

Stockholm, 10 April 2024

Pandox Tax Policy

*This Tax Policy was adopted by the board of directors of
Pandox Aktiebolag (publ) (Reg. No. 556030-7885) 10 April 2024.*

1. Group Tax Policy

1.1 Introduction

Pandox AB (publ) including its subsidiaries, “the Group”, is a leading owner of hotel properties in Northern Europe with focus on sizeable hotels in key leisure and corporate destinations.

This Group Tax Policy provides a high-level guidance on the treatment and procedures for all tax matters within the Group and gives the groups general view for how it deals with tax related matters. The policy sets out our view on taxes and best practice when working with tax authorities, other relevant governmental bodies, external advisors and others.

1.2 General approach

Pandox should always maintain a conservative position with respect to managing tax matters. The Group aims to be tax compliant and a good corporate citizen in every jurisdiction where it operates. As a good corporate citizen Pandox sees tax as an important part of its social responsibility.

Pandox goal is always that all taxes and charges are paid according to local laws and regulations in the countries where Pandox operates. Pandox should file all its tax returns and other compliance requirement in a timely and correct manner. Furthermore, is the aim that the Group should always resolve differences in opinions with local tax authorities in a constructive and positive manner.

Since tax is an ever-changing area of expertise and whenever changes are made, we seek to adopt and improve our internal processes to always be compliant.

This policy complies with the UK legislative requirement under paragraph 16, part 2, Schedule 19 Finance Act 2016.

1.3 Procedures

1.3.1. General

The Group is through its ultimate parent company Pandox AB (publ) listed on Nasdaq Stockholm. The Group applies International Financial Reporting Standards (IFRS) as adopted by the EU.

It is important for Pandox’s shareholders that the Company manages its business responsibly with focus on long term profitable and sustainable growth. For Pandox taxes are a material business expense and they shall be managed accordingly.

The Group should always be compliant in accordance with laws and regulations in each jurisdiction where it operates. If tax laws do not give guidance, carefulness and transparency should guide any decisions regarding tax matters.

1.3.2. Transfer pricing considerations

Since the Group operates in several jurisdictions with intercompany cross border transactions, transfer pricing considerations need to be made. All cross-border transactions to related parties shall be priced in accordance with the arm's length principle as defined in the OECD Transfer Pricing Guidelines and the article 9 of the OECD model treaty. The Group's transfer pricing documentation shall be reviewed on a regular basis and it shall be ensured that it is followed accordingly.

1.3.3. Responsibilities

The central decisions of tax matters are made by the CFO of the Group and Head of Tax, to ensure that material tax related matters are handled in a consistent way and in accordance with the Group Tax Policy.

All employees working with tax matters shall equally strive to act in accordance with the Group Tax Policy.

1.3.4. Tax planning and business considerations

The Group's reputation, corporate and social responsibilities, as well as the legal obligations of directors and employees are considered in all tax related matters.

The Group will never be part in arrangements or establish itself in tax havens solely for tax reasons. Furthermore, Pandox will not invest in company or companies' structures which are established for the only purpose of shifting taxable profits from the countries in which the business is performed to another jurisdiction, and therefore create an injustice tax balance.

The Group aim for a low risk rating with local tax authorities in countries where such ratings are offered.

1.3.5. Communication with tax authorities etc.

Transparency, collaboration and trustworthiness are very important in all communication with tax authorities. Compliance with relevant tax and approval requirements should be clearly presented to the tax authorities or any other relevant party.

1.3.6. External tax advice

The Group should always strive to seek tax advice from large, and reputable accounting or law firms. Advice should add value and be consistent with relevant rules and regulations in each jurisdiction. In those cases where relevant legislation does not provide clear guidance the Group will seek to have a cautious approach based on clear and credible arguments for the position taken, and if possible, seek advice from the relevant authorities beforehand.