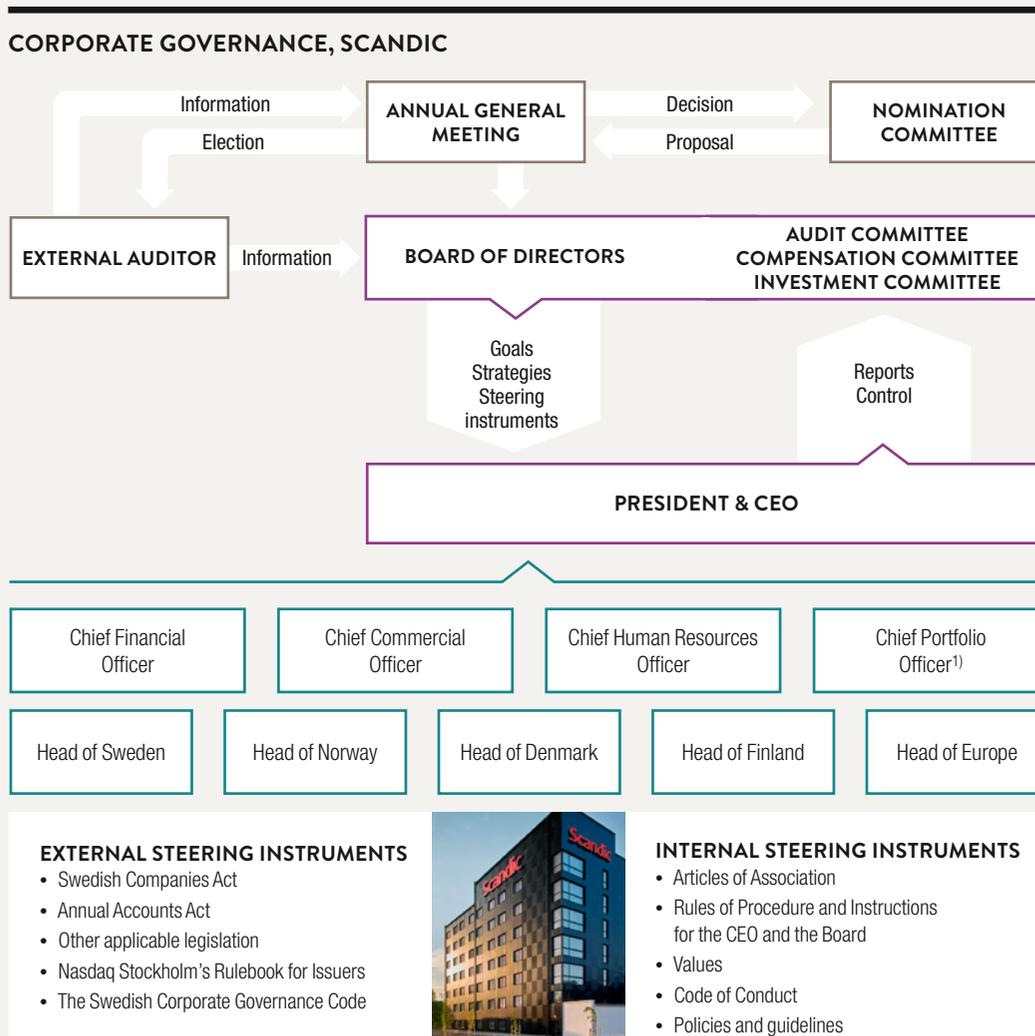


# CORPORATE GOVERNANCE

Scandic is a Swedish public limited liability company, with its registered office in Stockholm, whose shares are listed on Nasdaq Stockholm's Nordic Mid Cap list. Scandic applies the Swedish Corporate Governance Code and hereby submits its Corporate Governance Report for the 2021 financial year.



## THE BASIS OF SCANDIC'S CORPORATE GOVERNANCE

Scandic's corporate governance aims to support the Board of Directors and the Executive Committee so that all operations create long-term value for shareholders and other stakeholders. Governance includes upholding:

- an efficient organizational structure
- systems for risk management and internal control
- transparent internal and external reporting
- compliance

## GOVERNANCE STRUCTURE

Responsibility for the governance and control of Scandic is distributed between the shareholders, the Board of Directors, its appointed committees and the CEO. The governance of Scandic is based on external and internal governance instruments. The external governance framework includes the Swedish Companies Act, Nasdaq Stockholm's Rulebook for Issuers, the Swedish Corporate Governance Code (the "Code") and other applicable Swedish and foreign legislation and regulations.

Scandic's internal binding governance instruments include the Articles of Association, Rules of Procedure for the Board of Directors, instructions for the Board's committees and the CEO, Scandic's Code of Conduct, the authorization and delegation procedure, the Finance Policy, the Information Policy and the Insider Policy.

## SIGNIFICANT EVENTS IN 2021

In August 2021, Fredrik Wetterlund started as new Chief Human Resources Officer and member of Scandic's Executive Committee.

During 2021, Scandic announced that Åsa Wirén had been recruited as new CFO to replace Jan Johansson who announced he would leave Scandic on February 28,

<sup>1)</sup> Jens Mathiesen is currently Deputy Chief Portfolio Officer in the Executive Committee.

2022. The 2021 Annual General Meeting resolved to increase the number of Board members to seven and Therese Cedercreutz was elected as a new board member. During the year, the company carried out an issue of convertible bonds due in October 2024.

