

Checklist for the application of the Swedish Code of Corporate Governance

Introduction

The target group of the Swedish Code of Corporate Governance (the "Code") is all companies whose shares or depositary receipts are admitted to trading on a regulated market in Sweden.

Swedish companies

The Code is based on the principle of comply or explain. In other words, when applying the Code, compliance with every rule is not mandatory, however, any deviation must be clearly explained.

If a company deems a certain rule inappropriate due to particular circumstances, it may choose another solution. The company must, however, clearly disclose that it has not complied with the rule, and provide an explanation and reasons for the company's preferred solution. Companies must also account for how they have applied the Code in an annual corporate governance report, including any alternative solutions and reasons therefore.

Foreign companies

Foreign companies listed in Sweden are not obligated to apply the Code, but may choose to apply either the corporate governance code of the country in which the company has its registered office, or where its shares are otherwise listed, or the Code. If a foreign company does not apply the Code, it is to state which corporate governance code or corporate governance rules it applies and its reasons for doing so. It is also to report and explain the material aspects in which the company's conduct deviates from the Code. This explanation is to be provided in or adjacent to the company's corporate governance report or, if no such report exists, on the company's website. In order to draft such statement we want to investigate, rule by rule, which deviations that are made and the procedures that are applied instead, and on the basis thereof analyze in which material aspects the company deviates from the requirements in the Code.

Please note that the below checklist covers only the rules of the Code. Other relevant corporate governance rules can be found in, *inter alia*, the Swedish Companies Act, the Swedish Annual Accounts Act, and Nasdaq Stockholm's rules.

1. The shareholders' meeting

Shareholders' influence in the company is exercised at the shareholders' meeting, which is the company's highest decision-making body. The planning and running of the shareholders' meeting is to create conditions in which shareholders can exercise their ownership role in an active, well-informed manner.

Rule no.	Rule	APSA's comments and compliance/deviations assessments as per February 2016	
1.1	As soon as the date and venue of the shareholders' meeting have been decided, and in the case of annual general meetings no later than in conjunction with the third quarter report, the information is to be posted on the company's website. This information is also to include the closing date for matters to be submitted by shareholders for inclusion in the notice of meeting.	A general meeting is convened by an announcement published on the company's website jointly with publication of relevant current report, at least 26 days prior to the date of the general meeting.	Compliance
1.2	The company chair and as many members of the board as are required for a quorum are to be present at shareholders' meetings. The chief executive officer is to attend. At least one member of the company's nomination committee, at least one of the company's auditors and, if possible, each member of the board are to be present at the annual general meeting.	Based on the Code of Best Practice for WSE Listed Companies (the "Polish Code") the management board members are to attend the shareholders' meeting in the composition enabling them to give merit based answers to the queries raised during the shareholders' meeting (rule II.6 of the Polish Code)	Compliance
1.3	The company's nomination committee is to propose a chair for the annual general meeting. The proposal is to be presented in the notice of the meeting.	APSA has chosen to apply the Polish Code, which does not require a company to establish a nomination committee, and therefore, APSA does not have such committee.	Deviation
1.4	If the ownership structure warrants it, and it is financially feasible given the financial situation of the company, the company is to offer simultaneous interpretation of the shareholders' meeting into other relevant languages than Swedish, as well as translation of all or parts of the meeting documentation. The same applies to the minutes of the	APSA has chosen to apply the Polish Code, which does not include a corresponding requirement. The shareholders' meeting is announced by the way of current report, made available (inter alia) on APSA's website. Each current report is published both in Polish and English language version. In the same way the minutes from the	Deviation

