Svenska Dagbladet, to inform the public that a notice has been issued.

Once the date and location of the shareholders' meeting has been established, the details are to be published on

Pandox's website no later than in connection with the third quarter interim report. The 2024 AGM will be held in Stockholm on 10 April 2024.

Annual General Meeting 2023

Pandox's last Annual General Meeting took place on 12 April 2023 in Stockholm. At the 2023 AGM, resolutions passed included the following:

- Adoption of the income statement and balance sheet, and of the consolidated income statement and consolidated balance sheet.
- Appropriation of the Company's profit according to the adopted balance sheet and that no dividend be paid to shareholders.
- Re-election to the Board of Christian Ringnes (Chair), Jakob Iqbal, Jon Rasmus Aurdal, Ann-Sofi Danielsson, Bengt Kjell and Jeanette Dyhre Kvisvik, and election of Ulrika Danielsson as a new board member.
- Fees for the Board: SEK 865,000 to the Chair, SEK 660,000 to the Vice Chair and SEK 455,000 to each of the other members

Strategy and value creation	+
Our business	+
Market and trends	-
Properties	+
Governance	+
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Board of Directors and auditor	
Senior executives	
Risk and risk management	
Financial	+



- Fees for the Audit Committee: SEK 160,000 for the chair of the Audit Committee and SEK 80,000 to each of the other members
- Fees for the Remuneration Committee: SEK 51,000 to be paid to the two members of the committee.
- Fees for the Finance Committee: SEK 160,000 to the chair of the committee and SEK 80,000 each to the other two members of the committee.
- Re-election of auditor: accounting firm PwC with Patrik Adolfson as auditor-in-charge.
- Authorisation for the Board of Directors to issue new shares amounting to a maximum of 10 percent of the total number of shares outstanding.
- Approval of remuneration report
- Adoption of principles for appointing the Nomination Committee in advance of the 2024 Annual General Meeting

The full minutes of shareholders' meetings are available on Pandox's website.

BOARD OF DIRECTORS

Pandox's Board of Directors is responsible for the Company's administration and organisational structure. This includes the following:

- Establishing Pandox's overall objectives and strategies
- Appointing, evaluating and, if necessary, dismissing the CEO
- Ensuring effective monitoring and control systems for Pandox's business
- Ongoing evaluation of performance and financial position
- Ensuring that the annual reports and interim reports are correct, reliable and relevant.

Board members are elected at the AGM for the period until the conclusion of the following AGM. According to Pandox's Articles of Association, the Board of Directors, to the extent it is elected by the shareholders' meeting, is to consist of at least four and not more than eight members with no deputies.

The Chair of the Board of Pandox is elected by the AGM. The Chair is responsible for ensuring that the Board's work is well-organised and efficient.

The Board works according to written work procedures which are revised annually and adopted at the statutory board meeting. The work procedures regulate, among other things,

types of meetings, functions and the distribution of duties between the board members and the CEO. In conjunction with the statutory meeting the Board also adopts instructions for the CEO as well as instructions for financial reporting.

The Board holds meetings based on a schedule established annually, normally aligned with Pandox's strategy and budget process as well as the Company's financial calendar. Additional board meetings may be convened to manage time-critical issues that require board decisions, such as on acquisitions, divestment and raising capital.

👉 For a presentation of the board members, see pages 78–79.

Work of the Board of Directors

The Board held ten meetings during the year, one of which was the statutory meeting. At the statutory board meeting Bengt Kjell was re-elected as Vice Chair of the Board.

The Board regularly conducts an evaluation of its work methods and procedures to ensure that the Board has the requisite expertise and efficient processes for good decisions. The result of the evaluation is reported to the Nomination Committee and provides substantive information on which the Committee can base its work. The Board has determined that the members have appropriate and complementary expertise taking into account Pandox's operations, and this opinion is shared by the Nomination Committee.

The Board has clear guidelines on how to avoid conflicts of interest. These are described in the document containing the work procedures for the Board and cover topics such as the secrecy obligation, the loyalty obligation, disqualification and insider trading. The stakeholders are informed of any conflicts of interest in the Annual Report. No cases of conflicts of interest were discovered in 2023.

In the area of sustainability, feedback is provided to the Board through a six-monthly board report and an annual oral presentation by the SVP, Director of Sustainable Business. From 2024 onwards this will also be a standing agenda item at Audit Committee meetings.

Since the start of 2022 climate adaptation risks have been an important component in the Company's overall risk assessment. The results of the assessment were reported to the Board of Directors during the year and will be reported on annually along with action plans produced.

In 2023 interviews were conducted with all of the Board members and with the CEO. The conclusion was that the Board is working efficiently and that the members complement each other's strengths.

The Nomination Committee applied rule 4.1 of the Code as a diversity policy when preparing its proposal for the Board of Directors, the objective being for the Board to be composed of members of varying ages, genders and geographical origins, and to represent a range of educational and professional backgrounds.

Three of the seven members of Pandox's Board are women. The Nomination Committee has determined that the Board of Directors meets the requirements of the Code concerning independence.