### SHARE AND SHAREHOLDERS

The Scandic share has been listed on Nasdaq Stockholm's Nordic Mid Cap list since December 2, 2015. At year-end 2021, the share capital of the company was 47.8 MSEK divided into 191,257,993 shares with all shares conferring equal voting rights, an equal share of assets and earnings and an equal share of any dividends. In 2021, the company carried out an issue of convertible bonds due on October 8, 2024 with a conversion price of 43.36 SEK. The number of shares will increase by 41,510,920 after full conversion. At the end of the year, the ten largest shareholders represented 48.7 percent of the share capital and votes in the company. At year-end, Stena Sessan was the largest shareholder with holdings corresponding to 19.9 percent of the company's share capital and votes. AMF Pension & Fonder owned 14.4 percent of the company's share capital and votes at the end of the year.

### SHAREHOLDERS' INFLUENCE THROUGH THE GENERAL MEETING

The shareholders exercise influence at the general meeting, which is Scandic's highest decision-making body. The general meeting adopts the Articles of Association and at the Annual General Meeting (AGM), which is the regular general meeting held annually, the shareholders elect the Board members, the Chairman of the Board and the auditor and determine their fees. The AGM further adopts the income statement and the balance sheet and decides on the appropriation of profits as well as whether to discharge the Board members and the CEO from liability to the company. The AGM also appoints the Nomination Committee and determines its work and adopts principles of compensation and terms of employment for the CEO and other senior executives. Scandic's AGM is held annually in Stockholm before the end of June. Extraordinary general meetings may be held as and when needed.

### EXTRAORDINARY GENERAL MEETING 2021

The Extraordinary General Meeting held on April 21, 2021 in Stockholm resolved to approve the Board of Directors' resolution that the loan raised by Scandic at a par value of not more than 1,800 MSEK in total shall be convertible into shares in Scandic by way of an issue of convertible bonds.

### 2021 ANNUAL GENERAL MEETING

At the AGM held on May 31, 2021 in Stockholm, resolutions on the following were passed:

- Income statement and balance sheet 2020 adopted.
- Resolution, in accordance with the Board of Directors' proposal, that no dividend be paid and that the amount at the meeting's disposal be carried forward.
- Discharge of the Board of Directors and the CEO from liability to the company.
- Per G. Braathen, Grant Hearn, Fredrik Wirdenius, Ingaliill Berglund, Martin Svalstedt and Kristina Patek were re-elected as Board members. Per G. Braathen was re-elected as Chairman of the Board.
- Therese Cedercreutz elected as a new Board member.
- PricewaterhouseCoopers was reappointed as auditor with Sofia Götmar-Blomstedt as Auditor-in-Charge until the end of the Annual General Meeting 2022.
- Compensation for the Board and the auditor.
- Compensation Report according to the Board's proposal.

### 2022 ANNUAL GENERAL MEETING

Scandic's AGM 2022 will be held in Stockholm on May 10, 2022, see page 129.

### NOMINATION COMMITTEE

The Nomination Committee represents the company's shareholders and is tasked with preparing proposals for the AGM regarding the election of the Chairman for the AGM, Board members, the Chairman of the Board and the auditor, as well as proposals for fees to the Board, fees to the auditors and, to the extent it is considered required, proposed changes to the instructions for the Nomination Committee. The Nomination Committee has adopted the

guidelines stipulated in section 4.1 of the Code as the diversity policy as regards the composition of the Board. Proposals should be justified to reflect the requirement that the Board have a composition that is appropriate based on the company's needs, characterized by versatility and breadth. The Nomination Committee strives to meet the Code's requirements for even gender distribution and diversity mainly with regard to age, nationality and skills.

The Nomination Committee consists of the Chairman of the Board and a representative of each of the three largest shareholders based on shareholder statistics from Euroclear Sweden AB as at the last banking day in August each year. The Nomination Committee's term of office shall run until a new Nomination Committee has been appointed.

Unless otherwise agreed by the members of the Nomination Committee, the Chairman of the Nomination Committee shall be the member who represents the largest shareholders based on the number of votes. If a shareholder should cease to be one of the three largest shareholders by number of votes during the Nomination Committee's term of office, the representative appointed by the shareholder in question shall resign and the shareholder that has become one of the three largest shareholders by number of votes may appoint a representative. Such a change is not necessary if the change in votes is marginal or if it occurs later than three months prior to the AGM unless there are special reasons for such.

The names of the three shareholder representatives and the shareholders they represent shall be announced no later than six months before the AGM.

### The Nomination Committee for the Annual General Meeting 2022

The Nomination Committee for the AGM 2022 consists of four members and in addition to the Chairman of the Board includes representatives from the three largest shareholders as at August 31, 2021. The work of the Nomination Committee was led by Karl Swartling of Stena Sessan AB. The composition of the Nomination Committee was published in a press release on October 29, 2021.

Nomination Committee	Representing	% of votes as per Dec. 31, 2021
Per G. Braathen	–	–
Karl Swartling	Stena Sessan AB	19.9
Dick Bergqvist	AMF Pension & Fonder	14.4
Trygve Hegnar	Periscopos AS	2.7

In the work on nominations for the Annual General Meeting 2022, the Nomination Committee assessed the size and composition of the current Board of Directors. Special consideration was given to industry-specific and financial expertise and a continued even gender distribution. The Nomination Committee complies with the guidelines in the Code regarding Board member independence. Scandic's Diversity Policy was considered chiefly as regards equal gender distribution and geographic distribution. The 2022 Nomination Committee held two meetings and maintained regular communication in between. The Nomination Committee based its work on the Chairman of the Board's report on the work of the Board of Directors and the Board evaluation that was carried out with the help of an external advisor.

