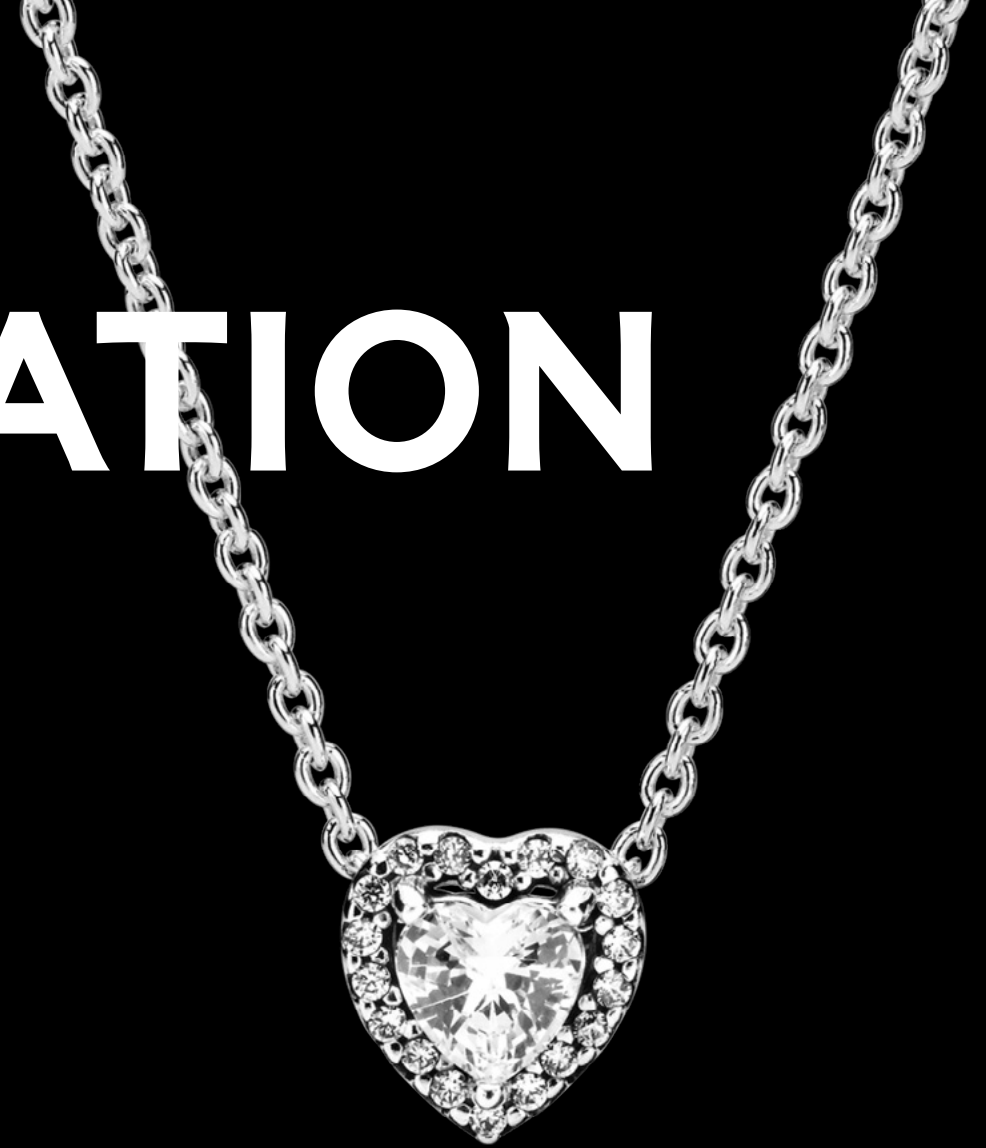


# PANDORA REMUNERATION REPORT

2022



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Due to rounding, numbers presented throughout this report may not add up precisely to the totals, and percentages may not precisely reflect the absolute figures.

# HIGHLIGHTS 2022

## Continuing to deliver sustainable and profitable growth

In 2022, we remained steadfast on our growth journey, despite the headwinds faced in the current political and economic environment. We continue to be guided by the Phoenix strategy to help us drive sustainable top and bottom-line growth by leveraging our key assets: strong brand awareness, a global distribution network, and industry-leading manufacturing capabilities. The Remuneration Committee noted, in particular our leadership achievements in:

- Very strong financial performance, where top line beat the guidance and bottom line reached the high end of financial guidance.
- Launch of lab-created diamond collection “Diamonds by Pandora” – a key milestone in the Phoenix strategy. These are fully lab-created diamonds made using only renewable energy and set in 100% recycled silver and gold.
- Focus on North America our biggest market delivered a number of critical developments. We continued to structurally develop our distribution network through forward integration, new store openings and a new partnership with Macy’s. We announced the relocation of our North American headquarter to New York city, one of the world’s most prominent retail markets.

- Introduction of Sustainability as a performance condition in the 2022 Long-term incentive plan (“LTIP”) scheme to reflect our commitment towards Sustainability Leadership.
- Pandora ceased all its business with Russia and Belarus on the day Russia invaded Ukraine. Before the war, these markets accounted for less than 1% of our total revenue.
- Continuing to drive a healthy performance culture; global implementation of bonus programme for all management-level positions; and introduction of “Individual Performance Factor” to differentiate and reward our people based on individual contribution to the Phoenix strategy, assessed through a performance assessment. The Individual Performance Factor recognises and rewards employees who contribute more to delivering Phoenix with a relatively higher share of financial awards, and reduces the reward for those who are currently performing below expectations.

In the context of another strong year for Pandora, the Remuneration Committee has considered the appropriate reward outcomes to ensure the members of Pandora’s Executive Management are encouraged to enhance performance and are rewarded, in a fair and responsible manner, for their individual contributions to the success of Pandora in accordance with Pandora’s Remuneration Policy. The Remuneration Committee met five times in 2022.

## MAIN AREAS OF FOCUS

<b>Previous performance period</b>	<ul style="list-style-type: none"> <li>• Reviewing the 2021 performance and approving the achievement under the Short-term incentive plan (“STIP”) for 2021 and the LTIP for 2019, which achieved 89% pay-out.</li> </ul>
<b>Current performance period</b>	<ul style="list-style-type: none"> <li>• Deciding on the proposed reward levels for 2022 – annual salary increase, STIP and LTIP metrics and Key Performance Indicators (“KPIs”) for 2022.</li> <li>• Evaluating the progress of the STIP and the LTIP during 2022 in the context of the impact of the current macroeconomic environment, business results and the contribution of Executive Management to the results. The performance of the Executive Management remains strong in 2022. An adjustment has been made to the STIP 2022 as a result of the EDC fire which was outside of management control. Sustainability as a performance condition has been included in LTIP for 2022, aligned to the Phoenix Strategy.</li> </ul>
<b>Governance activities</b>	<ul style="list-style-type: none"> <li>• Considering shareholder feedback received during engagement following the Annual General Meeting (“AGM”) and Capital Markets Day.</li> <li>• Preparing the Annual Remuneration Report 2022, in accordance with company law requirements and guidelines for listed company remuneration reports (implementing the EU Shareholder Rights Directive), shareholder feedback and general best practice trends in executive remuneration disclosures. This included reviewing the level of external assurance over the Remuneration Report 2022 in relation to accuracy of disclosures.</li> <li>• Monitoring any new governance requirements and changes in remuneration regulations.</li> </ul>
<b>Future performance periods</b>	<ul style="list-style-type: none"> <li>• Reviewing the operation of the STIP and LTIP for 2023 for consistency with the Phoenix strategy.</li> <li>• Continuing to benchmark remuneration for the Executive Management and Board of Directors to make sure remuneration levels are aligned to the market.</li> </ul>

# BOARD OF DIRECTORS' REMUNERATION

The remuneration of the Board of Directors in 2022 was in accordance with the Remuneration Policy. Each ordinary member of the Board of Directors was entitled to a fixed annual base fee (DKK 500,000 for 2022), while the Chair and Deputy Chair received fixed multiples thereof. Each member of a Board Committee was entitled to an additional fixed annual fee (based on a proportion of the fixed annual base

fee) for their Committee membership. Other Committee fees were increased following the 2022 AGM in line with the multiples provided under the Remuneration Policy. The fixed annual base fee has remained unchanged since 2010 (DKK 500,000). The table below summarises the fees for members of the Board of Directors:

In case of a disproportionate workload or ad hoc tasks beyond the normal work duties undertaken by members of the Board of Directors, a fixed ad hoc fee may be awarded by the Board of Directors, not exceeding an amount corresponding to 1.0 times the fixed annual base fee. No such ad hoc fees were paid in 2022.

In order to reflect the additional time commitment required, Board members are paid a fixed travel allowance in addition to the annual base fees when attending Pandora-related meetings outside their country of residence. The allowance amounts to DKK 60,000 for each event of intercontinental travel and DKK 30,000 for each event of continental travel. The actual levels of remuneration received reflect the entitlements above as well as the actual levels of expenses and other costs incurred. Pandora pays social security contributions levied in respect of remuneration made to members of the Board of Directors as applicable.

