Statutory Corporate Governance statement, cf. Section 107b of the Danish Financial Statements Act.

This statement is part of the management report of Park Street A / S 'Annual report for the period 1 January to 31 December 2021'. The report is not included in the audit report of the annual report.

The statutory statement of business management includes:

A. Recommendations for Corporate Governance.

B. Management's composition and its function.

C. Control and risk management systems in connection with the accounting process.

A. RECOMMENDATIONS FOR CORPORATE GOVERNANCE

Park Street A/S is covered by the corporate governance recommendations, which are part of the listing rules on NASDAQ Copenhagen. The rules include the company's communication and interaction with the company's investors and other stakeholders, the tasks and responsibilities of the board, the composition and organization of the board of directors, the remuneration of the Board of Directors and the Executive Board, as well as the presentation of financial statements, risk management and auditing. The recommendations for corporate governance are publicly available on the website: www.corporategovernance.dk.

Park Street's Board of Directors and Executive Management constantly seek to ensure that management structure and control systems are appropriate and functioning satisfactorily. A number of internal procedures and controls have been implemented and are assessed on an ongoing basis.

As a listed company, Park Street must follow the recommendations or explain if a recommendation is not followed and why the company has chosen differently. Park Street has chosen to deviate from the following points:

- Paragraph 1.1.3:

The committee recommends that the company publish quarterly reports.

Variation:

In the period between the publication of full and half-yearly reports, Park Street has chosen not to publish quarterly interim reports. Management believes that quarterly interim reports in addition to the half-yearly report will not contribute to a better understanding of the company's activities.

Publishing half-yearly and yearly reports.

- Paragraph 1.3.1

The committee recommends that the company has a contingency procedure for takeover attempts, which contains a "roadmap" for the matters that the board of directors should consider and decide on if a takeover bid has been made, or the board of directors receives a reasoned presumption that a takeover bid can be made. In addition, it is recommended that it appears from the procedure that the Board of Directors refrains, without the approval of the general meeting, from counteracting a takeover attempt by making dispositions that seek to prevent the shareholders from taking a position on the takeover bid.

Variation:

Significant majority of the company (over 92%) is controlled by the parent company (Park Street Asset Management). Any takeover possibilities do not exist without direct involvement of the parent company acting through the AGM or EGM.

- Paragraph 1.4.2

The committee recommends that the board of directors approve a tax policy that is made available on the company's website.

Variation:

The audit committee reviews all financials and tax obligations of the company are complied with. The policy however is not published on the website.

The company will publish on the website in the current calendar year

- Paragraph 2.2.1.

The committee recommends that the board of directors, in addition to a chairman, has a deputy chairman who can step in when the chairman is absent and otherwise be a closer sparring partner for the chairman.

Variation:

Management does not deem necessary to appoint a vice chairman given that the board of directors act as effective sparring partners for the chairman and can take over its responsibilities in case of absence.

- Paragraph 3.1.2:

The committee recommends that the Board of Directors annually discuss the company's activities to ensure a relevant diversity in the company's management levels and approve a diversity policy, which is available in the management's report and / or on the company's website.

Variation:

Park Street has not set specific targets for diversity in the company's management levels, other than what is required in accordance with Company Law, as this is not considered relevant considering the size of the company.

- Paragraph 3.2.2:

The Committee recommends that members of the company’s executive board be not members of the board of directors and that a resigning chief executive officer be not directly elected as chairman or vice chairman for the same company.

Variation:

Park Street has deviated partially given the shareholder structure and size of the company, Park Street considers adequate that the only member of the executive board to be also part of the board of directors.

- Paragraph 3.4.4:

The committee recommends that the board of directors set up a nomination committee, which has at least the following preparatory tasks:

- Describe the required qualifications for a given position on the Board of Directors and the Executive Board, the estimated time consumption for the various positions on the Board of Directors as well as competencies, knowledge and experience that are / should be in the two management bodies,
- Annually assess the structure, size, composition and results of the Board of Directors and the Executive Board and prepare recommendations to the Board of Directors on any changes,
- In collaboration with the chairman, conduct the annual board evaluation and assess the individual management members' competencies, knowledge, experience and succession and report to the board on this,
- Undertake the recruitment of new members of the Board of Directors and the Executive Board and nominate candidates for approval by the Board of Directors,
- Ensure that there is a succession plan for the Executive Board,
- Monitor the Executive Board's policy for hiring senior executives, and
- Monitor the preparation of a diversity policy for approval by the Board of Directors.