The proposals of the Nomination Committee will be presented at the Annual General Meeting 2022 and at [scandichotelsgroup.com](https://scandichotelsgroup.com)

The reasoning behind the proposals, a report on the committee's work and a full presentation of the proposed members will also be published on the site.

The Nomination Committee can be reached at [nominationcommittee@scandichotels.com](mailto:nominationcommittee@scandichotels.com). For the committee to consider suggestions, shareholders who wish to submit proposals may do so at any time before December 31. Read more at [scandichotelsgroup.com](https://scandichotelsgroup.com)

## BOARD OF DIRECTORS

The Board is responsible for Scandic's organization and the management of the company's affairs. According to the Articles of Association, the Board shall consist of no fewer than three and no more than eleven members, with no more than two alternates. Trade unions are entitled to appoint two regular Board members and two alternates. Board members are elected annually at the AGM for the period up until the end of the subsequent AGM.

## Composition of the Board of Directors in 2021

The AGM 2021 elected seven Board members and appointed one employee representative. The CEO and CFO participate in Board meetings as well as the Board's secretary. Other employees participate in Board meetings to report on special matters as and when necessary.

## Independence

None of the Board members elected at the AGM are employed within the Scandic Group and all Board members are considered to be independent in relation to the company and the senior executives. Five of the seven Board members that are independent in relation to the company and the senior executives are also independent in relation to the company's major shareholders. Scandic thereby complies with the requirements in the Code regarding the Board's independence in relation to the company, senior executives and the major shareholders.

## Work of the Board of Directors

The duties of the Board are regulated in the Swedish Companies Act, the company's Articles of Association and the Code. The work and procedures of the Board are established each year in written Rules of Procedure. These rules govern the distribution of work and responsibilities among the Board members, the Chairman of the Board and the CEO, and the routines for financial reporting. The Board also adopts instructions for the committees of the Board.

The duties of the Board include appointing the CEO, adopting strategies, business plans, budgets, interim reports, year-end accounts and annual reports as well as adopting instructions and guidelines. The Board also monitors the financial performance of the company, ensures the quality of financial reporting and internal control and evaluates the operations in relation to the objectives and guidelines adopted by the Board. Furthermore, the Board also resolves whether to enter into or extend leases, franchise agreements and management agreements and whether significant investments or changes in the Group's organization and operations should be made.

The Chairman of the Board is responsible for managing the work of the Board, including ensuring that the work of the Board is conducted efficiently and that it fulfills its obligations in accordance with applicable laws and regulations. The Chairman shall, in close cooperation with the CEO, monitor the company's performance and prepare and



## EXAMPLES OF ISSUES HANDLED BY SCANDIC'S BOARD DURING THE YEAR

- Ongoing assessment of the short and long-term effects of the Covid-19 pandemic on Scandic and the market
- Measures to handle the Covid-19 crisis in the short and long term
- Resolution to propose to the AGM that no dividend be paid for 2020
- Convertible issue
- Evaluation of Executive Committee
- Approval of policies
- Compensation for senior executives
- Market analysis
- Financial reports
- Investment decisions
- Commercial initiatives

lead Board meetings. The Chairman of the Board is also responsible for ensuring that Board members evaluate their work annually and regularly receive the information they need to work efficiently. The Chairman of the Board represents the company vis-à-vis the shareholders.

### Work during the year

During the year, the Board held 20 board meetings. The Board also continued to follow developments and consequences resulting from the Covid-19 pandemic in all markets and resolved on and carried out a convertible issue. The Board also dealt with issues related to the evaluation of the Executive Committee, investment decisions, policies, compensation to senior executives and market analysis.

### COMMITTEES OF THE BOARD

The Board has established three committees: the Audit Committee, Compensation Committee and Investment Committee. None of the committees are authorized to make decisions, but they prepare matters and present them to the Board for decisions. The work of the committees is carried out in accordance with the written procedures for each committee as adopted by the Board.

### Compensation Committee

The Compensation Committee prepares resolutions in matters involving compensation principles, salaries,

benefits and compensation for the CEO and senior executives who are subordinate to the CEO. The committee also supervises and evaluates the outcome of programs for variable compensation and the company's compliance with the guidelines for compensation adopted at the AGM.

The Compensation Committee shall consist of at least three Board members elected at a general meeting. The Chairman of the Board may also be the chairman of the committee. The other members of the committee shall be independent in relation to the company and its senior executives. The Compensation Committee consists of Per G. Braathen (Chairman), Grant Hearn and Martin Svalstedt.

The Compensation Committee held six meetings during the year. The committee conducted a review of the basic compensation for senior executives, the bonus program, other compensation and long-term incentive programs.

### Audit Committee

The Audit Committee prepares the Board's work on matters involving risk assessments, internal control, the internal audit, accounting, financial reporting and audits. The work of the committee aims to ensure compliance with the adopted principles for financial reporting and internal control and that the company's relationship with its auditors is fit for the purpose.

The Audit Committee shall also carry out an evaluation of the audit and report the results to the Nomination

Committee. The committee also submits the Nomination Committee's proposal for the appointment of an auditor.

In addition, the Audit Committee follows up and comments on non-auditing related services that Scandic procures from the company's auditor.