## BOARD OF DIRECTORS 2022 FEE STRUCTURE

	Board of Directors		Audit Committee		Other Committees			
	Multiplier	DKK	Multiplier	DKK	Prior to AGM 2022		Post AGM 2022	
					Multiplier	DKK	Multiplier	DKK
Chair	3.0x	1,500,000	0.8x	400,000	0.3x	150,000	0.5x	250,000
Deputy Chair	1.5x	750,000	N/A	N/A	N/A	N/A	N/A	N/A
Member	1.0x	500,000	0.4x	200,000	0.2x	100,000	0.25x	125,000


**BOARD OF DIRECTORS' 2022 REMUNERATION**  
 DKK million

Board member	Role	Audit Committee	Remuneration Committee	Nomination Committee	Base fees	Committee fees	Total	Other <sup>1</sup>	Travel allowances	Total incl. other & travel
Peter A Ruzicka	Chair		Chair	Member	1.5	0.3	1.8	0.3	0.4	2.6
Christian Frigast	Deputy Chair		Member	Chair	0.8	0.3	1.1	0.0	0.1	1.2
Heine Dalsgaard	Board member	Chair			0.5	0.4	0.9	0.0	0.1	1.0
Birgitta Stymne Göransson	Board member	Member		Member	0.5	0.3	0.8	0.2	0.1	1.1
Marianne Kirkegaard	Board member			Member	0.5	0.1	0.6	0.0	0.0	0.6
Catherine Spindler	Board member	Member			0.5	0.2	0.7	0.0	0.1	0.8
Jan Zijderveld	Board member	Member	Member		0.5	0.3	0.8	0.0	0.1	0.9
<b>Total Board Remuneration 2022</b>					<b>4.8</b>	<b>2.0</b>	<b>6.8</b>	<b>0.5</b>	<b>0.9</b>	<b>8.1</b>
<b>Total Board Remuneration 2021</b>					<b>5.2</b>	<b>1.7</b>	<b>6.9</b>	<b>0.5<sup>2</sup></b>	<b>0.6</b>	<b>7.9</b>
<b>Total Board Remuneration annual change, %</b>							<b>-2%</b>			<b>2%</b>

<sup>1</sup> Social security costs in Norway and Sweden in respect of fees paid to the Chair and a Board member respectively.

<sup>2</sup> Social security cost for Birgitta Stymne Göransson for 2021 was not reported in the Remuneration Report 2021. This has been corrected in the 2022 Remuneration Report.

The overview of the Board of Directors' 2022 Remuneration table includes the remuneration paid to Board members in their capacity as members of the Board of Directors of Pandora. The number of travel allowances paid to members reflects their attendance at Pandora-related meetings outside their country of residence. Excluding travel allowances, the overall level of fees paid decreased by approximately 2%,

reflecting the increase in other Committee fees, but offset by one additional Board member in 2021. The overall fees increased marginally due to the increased level of travel in 2022 compared to 2021. Historical information on fees paid to the individual members of the Board of Directors is available in the comparison tables in [Appendix 4](#). ↗



MEMBERS OF THE BOARD OF DIRECTORS' INTERESTS IN

# PANDORA SHARES

Board members are required to hold a minimum level of Pandora shares to emphasise their connection and commitment to Pandora, and to align their interests with those of the company's shareholders ("Share ownership requirement").

Board members are required to purchase (if relevant) and hold Pandora shares to meet the Share ownership requirement for as long as they serve as members of the Board of Directors. The Share ownership requirement for each individual member of the Board of Directors is set at 1X of the Annual

Fee before taxes (DKK 500,000)<sup>1</sup>. The Share ownership requirement must be fulfilled within 24 months from the day of the member's appointment to the Board of Directors. The table sets out the development of each individual Board member's shareholding in Pandora over 2022:

SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS		Shares held at	Purchases	Sales	Shares held at	Market value	Holding as multiple
Board member	Role	31 December 2021	in 2022	in 2022	31 December 2022	DKK m <sup>2</sup>	of share ownership requirement
Peter A. Ruzicka	Chair	22,000	10,000	-	32,000	15.6	10X
Christian Frigast <sup>3</sup>	Deputy Chair	53,261	-	-	53,261	26.0	35X
Heine Dalsgaard <sup>4</sup>	Board member	787	1,655	-	2,442	1.2	2X
Birgitta Stymne Göransson	Board member	2,000	975	-	2,975	1.5	3X
Marianne Kirkegaard	Board member	2,968	-	-	2,968	1.4	3X
Catherine Spindler <sup>5,6</sup>	Board member	385	315	-	700	0.3	1X
Jan Zijderveld <sup>4</sup>	Board member	720	550	-	1,270	0.6	1X
<b>Total</b>		<b>82,121</b>	<b>13,495</b>	<b>-</b>	<b>95,616</b>	<b>46.7</b>	<b>10X</b>

<sup>1</sup> The Annual Fee for this purpose is the gross fixed annual base fee (including multiples thereof for the Chair and Deputy Chair) but not including any committee fees.

<sup>2</sup> Market value is based on the share price of DKK 488.1 as of close of business 30 December 2022.

<sup>3</sup> The disclosed shareholding as per 31 December 2021 in the Remuneration Report 2021 was 53500. This correct number was 53261.

<sup>4</sup> As new Board members joining at the AGM 2021, the share ownership requirement must be fulfilled by March 2023 – i.e. within 24 months from the day of appointment to the Board of Directors.

<sup>5</sup> The disclosed shareholding at 31 December 2021 in the Remuneration Report 2021 was 405. The correct number was 385 as per company announcement no. 702 dated 3 March 2022 (the Remuneration Report was dated 9 February 2022).

<sup>6</sup> Considering the average cost of share acquisition, the share ownership requirement has been met (1.2x). Due to a decrease in the share price since acquisition, the multiple is 0.7x as per 31 December 2022 (based on the share price close of business 30 December 2022).

# EXECUTIVE MANAGEMENT REMUNERATION

## Components of Executive Management remuneration

Members of Executive Management receive the following remuneration:



Fixed annual base salary (members of Executive Management do not receive any company-paid pension contributions).



Long-term share-based incentive plan ("LTIP"), based on Pandora's performance during a three-year performance period, and with a further 24-month holding period before shares awarded can be sold (five-year vesting- and holding period in total).



Short-term cash incentive plan ("STIP"), based on Pandora's performance during the current performance year.



Other customary benefits on terms generally aligned to those received by other employees.

The combination of fixed and incentive-based remuneration has been chosen to ensure that Pandora has the flexibility to recruit and retain key talent in a highly competitive, international talent market. The Board of Directors believes that incentive plans can be key drivers behind exceptional Pandora performance and that it is appropriate to strongly align the interests of the members of Executive Management with those of Pandora's shareholders.

### Fixed annual base salary for Executive Management

The Remuneration Committee benchmarked the level of reward provided to Executive Management with its independent external advisor, Willis Towers Watson, against comparable positions in European<sup>1</sup> and Danish<sup>2</sup> peers to support the pay review combined with the performance of the Executive Management and the financial performance of Pandora. The Remuneration Committee recommended to the Board of Directors that the fixed annual base salary of the CEO be increased by 4% to DKK 10.9 million (2021:

DKK 10.5 million), and that the fixed annual base salary of the CFO be increased by 2% to DKK 6.2 million (2021: DKK 6.1 million). These increases are consistent with the range of increases awarded to other employees of Pandora A/S. The Board of Directors approved the recommendation effective from 1 March 2022. The fixed annual base salary (annual salary plus any pension contributions) and overall reward opportunity provided to the CEO and CFO are considered to be broadly competitive with the appropriate peer groups. Salary increases in future years are expected to evolve in line with pay for performance principles set out in the Remuneration Policy.

<sup>1</sup> European benchmarking peer group 2022: Inditex, Kering, EssilorLuxottica, adidas, Richemont, H&M, PUMA, Moncler, Swatch, Burberry, Dufry, Hugo Boss, ASOS, TOD's.

<sup>2</sup> Danish benchmarking peer group 2022: Novo Nordisk, Ørsted, DSV, Maersk, Vestas Wind Systems, Coloplast, Genmab, Carlsberg, Novozymes, Demant, Chr. Hansen, ROCKWOOL Group, GN Store Nord, Ambu, Netcompany, Royal Unibrew, ISS, Bavarian Nordic, FLSmidth & Co.

### Pay mix for Executive Management

In 2022, the pay mix of Executive Management varied depending on performance relative to targets, in accordance with the Remuneration Policy. The LTIP is in the form of Performance Share Units (“PSUs”), so the number of PSUs actually awarded as shares at the end of the vesting period, and subject to a further 24-month holding period (i.e. a total vesting and holding period of five years), may be in the range 0 – 200% of the target grant level of PSUs. The performance conditions are such that the maximum allocation of PSUs to all participants under the LTIP in 2022 will only be awarded in shares if the performance conditions set by the Board are fully achieved.

### Remuneration of Executive Management for 2022

In 2022, the remuneration of Executive Management was in accordance with the Remuneration Policy. The table provides an overview of the remuneration awards and outcomes for 2022, valued on the basis of remuneration awarded over the year (consistent with the way in which remuneration is determined in practice in accordance with the Remuneration Policy).