	meeting.	shareholders' meeting as well as all resolutions adopted on such shareholders' meeting are published by the way of current report in 2 language versions.	
1.5	A shareholder, or a proxy representative of a shareholder, who is neither a member of the board nor an employee of the company is to be appointed to verify the minutes of the shareholders' meeting.	<p>APSA has chosen to apply the Polish Code, which does not include a corresponding requirement.</p> <p>The Polish Code of the Commercial Companies provide for the minutes of the shareholders' meeting being drawn up by the notary public. The minutes are attached to the register of minutes of the shareholders' meeting, which register must be kept by the company. Each shareholder is entitled to access the register and may request excerpts from the register (copies of the resolutions confirmed by the board). Moreover the resolutions adopted at the shareholders' meeting are published on the company's webpage in the form of a current report.</p>	Deviation
<p>2. The nomination committee</p> <p><i>The election and remuneration of the board of directors and the auditor are to be prepared in a structured, clearly stated, shareholder-governed process which provides conditions for well-informed decision-making.</i></p> <p><i>The sole task of the nomination committee is to propose decisions to the shareholders' meeting regarding electoral and remuneration issues and, where applicable, procedural issues for the next nomination committee. Regardless of how they are appointed, members of the nomination committee are to promote the common interests of all shareholders. Committee members are not to reveal the content and details of nominations discussions unduly. Each member of the nomination committee is to consider carefully whether there is a conflict of interest before accepting the assignment.</i></p>			
Rule no.	Rule	APSA's comments and compliance/deviations assessments as per February 2016	
2.1	<p>The company is to have a nomination committee.</p> <p>The nomination committee is to propose candidates for the post of chair and other members of the board, as well as fees and other remuneration to each member of the board. In its</p>	<p>APSA has chosen to apply the Polish Code which does not require a company to establish a nomination committee, and therefore, APSA does not have such committee.</p> <p>As Polish Code of the Commercial Companies provides for</p>	Deviation

	<p>assessment of the board's evaluation and in its proposals in accordance with rule 4.1, the nomination committee is to give particular consideration to the requirements regarding breadth and versatility on the board, as well as the requirement to strive for gender balance.</p> <p>The nomination committee is also to present proposals on the election and remuneration of the statutory auditor.</p>	<p>two tier system APSA has separate management and supervisory corporate bodies.</p> <p>The company is managed by the management board, whereas the supervision of the company is vested with the supervisory board.</p> <p>The members of the management board will be elected by the supervisory board, which members will be in turn elected by the shareholder's meeting.</p> <p>The statutory auditor will be elected by the supervisory board.</p> <p>According to the bylaws of the shareholders' meeting each shareholder is entitled to propose a candidate for the supervisory board (13.1).</p>	
2.2	<p>The shareholders' meeting is to appoint members of the nomination committee or to specify how they are to be appointed.</p> <p>This decision is to include procedures for replacing members of the nomination committee who leave before its work is concluded.</p>	See above.	Deviation
2.3	<p>The nomination committee is to have at least three members, one of whom is to be appointed committee chair.</p> <p>The majority of the members of the nomination committee are to be independent of the company and its executive management¹. Neither the chief executive officer nor other members of the executive management are to be members of the nomination committee.</p>	See above.	Deviation

¹ For assessment of independence with regard to the company and its management, see 4.4.

	At least one member of the nomination committee is to be independent of the company's largest shareholder in terms of votes or any group of shareholders that act in concert in the governance of the company.		
2.4	<p>Members of the board of directors may be members of the nomination committee but may not constitute a majority thereof. Neither the company chair nor any other member of the board may chair the nomination committee.</p> <p>If more than one member of the board is on the nomination committee, no more than one of these may be dependent of a major shareholder in the company.²</p>	See above.	Deviation
2.5	<p>The company is to announce the names of members of the nomination committee on its website no later than six months before the annual general meeting. If any committee member has been appointed by a particular owner, that owner's name is to be stated. If any member leaves the committee, this information is to be announced. If a new member is appointed to the nomination committee, the corresponding information about the new member is to be provided.</p> <p>The website is also to provide information on how shareholders may submit recommendations to the nomination committee.</p>	See above.	Deviation
2.6	<p>The nomination committee's proposals are to be presented in the notice of a shareholders' meeting where the elections of board members or auditors are to be held as well as on the company's website.</p> <p>When the notice of the shareholders' meeting is issued, the</p>	See above. However, in accordance with the Polish Code, APSA publishes the basis for proposed candidates for the company's Supervisory Board available to the company, together with the professional CVs of the candidates within a timeframe enabling a review of the documents and an	Deviation

² For assessment of independence with regard to the company's major shareholders, see 4.5.