Variation:

The Board of Directors believes that the tasks of describing the qualifications required by the Board of Directors and the Executive Board, and evaluating the structure, size, composition, results and management's governing bodies, are best carried out by the Board of Directors.

- Paragraph 3.4.5:

The committee recommends that the board of directors set up a remuneration committee which has at least the following preparatory tasks:

- Prepare a draft of the remuneration policy for the approval of the Board of Directors prior to the recommendation for approval by the general meeting,
- Submit a presentation to the Board of Directors on remuneration to members of the Executive Board,
- Submit a presentation to the Board of Directors on remuneration to members of the Board of Directors with a view to nominating them to the general meeting,
- Ensure that the management's remuneration follows the company's remuneration policy and the assessment of the individual's efforts, and
- Assist in preparing the annual remuneration report for approval by the Board of Directors prior to the recommendation for the general meeting's indicative vote.

Variation:

The Board of Directors has not considered it appropriate to set up a separate remuneration committee. The Board of Directors believes that the tasks of assessing management's remuneration are best taken care of by the entire Board.

- Paragraph 4.1.6:

The Committee recommends that the company has the option of claiming full or partial reimbursement of variable remuneration for both the Executive Board and the Board of Directors if the remuneration has been granted, earned or paid on the basis of information that subsequently proves to be incorrect or if the recipient was think about other factors that have led to the payment of an excessively variable remuneration.

Variation:

Park Street has chosen to deviate from this point partially. Variable pay shares are based on specific objectives determined by the Board of Directors, which the Board uses as the basis for determining the amount of the variable salary component, which may not exceed 20% of the fixed annual salary.

Accordingly, Park Street finds it relevant only to demand repayment of variable parts of wages in cases where Park Street has a claim for repayment under Danish law.

In view of the company's situation, it is considered inappropriate to have vesting periods extending over more than one year.

Park Street has chosen to publish the full statutory statement on the Group's website http://www.psnas.com/index.php/corporate-governance/

B. MANAGEMENT'S COMPOSITION AND ITS FUNCTION

The management of Park Street consists of the following:

- Board Directors
- Executive Board

	Appointed / Employee	Expiry of electoral term	Age	Shareholding at the beginning, number of shares	Share buy in the year, number of shares	Shareholding at the end of the year	Independence	Sex
Board of Directors								
Andrew LaTrobe	2017	2022	56	0	0	0	Not Independent	M
Pradeep Pattem (**)(***)	2016	2022	45	0	0	6,722,484 1)	Not Independent	M
Ohene Kwapong	2016	2022	60	0	0	0	Independent	M
Anita Nassar(*)(****)	2016	2022	59	0	0	0	Independent	F
Claes Peter Rading	2021	2022	59	0	0	0	Independent	M

(*) Anita Nassar holds the position of chairman of the Board
(**) Pradeep Pattem holds the position of CEO of the Company
(***) Pradeep Pattem holds controlling rights in Park Street Nordac Sarl through Park Street Asset Management
(****) Anita Nassar hold shares in Park Street Nordac Sarl without controlling rights
1) Acquired via Park Street Asset Management Ltd.

In the 2021 annual report, information on the board and business background of the board members and management and board positions in other companies is given.

Board of Directors

Board composition and meeting frequency

According to the company's Articles of Association, the Board shall consist of a minimum of three and a maximum of six members. The Board of Directors is the top management body of Park Street. The Board of Directors ensures that the Executive Board adheres to the strategies, policies, etc. adopted by the Board and take decisions on matters beyond the executive's powers.

The Board of Directors is elected by the General Meeting for one year at a time, and replacing is in accordance with the Companies Act's general rules.

Park Street has no employee-elected board members.

The Board meets at least five times a year according to a pre-defined meeting and work plan. At least once a year, the Board of Directors holds a strategic meeting in order to discuss and determine the most important tasks and responsibilities of the Board in relation to the management of the Group. Meetings are held when deemed necessary or appropriate in view of the Group's needs.

Board members independence

3 out of 5 board members are considered to be independent, cf. the table above.

