

N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.

Item 16: The board of directors' proposal regarding guidelines for remuneration to senior management

The board of directors proposes that the annual general meeting resolves to approve the board of director's proposal regarding guidelines for remuneration for the senior management as set forth below which shall apply until the annual general meeting 2018.

In this context, the senior management means the managing director of the company and the executives in the company and other group companies who, from time to time, are reporting to the managing director or the CFO and who are also members of the senior management, as well as members of the board of directors of the company that has entered into an employment or consulting agreement.

Salaries and other terms and conditions of employment shall be sufficient for the company to recruit and retain skilled senior managers at a reasonable cost. The remuneration to the senior managers shall consist of a fixed salary, variable salary, pension and other benefits, and it shall be based on principles of performance, competitiveness and fairness. Each senior manager shall be offered a fixed salary in line with market conditions and based on the senior manager's responsibility, expertise and performance. All senior managers may, from time to time, be offered variable salary (cash bonuses). The variable salary shall be based on a set of financial and personal objectives determined in advance by the board of directors. The variable salary may not amount to more than 75% of the fixed annual salary (in this context, fixed annual salary means cash salary earned during the year, excluding pension, supplements, benefits and similar). To the extent a board of director performs work for the company, in addition to board work, a market-based consulting fee may be paid.

In addition, the annual general meeting may resolve on long-term incentive programs such as share and share price-related incentive programs. These incentive programs shall be intended to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees. Agreements regarding pensions shall, where applicable, be premium based and shall be designed in accordance with the level and practice applicable in the country in which the member of senior management is employed. Fixed salary during notice periods and severance payment, including payments for any restrictions on competition, shall in aggregate not exceed an amount equivalent to the fixed salary for two years. The total severance payment shall for all members of the

management be limited to the existing monthly salary for the remaining months up to the age of 65.

The board of directors resolve upon principles for remuneration of the senior management based upon the guidelines adopted by the annual general meeting. The board of directors may resolve to deviate from the guidelines if the board of directors, in an individual case, is of the opinion that there are special circumstances justifying that.

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