Further details including variable pay proportion of total pay are available in [Appendix 4](#).

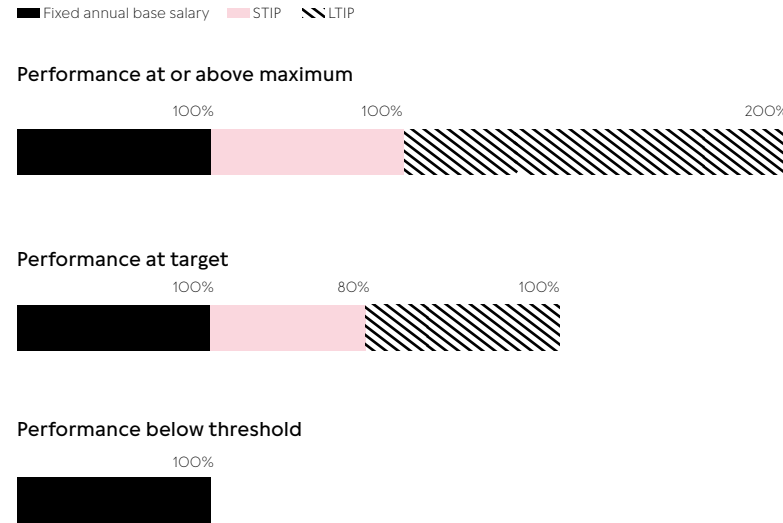
#### EXECUTIVE MANAGEMENT REMUNERATION EXPENSES

DKK million		Fixed pay and benefits			Variable pay			Total remuneration awarded
Name	Role	Fixed annual base salary received	Other benefits <sup>1</sup>	Total fixed remuneration	STIP award	LTIP grant <sup>2</sup>	Total variable remuneration	
Alexander Lacik	CEO	10.9	2.3	13.1	10.3	10.9	21.3	34.4
Anders Boyer	CFO	6.2	0.3	6.5	5.9	6.2	12.1	18.6
<b>Total 2022</b>		<b>17.1</b>	<b>2.6</b>	<b>19.6</b>	<b>16.2</b>	<b>17.1</b>	<b>33.4</b>	<b>53.0</b>
<b>Total 2021</b>		<b>16.2</b>	<b>2.4</b>	<b>18.7</b>	<b>16.6</b>	<b>16.6</b>	<b>33.2</b>	<b>51.9</b>

<sup>1</sup> Other benefits including relocation allowance for CEO: car allowance, phone, internet allowance, company healthcare, housing allowance (for CEO only) and reimbursement of education fees (for CEO only).

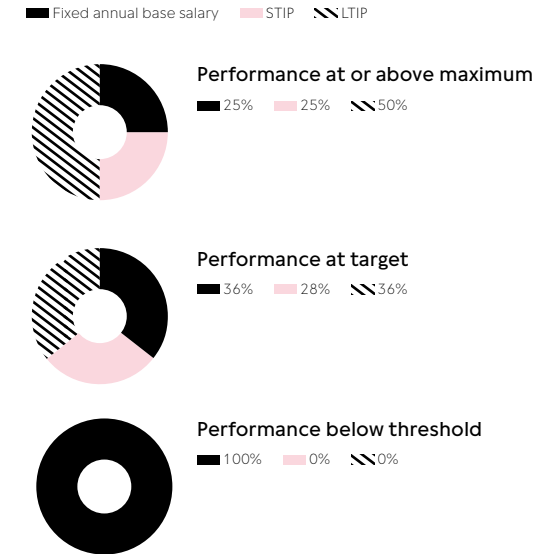
<sup>2</sup> Grant is shown at target value, which is the intended value at the time the LTIP KPI and metrics are prepared, based on the reference share price (being the average closing price in the last five days of the 2021 trading year). The actual value of the grant at the eventual grant date in accordance with IFRS2 principles may vary, as will the recognition of the LTIP expense over the period service is provided. This is explained further in Appendix 3.

### TOTAL REWARD – PAY ELEMENTS<sup>1</sup> AS % OF FIXED ANNUAL BASE SALARY<sup>2</sup>



<sup>1</sup> In line with usual communication practice, and the level of benefits in proportion to total reward, these illustrations include fixed annual base salary, STIP and LTIP only.  
<sup>2</sup> Fixed annual base salary is defined in accordance with the Remuneration Policy.

### PAY MIX AS % OF TOTAL REWARD







Taking into account the accounting standards for the disclosure of share-based remuneration, the table provides an

overview of the key remuneration outcomes for Executive Management for the financial year 2022:

#### EXECUTIVE MANAGEMENT REMUNERATION EXPENSES DKK million

Name	Role	Fixed annual base salary received	Other benefits	Expense for short-term incentive	IFRS2 expense for long-term incentive				Total remuneration
					LTIP 2020	LTIP 2021	LTIP 2022	LTIP Total	
Alexander Lacik	CEO	10.9	2.3	10.3	6.5	5.4	2.7	14.6	38.1
Anders Boyer	CFO	6.2	0.3	5.9	4.0	3.1	1.5	8.6	21.0
<b>Total 2022 for current Executive Management</b>		<b>17.1</b>	<b>2.6</b>	<b>16.2</b>	<b>10.5</b>	<b>8.5</b>	<b>4.2</b>	<b>23.2</b>	<b>59.0</b>
<b>Total 2021 for current Executive Management</b>		<b>16.2</b>	<b>2.4</b>	<b>16.6</b>	<b>13.2</b>	<b>8.5</b>	<b>N/A</b>	<b>25.4<sup>3</sup></b>	<b>60.7</b>
<b>Annual change for current Executive Management</b>									<b>-2.7%</b>
<b>Total 2022 for current and former Executive Management</b>		<b>17.1</b>	<b>2.6</b>	<b>16.2</b>	<b>10.5</b>	<b>8.5</b>	<b>4.2</b>	<b>23.2</b>	<b>59.0</b>
<b>Total 2021 for current and former Executive Management<sup>2</sup></b>		<b>16.2</b>	<b>2.4</b>	<b>16.6</b>	<b>13.2</b>	<b>9.7</b>	<b>N/A</b>	<b>26.6<sup>3</sup></b>	<b>61.9</b>
<b>Annual change for current and former Executive Management</b>									<b>-4.6%</b>

The change in total remuneration of Executive Management in 2021 to 2022 was primarily due to the STIP 2022 being paid at lower achievement than 2021 and re-evaluation of the LTIP 2020 programme from target to maximum payout in 2021.

The proportion of total remuneration represented by share-based awards in 2022 was 39%<sup>1</sup> (2021: 42%). This is higher than the illustration of regular remuneration set out above, (where 36% of regular remuneration is in the form of LTIP), as a consequence of the methodology of expensing share-based awards over the vesting period under the relevant accounting standard for disclosing share-based payments

(International Financial Reporting Standard 2 (IFRS2)). The historic view of Executive Management remuneration, including expense for former members of Executive Management is set out in [Appendix 4](#). ↗

#### Short-term incentive plan (STIP)

The STIP is cash-based and designed to incentivise and encourage Executive Management to achieve high performance and promote achievement of Pandora's short-term objectives on a basis that is consistent, overall, with sustainable delivery of long-term objectives. In line with the Remuneration Policy, the target STIP is 80% of the fixed annual base

salary and the maximum is 100% of the fixed annual base salary for Executive Management.

#### STIP 2022

It is Pandora's practice to communicate KPIs after the end of the performance period due to the commercial sensitivity of the financial KPIs. The KPIs for 2022 were based on (i) 60% sell-out growth (2021: 50%) and (ii) 40% EBIT margin (2021: 50%). The weighting of sell-out growth was increased in the STIP 2022 to maintain focus on consistent delivery of the growth ambition connected to the Phoenix strategy, with 60% weight compared to 50% weight in 2021. STIP 2022 was awarded at 95% x fixed

<sup>1</sup> The proportions of total remuneration represented by other reward items have changed as a consequence to: 29% (2021: 26%) for fixed salary and 29% (2021: 27%) for STIP. The proportion represented by other benefits remains at 4% (2021: 4%).

<sup>2</sup> Total remuneration 2021 for current and former executive management included IFRS2 expense of DKK 1.2m in 2021 Remuneration Report for former Executive Management. No other payments were made.

<sup>3</sup> Total LTIP expense for 2021 includes DKK 3.7m expense for LTIP 2019.



annual base salary (118% of the target achievement of 80% x fixed annual base salary). STIP 2022 results include adjustments.

The STIP award for 2022 will be paid in cash in March 2023.

## Long-term incentive plan (LTIP)

The purpose of the LTIP is to incentivise performance, ensure the commitment and retention of Executive Management, and promote alignment of their interests with those of the company's shareholders. The LTIP rewards the Executive Management for dedicated and focused results intended to achieve and support the long-term interests of Pandora, including its sustainability agenda. The LTIP granted since 2020 has been in the form of Performance Share Units ("PSUs").