	<p>nomination committee is to issue a statement on the company's website explaining its proposals regarding the board of directors with regard to the requirements concerning the composition of the board contained in Code rule 4.1. The committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance contained in rule 4.1. If the outgoing chief executive officer is nominated for the post of chair, reasons for this proposal are also to be fully explained. The statement is also to include an account of how the nomination committee has conducted its work.</p> <p>The following information on candidates nominated for election or re-election to the board is to be posted on the company's website³:</p> <ul style="list-style-type: none"> • the candidate's year of birth, principal education and professional experience, • any work performed for the company and other significant professional commitments, • any holdings of shares and other financial instruments in the company owned by the candidate or the candidate's related natural or legal persons, • whether the nomination committee, in accordance with Code rules 4.4 and 4.5, deems the candidate to be independent of the company and its executive management, as well as of major shareholders in the company. Where circumstances exist that may call this independence into question, the nomination 	<p>informed decision on a resolution.</p>	
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³ If a board member is nominated by a party other than the nomination committee, the nominating party is to submit the required information to the company, including the nominating party's assessment of the nominee's independence with regard to the company, its management and major shareholders in the company.

	<p>committee is to justify its position regarding candidates' independence,</p> <ul style="list-style-type: none"> • in the case of re-election, the year that the person was first elected to the board. 		
2.7	<p>At a shareholders' meeting where the election of board members or auditors is to be held, the nomination committee is to present and explain its proposals with regard to the requirements concerning composition of the board contained in rule 4.1. The committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance contained in rule 4.1.</p>	<p>APSA has chosen to apply the Polish Code which does not require a company to establish a nomination committee, and therefore, APSA does not have such committee.</p>	Deviation
<p>3. The tasks of the board of directors</p> <p><i>The board of directors is to manage the company's affairs in the interests of the company and all shareholders.</i></p>			
Rule no.	Rule	APSA's comments and compliance/deviations assessments as per February 2016	
3.1	<p>The principle tasks of the board of directors include</p> <ul style="list-style-type: none"> • establishing the overall operational goals and strategy of the company, • appointing, evaluating and, if necessary, dismissing the chief executive officer, • defining appropriate guidelines to govern the company's conduct in society, with the aim of ensuring its long-term value creation capability, • ensuring that there is an appropriate system for follow-up and control of the company's operations and the risks to the company that are associated with its operations, 	<p>In accordance with the principles of the Polish two-tier board system, each of the listed tasks is performed either by APSA's supervisory board or its management board.</p>	Compliance

	<ul style="list-style-type: none"> ensuring that there is a satisfactory process for monitoring the company's compliance with laws and other regulations relevant to the company's operations, as well as the application of internal guidelines, and ensuring that the company's external communications are characterized by openness, and that they are accurate, reliable and relevant. 		
3.2	The board is to approve any significant assignments the chief executive officer has outside the company.	According to the Polish Code of the Commercial Companies the members of the management board are prohibited from the competitive activities. "Significant assignments" as long as they are not competitive are not regulated. However it is customary to include such restrictions in the contract with the management board members.	Deviation
4. The size and composition of the board <i>The board is to have a size and composition that enables it to manage the company's affairs efficiently and with integrity.</i>			
Rule no.	Rule	APSA's comments and compliance/deviations assessments as per February 2016	
4.1	The board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is to strive for gender balance on the board.	The positions of members of the management and supervisory bodies have been awarded to specific persons regardless of their gender, but based on their substantive preparation and experience. Nevertheless, the composition of the Issuer's bodies is largely dependent on the Company's shareholders.	Deviation
4.2	Deputies for directors elected by the shareholders' meeting are not to be appointed.		Compliance
4.3	No more than one elected member of the board may be a member of the executive management of the company or a	APSA has chosen to apply the Polish Code, which does not include a corresponding requirement.	Deviation

	subsidiary. ⁴		
4.4	<p>The majority of the directors elected by the shareholders' meeting are to be independent of the company and its executive management.</p> <p>A director's independence is to be determined by a general assessment of all factors that may give cause to question the individual's independence and integrity with regard to the company or its executive management. Factors that should be considered include⁵:</p> <ul style="list-style-type: none"> • whether the individual is the chief executive officer or has been the chief executive officer of the company or a closely related company within the last five years, • whether the individual is employed or has been employed by the company or a closely related company within the last three years, • whether the individual receives a not insignificant remuneration for advice or other services beyond the remit of the board position from the company, a closely related company or a person in the executive management of the company, • whether the individual has or has within the last year had a significant business relationship or other significant financial dealings with the company or a closely related company as a client, supplier or partner, 	<p>Regards only the supervisory board, which is elected by the shareholders' meeting thus independently from the company and its executive management.</p> <p>In accordance with the Polish Code, APSA applies the independence criteria set out in Annex II to the <i>Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board</i>, which materially is consistent with the requirements set out in the Code.</p>	Compliance

⁴ The chief executive officer and an executive chair of the board may thus not both be members of the board if the latter is also a member of the company's executive management. A member of the board may, however, be employed and receive remuneration from the company without being a member of the executive management, e.g. a member of the board who is honorary chair of the board or who acts as an "ambassador" for the company or similar.