Audit Committee

On 12 April 2023 Pandox appointed an Audit Committee consisting of Ann-Sofi Danielsson (chair), Ulrika Danielsson and Jon Rasmus Aurdal. The Audit Committee's duties, without affecting the Board's general responsibilities and duties, include overseeing Pandox's financial reporting and the efficiency of Pandox's internal control and risk management, staying informed about the audit of the annual accounts and consolidated accounts, reviewing and monitoring the auditor's impartiality and independence, and paying particular attention when the auditor provides Pandox with services other than audit services, as well as assisting in drafting proposals for the election of auditors at the AGM. The Audit Committee also examines the Annual Report and interim reports and oversees the audit. The Audit Committee does not perform any auditing tasks.

During the year the Audit Committee examined Pandox's external financial reporting, and also analysed and assessed Pandox's economic, financial and reporting risks on an ongoing basis with a particular focus on revenue, profit, property valuation and the financial position.

The Audit Committee also continued to deal with matters relating to internal control, in terms of structure, tools, organisation and self-assessment. The assessment is that Pandox's work on risk and control was strengthened further through improved procedures, controls and systems, and support provided by the Finance Committee (see below).

In 2023 the Audit Committee held four meetings for which minutes were kept and reported to the Board of Directors.

Strategy and value creation	+
Our business	+
Market and trends	-
Properties	+
Governance	+
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Board of Directors and auditor	
Senior executives	
Risk and risk management	
Financial	+



Remuneration Committee

Pandox has a Remuneration Committee consisting of two members: Christian Ringnes (chair) and Jakob Iqbal.

Remuneration Committee duties:

- Preparing for board decisions on remuneration principles and on remuneration and other employment terms for the executive management team.
- Monitoring and evaluating ongoing programmes and programmes concluded during the year for variable remuneration to the executive management team.
- Monitoring and evaluating the application of remuneration guidelines for senior executives that were approved by the AGM, and the applicable remuneration structures and compensation levels within the Company.
- Reviewing and preparing proposals on all share-related incentive schemes to put before the executive management team.

During the year the Remuneration Committee paid special attention to matters relating to salaries and other remuneration for the CEO and executive management team. In addition, any matters concerning incentive schemes for key individuals at Pandox were addressed.

In 2023 the Remuneration Committee held two meetings for which minutes were kept and reported to the Board of Directors.

Finance Committee

On 12 April 2023 the Board appointed a Finance Committee consisting of board members Bengt Kjell (chair), Christian Ringnes and Jon Rasmus Aurdal. Pandox’s executive management has the right to participate in discussions but not in decisions and was represented at the Committee’s meetings by the CEO and CFO, among others. The Committee discusses matters of particular significance for Pandox’s financial position, such as refinancing of bank loans, interest rate hedging and the fulfilment of conditions in credit agreements. Experience of the Finance Committee’s work has been good and the Board has again proposed that the Nomination Committee reviews the need for a Finance Committee again in 2024, and that if established the Board members concerned are paid fees at the same level as for the Audit Committee.

In 2023 the Finance Committee held four meetings at which minutes were kept and reported to the Board of Directors.

Board duties, normal annual cycle

other than standing items such as status report, investment decisions, liquidity and financing

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
		2. March <ul style="list-style-type: none"> • Adoption of Annual Report • Notice of Annual General Meeting 	3. April <ul style="list-style-type: none"> • Interim report, Q1 • Audit plan • Review of policies • Forecast/budget outcome 4. April – statutory meeting <ul style="list-style-type: none"> • Board of Directors’ work procedures • CEO instructions • Policies 			5. June <ul style="list-style-type: none"> • Market update 		7. September <ul style="list-style-type: none"> • Forecast/budget outcome • Strategy 			9. December <ul style="list-style-type: none"> • Investments • Business plan • Budget • Risk assessment
		1. February <ul style="list-style-type: none"> • Year-end report, Q4 • Income statement and balance sheet, full year • Proposed appropriation of profit • Annual Report • Feedback from auditors 									
									8. October <ul style="list-style-type: none"> • Interim report, Q3 • Feedback from auditors • Forecast/budget outcome 		

Chief Executive Officer and other senior executives

The Chief Executive Officer (CEO) reports to the Board of Directors and is responsible for Pandox’s day-to-day administration and operations. The allocation of duties between the board members and the CEO is described in Pandox’s work procedures for the Board and instructions for the CEO. Actions that are of an extraordinary nature or that are particularly significant are not considered part of the day-to-day administration and the CEO must prepare information on them and present this to the Board of Directors. The CEO is also responsible for preparing reports and compiling information in advance of board meetings and for reporting at the board meetings. According to the financial reporting instructions, the CEO is responsible for Pandox’s financial reporting and must ensure that the Board receives sufficient information from which to evaluate Pandox’s financial position at all times.

The CEO is to keep the Board continuously informed about Pandox’s performance in terms of revenue and earnings, financial position, liquidity and credit status, important business events, and about every other event, circumstance or situation that may be assumed to be of material importance for Pandox’s shareholders.

