

Guidelines for fiscal management

Contact: Stina Carlson, Head of group controlling, E-mail: stina.carlson@vasakronan.se

The guidelines for fiscal management are determined by the Board of Vasakronan and act as a guidelines for the work of management. The guidelines are reviewed and determined annually.

1. Background

Vasakronan AB (publ) is an unlisted company that is owned in equal shares by the First, Second, Third and Fourth Swedish national pension funds. The company is one of Sweden's largest property companies with bonds registered on Nasdaq OMX Stockholm (the Stockholm stock exchange) and Euronext Dublin.

The assignment from the owners is that the company delivers a high and stable, long-term return. Tax is a statutory expense in our operations that affects the return, and at the same time it is also a sustainability issue that can impact the company's reputation and standing. The Board of Directors has established these guidelines for fiscal management to ensure tax issues are managed in alignment with fulfilling the requirement of achieving a high return, and of the company meeting the requirements set for being a responsible social actor.



2. Guidelines for fiscal management

The Board has the overall responsibility for the organisation and administration of operations, and financial reporting, including the treatment of taxes.

Tax comprises income tax, VAT, property tax, stamp duty, advertising tax and withholding tax.

The Board has the following approach to the treatment of taxes:

- Taxes are to be treated in accordance with prevailing rules and regulations.
- Taxes are to be checked, reported and paid correctly.
- Taxes are an expense that should be treated efficiently in accordance with prevailing legislation. No aggressive tax planning may be used as a basis for the treatment of tax issues.
- Taxes are a consequence of the business decisions that are made. The evaluation of fiscal management must therefore be integrated into the company's business decisions and general risk management. The evaluation must also take into account brand and reputational risks.
- Contact with the Swedish Tax Agency and other authorities must be characterised by openness and transparency.
- Vasakronan requires compliance with the prevailing tax legislation from its suppliers and contractors.
- Vasakronan openly discloses to its stakeholders the principles it applies to govern tax treatments and the tax that is paid.



To achieve this, the CEO must ensure that the following is in place:

- Instructions for the ongoing treatment of taxes within the organisation.
- Clear and appropriate procedures for tax treatment in the organisation.
- A structured process for the identification and evaluation of material tax risks.

3. Follow-up

The CEO must ensure that procedures are in place for reporting to the Board and the Audit Committee that enable them to assess compliance with these guidelines.