⁵ The results of the nomination committee's deliberations are to be reported in accordance with the fourth bullet of the third paragraph in 2.6.

	<p>either individually or as a member of the executive management, a member of the board or a major shareholder in a company with such a business relationship with the company,⁶</p> <ul style="list-style-type: none"> • whether the individual is or has within the last three years been a partner at, or has as an employee participated in an audit of the company conducted by, the company's or a closely related company's current or then auditor, • whether the individual is a member of the executive management of another company if a member of the board of that company is a member of the executive management of the company, or • whether the individual has a close family relationship with a person in the executive management or with another person named in the points above if that person's direct or indirect business with the company is of such magnitude or significance as to justify the opinion that the board member is not to be regarded as independent. <p>A closely related company is defined in this context as another company in which the company holds, directly or indirectly, at least ten per cent of the shares, ownership interest or votes, or a financial share that confers an entitlement of at least ten per cent of the yield. If the company owns more than 50 per cent of the shares, ownership interest or votes in another company, it is to be regarded as indirectly holding the latter company's ownership in other companies.</p>		
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⁶ This point is not to be regarded as applicable to a normal business relationship as a customer of a bank.

4.5	<p>At least two of the members of the board who are independent of the company and its executive management are also to be independent in relation to the company's major shareholders.</p> <p>In order to determine a board member's independence and integrity, the extent of the member's direct and indirect relationships with major shareholders is to be taken into consideration.⁷ A member of the board who is employed by or is a board member of a company which is a major shareholder is not to be regarded as independent.</p> <p>In this context, a major shareholder is defined as controlling, directly or indirectly, at least ten per cent of the shares or votes in the company. If a company owns more than 50 per cent of the shares, ownership interest or votes in another company, the former is regarded as having indirect control of the latter company's ownership in other companies.</p>	<p>The independent member must not be an employee of the Company, or any of its subsidiaries or affiliates, or enter into any actual and significant relationships with any shareholder of the Company eligible to execute 5% or more of the total number of votes represented by all shares.</p>	Compliance
4.6	<p>Nominees to positions on the board are to provide the nomination committee with sufficient information to enable an assessment of the candidate's independence as defined in 4.4 and 4.5.</p>	<p>APSA has chosen to apply the Polish Code which does not require a company to establish a nomination committee, and therefore, APSA does not have such committee.</p>	Deviation
4.7	<p>Members of the board are to be appointed for a period extending no longer than to the end of the next annual general meeting.</p>	<p>APSA has chosen to apply the Polish Code, which does not include a corresponding requirement.</p> <p>The members or the management board are elected for the period of 3 years. The members of the supervisory board are elected for the period of 3 years.</p>	Deviation
<p>5. The tasks of directors</p> <p><i>Directors are to devote the necessary time and care, and to ensure they have the competence required, to effectively safeguard and promote the</i></p>			

⁷ The results of the nomination committee's deliberations are to be reported in accordance with the fourth bullet of the third paragraph in 2.6.

interests of the company and its owners. Each director is to act independently and with integrity in the interests of the company and all of its shareholders.

Rule no.	Rule	APSA's comments and compliance/deviations assessments as per February 2016	
5.1	Each director is to form an independent opinion on each matter considered by the board and to request whatever information he or she believes necessary for the board to make well-founded decisions.		Compliance
5.2	Each director is to continuously acquire the knowledge of the company's operations, organisation, markets etc. that is necessary to carry out the assignment.		Compliance

6. The chair of the board

The chair has a particular responsibility to ensure that the work of the board is well organised and conducted efficiently.