The Audit Committee shall consist of at least three members. The majority of the members shall be independent in relation to the company and the senior executives, and at least one shall be independent in relation to the company, the company's senior executives and the company's major shareholders. He or she shall also have experience in auditing or accounting.

The committee consists of Ingalill Berglund (Chairman), Martin Svalstedt and Kristina Patek. The requirements of the Swedish Companies Act regarding independence and accounting or auditing expertise are thus satisfied.

The Compensation Committee held seven meetings during the year. The company's auditor attended all of the meetings during the year. The following matters were addressed at the Audit Committee meetings:

- Interim reports – review prior to approval by the Board.
- Status of internal control and risk analysis and evaluation of the structures and efficiency of internal control.
- Auditors' reports on the review of the annual accounts, the interim report for the third quarter, "early warning" and internal control.

### Composition of the Board of Directors, independence, attendance, committees and compensation

Name	Position	Elected, year	Independent in relation to		Attendance and number of meetings	Attendance, number of meetings, committees	Compensation 2021
			the company and senior executives	the largest shareholders			
Per G Braathen	Chairman	2007	Yes	Yes	20 (20)	8 (8) Investment Committee, 6 (6) Compensation Committee	951,705
Grant Hearn	Member	2014	Yes	Yes	18 (20)	8 (8) Investment Committee, 6 (6) Compensation Committee	497,159
Ingalill Berglund	Member	2016	Yes	Yes	19 (20)	7 (7) Audit Committee	492,424
Fredrik Wirdenius	Member	2015	Yes	Yes	20 (20)	7 (8) Investment Committee	397,727
Martin Svalstedt	Member	2017	Yes	No	20 (20)	7 (7) Audit Committee	449,811
Kristina Patek	Member	2020	Yes	No	20 (20)	7 (7) Audit Committee	402,462
Therese Cedercrutz	Member, new	2021	Yes	Yes	9 (20)	3 (8) Investment Committee	245,000
Marianne Sundelius	Employee rep.	2017	No	Yes	20 (20)		40,000
<b>Total</b>							<b>3,476,288</b>

- Audit plan and auditors' fees as well as evaluation of the work and independence of the auditors.
- Evaluation of the requirement for an internal audit function for recommendation to the Board of Directors.
- IT Security Policy – review prior to approval by the Board of Directors.
- Status of ongoing disputes and legal matters.
- The status of work to introduce a Group-wide accounting program (ERP).
- Impairment test of intangible assets.
- Financing issues including updating bank agreements and the convertible issue.

### Investment Committee

The Investment Committee was established in 2018 and prepares decisions on issues related to investment proposals such as new investments and extensions as well as amendments to lease agreements. The committee also regularly evaluates hotel investments and reviews the development of the hotel portfolio, investment criteria and the process for managing the Group's investments.

The Investment Committee shall consist of at least three members of the Board elected at the AGM. The Investment Committee consists of Grant Hearn (Chairman), Per G. Braathen, Fredrik Wirdenius and Therese Cedercreutz. During 2021, the committee held eight meetings.

### EVALUATION OF THE WORK OF THE BOARD OF DIRECTORS

The Chairman of the Board is responsible for evaluating the work of the Board. The Board also evaluates its work annually. The evaluation refers to working methods and the main focus of the work of the Board. The evaluation also includes an evaluation of the need for and access to special expertise on the Board. The evaluation in 2021 was carried out through a survey conducted by an external party. The results were presented and discussed by the Board and the Nomination Committee. The evaluation was used as a tool to develop the work of the Board and also constitutes support for the work of the Nomination Committee.

### Auditors

PricewaterhouseCoopers has been the company's auditor since 2012. At the AGM held on May 31, 2021, PricewaterhouseCoopers was reappointed as auditor with Sofia Götmar-Blomstedt as the Auditor-in-Charge for the time

until the end of the AGM 2022. Sofia Götmar-Blomstedt is an authorized public accountant and a member of FAR (the institute for the accountancy profession in Sweden). During 2021, the auditor reported observations on one occasion to the Board. No members of the Executive Committee were present. Thereafter, the auditor participated in seven meetings with the Audit Committee. The Audit Committee evaluates the auditors' work and independence annually.

The auditor receives a fee for their work, according to a resolution of the AGM. Information on auditors' fees is provided in Note 04 on page 98.

### EXECUTIVE COMMITTEE

Scandic's Executive Committee has solid experience from the hotel sector and consumer-oriented operations in various markets. The Executive Committee comprises the CEO and eight senior managers: the CFO, the CCO, the CHRO and the Group's five country heads. In addition, Scandic's President & CEO has taken over the position of Deputy CPO until a permanent replacement can be found. See pages 84–85 for more information.

The CEO's areas of responsibility and powers are governed by the Rules of Procedure for the Board and instructions for the CEO. The CEO is responsible for communicating and implementing Scandic's strategy, business plans and other decisions in the organization. The CEO is also ultimately responsible for ensuring that the governance, organization, risk management, internal processes and IT infrastructure are satisfactory.

To achieve economies of scale and ensure a consistent offering, Scandic has gathered a number of support functions centrally including accounting and finance, HR, purchasing, IT, marketing, product development and revenue management as well as restaurant and conference operations. Team members in charge of the various central functions are also responsible for developing Group-wide policies, guidelines and working methods and for following up on and ensuring that the Group's operations are conducted in compliance with adopted policies and standards.