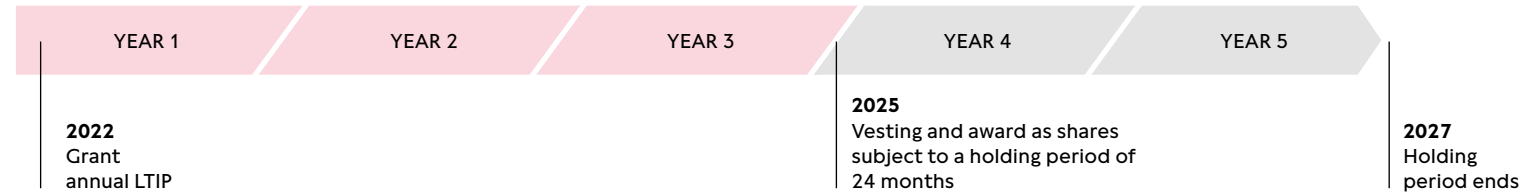
Each financial year, the Executive Management receives an annual grant of PSUs. The performance period for PSUs is three financial years, after which the PSUs vest (subject to meeting the performance conditions set by the Board of Directors). After vesting, the shares awarded are subject to a further 24-month holding period, during which Executive Management is restricted from selling the shares, except for sales to pay taxes triggered by PSUs vesting and being awarded as shares under this LTIP. During the holding period, participants are eligible to receive dividends, if provided, on the shares awarded. At the end of the holding period, and subject always to compliance with share ownership requirements under the Remuneration Policy and restrictions in respect of relevant insider rules, participants may sell their shares.

In addition, Executive Management must meet and continues to be subject to a Share ownership requirement to maintain a shareholding of a value corresponding to the gross fixed annual base salary.

### STIP 2022

Metrics	Threshold 0% x fixed annual base salary	Target 80% x fixed annual base salary	Maximum 100% x fixed annual base salary (125% x target)	Weight	Achievement		
					Actual, %	x target, 0-125%	
Performance conditions	Sell-out growth vs 2021 (constant currency)	1%	3%	5%	60%	4%	114%
	EBIT margin	25%	25.6%	26.1%	40%	26%	125%
	<b>Total</b>				<b>100%</b>		<b>118%</b>

### VESTING AND HOLDING PERIOD FOR THE LTIP 2022 FOR EXECUTIVE MANAGEMENT:



### LTIP 2022 FOR EXECUTIVE MANAGEMENT

Metric	Weight	Vesting % for achievement of performance conditions				
		Below threshold	At threshold	At target	At or above stretch	
Performance conditions	EPS	75%	0%	50%	100%	200%
	Progress as a Sustainability Leader <sup>1</sup>	25%	0%	0%	100%	200%
	<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>37.5%</b>	<b>100%</b>	<b>200%</b>
<b>Shares awarded</b>		<b>0</b>	<b>7,895</b>	<b>21,053</b>	<b>42,106</b>	
<b>Value at the reference share price</b>		<b>0</b>	<b>DKK 6.4m</b>	<b>DKK 17.1m</b>	<b>DKK 34.3m</b>	

<sup>1</sup> Pandora's Sustainability will be addressed against 2024 objectives based on Pandora's progress as a Sustainability Leader.



## Sustainability targets included in the LTIP 2022.

In 2022, sustainability targets were included in the LTIP for Executive Management with a weighting of 25% of performance. The application of sustainability as a performance condition in the LTIP is to reflect Pandora's commitment towards becoming a Sustainability leader.

### LTIP 2022

The LTIP 2022 provides for a target award of 21,053 shares (maximum: 42,106 shares) to Pandora's Executive Management, conditional on performance (i.e. the award is in the form

of PSUs). The target grant of PSUs was calculated based on the target grant level of 100% x fixed annual base salary and a reference share price of DKK 814.28 (the average price of Pandora's shares on Nasdaq Copenhagen over the last five trading days of 2021). The granted PSUs will be awarded as shares in 2025 following the publication of Pandora's annual report for 2024, subject to fulfilment of the performance conditions in the range 0 – 200% of the target PSUs granted. In addition to the three-year performance measures, there is a two-year holding period after vesting for Executive Management.

For Executive Management, the performance conditions are set out in the table opposite on [page 10](#). [↗](#)

The sustainability targets in the LTIP for Executive Management consist of three components: Our science-based target to reduce our greenhouse gas emissions, our target to use only recycled silver and gold in our jewellery, and our target to achieve gender parity in leadership.

In accordance with the relevant International Financial Reporting Standards (IFRSs), the accounting expense for the LTIP will be recognised in the income statement over the three-year vesting period.

LTIP 2021 FOR EXECUTIVE MANAGEMENT			Vesting % for achievement of performance conditions			
	Metric	Weight	Below threshold	At threshold	At target	At or above stretch
Performance conditions	EPS	50%	0%	0%	100%	200%
	TSR <sup>1</sup>	50%	0%	50%	100%	200%
	<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>25%</b>	<b>100%</b>	<b>200%</b>
<b>Shares awarded</b>			<b>0</b>	<b>6,286</b>	<b>25,144</b>	<b>50,288</b>
<b>Value at reference share price</b>			<b>0</b>	<b>DKK 4.1m</b>	<b>DKK 16.6m</b>	<b>DKK 33.2m</b>
LTIP 2020 FOR EXECUTIVE MANAGEMENT			Vesting % for achievement of performance conditions			
	Metric	Weight	Below threshold	At threshold	At par	At or above stretch
Performance conditions	EPS	50%	0%	0%	50%	100%
	TSR <sup>2</sup>	50%	0%	25%	50%	100%
	<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>12.5%</b>	<b>50%</b>	<b>100%</b>
<b>Maximum number of PSUs allocated</b>			<b>0</b>	<b>12,583</b>	<b>50,331</b>	<b>100,661</b>
<b>Value at the allocation share price</b>			<b>0</b>	<b>DKK 3.6m</b>	<b>DKK 14.5m</b>	<b>DKK 29.0m</b>

<sup>1</sup> Pandora's relative Total Shareholder Return (TSR) will be ranked (over the period from December 2020 – December 2023) against a basket of 15 industry peers. The threshold is a TSR ranking at median; the stretch is a TSR ranking at top quartile, and pro-rata in between.

<sup>2</sup> Pandora's relative Total Shareholder Return (TSR) will be ranked (over the period from December 2019 – December 2022) against a basket of 15 industry peers. The threshold for the vesting of 25% of the PSUs linked to the TSR objective is a TSR ranking at median; the maximum for the vesting of 100% of the PSUs is a TSR ranking at top quartile. If the final achievement on the TSR metric is in between the Threshold and Maximum, the vesting is pro-rated accordingly.

### LTIP 2021

The LTIP 2021 provides for a target award of 25,144 shares (maximum: 50,288 shares) to Pandora's Executive Management, conditional on performance (i.e. the award is in the form of PSUs). The target grant of PSUs was calculated based on the target grant level of 100% x fixed annual base salary and a reference share price of DKK 660.24 (the average price of Pandora's shares on Nasdaq Copenhagen over the last five trading days of 2020). The granted PSUs will be awarded as shares in 2024 following the publication of Pandora's annual report for 2023, subject to fulfilment of the performance conditions in the range 0 – 200% of the target PSUs granted. In addition to the three-year performance measures, there is a two-year holding period after vesting for Executive Management. For Executive Management, the performance conditions are set out in the table opposite.

### LTIP 2020

In line with the then applicable Remuneration Policy approved at the 2020 AGM, the format of the LTIP awards was changed to PSUs for the 2020 awards. In addition to the three-year



performance measures, there is a two-year holding period after vesting for Executive Management.

The LTIP 2020 provides a maximum allocation of 100,661 PSUs to Pandora's Executive Management, based on a par level of 100% x fixed annual base salary and an allocation share price of DKK 288.10 (the average price of Pandora's shares on Nasdaq Copenhagen over the last five trading days of 2019). At the end of 2022 both EPS and TRS were achieved above maximum, thus the LTIP 2020 vest at maximum on 8 February 2023. The vested shares are subject to the two year holding period. For Executive Management, the performance conditions are set out in the table on [page 11](#). ↗

#### LTIP 2019

In 2019, the Remuneration Committee granted members of Executive Management the option to purchase shares subject to certain performance conditions being met over a three-year period. In addition to the three-year performance period, there is a two-year holding period after vesting for Executive Management, as for the LTIP 2020. Although technically structured as options for legacy Danish tax treatment reasons, the awards have the characteristics of PSUs because the option exercise price is less than 1% of the share price. This legal structure was simplified in the LTIP 2020. The two performance conditions are (i) Total Shareholder Return (TSR) performance relative to the same group of peer companies as was adopted for LTIP 2020 and (ii) 2019 performance as measured under the STIP.

At end of 2021, Pandora was the top performer amongst the peer group as set out in Appendix 1, and, accordingly, 100% of the maximum number of PSUs linked to TSR vested. The STIP 2019 achievement has been measured at 62.2%,

and, accordingly, 37.8% of the PSUs linked to the STIP 2019 achievement have been cancelled and the remaining portion has vested and remains in the two-year holding period. The vesting date for the LTIP 2019 was 10 February 2022.