Rule no.	Rule	APSA's comments and compliance/deviations assessments as per February 2016	
6.1	The chair of the board is to be elected by the shareholders' meeting. If the chair relinquishes the position during the mandate period, the board is to elect a chair from among its members to serve until a new chair has been elected by the shareholders' meeting.	<p>As Polish Code of the Commercial Companies provides for two tier system APSA has separate management and supervisory corporate bodies.</p> <p>The company is managed by the management board, whereas the supervision of the company is vested with the supervisory board.</p> <p>The members of the management board will be elected by the supervisory board, which members will be in turn elected by the shareholder's meeting.</p> <p>The statutory auditor will be elected by the supervisory board.</p>	Deviation

		<p>According to the bylaws of the shareholders' meeting each shareholder is entitled to propose a candidate for the supervisory board (13.1).</p> <p>According to the bylaws of the supervisory board the supervisory board elects the chairman and the vice-chairman of the supervisory board.</p>	
6.2	<p>If the chair of the board is an employee of the company or has duties assigned by the company in addition to his or her responsibilities as chair, the division of work and responsibilities between the chair and the chief executive officer is to be clearly stated in the board's statutory Rules of Procedure and its Instruction to the Chief Executive Officer.</p>	<p>The chair of the management board is also an employee of the company. However, as that person is also the CEO of the company, it should not be necessary to state the division of work as stipulated in the Code.</p>	Compliance
6.3	<p>The chair is to ensure that the work of the board is conducted efficiently and that the board fulfils its obligations. In particular, the chair is to</p> <ul style="list-style-type: none"> • organise and lead the work of the board to create the best possible conditions for the board's activities, • ensure that new board members receive the necessary introductory training, as well as any other training that the chair and member agree is appropriate, • ensure that the board regularly updates and develops its knowledge of the company, • be responsible for contacts with the shareholders regarding ownership issues and communicate shareholders' views to the board, • ensure that the board receives sufficient information and documentation to enable it to conduct its work, • in consultation with the chief executive officer, draw up 	<p>In APSA the chair/president of the management board performs as the Chief Executive Officer. All the obligations are vested with the chair (president of the management board).</p> <p>There is no regulation in the management board / supervisory board bylaws / APSA's articles of association or the Polish Code corresponding with such rule, however such tasks seem quite obvious be the responsibility of the chairman of the management board.</p>	Compliance

	<p>proposed agendas for the board's meetings,</p> <ul style="list-style-type: none"> • verify that the board's decisions are implemented, and • ensure that the work of the board is evaluated annually. 		
<p>7. Board procedures</p> <p><i>The formal procedures for the work of the board of directors are to be stipulated by the board. These procedures are to be clear and well documented. To enable the board to make well-founded decisions, the chief executive officer is to provide it with the necessary background information and documentation for its work, both before and between board meetings.</i></p>			
Rule no.	Rule	APSA's comments and compliance/deviations assessments as per February 2016	
7.1	The board is to review the relevance and appropriateness of its statutory Rules of Procedure, Instruction to the Chief Executive Officer and Reporting Instruction at least once a year.	<p>Please see 6.3 for the difference between CEO and the chairman of the management board. There is no obligation for the supervisory board (or any other corporate body) to review the management board's bylaws. However as the supervisory board is entitled to adopt the management board's bylaws the supervisory board is also entitled to change them if necessary.</p> <p>There are no rules as to how often the supervisory board's bylaws are reviewed. If there is a new legislation requiring changes in the supervisory board's bylaws or new corporate governance rules requiring the same are introduced, the bylaws would be changed to comply with the new legislation / new corporate governance rules.</p> <p>There is no separate instruction for the CEO.</p>	Deviation
7.2	If the board establishes special committees to prepare its decisions on specific issues, its Rules of Procedure are to specify the duties and decision-making powers that the board has	There is an Audit Committee and a Remuneration Committee at APSA and there are rules for their procedures. There are no official rules for the revision of procedures, it is dependent on	Compliance

	<p>delegated to these committees and how the committees are to report to the board. Committees are to keep minutes of their meetings and the minutes are to be made available to the board.</p> <p>An audit committee⁸ is to comprise no fewer than three board members. The majority of the members of the committee are to be independent of the company and its executive management. At least one of the committee members who are independent of the company and its executive management is also to be independent of the company's major shareholders.⁹</p>	<p>the supervisory board.</p> <p>At least one Audit Committee member shall be an independent member.</p>	
7.3	<p>The board is responsible for ensuring that the company has good internal controls.</p> <p>The board is to ensure that the company has formalised routines to ensure that approved principles for financial reporting and internal controls are applied, and that the company's financial reports are produced in accordance with legislation, applicable accounting standards and other requirements for listed companies.</p> <p>For companies that do not have a separate internal audit function, the board of directors is to evaluate the need for such a function annually and to explain its decision in its report on</p>	<p>The Management Board is responsible for controlling the operating activities of the Company, including the internal and risk management processes. There are, however, no formal procedures within the Company, instructions or specialized units for the management of internal audit processes, risk management and compliance. Third parties providing advisory services, including legal advisory and auditing services are in regular and direct contact with the Company's Management Board. The financial reports are prepared in accordance with applicable rules and regulations and instructions from the company's auditor and audit committee, although there are no internal written routines in</p>	Deviation