Audit

Pandox’s auditors are appointed by the shareholders’ meeting and are to examine the Company’s Annual Report and accounting records as well as the administration of the Company by the Board and the CEO. After each financial year, the auditor must submit an audit report for Pandox’s Parent Company and the Pandox Group to the Annual General Meeting. The auditors are appointed by and report to the shareholders’ meeting and are not to allow themselves to be influenced in their work by Pandox’s Board or executive management team.

- Strategy and value creation +
- Our business +
- Market and trends -
- Properties +
- Governance +
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 - Senior executives
 - Risk and risk management
- Financial +





The auditors are also responsible for reporting on any instance where a board member or the CEO has been guilty of negligence or has acted in a way that may result in compensation liability.

According to Pandox's Articles of Association, Pandox is to have two auditors and two deputy auditors or one authorised accounting firm as auditor. At the request of the Audit Committee, in 2017 Pandox carried out an auditor procurement process which resulted in the Nomination Committee's proposal to elect the accounting firm of PwC as the Company's new auditor, and this was approved at the 2017 AGM. The 2023 AGM re-elected PwC, with authorised public accountant Patrik Adolfsen as auditor-in-charge.

🔗 *Pandox's auditor is presented in more detail on page 79.*

The Board of Directors meets with Pandox's external auditors, without executive management being present, at least once a year to receive and address the auditors' opinions.

The Audit Committee also meets the auditors on a regular basis to be informed about and address their opinions on the interim reports and the Annual Report, the results of the auditor's scrutiny of internal control over financial reporting and to address other issues.

Pandox has no specific internal audit department. The Board examines the need for such a department on an annual basis. Based on the Audit Committee's assessment, the Board has decided not to establish a specific internal audit department. The Board judges that the established financial processes for monitoring and evaluation of controls that take place within the Group's accounting department ensure that sufficient reliability is achieved in the financial reporting without an independent internal audit department.

Nomination Committee

The Nomination Committee is a body of the shareholders' meeting and is responsible for submitting proposals for the election of the Chair and other members of the Board, as well as on fees and other remuneration for board assignments for each of the board members. The Nomination Committee is also to provide proposals for the election and compensation of auditors in consultation with the Audit Committee, as well as for the Nomination Committee's composition and how it is convened.

IMPORTANT POLICIES AND CODES

	Contents
Financial Policy	Principles and rules for financial activity
Insider Policy	Rules and guidelines for managing insider information
Internal and External Privacy Policy	Rules and information on Pandox's processing of personal data
IT and Data Security Policy	Principles and rules for how IT activities are to be conducted and data security ensured
Communication Policy	Principles and rules for internal and external communication
Environmental Policy	Rules and guidelines for Pandox's environmental responsibilities
Code of Conduct for Business Partners	Principles and requirements relating to Pandox's business partners
Code of Conduct for Employees	Principles and requirements relating to Pandox's employees
Anti-Corruption Policy	Principles and requirements relating to Pandox's employees and anti-corruption measures
Human Rights Policy	Pandox's principles and requirements relating to human rights
Guidelines for Whistleblower Service	Describes how employees and external stakeholders can report suspected irregularities
Guidelines for Crisis Communication	Describes how Pandox communicates internally and externally in crisis situations

PANDOX'S BOARD OF DIRECTORS AND COMMITTEES IN 2023

Name	Fees, SEK 000s	Attendance at meetings			Finance Committee	Independent of the Company ¹⁾	Independent of owners ²⁾
		Board of Directors	Audit Committee	Remuneration Committee			
Christian Ringnes, Chair	996	10 of 10		2 of 2	4 of 4	Yes	No
Jakob Iqbal	506	10 of 10		2 of 2		Yes	No
Jon Rasmus Aurdal	615	10 of 10	4 of 4		4 of 4	Yes	No
Ann-Sofi Danielsson	615	10 of 10	4 of 4			Yes	Yes
Bengt Kjell, Vice Chair	820	9 of 10	1 of 1		3 of 4	Yes	Yes
Jeanette Dyhre Kvisvik	455	10 of 10				Yes	Yes
Ulrika Danielsson ³⁾	401	8 of 8	3 of 3			Yes	Yes

¹⁾ Independent in relation to the Company and the executive management team.

²⁾ Independent in relation to the Company's major shareholders.

³⁾ Joined the Board at the Annual General Meeting on 12 April 2023.

In accordance with a decision at Pandox's 2023 AGM, the Nomination Committee, in preparation for the 2024 AGM, is to consist of the Chair of the Board and members appointed by the four largest shareholders in terms of voting rights as of 31 July 2023, according to the register of shareholders kept by Euroclear Sweden. The Chair of the Board of Pandox AB is also responsible for convening the first meeting of the Nomination Committee. If a shareholder with the right to appoint a member of the Nomination Committee relinquishes that right, the right to appoint a member is transferred to the largest

shareholder who has not previously had the right to appoint a member of the Nomination Committee. Helene Sundt AB and Christian Sundt AB are represented by the same member of the Nomination Committee. The member appointed by the largest shareholder in terms of voting rights is to be appointed as chair of the Nomination Committee. The composition of the Nomination Committee is to be announced no later than six months before the next AGM. No fees are payable.

Strategy and value creation	+
Our business	+
Market and trends	-
Properties	+
Governance	+
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