### Sustainability

Sustainability is an integrated part of Scandic's governance and reporting. The understanding of and commitment to challenges such as climate change, creating ethical and safe workplaces and being a responsible purchasing party are of major importance to the Group. In all of the countries

where Scandic does business, the company strives to employ people who reflect the society in which the hotels operate. Scandic's steering documents in this context are the Code of Conduct, the Supplier Code of Conduct, the Anti-Corruption Policy, the Environmental Policy and the Diversity & Inclusion Policy. Scandic's Diversity & Inclusion Policy is an underlying policy for Scandic's Code of Conduct. The policy sets out that diversity contributes to the company's success and clearly stipulates that no form of discrimination is accepted.

When appointing Board members, the Nomination Committee strives for diversity mainly with respect to gender, age, nationality and skills. The Board of Directors has joint responsibility for sustainability. Within the Executive Committee, sustainability is delegated to the heads of each function: the CFO is responsible for anti-corruption and supplier control and the CHRO and the Director of Sustainability are responsible for reporting, ESG information, employment law, diversity and equality as well as for sustainability as a whole within Scandic.

### SIGNIFICANT EVENTS HANDLED BY THE CEO & EXECUTIVE COMMITTEE IN 2021

The beginning of the year was marked by efforts to limit the negative cash flow such as restrictions on investment activities, continued cost savings and securing extra financing as there was still great uncertainty regarding the strength of the hotel market's recovery. From the beginning of the summer, demand began to improve substantially. Consequently, the focus was changed to rebuilding capacity and resources to meet customer demand, taking into account the company's sharp focus on cost-efficiency while maintaining customer satisfaction and a strong team of employees. In parallel, the company's long-term business planning was intensified with a special focus on developing the hotel portfolio and commercial capabilities. The company's management also deepened the analysis with regard to the environmental impact of its operations and opportunities to reduce this impact.

### Guidelines for compensation to the CEO and senior executives

At the AGM held on June 15, 2020, guidelines for the CEO and senior executives were adopted. These are adapted to EU requirements on shareholder rights and are intended to apply for four years from approval. Full details on compen-

sation can be found on Scandic's website at [scandichotelsgroup.com](http://scandichotelsgroup.com)

### Compensation

For information on compensation for the CEO and senior executives, see Note 05 on pages 99–101.

### Long-Term Incentive Program

Between 2016 and 2019, Scandic had an annual performance-based long-term incentive program. The most recent program, which was adopted at the AGM held on May 7, 2019, is described in Note 05 on pages 99–101. The LTIP program launched in December 2018 ended during the second quarter 2021. The goals and degree to which the conditions for performance shares were met can be found in Scandic's Interim Report for the second quarter 2021. Results and the allotment of shares are described in Note 05 on pages 99–101. Terms and conditions for the program are also outlined in Note 05 on pages 99–101.

### Guidelines for compensation to senior executives prior to the Annual General Meeting 2022

The Board of Directors has proposed that the AGM 2022 adopt guidelines that in all material aspects correspond to the guidelines adopted at the AGM 2021.

### THE BOARD OF DIRECTORS' REPORT ON INTERNAL CONTROL

This description has been prepared in compliance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the "Code") and is therefore limited to internal control related to financial reporting. The report has not been reviewed by the company's auditor.

According to the Swedish Companies Act and the Code, the Board is responsible for ensuring that internal control mechanisms are developed, communicated to and understood by the employees of Scandic who carry out individual control measures, as well as ensuring that such control measures are carried out, monitored, updated and maintained.

Executives at all levels are responsible for ensuring that internal control mechanisms are established in their areas and that these controls achieve the desired results. The CFO is ultimately responsible for ensuring that the monitoring of and the work on Scandic's internal control is conducted in the format determined by the Board.



- 1 Restrictions on investment activities and implemented cost savings to limit the negative cash flow during the first half of the year
- 2 Extra financing secured
- 3 Capacity rebuilt in connection with the recovery of demand
- 4 Intensification of long-term business planning
- 5 In-depth analysis of Scandic's environmental impact and the company's opportunities to reduce its environmental footprint

Scandic's structure for internal control is based on the COSO model, the framework of which is applied to Scandic's operations and conditions. According to this model, a review and assessment is carried out within the areas of control environment, risk assessment, control activities, information and communication and monitoring activities. Based on this review, certain areas of development are identified and prioritized in the company's ongoing work to maintain internal control.

The procedures for internal control, risk assessment, control activities and monitoring of financial reporting have been devised to ensure reliable and relevant reporting and external financial reporting in accordance with the IFRS, applicable laws and regulations and other requirements of companies listed on Nasdaq Stockholm. This work involves the Board, the senior executives and other employees.

The manner in which the Board monitors and ensures the quality of internal control is documented in the adopted Rules of Procedure for the Board and the instructions for the Audit Committee. The Audit Committee's duties include evaluating the company's structure and guidelines for internal control.

Financial reporting to the Board is carried out on a monthly basis according to a format described in the CEO's instructions for financial reporting. The company's CFO also conducts a review of the financial performance and latest forecast for the current year at each regular Board meeting. Drafts of interim reports are presented to the Audit Committee for discussion and consideration at a committee meeting before they are presented to the Board for approval.