⁸ Stipulations on the appointment of an audit committee and the tasks of the committee are to be found in chapter 8, sections 49 a-b of the Swedish Companies Act (2005:551). Chapter 8, section 49a, paragraph 2 of the Act states that the entire board may perform the tasks of the audit committee.

⁹ Chapter 8, section 49a, paragraph 1 of the Swedish Companies Act (2005:551) states that members of the committee may not be employees of the company, and that at least one committee member is to be independent of the company and its executive management, as well as the company's major shareholders. This member must also have auditing or accounting competence. For assessment of independence, see 4.4 and 4.5.

	internal controls in the company's corporate governance report. ¹⁰	relation to internal control as regards financial reporting.	
7.4	The description of the company's internal controls included in the corporate governance report is also to include the board's measures for monitoring that the internal controls related to financial reports and reporting to the board function adequately.	The Management Board is responsible for controlling the operating activities of the Company, including the internal and risk management processes. There are, however, no formal procedures within the Company, instructions or specialized units for the management of internal audit processes, risk management and compliance. Third parties providing advisory services, including legal advisory and auditing services are in regular and direct contact with the Company's Management Board.	Deviation
7.5	At least once a year, the board is to meet the company's statutory auditor without the chief executive officer or any other member of the executive management present.	CEO is a board member so not applicable	Deviation
7.6	The board of directors is to ensure that the company's six- or nine-month report is reviewed by the statutory auditor.	APSA semi-annual report is obligatorily reviewed by auditors	Compliance
8. Evaluation of the board of directors and the chief executive officer <i>Regular and systematic evaluation forms the basis for assessment of the performance of the board and the chief executive officer and for the continuous development of their work.</i>			
Rule no.	Rule	APSA's comments and compliance/deviations assessments as per February 2016	
8.1	The board of directors is to evaluate its work annually, using a systematic and structured process, with the aim of developing the board's working methods and efficiency. The results of this	The supervisory board/management board needs to evaluate its work annually, providing the shareholders' meeting with an annual report. Shareholders' Meeting acknowledges the performance of duties by the Management Board and	Compliance

¹⁰ The inclusion in the company's corporate governance report of a report on internal controls and risk management in connection with financial reporting is a requirement stipulated in chapter 6, section 6, paragraph 2, bullet 2 of the Annual Accounts Act (1995:1554).

	<p>evaluation are to be reported to the nomination committee.</p> <p>The corporate governance report is to state how the board evaluation was conducted and reported.</p>	Supervisory Board members duties.	
8.2	<p>The board is to continuously evaluate the work of the chief executive officer. The board is to examine this issue formally at least once a year, and no member of the executive management is to be present during this formal evaluation process.</p>	<p>Please see 6.3 for the difference between CEO and the chairman of the management board. The members of the corporate bodies (management board / supervisory board) are evaluated at least once a year by the annual shareholders' meeting.</p> <p>CEO is a board member therefore his work is evaluated by the shareholders' meeting.</p> <p>No special regulation for CEO who is not a board member.</p>	Compliance
<p>9. Remuneration¹¹ of the board and executive management¹²</p> <p><i>The company is to have formal and openly stated processes for deciding on remuneration of members of the board and the executive management.</i></p> <p><i>Remuneration and other terms of employment of members of the board and the executive management are to be designed with the aim of ensuring that the company has access to the competence required at a cost appropriate to the company, and that they have the intended effects for the company's operations.</i></p>			
Rule no.	Rule	APSA's comments and compliance/deviations assessments as per February 2016	
9.1	<p>The board is to establish a remuneration committee, whose main tasks are to:</p> <ul style="list-style-type: none"> • prepare the board's decisions on issues concerning 		Compliance

¹¹ For the purposes of this chapter, remuneration is defined as (i) fixed salaries and fees, (ii) variable remuneration, including share and share-price related incentive programmes, (iii) pension schemes, and (iv) other financial benefits.