#### LTIP 2018

Performance for the LTIP 2018 was measured in 2020 and the minimum performance threshold of 34% EBITDA margin for 2020 was not met. Accordingly, none of the PSUs in the form of options allocated under the LTIP 2018 vested in February 2021 and all the PSUs lapsed. None of the current members of the Executive Management received options in the form of PSUs, although, as part of his sign-on conditions, Anders Boyer (CFO) did receive an award of Restricted Share Units (RSUs) in the form of options that vested in February 2021 and will be available to exercise at the end of the usual two-year holding period in 2023 for Executive Management.

#### Other customary benefits

Members of Executive Management are not eligible for any Pandora-paid pension contribution as it is included in the fixed annual base salary and taken into account when benchmarking total remuneration. Other benefits – such as car allowance, annual health check, lifestyle coaching, company canteen, company-paid health insurance, and internet and phone allowance – are provided on the same basis as is available to other senior employees based in Denmark.

#### Relocation allowances

In accordance with the relocation and settlement agreement for the CEO and aligned to Pandora's policy for other senior employees, the CEO continued to receive ongoing support through 2022 in respect of tax filing, reimbursement of education fees and mobility allowances for housing, transport



and living expenses. The relocation allowance was extended throughout 2022 including housing and transportation allowance. The extension was granted due to relocation during Covid.

EXECUTIVE MANAGEMENT INTEREST IN

# PANDORA SHARES

A shareholding requirement applies for Executive Management. Together with the design of the incentive arrangements, the requirement ensures that the value realised by Executive Management is directly linked to long-term sustainable business performance. The shareholding requirement is defined such that the Executive Management is required to buy and hold a number of shares in Pandora with

a market value corresponding to the member's gross fixed annual base salary from time to time. Vested LTIP instruments are included.

The table sets out the development of Executive Management's shareholdings in Pandora over the financial year.

In 2022, the members of the Executive Management received allocations of PSUs under the LTIP 2022. Together with allocations received in previous years, the remuneration approach and significant shareholding of Executive Management ensure alignment with shareholders' short-term and long-term interests through both shares held and conditional shares dependent on the performance of Pandora over subsequent periods, as set out in the table.

SHARES HELD BY EXECUTIVE MANAGEMENT

Name	Role	Shares held at 31 December 2021	Market value in DKKm (Dec 2021) <sup>1</sup>	Purchases over 2022	Vested shares over 2022	Shares in holding period 2022	Sales over 2022	Shares held 31 December 2022	Market value in DKKm (December 2022) <sup>2</sup>	Holdings as multiple share ownership requirement
Alexander Lacik	CEO	163,277	133.1	13,350	-	36,384	-	176,627	86.2	8X
Anders Boyer	CFO	103,471	84.4	-	-	40,098	-	103,471	50.5	8X
<b>Total</b>		<b>266,748</b>	<b>217.5</b>	<b>13,350</b>	<b>-</b>	<b>76,482</b>	<b>-</b>	<b>280,098</b>	<b>136.7</b>	<b>8X</b>

UNVESTED SHARES ALLOCATED TO EXECUTIVE MANAGEMENT

Name	Role	Unvested shares at 31 December 2021			Movements over 2022						Unvested shares at 31 December 2022			
		Maximum number of PSUs	Maximum number of RSUs	Conditional value DKKm <sup>1</sup>	New allocations of PSUs	PSUs cancelled	PSUs vested	RSUs vested	RSUs (in holding period)	PSUs (in holding period)	Maximum number of PSUs	PSUs in holding period 2022	RSUs in holding period	Conditional value DKKm <sup>2</sup>
Alexander Lacik	CEO	130,671	-	106.5	26,822	-	-	-	-	36,384	157,493	36,384	-	94.6
Anders Boyer	CFO	88,895	7,865	78.9	15,284	-	-	-	7,865	32,233	104,179	32,233	7,865	70.4
<b>Total</b>		<b>219,566</b>	<b>7,865</b>	<b>185.4</b>	<b>42,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,865</b>	<b>68,617</b>	<b>261,672</b>	<b>68,617</b>	<b>7,865</b>	<b>165.1</b>

<sup>1</sup> Market value is based on the share price of DKK 815.4 as of close of business on 30 December 2021.

<sup>2</sup> Market value is based on the share price of DKK 488.1 as of close of business on 30 December 2022.

EXECUTIVE MANAGEMENT RELATIONSHIP TO

# GROUP PAY STRUCTURES

REWARD ELEMENT	ALIGNMENT WITH THE WIDER WORKFORCE	
<b>Fixed pay</b>	<ul style="list-style-type: none"> <li>Fixed annual base salary</li> </ul>	✓ The broad principles of the Remuneration Policy also apply when making remuneration decisions for all employees across Pandora, although, for roles below the most senior levels, different labour market dynamics may lead to local rather than international pay comparisons being more appropriate.
	<ul style="list-style-type: none"> <li>Retirement benefit</li> </ul>	For roles below Executive Management, Company contributions are provided in line with the local market.
	<ul style="list-style-type: none"> <li>Car benefit</li> </ul>	✓ For roles below Executive Management a car benefit depends on the role and local market practice.
<b>Other benefits</b>	✓ For roles below Executive Management benefits provided depend on local market practice.	
<b>Short-term incentive</b>	<ul style="list-style-type: none"> <li>Link to Pandora performance</li> </ul>	✓ Employees at management level and above are eligible for a Group bonus linked to business performance. From 2022, the individual bonus pay-out is also linked to an individual’s contribution to delivery of our Phoenix Strategy and Values (via the performance evaluation). In roles in our Retail or Production and Distribution environments, the incentive outcome will relate more to the local achievement.
<b>Long-term incentive</b>	<ul style="list-style-type: none"> <li>Form of award</li> </ul>	Performance share units are awarded at vice president level and above.
	<ul style="list-style-type: none"> <li>Holding period requirement</li> </ul>	There is no holding period applied below Executive Management level.
	<ul style="list-style-type: none"> <li>Share ownership requirement</li> </ul>	There is no share ownership requirement below Executive Management level.

Pay structures and salary budgets are managed on an organisation-wide basis – ensuring that reward structures and processes in Pandora continue to be fit for purpose. The table summarises the key elements of the remuneration structure for Executive Management and how these currently flow through to the rest of the organisation.

Given the relationship between the principles for Executive Management and the wider workforce, reward movements for the wider workforce are generally expected to be comparable to those for Executive Management. The actual movement in pay levels for Executive Management – as set out in Appendix 4 – has been significantly more variable in practice due to (i) exceptional items linked to severance and sign-on arrangements, (ii) the higher proportion of pay that is variable (i.e. linked to Pandora performance, especially the link to long-term performance through the LTIP) at Executive Management level, and (iii) changes in the mix of employees (including movements in the proportions of the workforce employed in different geographies with different underlying pay levels).

# OTHER DISCLOSURES

## Share price performance

In 2022, reflecting macroeconomic concerns, the Pandora share price decreased by 40% and ended the year with a closing price of DKK 488.1. Consequently, the shareholder return (TSR) over the two-year period from 2020 declined, ending in the lower half compared to peer companies, as set out in Appendix 1. TSR performance since 2019 remains strong and in the top half of peer companies.

## Shareholder engagement

As in previous years, throughout 2022 we continued to discuss our Remuneration Policy and approach with larger shareholders and investor representative bodies. We plan to continue this dialogue in 2023. Based on feedback received after the 2022 AGM, and experience over 2022, our external stakeholders recognised the improvements in transparency on the framework for the STIP and the LTIP, and were supportive of including a sustainability component in LTIP 2022 to replace TSR. The same has been included in the LTIP 2022 design with details available in the LTIP 2022 section.

The Annual Remuneration Report will continue to be submitted for an advisory vote at our AGMs.

## Remuneration from Group companies

No member of the Board of Directors or Executive Management received any other remuneration from other Group companies.

## Claw-back

During 2022, Pandora has not exercised any claw-back provisions related to the STIP or LTIP.

## Deviation from the Remuneration Policy

During 2022, Pandora has not found any reason to deviate from the framework set out by its current Remuneration Policy. However, as set out in the Remuneration Policy, the Board of Directors has on 15 December 2022 adopted a minor change regarding the reference period for determining the value of grants of PSUs.





# STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors has today considered and approved the remuneration report of Pandora A/S for the financial year 2022. This annual Remuneration Report (the “Annual Remuneration Report”) of Pandora A/S, CVR no. 28505116, (the “Company” or “Pandora”) has been prepared considering the requirements of section 139b of the Danish Companies Act. The Annual Remuneration Report provides an overview of the total remuneration received by each member of the Board of Directors (the “Board”) and of the Executive Management (“Executive Management”) for the financial year 2022 with comparative figures for prior years. In line with the guidelines issued by the Danish Business Authority, five-year historical comparative figures have been provided. The Executive Management includes the members of the Executive Management of Pandora registered as such with the Danish Business Authority.