Scandic's internal financial reporting complies with a standardized format where a common set of definitions and key ratios is used for all subsidiaries and hotels. Reporting is carried out through a Group-wide reporting system that allows a high level of transparency and comparability of financial data. Financial performance is monitored through monthly reports from the subsidiaries and quarterly reviews where members of the Executive Committee, the central accounting department and the relevant country management teams participate. Detailed follow-up of key ratios for different parts of Scandic's hotel operations enables benchmarking between hotels and also provides information quickly on deviations in operating margins and

operating profit/loss compared with the expected outcome. This detailed follow-up procedure is an important tool for ensuring internal control.

### **Control environment**

The control environment forms the basis of internal control of financial reporting. An important element of the control environment is that channels for decision-making, authority and responsibility are clearly defined and communicated between different levels of the organization and that governance documents in the form of internal policies and guidelines are available. A good control environment is created through communication and training to ensure understanding of and compliance with policies and regulatory frameworks. The control environment is strengthened by a positive corporate culture and the transparent and relevant monitoring of financial performance and key ratios at all levels in the Group.

### **Risk assessment**

Internal control is based on a risk analysis. The risk analysis related to internal control and the risk of errors in the financial reporting form a part of the risk analysis that the Executive Committee performs and presents to the Audit Committee and Board annually. This analysis identifies and evaluates risks based on their likelihood of occurring and the potential impact of their occurrence on the operations and financial position of the Group. Thereafter, the Group's internal controls and control environment are evaluated and any gaps compared with the desired level of control are identified. An action plan aimed at reducing gaps is established where the value of and possibility to reduce the risk is weighed against the cost of establishing and maintaining internal controls. Based on the risk analysis, control activities are designed to reduce risk at a reasonable cost. The activities shall also contribute to improving internal procedures and operational efficiency.

### **Control activities**

Scandic's internal control is based on the company's established channels for decisions and the delegation and authorization procedures documented in governing policies and guidelines.

Control activities may be IT based or manual. To the fullest extent possible, they shall form an integrated part of defined and documented processes and procedures.

A number of control activities that are common to all companies within the Group have been established. Some of these are implemented on the hotel level while others are implemented in the centralized accounting departments in each country. Control activities are described in Group-wide instructions.

### **Information and communication**

The part of Scandic's governance documents in the form of policies, guidelines and manuals that involve financial reporting is chiefly communicated via monthly meetings at which all financial managers participate and via the Group's finance handbook. The finance handbook is published on the Group's intranet and is updated regularly based on changes in external requirements and in Scandic's operations.

Communication with internal and external parties is governed by a Communication Policy that provides guidelines on how such communication should be conducted. The purpose of the policy is to ensure compliance with all disclosure requirements in a correct and complete manner. Internal communication aims to ensure that each employee understands Scandic's values and business operations. To achieve the aim of having informed employees, work is carried out internally and information is communicated regularly via the Group's intranet.

### **Monitoring**

Scandic's accounting functions are integrated through a common finance and accounting system and common accounting instructions. The Board of Directors and the Executive Committee regularly receive information on the Group's performance and financial position and the development of its operations. The efficiency of the internal control is evaluated annually by the company and the Audit Committee. It is also reviewed by the external auditors. The result of the evaluation forms the basis for improvements to processes and controls for subsequent years.

Internal control on the hotel and country levels is monitored through self-assessments and onsite audits as follows:

- All hotels conduct self-assessments at least once a year based on a Group-wide checklist with mandatory and recommended controls.

- Internal audits are carried out by employees at the company's central accounting department at a number of hotels per year. These involve a control checklist, spot checks within relevant areas and a general discussion with the general manager and department heads to ensure understanding of and compliance with Scandic's internal control.

The results of the self-assessments and onsite audits are reported by the local heads of finance to the management team of each country. The results are reported by the Group's CFO to the Audit Committee together with a report of measures undertaken to improve internal control if the results indicate a need to do so either on the hotel level or in general.

As part of their review, external auditors make additional hotel visits during which they test controls according to the internal checklist. The aim for these onsite audits by both Scandic's accounting department and external auditors is to cover approximately one-third of Scandic's hotels every year.

### **Internal audit**

Based on the Audit Committee's evaluation, the Board has decided not to establish a separate internal audit function. The decision is based on the assessment that the existing process for internal control is well established, efficient and supported by a good control environment, a clear governance model and well-functioning regular financial monitoring. The Board evaluates the need for a special internal audit function annually.

### **Measures in 2021**

Scandic works constantly to mitigate the risks that result from changing market conditions. IT security issues as well as market analysis and business intelligence accounted for much of the work of the Board and Board committees during the year. Special focus was also placed on the effects of the Covid-19 pandemic on the company and the Nordic hotel industry in the short and long term. Self-assessment for internal control was also discussed regularly by the Audit Committee. Additionally, the Board and the Audit Committee addressed issues relating to the ongoing implementation of a new Group-wide ERP system including the opportunities provided by a modernized system to further improve internal control.



# BOARD OF DIRECTORS



## PER G. BRAATHEN

Chairman of the Board since 2018.  
Member of the Board since 2007.  
Chairman of the Remuneration Committee.  
Member of the Investment Committee.

Born: 1960.

Nationality: Norwegian.

Education:  
MBA from Schiller University London, UK.

### Other assignments:

Owner and Chairman of the Board of Braganza. Chairman of the Board of Braathens Regional Airlines AB (BRA) and Bramora Ltd. Board member of Escape Travel AS, Wayday Travel and Parques Reunidos S.A. Industrial advisor to EQT.