¹² The term "board and the executive management" refers to individuals whose compensation and benefits are to be reported separately by the company according to chapter 5, section 20, paragraphs 1 and 3 of the Annual Accounts Act, (1995:1554), i.e. members of the board, the chief executive officer and each member of the company's executive management. The term executive management refers to this same group of people with the exception of members of the board.

	<p>principles for remuneration, remunerations and other terms of employment for the executive management,</p> <ul style="list-style-type: none"> • monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management, and • monitor and evaluate the application of the guidelines for remuneration of the board and executive management that the annual general meeting is legally obliged to establish¹³, as well as the current remuneration structures and levels in the company. 		
9.2	<p>The chair of the board may chair the remuneration committee. The other shareholders' meeting-elected members of the committee are to be independent of the company and its executive management.¹⁴</p> <p>If the board considers it is more appropriate, the entire board may perform the remuneration committee's tasks, on condition that no board member who is also a member of the executive management participates in this work.</p>	<p>The Remuneration Committee shall comprise at least two Supervisory Board members, including the Committee's Chairperson. The Remuneration Committee members shall be appointed by the Supervisory Board among its members in accordance with the Articles of Association and the Rules of the Supervisory Board. As the members of the Supervisory Board are elected by the shareholders' meeting the members of the Remuneration Committee are in fact independent from the company and the executive management.</p>	Compliance
9.3	<p>If the remuneration committee or the board uses the services of an external consultant, it is to ensure that there is no conflict of interest regarding other assignments this consultant may have for the company or its executive management.</p>		Compliance

¹³ The stipulation that the annual general meeting is to establish guidelines for executive remuneration is to be found in chapter 7, section 61 of the Swedish Companies Act (2005:551). The guidelines are to contain the criteria stated in chapter 8, section 51, paragraph 1 and section 52, paragraph 1 of the Act, where it is stated specifically that the guidelines are not to cover fees and other remuneration for board work.

¹⁴ For assessment of independence with regard to the company and its executive management, see 4.4.

9.4	Variable remuneration is to be linked to predetermined and measurable performance criteria ¹⁵ aimed at promoting the company's long term value creation.	As APSA complies with the Polish Code, which refers to <i>Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC)</i> and <i>Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC)</i> which requires so.	Compliance
9.5	Variable remuneration paid in cash is to be subject to predetermined limits regarding the total outcome. ¹⁶	See above.	Compliance
9.6	The shareholders' meeting is to decide on all share and share-price related incentive schemes for the executive management. The decision of the shareholders' meeting is to include all the principle conditions of the scheme. ¹⁷	The incentive schemes were decided by supervisory board in APSA, but there are no specific regulations regarding such actions.	Deviation
9.7	Share- and share-price related incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the company's shareholders. The vesting period or the period from the commencement of an agreement to the date for acquisition of shares is to be no less than three years. Programmes that involve acquisition of shares are to be designed so that a personal holding of shares in the company is	The Company does not use any incentive scheme at the moment.	Compliance

¹⁵ The criteria may be of different kinds, including own investment, e.g. through participation in a share savings programme. The term measurable is used to indicate that it should be possible to evaluate to what extent the criteria have been fulfilled.

¹⁶ Such limits do not need to be specified as cash amounts, but may also be defined in other ways.

¹⁷ Issues such as decision-making processes and what type of information and documentation is required to make decisions on share and share-price related incentive programmes are also regulated by mandatory rules in Chapter 16 of the Companies Act and by statements from the Swedish Securities Council, primarily Statement AMN 2002:1.

	<p>promoted.</p> <p>Programmes designed for board members are to be devised by the company's owners and to promote long-term ownership of shares.¹⁸</p>		
9.8	<p>Fixed salary during a period of notice and severance pay are together not to exceed an amount equivalent to the individual's fixed salary for two years.</p>	<p>Polish rules do not provide any limitation as to the size of salary during an employment notice period or the size of severance pay, and the company may from time to time have employees who are entitled to receive notice period salary and severance pay in excess of two years fixed salary.</p>	<p>Deviation</p>
<p>10. Information on corporate governance¹⁹</p> <p><i>The board of directors is to inform shareholders and the capital market annually regarding corporate governance functions in the company and how the company applies the Swedish Corporate Governance Code. This information is to be published in a corporate governance report²⁰ and on the company's website. The corporate governance report should focus on company-specific conditions and need not duplicate the content of existing legislation or other regulation.</i></p>			
Rule no.	Rule	APSA's comments and compliance/deviations assessments as per February 2016	
10.1	<p>In its corporate governance report, the company is to state clearly</p> <ul style="list-style-type: none"> • which Code rules it has not complied with, • explain the reasons for each case of non-compliance and 		<p>Compliance</p>

¹⁸ That board members who are not also employees of the company are not to participate in programmes designed for the executive management or other employees is a result of Swedish Securities Council Statement AMN 2002:1.