In our opinion, the Annual Remuneration Report provides a fair presentation and complete overview of the remuneration that the individual management members were awarded during the financial year 2022, and the remuneration report explains how the overall remuneration is in accordance with the Remuneration Policy, including how the remuneration contributes towards promoting the business strategy and creation of value by supporting the Company’s short-term and long-term objectives.

## Our approach to remuneration

The remuneration of the Board and Executive Management during the past financial year has been provided in accordance with the remuneration policy (the “Remuneration Policy”) of Pandora approved by the annual general meeting in 2021, which is available on [www.pandoragroup.com/investor](http://www.pandoragroup.com/investor). The overall purpose of the Remuneration Policy is to attract, retain and motivate Pandora’s Executive Management and members of the Board while supporting the long-term interests of Pandora, including its sustainability. The Remuneration Committee notes the support received from the shareholders in favour of the Remuneration Policy at Pandora’s annual general meeting (“AGM”) in 2021. Our engagements with shareholders in 2022 helped us understand the voting outcome and expectations for further clarity around certain aspects of the Remuneration Policy. This Remuneration Report, to be tabled for an advisory vote at Pandora’s AGM 2023, illustrates how we have promoted and will continue to promote a healthy performance culture in a transparent remuneration framework that aligns the interest of Pandora’s Executive Management and the long-term interests of the shareholders.

Copenhagen 8 February 2023

## Board of Directors

Peter A. Ruzicka  
Chair

Christian Frigast  
Deputy Chair

Heine Dalsgaard

Birgitta Stymne Göransson

Marianne Kirkegaard

Catherine Spindler

Jan Zijderveld



# INDEPENDENT AUDITOR'S REPORT

## To the shareholders of Pandora A/S

As agreed with the Company's Board of Directors, we have examined whether the remuneration report of Pandora A/S for the period 1 January 2022 – 31 December 2022 includes the disclosures required pursuant to section 139b(3) of the Danish Companies Act and whether the information pertaining to remuneration including performance share units, individual shareholdings and financial performance included in the remuneration report tables on pages 4-6, 8-11 and page 13 as well as Appendix 2-5 is accurate.

The degree of assurance we express in this report is reasonable.

## The Board of Directors' responsibility for the remuneration report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139b(3)

of the Danish Companies Act and the Remuneration Policy as adopted by the Annual General Meeting on 11 March 2021.

The Board of Directors is also responsible for such internal control that the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error.

## Auditor's independence and quality control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, as well as ethical requirements applicable in Denmark.





EY Godkendt Revisionspartnerselskab is subject to the International Standard on Quality Control, ISQC 1, and thus uses a comprehensive quality control system, documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable requirements of Danish law and other regulations.

### Auditor's responsibilities

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We performed our work in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements under Danish audit legislation to obtain reasonable assurance for purposes of our conclusion.

As part of our examinations, we performed the below procedures:


- We have verified whether the remuneration report, to the extent relevant, includes the disclosures required pursuant to section 139b(3)(i)-(vi) of the Danish Companies Act regarding the remuneration of each individual member of the Board of Directors and Executive Management.

- We have reconciled the information on financial performance for the Group and Parent company included in the remuneration report to the financial highlights and other financial information as per the annual report for the financial year 2022 and, in addition, we have on a sample basis recalculated the average remuneration of group and parent company employees based on full-time equivalents of other employees than the registered executives.
- We examined Management's process for recording, collection and presentation of disclosures on remuneration of the Executive Management and the Board of Directors and reconciled, on a sample basis, the disclosures to supporting agreements and records.
- We examined Management's process for recording, collection and presentation of disclosures on the Executive Management's performance share units and restricted share units and reconciled, on a sample basis, the disclosures to supporting agreements and records.
- We examined Management's process for recording, collection and presentation of disclosures on the Board of Directors' and the Executive Management's holding of shares and verified, on a sample basis, the disclosures to supporting documentation.

In our opinion, the examinations performed provide a sufficient basis for our opinion.

### Conclusion

In our opinion, the remuneration report, in all material respects, includes the disclosures required pursuant to section 139b(3) of the Danish Companies Act and the information pertaining to remuneration including performance share units, individual shareholdings and financial performance included in the remuneration report tables on pages 4-6, 8-11 and page 13 as well as Appendix 2-5 is accurate.

  
Copenhagen, 8 February 2023  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

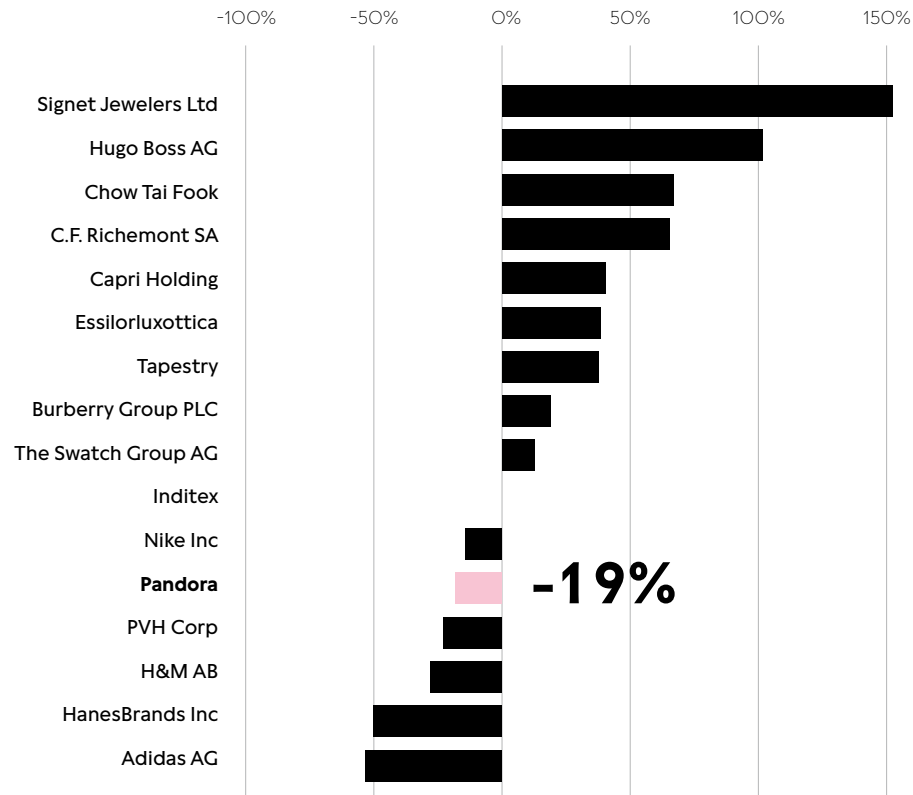
**Torben Bender**  
State Authorised  
Public Accountant  
mne21332