Board of Directors' self-assessment

The Chairman of the Board annually performs a structured evaluation of the Board's work, results and composition. In addition, the evaluation includes cooperation between the Board of Directors and the Executive Board and the Executive Board's work and results. The outcome of the evaluation is discussed in the Board and has not given rise to further action.

Board Committees

The Board of Directors has established an Audit Committee consisting of two members.

It is the task of the Audit Committee to monitor the Group's accounting process, the internal control environment and set the framework for the external audit. The Audit Committee consists of the two Board members Ohene Kwapong, Chairman, and Andrew La Trobe, who both have accounting experience. The Audit Committee holds at least 4 meetings annually.

The Board of Directors has drawn up a commission for the Audit Committee, in which the committee's area of responsibility and competence is determined. The commission can be read at www.nordicom.dk and www.psnas.com .

Direction

Park Street's Executive Management is responsible for organizing and implementing the company strategic plans. Park Street's Board of Directors has prepared a management instruction, which provides the framework for the Executive Board's tasks and responsibilities. Park Street's Executive Board consists of one member.

Remuneration to the Board of Directors and Executive Board

The purpose of the Group's remuneration, including any incentive remuneration, is to attract and retain the group's management skills and promote the management incentive to realize Park Street's objectives and create value in and for the company.

A remuneration policy has been prepared that describes the guidelines for defining and approving remuneration for the members of the Board of Directors and the Executive Board. The remuneration policy approved at the company's general meeting and is available on www.nordicom.dk and www.psnas.com.

The board members receive a fix monthly fee. The Chairman receives DKK 250,000 annually, the Vice Chairman of the Board receives DKK 150,000 annually, and other Board members receive DKK 100,000 annually. In addition, the Chairman of the Audit Committee receives DKK 75,000 annually and other members of the Audit Committee receive DKK 50,000 annually.

The remuneration for the members of the Board of Directors in 2021 is shown in Note 5 of the consolidated financial statements.

Salary and employment conditions for the Executive Board are set at least once a year by the Board of Directors. The salary consists of fixed salary, without bonus and pension. In addition, the Executive Board receives free telephone, etc. The total wage package is composed so that the fees are set at a competitive level, taking into account the competencies and efforts of the Executive Member and the results achieved. Reference is made to note 5 of the consolidated accounts regarding remuneration to the Executive Board.

In accordance with the general guidelines for the Group's incentive pay, the Executive Board may receive variable salary in the form of cash bonus in addition to its usual remuneration. The cash bonus scheme will depend on the Executive Board meeting the predefined goals. The goals relate to Park Street's earnings and to a number of individual circumstances. Compliance with the criteria for the allocation of cash bonus is assessed by the Board at the end of the year. The cash bonus cannot exceed 20% of the CEO's fixed remuneration for the year in question.

No stock options have been issued to the company's executive board.

C. CONTROL AND RISK MANAGEMENT SYSTEMS IN CONNECTION WITH THE ACCOUNTING PROCESS

According to section 115 of the Danish Companies Act, the Board of Directors is responsible for the internal control and risk management systems in connection with the accounting process.

The Group's risk management and internal controls regarding the presentation of financial statements are organized with a view to:

- Presentation of internal financial reports that allow a follow-up of the Group's performance.
- Presentation of external annual and interim reports in accordance with International Financial Reporting Standards (IFRS), as approved by EU, and further Danish disclosure requirements for annual reports of listed companies.

Park Street's internal control system is organized so that it can reduce rather than eliminate the risk of errors in the reporting. Both the structure and the description of the internal controls are based on the five main components of the COSO concept framework:

- Control environment.
- Risk assessment.
- Control activities.
- Information and communication.
- Monitoring.

Control Environment

The control environment indicates the tone of the organization and affects the employees' awareness of control issues. It forms the basis for internal control and determines the culture and structure on which the other control components relate.

The Audit Committee and the Executive Board regularly assess and, at least once a year, the organizational structure of the Group, including staffing of the functions that are relevant to the financial reporting process. In addition, the Audit Committee and the Board of Directors assess the internal controls and risk management in the Group at least once a year.

Park Street has procedures and policies such as the Board's rules of procedure, instructions to the CEO and certification rules that specify how responsibilities are delegated and approval rules describing the level at which individuals can make decisions about costs, investments, agreements, etc.

Park Street has also established procedures for the presentation of financial statements, including valuation of properties and project holdings.