### Previous assignments:

Chairman/CEO Tjæreborg, Always and Saga Tours. Chairman of Escape Travel A/S SunHotels AG. Board member of BRABank ASA, Arken Zoo Holding AB, Kristiansand Dyrepark AS, Ticket Leisure Travel AB and Ticket Biz AB.

Shareholding: 1,433,305  
(private and through companies)

Independent in relation to major shareholders: Yes

Independent in relation to the company and management: Yes



## INGALILL BERGLUND

Member of the Board since 2016.  
Chairman of the Audit Committee.

Born: 1964.

Nationality: Swedish.

Education:  
Special advanced course in economics, Frans Schartau Business Institute.

### Other assignments:

CEO of Lövsta Stuteri AB. Chairman of the Board of Balco Group AB. Board member of AxFast AB, Bonnier Fastigheter AB, Fastighets AB Stenvalvet, Stiftelsen Danviks Hospital and Juni Strategi och Analys AB.

### Previous assignments:

President and CFO at Atrium Ljungberg AB. Interim CEO of AxFast AB. Board member of Veidekke ASA and Kungsleden AB. Twenty-five years of experience from the real estate sector.

Shareholding: 9,284

Independent in relation to major shareholders: Yes

Independent in relation to the company and management: Yes



## KRISTINA PATEK

Member of the Board since 2020.  
Member of the Audit Committee.

Born: 1969.

Nationality: Swedish.

Education:  
Master of Science in Business Studies and Economics, Uppsala University.

### Other assignments:

Senior Investment Director at Stena Sessan, Board member of Didner & Gerge Fonder, Resurs Bank, 24Health and Matilda Foodtech.

### Previous assignments:

Management consultant at Accenture and Cell Network, Investment Manager at Ratos. Partner at private equity fund Scope. Head of M&A at Tieto Corporation.

Shareholding: 3,029  
(in addition, Stena Sessan AB holds 37,974,365 shares)

Independent in relation to major shareholders: No

Independent in relation to the company and management: Yes



## GRANT HEARN

Member of the Board since 2014.  
Member of the Compensation Committee.  
Chairman of the Investment Committee.

Born: 1958.

Nationality: British.

Education:  
Diploma in Hotel and Tourism Management, Shannon College of Hotel Management, Ireland.

### Other assignments: –

### Previous assignments:

Chairman of the Board of The Hotel Collection, Amaris Hospitality, Shearings Holidays Ltd and UK Hospitality. Board member of London & Partners Ltd, Thame and London Ltd, TLLC Group Holdings Ltd and Travelodge Hotels Ltd.

Shareholding: 5,568

Independent in relation to major shareholders: Yes

Independent in relation to the company and management: Yes

Number of shares as per December 31, 2021.



**THÉRÈSE CEDERCREUTZ**

Member of the Board since 2021.  
Member of the Investment Committee.

Born: 1969.

Nationality: Finnish.

**Education:**

Masters in Economics, Åbo Akademi University, Finland.

**Other assignments:** Senior Advisor, Militon Group. Chairman of the Board of EAB Group Oyj. Board member of Tokmanni Oyj and Vieser Oy.

**Previous assignments:** Founder and CEO, Strategy and Design Consultant Inc. CEO and COO, 358 Advertising Agency. VP Business Development at Spoiled Milk. Director Global Marketing at F-Secure Oyj. Director Sales and Business Development EMEA at THQ Wireless and Board member of HappyOrNot.

**Shareholding:** 0

**Independent in relation to major shareholders:** Yes

**Independent in relation to the company and management:** Yes



**MARTIN SYVALSTEDT**

Member of the Board since 2017.  
Member of the Audit Committee.  
Member of the Compensation Committee.

Born: 1963.

Nationality: Swedish.

**Education:**

Bachelor of Science in Business Administration and Law, University of Karlstad, Sweden.

**Other assignments:**

Board member of Formica Capital, Gunnebo Holding AB and Stena International SA.

**Previous assignments:**

CEO of Stena Adactum and Stena Sessan. CFO at Capio and other senior finance-related positions. Chairman the Board of Ballingslöv International, Meda, Gunnebo, Stena Renewable, Envac, Mediatec Group and Blomsterlandet. Board member of Midsona and Song Networks among others.

**Shareholding:** 160,000

**Independent in relation to major shareholders:** No

**Independent in relation to the company and management:** Yes



**FREDRIK WIRDENIUS**

Member of the Board since 2015.  
Member of the Investment Committee.

Born: 1961.

Nationality: Swedish.

**Education:**

Master of Science in Engineering, KTH Royal Institute of Technology, Stockholm, Sweden.

**Other assignments:**

Chairman of Willhem AB, Hällbo AB and 3E Property AB. Board member of Assemblin Group AB, AxFast AB and Nobelhuset AB.

**Previous assignments:**

CEO of Vasakronan AB. Several senior positions within Skanska.

**Shareholding:** 5,816

**Independent in relation to major shareholders:** Yes

**Independent in relation to the company and management:** Yes



**MARIANNE SUNDELIUS**

Member of the Board since 2017.  
Employee representative.

Born: 1967.

Nationality: Swedish.

**Education:**

High school diploma, consumer economics, post-secondary courses in leadership and psychology.

**Other assignments:** –

**Previous assignments:**

Employee representative on boards of Sara Hotels AB and Reso Hotels AB.

**Shareholding:** 0

**Independent in relation to major shareholders:** Yes

**Independent in relation to the company and management:** No (employee representative)

Number of shares as per December 31, 2021.