**Jens Thordahl Nøhr**  
State Authorised  
Public Accountant  
mne32212

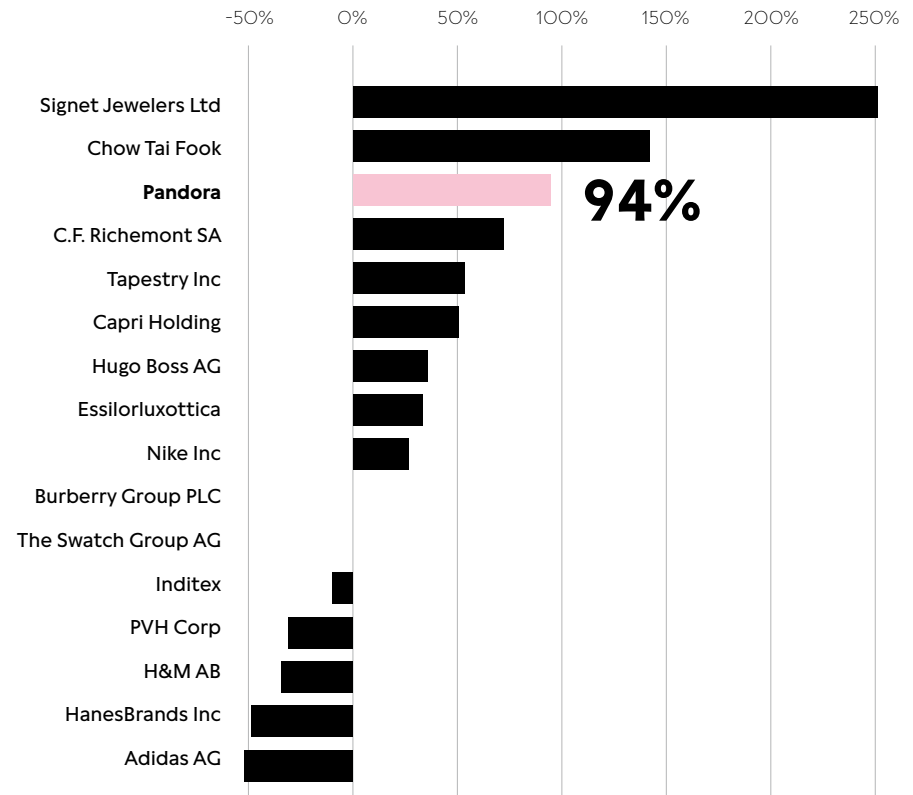
APPENDIX 1

PANDORA'S TOTAL SHAREHOLDER RETURN RELATIVE TO PEERS

DECEMBER 2020 AVERAGE TO 30TH DECEMBER 2022



DECEMBER 2019 AVERAGE TO 30TH DECEMBER 2022





## APPENDIX 2

## STIP FOR EXECUTIVE MANAGEMENT

## STIP ACHIEVEMENT HISTORY

Programme	Performance period	Metrics	Weights	Achievement as % maximum
2022	1 January 2022 – 31 December 2022	Sell-out growth	60%	91%
		EBIT margin	40%	100%
		<b>Total</b>	<b>100%</b>	<b>95%</b>
2021	1 January 2021 – 31 December 2021	Revenue	50%	100%
		EBIT margin	50%	100%
		<b>Total</b>	<b>100%</b>	<b>100%</b>
Revised 2020	1 January 2020 – 31 December 2020	Revenue	50%	100%
		Adjusted EBIT (excl. restructuring)	50%	100%
		<b>Total</b>	<b>100%</b>	<b>100%</b>
2020	1 January 2020– 31 December 2020	Like-for-like revenue growth	40%	0%
		EBIT margin (excl. restructuring)	60%	0%
		<b>Total</b>	<b>100%</b>	<b>0%</b>
2019	1 January 2019 – 31 December 2019	Like-for-like revenue growth	30%	25%
		EBIT margin (excl. restructuring)	70%	78%
		<b>Total</b>	<b>100%</b>	<b>62.2%</b>
Interim 2018	1 January 2018 – 31 December 2018	New EBITDA guidance	Trigger	Met
		<b>Total</b>	<b>100%</b>	<b>83.7%</b>
2018	1 January 2018 – 31 December 2018	Revenue growth in local currency	80%	N/A
		Like-for-like revenue growth	20%	N/A
		EBITDA %	Trigger	Not met
		<b>Total</b>	<b>100%</b>	<b>0%</b>

## STIP PAY-OUT HISTORY

Name	Position	Programme	Achievement as % maximum	Pay-out (DKKm)
Alexander Lacik	CEO	<b>2022</b>	<b>95%</b>	<b>10.3</b>
		2021	100%	10.5
		Revised 2020	100%	9.0
		2019	62.2%	3.9
Anders Boyer	CFO	<b>2022</b>	<b>95%</b>	<b>5.9</b>
		2021	100%	6.1
		Revised 2020	100%	5.5
		2019	62.2%	3.4
		Interim 2018 STIP	100%	2.1
Jeremy Schwartz	Former COO	2019	62.2%	2.9
		Interim 2018 STIP	100%	2.3
Anders Colding Friis	Former CEO	Revised 2020	100%	5.8
		2019	62.2%	5.4
		2018	0%	0.0
Peter Vekslund	Former CFO	Revised 2020	100%	0.3
		2019	62.2%	2.6
		2018	0%	0.0



APPENDIX 3

# LTIP FOR EXECUTIVE MANAGEMENT

## LTIP ACHIEVEMENT HISTORY

Programme	Performance period	End of holding period	Metrics	Weights	Achievement as % maximum
2022	1 January 2022 – 31 December 2024	After publication of FY 2026 Annual Report – expected February 2027	EPS FY 2024	75%	Currently trending at 50%
			Sustainability	25%	On track, 100%
			<b>Total</b>	<b>100%</b>	<b>62.5%</b>
2021	1 January 2021 – 31 December 2023	After publication of FY 2025 Annual Report – expected February 2026	Relative TSR	50%	Currently #12, which would generate 0%
			EPS FY2023	50%	Currently trending at 100%
			<b>Total</b>	<b>100%</b>	<b>50%</b>
2020	1 January 2020 – 31 December 2022	After publication of FY 2024 Annual Report – expected February 2025	Relative TSR	50%	100%
			EPS FY2022	50%	100%
			<b>Total</b>	<b>100%</b>	<b>100%</b>
2019	1 January 2020 – 31 December 2021	After publication of FY 2023 Annual Report – expected February 2024	Relative TSR	71.3%	100%
			STIP 2019 result	28.7%	62.2%
			<b>Total</b>	<b>100%</b>	<b>89.1%</b>
2018	1 January 2018 – 31 December 2020	After publication of FY 2022 Annual Report – expected February 2023	Revenue FY 2020 (CAGR)	50%	0%
			Accumulated EBITDA (FY2018-FY2020)	50%	0%
			<b>Total</b>	<b>100%</b>	<b>0%</b>



## APPENDIX 3

## LTIP FOR EXECUTIVE MANAGEMENT (CONTINUED)

## LTIP ALLOCATION HISTORY

Name	Position	Programme	Maximum number of PSUs allocated	Target value of grant (at grant date) DKKm	Total IFRS2 expense expected (at grant date) DKKm	PSUs cancelled	PSUs vested	RSUs & PSUs in holding period	PSUs exercised/ awarded in shares	Share price at exercise/ award DKK	Exercise price DKK	Value realised DKKm
Alexander Lacik	CEO	<b>2022</b>	<b>26,822</b>	<b>10.9</b>	<b>8.2</b>		<b>TBD</b>	-	-	-	-	
		2021	31,808	10.5	11.1	-	TBD	-	-	-	-	-
		2020	62,479	9.0	14.3	-	Yes	62,479	-	-	-	-
		2019	40,813	6.2	6.4	-4,429	-	36,384	-	-	TBD	-
Anders Boyer	CFO	<b>2022</b>	<b>15,284</b>	<b>6.2</b>	<b>4.6</b>		<b>TBD</b>	-	-	-	-	-
		2021	18,480	6.1	6.4	-	TBD	-	-	-	-	-
		2020	38,182	5.5	8.7	-	Yes	38,182	-	-	-	-
		2019	36,157	5.5	5.7	-3,924	-	32,233	-	-	TBD	-
		2018 RSU	7,865	2.1	1.8	-	-	7,865	-	-	TBD	-
Anders Colding Friis	Former CEO	2020	14,039	2.0	3.2	-	Yes	14,039	-	-	-	-
		2019	31,820	4.8	5.0	-3,453	-	28,367	-	-	TBD	-
		2018	11,594	8.0	6.7	-11,594	-	-	-	N/A	N/A	-
Peter Vekslund	Former CFO	2020	791	0.1	0.2	-	Yes	791	-	-	-	-
		2019	9,734	1.5	1.5	-1,056	-	8,678	-	-	TBD	-
		2018	4,263	2.9	2.5	-4,263	-	-	-	N/A	N/A	-

APPENDIX 3

LTIP FOR EXECUTIVE MANAGEMENT (CONTINUED)

As noted in Section 4, the accounting expense of the share-based grants over the period reflects only a proportion of the total grant value. The table reconciles the par value of the share units allocated at the allocation date to the accounting

expense according to IFRS2, to give a fuller illustration of the alignment of interests between Executive Management and the company's shareholders.

RECONCILIATION OF LTIP ALLOCATIONS TO LTIP EXPENSE FOR EXECUTIVE MANAGEMENT

Name & position	Programme	Target value of grant (DKKm)	Maximum PSUs and RSUs granted	PSUs cancelled	PSUs vested	RSUs & PSUs subject to holding period <sup>1</sup>	LTIP grant			IFRS2 expense (DKK million)				
							PSUs end 2022	RSUs in holding period	Total	Total expected, effective as of the grant date	Total expected, effective as of year end 2022	Total recognised as of year end 2021	Total not recognised as of year end 2022	2022 expense recognised
Alexander Lacik (CEO)	<b>LTIP 2022</b>	<b>10.9</b>	<b>26,822</b>	-	-	-	<b>26,822</b>	-	<b>26,822</b>	<b>8.2</b>	<b>8.2</b>	<b>N/A</b>	<b>5.4</b>	<b>2.7</b>
	LTIP 2021	10.5	31,808	-	-	-	31,808	-	31,808	11.1	16.2	5.4	5.4	5.4
	LTIP 2020	9.0	62,479	-	-	-	62,479	-	62,479	14.3	19.4	12.9	-	6.5
	LTIP 2019	6.2	40,813	-4,429	-	36,384	-	-	-	6.5	5.5	5.5	-	-
	<b>Total</b>	<b>36.6</b>	<b>161,922</b>	<b>-4,429</b>	-	<b>36,384</b>	<b>121,109</b>	-	<b>121,109</b>	<b>40.1</b>	<b>49.3</b>	<b>23.8</b>	<b>10.8</b>	<b>14.6</b>
Anders Boyer (CFO)	<b>LTIP 2022</b>	<b>6.2</b>	<b>15,284</b>	-	-	-	<b>15,284</b>	-	<b>15,284</b>	<b>4.6</b>	<b>4.6</b>	<b>N/A</b>	<b>3.1</b>	<b>1.5</b>
	LTIP 2021	6.1	18,480	-	-	-	18,480	-	18,480	6.4	9.4	3.1	3.1	3.1
	LTIP 2020	5.5	38,182	-	-	-	38,182	-	38,182	8.7	11.9	7.9	-	4.0
	LTIP 2019	5.5	36,157	-3,924	-	32,233	-	-	-	5.7	4.9	4.9	-	-
	RSUs 2018	2.1	7,865	-	-	7,865	-	-	-	1.8	1.8	-	-	-
	<b>Total</b>	<b>25.4</b>	<b>115,968</b>	<b>-3,924</b>	-	<b>40,098</b>	<b>71,946</b>	-	<b>71,946</b>	<b>27.2</b>	<b>32.6</b>	<b>15.9</b>	<b>6.2</b>	<b>8.6</b>
<b>Total for current Executive Management</b>		<b>62</b>	<b>277,890</b>	<b>-8,353</b>	-	<b>76,482</b>	<b>193,055</b>	-	<b>193,055</b>	<b>67.3</b>	<b>81.9</b>	<b>39.7</b>	<b>17.0</b>	<b>23.2</b>

<sup>1</sup> Restricted Share Units (RSUs) were provided to the CFO as an interim LTIP 2018 in lieu of the main allocation.