¹⁹ The rules in Chapter 10 of the Code are to be complied with by all companies that apply the Code. No deviation with accompanying explanation is permitted with regard to these rules.

²⁰ The requirement to produce a corporate governance report is stipulated in chapter 6, sections 6-9 of the Annual Accounts Act (1995:1554).

	<ul style="list-style-type: none"> describe the solution it has adopted instead. 		
10.2	<p>As well as the items stipulated by legislation²¹, the following information is to be included in the corporate governance report if it is not presented in the annual report:</p> <ul style="list-style-type: none"> the composition of the company's nomination committee. If any member of the committee has been appointed by a particular owner, the name of this owner is also to be stated, the information on each member of the board that is required by the third paragraph of Code rule 2.6, the division of work among members of the board and how the work of the board was conducted during the most recent financial year, including the number of board meetings held and each member's attendance at board meetings, the composition, tasks and decision-making authority of any board committees, and each member's attendance at the respective committee's meetings, how board evaluation²² is conducted and reported, a description of internal controls in accordance with paragraph 3 of rule 7.3 and with rule 7.4, for the chief executive officer: <ul style="list-style-type: none"> year of birth, principal education and work experience, 	<p>APSA has chosen to apply the Polish Code, which does not include such detailed requirements. The information regarding board members are on the APSA webpage.</p>	<p>Deviation</p>

²¹ The information to be included in the corporate governance report is stipulated in chapter 6, section 6 of the Annual Accounts Act (1995:1554).

²² See rule 8.1.

	<ul style="list-style-type: none"> - significant professional commitments outside the company, and - holdings of shares and other financial instruments in the company or similar holdings by related natural or legal persons, as well as significant shareholdings and partnerships in enterprises with which the company has important business relations, and <ul style="list-style-type: none"> • any infringement of the stock exchange rules applicable to the company, or any breach of good practice on the securities market reported by the relevant exchange's disciplinary committee or the Swedish Securities Council during the most recent financial year. 		
10.3	<p>The company is to have a section of its website devoted to corporate governance matters, where the company's three most recent corporate governance reports are to be posted, together with that part of the audit report which deals with the corporate governance report or the auditor's written statement on the corporate governance report²³.</p> <p>The corporate governance section of the website is to include the company's current articles of association, along with any other information required by the Code.²⁴ It is also to include up to date²⁵ information regarding:</p>	<p>APSA has chosen to apply the Polish Code, which does not include a corresponding requirement.</p> <ul style="list-style-type: none"> • Some of the documents and information are published on the website, e.g. a summary of the differences between the Polish and the Swedish corporate governance rules; • APSA's corporate documents (articles of association, management board rules, supervisory board rules, shareholders' meeting rules); • Members of the management board and the supervisory 	Deviation

²³ The requirement for an auditor review of the corporate governance report if it is included in the director's report or of the information that is otherwise found in the company's or group's director's report is stipulated in chapter 9, section 31 of the Companies Act (2005:551). The requirement for auditor review if the corporate governance report is published separately from the annual report is stipulated in chapter 6, section 9 of the Annual Accounts Act (1995:1554).

²⁴ See 1.1, 2.5 and 2.6.

²⁵ The term up to date is to be interpreted as meaning that the information is to be updated within seven days of any changes made or becoming known to the company.

	<ul style="list-style-type: none"> • members of the board, the chief executive officer and the statutory auditor,²⁶ and • a description of the company's system of variable remuneration to the board and executive management, and of each outstanding share- and share-price-related incentive scheme. <p>The board is also to publish the results of the evaluation required by points two and three of Code rule 9.1 in the corporate governance section of the company's website no later than three weeks before the annual general meeting.</p>	<p>board.</p> <ul style="list-style-type: none"> • A statement on the company's compliance with the corporate governance recommendations and principles contained in Best Practice for GPW (Warsaw Stock) Listed Companies. 	
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²⁶ See the second and seventh points in the first paragraph of rule 10.2 regarding information on members of the board and the chief executive officer.