# EXECUTIVE COMMITTEE



**JENS MATHIESEN**  
President & CEO

**Born:** 1969. Employed by the Group since 2008. Member of Scandic's Executive Committee since 2016.

**Nationality:** Danish.

**Education:** Shipping Broker, Transocean Shipping, Denmark.

**Previous experience:** Head of Scandic Denmark. Director of Sales & Marketing Choice Hotels Scandinavia. CEO of Fountain Scandinavia A/S. Head of Sales & Marketing, Avis Rent a Car.

**Other assignments:** Chairman of the Board of Dansk Erhverv (Danish Chamber of Commerce).

**Shareholding:** 168,886 shares and 155,000 stock options



**ÅSA WIRÉN**  
Chief Financial Officer

**Born:** 1968. Employed by the Group since 2022. Member of Scandic's Executive Committee since 2022.

**Nationality:** Swedish.

**Education:** Bachelor of Science in Business Administration and Economics, Uppsala University, Sweden.

**Previous experience:** CFO, Bonnier Group. CFO, SkiStar AB. Partner and Authorized Public Accountant, KPMG.

**Other assignments:** Board member of Aspia AB and Specialfastigheter Sverige AB.

**Shareholding:** 8,500



**ANNA SPJUTH**  
Chief Commercial Officer

**Born:** 1970. Employed 1998–2011 and since 2020. Member of Scandic's Executive Committee since 2020.

**Nationality:** Swedish.

**Education:** Bachelor's degree (Hons) in Hospitality Management from Napier University, Edinburgh, Scotland. Franklin Covey – Habits of Highly Effective People & Great Leadership.

**Previous experience:** Senior Vice President, Comfort Hotel Scandinavia and the Baltics. CEO of At Six, Hobo, Tak and Yasuragi. General Manager within Scandic Hotels Group.

**Other assignments:** Mentor and lecturer within sustainable leadership.

**Shareholding:** –



**SØREN FAERBER**  
Head of Denmark

**Born:** 1970. Employed by the Group since 2006. Member of Scandic's Executive Committee since 2019.

**Nationality:** Danish.

**Education:** Currently doing MBA at Edinburgh Business School. Higher Commercial Examination Accounting & Finance.

**Previous experience:** District Director Copenhagen & Denmark East, Scandic. Director of Food & Beverage Denmark and Southern Europe, Scandic. Regional Director, Hard Rock International.

**Other assignments:** Board member of Wonderful Copenhagen.

**Shareholding:** 19,249

Number of shares as per December 31, 2021.



**PETER JANGBRATT**  
Head of Sweden

**Born:** 1967. Employed within the Group 1995–2008 and since 2015. Member of Scandic's Executive Committee since 2016 as well as 2003–2008.

**Nationality:** Swedish.

**Education:** Scandic Business School and Hilton.

**Previous experience:** VP Brand, Marketing & Communication, Scandic Hotels. COO, Scandic Sweden. CEO, Rica Hotels Sweden.

**Other assignments:** Board member of Visita and Svenskt Näringsliv.

**Shareholding:** 45,661



**AKI KÄYHKÖ**  
Head of Finland

**Born:** 1968. Employed by the Group since 2012. Member of Scandic's Executive Committee since 2016.

**Nationality:** Finnish.

**Education:** Bachelor of Business Administration in International Business and Management, Schiller International University, London.

**Previous experience:** Several senior positions at Procter & Gamble and Reckitt Benckiser. Commercial Director, Oy Hartwall and CEO, Palace Kämp Group.

**Other assignments:** Chairman of the Finnish Hospitality Industry Association. Board member of Confederation of Finnish Industries. Deputy board member of Pension Insurance Company Elo.

**Shareholding:** 44,181



**MICHEL SCHUTZBACH**  
Head of Europe

**Born:** 1961. Employed by the Group since 2009. Member of Scandic's Executive Committee since 2016.

**Nationality:** German and Swiss.

**Education:** Diploma from Hotels & Management School, Glion, Switzerland.

**Previous experience:** Several senior positions within Rezidor including Vice President HR and Regional Director Poland and Ireland.

**Other assignments:** –

**Shareholding:** 49,769



**ASLE PRESTEGARD**  
Head of Norway

**Born:** 1968. Employed by the Group since 2001. Member of Scandic's Executive Committee since 2020.

**Nationality:** Norwegian.

**Education:** Norwegian School of Hotel Management.

**Previous experience:** Board member of Visit Bergen. General Manager Bergen Hotel Gruppen AS. General Manager Scandic Bergen. District Director West Norway, Scandic Hotels AS.

**Other assignments:** –

**Shareholding:** 13,062



**FREDRIK WETTERLUNDH**  
Chief Human Resources Officer

**Born:** 1966. Employed by the Group since 2021. Member of Scandic's Executive Committee since 2021.

**Nationality:** Swedish.

**Education:** Bachelor of Science in Human Resource Management. Lund University, Sweden. Lieutenant, Swedish Infantry Officers' College, Halmstad, Sweden.

**Previous experience:** Global Lead HR Mergers & Acquisitions, Ericsson. Senior Vice President HR, Sobi. Global HR Lead, Pfizer Inc. Area HR Lead, Kraft Foods. Group HR Director, Codan AS. HR Director, Astra Sweden.

**Other assignments:** –

**Shareholding:** –

Number of shares as per December 31, 2021.