APPENDIX 4

## FIVE-YEAR COMPARISON OF REMUNERATION

The development in the remuneration of the Board and Executive Management over the past five financial years is summarised in the Five-year history of remuneration:

FIVE YEAR HISTORY OF REMUNERATION FOR EXECUTIVE MANAGEMENT AND THE BOARD OF DIRECTORS		2022			2021			2020			2019			2018			
		Name	Position	DKKm	Annual change, %	Variable proportion <sup>1</sup>	DKKm	Annual change, %	Variable proportion	DKKm	Annual change, %	Variable proportion	DKKm	Annual change, %	Variable proportion	DKKm	Annual change, %
Alexander Lacik	CEO	38.1	-1%	66%	38.5	49%	68%	25.9	-14%	61%	29.9	-	18%	-	-	-	-
Anders Boyer	CFO	21.0	-6%	69%	22.2	35%	72%	16.4	16%	66%	14.2	82%	41%	7.8	-	29%	-
Jeremy Schwartz	Former COO	-	-	-	-	-	-	-	-	-	12.3	78%	24%	6.9	-	33%	-
Anders Colding Friis	Former CEO <sup>2</sup>	-	-	-	1.1	-48%	100%	2.1	-	100%	-1.8	-	100%	42.8	97%	42%	-
Peter Vekslund	Former CFO <sup>2</sup>	-	-	-	0.1	-	100%	-	-	100%	-0.8	-	100%	15.6	61%	43%	-
<b>Total for Executive Management</b>		<b>59.0</b>	<b>-5%</b>	<b>67%</b>	<b>61.9</b>	<b>39%</b>	<b>70%</b>	<b>44.5</b>	<b>-17%</b>	<b>65%</b>	<b>53.7</b>	<b>-26%</b>	<b>21%</b>	<b>73.1</b>	<b>133%</b>	<b>40%</b>	-
Peter A. Ruzicka	Chair	2.6	7%	-	2.4	-	-	2.4	- <sup>3</sup>	-	0.1	-	-	-	-	-	-
Christian Frigast	Deputy Chair	1.2	15%	-	1.0	0%	-	1.0	1%	-	0.9	0%	-	0.9	5%	-	-
Heine Dalsgaard	Board Member	1.0	32%	-	0.7	-	-	-	-	-	-	-	-	-	-	-	-
Birgitta Stymne Göransson <sup>4</sup>	Board Member	1.1	11%	-	1.0	9%	-	0.9	-7%	-	1.0	-2%	-	1.0	1%	-	-
Marianne Kirkegaard	Board Member	0.6	-2%	-	0.7	17%	-	0.6	-	-	-	-	-	-	-	-	-
Catherine Spindler	Board Member	0.8	16%	-	0.7	40%	-	0.5	-	-	-	-	-	-	-	-	-
Jan Zijderveld	Board Member	0.9	71%	-	0.5	-	-	-	-	-	-	-	-	-	-	-	-
Andrea Dawn Alvey <sup>5</sup>	Former Board Member	-	-	-	0.2	-75%	-	0.8	-4%	-	0.8	-8%	-	0.9	-4%	-	-
Isabelle Parize <sup>6</sup>	Former Board Member	-	-	-	0.6	-14%	-	0.7	-9%	-	0.8	-	-	-	-	-	-
Ronica Wang <sup>5</sup>	Former Board Member	-	-	-	0.2	-71%	-	0.7	-16%	-	0.9	3%	-	0.9	-7%	-	-
Peder Tuborgh <sup>7</sup>	Former Chair	-	-	-	-	-	-	-	-	-	1.5	0%	-	1.5	3%	-	-
Allan Leighton <sup>8</sup>	Former Deputy Chair	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-76%	-	-
Per Bank <sup>9</sup>	Former Board Member	-	-	-	-	-	-	0.2	-77%	-	0.6	0%	-	0.7	8%	-	-
John Peace <sup>9</sup>	Former Board Member	-	-	-	-	-	-	0.2	-73%	-	0.6	-	-	-	-	-	-
Bjørn Gulden <sup>10</sup>	Former Board Member	-	-	-	-	-	-	-	-	-	0.2	-75%	-	0.7	-7%	-	-
Anders Boyer <sup>8</sup>	Former Board Member	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-75%	-	-
<b>Total for Board of Directors</b>		<b>8.1</b>	<b>2%</b>	<b>-</b>	<b>7.9</b>	<b>-1%</b>	<b>-</b>	<b>8.0</b>	<b>9%</b>	<b>-</b>	<b>7.4</b>	<b>5%</b>	<b>-</b>	<b>7.0</b>	<b>-17%</b>	<b>-</b>	-

<sup>1</sup> This is the proportion of the remuneration expense for the year that relates to STIP and LTIP – the remainder relates to remuneration elements that are not linked to Pandora performance, such as fixed salary and other benefits.

<sup>2</sup> Accounting expense for 2019 and 2020 in relation to Anders Colding Friis (released effective 1 September 2018 and expiry of employment on 31 August 2020) and Peter Vekslund (released effective 1 August 2018 and expiry of employment on 31 January 2020) reflects actual incidence of expense for incentive programmes compared to the amounts anticipated in prior years – no service was provided over the period. The annual change in remuneration for these years is therefore not meaningful and has not been included in the tables above.

<sup>3</sup> Peter A. Ruzicka was first appointed to the Board in December 2019 and was appointed to the Chair effective 1 January 2020. The annual change in remuneration for these years is therefore not meaningful and has not been included in the tables above.

<sup>4</sup> Social security cost for Birgitta Stymne Göransson for 2018 to 2021 was not reported in the earlier Remuneration Reports. This has been corrected in the 2022 Remuneration Report.

<sup>5</sup> Andrea Dawn Alvey and Ronica Wang left the Board of Directors at the AGM on 11 March 2021.

<sup>6</sup> Isabelle Parize resigned from the Board of Directors on 4 November 2021.

<sup>7</sup> Peder Tuborgh left the Board of Directors at the end of December 2019.

<sup>8</sup> Allan Leighton and Anders Boyer left the Board of Directors after the AGM in March 2018.

<sup>9</sup> Per Bank and John Peace left the Board of Directors after the AGM in March 2020.

<sup>10</sup> Bjørn Gulden left the Board of Directors after the AGM in March 2019.





## APPENDIX 5

## FIVE-YEAR COMPARISON OF PANDORA PERFORMANCE, INCLUDING CHANGES IN THE LEVEL OF REWARD IN THE WIDER WORKFORCE

FIVE YEAR HISTORY OF FINANCIAL PERFORMANCE AND AVERAGE STAFF COST	2022	2021	2020	2019	2018
<b>Financial performance</b>					
Organic growth, %	7%	23%	-11%	-8%	-2%
Sell-out growth, %	4%	20%	-12%	-8%	-4%
EBIT margin excluding restructuring costs, %	25.5%	25.0%	20.4%	26.8%	28.2%
Net profit (DKKm)	5,029	4,160	1,938	2,945	5,045
Earnings per share (EPS), basic – DKK	54.2	42.1	20.0	30.3	47.2
Earnings per share (EPS), diluted – DKK	53.7	41.7	19.9	30.1	47.0
<b>Annual change in earnings per share, diluted, %</b>	<b>29%</b>	<b>110%</b>	<b>-33%</b>	<b>-36%</b>	<b>-9%</b>
<b>Average remuneration of Group employees</b>					
Group employees (FTE)	26,986	22,441	22,336	23,736	24,030
Average staff costs (DKKm)	0.22	0.22	0.20	0.20	0.19
<b>Annual change in average remuneration of a Group employee, %</b>	<b>0%</b>	<b>12%</b>	<b>-1%</b>	<b>7%</b>	<b>-1%</b>
<b>Parent Company Details (Pandora A/S)</b>					
Net profit (DKKm)	12,671	5,420	1,624	1,789	5,665
Average Remuneration (DKKm)	1.1	1.16	1.07	0.92	0.76
<b>Annual change in average remuneration of a parent company employee, %</b>	<b>-5%</b>	<b>9%</b>	<b>17%</b>	<b>20%</b>	<b>-22%</b>



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