A staff policy has been adopted that ensures that employees have the right skills and competencies as required in their respective positions. Recruitment and employee evaluation procedures and templates are used continuously, as job descriptions are defined and documented.

Due to the established procedures for internal control and risk management, the Board has not found reason to establish an internal audit. On the basis of a recommendation from the Audit Committee, the Board assesses the need for an internal audit on an ongoing basis and at least once a year.

Risk assessment

Risk assessment is used to identify and analyse relevant risks in order not to achieve the objectives or comply with the policies. Internal control of financial reporting is one of the areas considered in this regard.

Park Street is a Real State Investment company with a larger portfolio of investment properties, and the main activity consists in the operation and maintenance of these. Significant and risky areas in relation to the financial statements include the following:

Financial risk	Control objective
Net sales	Completeness, accuracy
Investment properties	Valuation, rights
Credit institutions	Completeness, valuation, presentation and information
Project Holdings	Valuation
Receivables	Valuation
Mortgages and debentures	Valuation
Other liabilities	Completeness, presentation and information

In addition, there is a risk of compliance with IFRS, implemented IT systems / IT controls and fraud. In note 1 of the consolidated financial statements of the annual report for 2021, significant assumptions, assessments and estimates in connection with the presentation of the financial statements have been mentioned further.

Control Activities

Control activities are processes that help ensure that management's instructions are followed and that the necessary steps are taken to manage risks. Throughout the organization at all levels and in all functions there are control activities that include a range of activities as different as approval, authorization, verification, voting, performance monitoring, asset hedging and job division.

Park Street has among other things anchored part of the control activities in the organization through an electronic document management system that ensures that all invoices can only be approved by authorized persons and within the limits set by management.

Fixed routines have been implemented in the form of monthly follow-up on the portfolio's performance in relation to expectations, including explanations of any deviations.

Furthermore, a solid and formal process has been established for the preparation of interim reports and annual reports.

In the audit reports to the Board of Directors, and the Annual General Meeting disclosure is made of any significant weaknesses in the internal controls and in the risk management that may have been identified during the audit. Minor material matters are reported to management in the form of management letters. Management letters are submitted to the Audit Committee and the Board for information.

Information and communication

Well-functioning information and communication channels are necessary to ensure a well-functioning internal control system. The purpose of effective communication channels are also to ensure that:

- Information is complete, accurate and at least meets the legal requirements,
- Timely reporting to Nasdaq Copenhagen and the public as a whole,
- Adequate openness in and around the company,
- Significant risks and the Board's position on internal control are known, including significant measures to reduce identified risks in financial reporting,
- Management and employees know their responsibility for risk management and internal controls in connection with the financial reporting, and
- Everyone in the company has the necessary knowledge, including the right information available to fulfil their duties.

Park Street has designed communication channels so that employees can fulfil their responsibilities effectively and that management has the necessary tools for timely response based on the communication that comes from the organization. In this connection, Park Street has implemented an intranet that gives employees easier access to policies, instructions, guides, manuals, etc.

Monitoring

Monitoring is the process that assesses the quality of the internal control systems through ongoing surveillance activities, separate assessments and a combination thereof.

Ongoing monitoring is an integral part of daily work. It is included in management's daily activities and in the activities that the employees perform in connection with their work. Possible weaknesses, failure of controls and overruns of limits, powers and policies are reported in accordance with the policies adopted in the organization. Inadequacy of internal controls must be reported to the relevant manager and serious errors must be reported to the Executive Board and the Board. Fixed processes have been prepared for the management's report to the Board and the Audit Committee, including content and extent of reporting. An important part of the monitoring is a detailed budget follow-up, where trends in relation to budget as well as previous years are analyzed and explained.

Monitoring procedures and policies are defined and implemented on a regular basis to ensure that internal control framework is effective. In the Executive Board Monitoring this includes recommendations from the general meeting-selected audit regarding internal control.

The Board of Directors and the Audit Committee also holds regular meetings with the Annual General Meeting, as reported about significant errors or omissions in the audit protocol. The Executive Board and the Audit Committee regularly monitor that the Executive Board implements agreed measures to address identified risks in the accounting process; and that the Executive Board performs the necessary monitoring and responds to identified errors, deficiencies and any violations of policies, processes and procedures in good time.