

To the Board of Directors of Scandi Standard AB (publ)

## **The Nomination Committee's proposal to the Annual General Meeting 2016, including explanations**

The Nomination Committee of Scandi Standard hereby presents its proposals, adopted by its majority, and information regarding the Board of Directors.

### **1. Description of the Nomination Committee's work ahead of the Annual General Meeting 2016**

The composition of the Nomination Committee was made public by Scandi Standard AB (publ) ("Scandi Standard") on 19 October, 2015, and was updated in press release on 15 January, 2016, to reflect major changes in the ownership structure after 30 August, 2015. The Nomination Committee consists of the following members:

- Seamus FitzPatrick (CapVest Associates LLP)
- Per Harkjaer (Chairman of Scandi Standard's Board of Directors)
- Hans Hedström (Carnegie Fonder)
- Jannis Kitsakis (Fjärde AP-Fonden)
- Gustav Lindner (Investment AB Öresund)
- Per Olof Nyman (Lantmännen Kycklinginvest AB), Chairman of the Nomination Committee
- Knut Pousette (Kvalitena AB)

The Nomination Committee started its work by reviewing the tasks incumbent on it under the Swedish Corporate Governance Code and the Instruction for the Nomination Committee adopted at the Annual General Meeting 2015. A time plan was set for the Nomination Committee's work going forward and the Chairman of the Board of Directors presented his views on the company's position and strategy. The Committee reviewed the results of the external evaluation of the Board work and procedures, including the performance of the Chairman of the Board and the CEO. On this basis, the Nomination Committee has assessed what competence and experience is required by Scandi Standard's Board members and evaluated the need for increased diversity on the board in terms of age, gender and cultural/geographic background, including met with a number of candidates for nomination as Board members. The Nomination Committee also had contacts with the Chairman of the Audit Committee to familiarize itself with the assessments made by the company and the Audit Committee of the quality and efficiency of external auditor work. The Audit Committee also provided its recommendations on external auditor and auditor fees. As of 11 March, 2016, the Nomination Committee has held five meetings.

### **2. The Nomination Committee's proposals and explanations**

#### **Chairman of the Annual General Meeting**

The Nomination Committee proposes that Advokat Sven Unger be elected Chairman of the Annual General Meeting of shareholders 2016.

**Item 10 a. Number of board members of the board of directors to be elected by the Annual General Meeting**

According to the articles of association, the board shall consist of no less than three and no more than eight board members, without deputies. The Nomination Committee proposes that the number of board members elected by the Annual General Meeting of Shareholders shall be increased to 8 as opposed to the current 7.

**Item 10 b. Fees payable to members of the board of directors elected by the Annual General Meeting and to members of the committees of the board elected by the Annual General Meeting**

It is important that board fees are maintained at an appropriate level to make it possible to recruit the best possible international competence to the board of directors of Scandi Standard and to make it possible to keep such competence. The Nomination Committee has, using independently prepared benchmarking, compared the board fees in Scandi Standard with board fees in other mid-market comparable companies on Nasdaq Stockholm. The Nomination Committee has concluded that compared with the board fees in companies of equal size and complexity, the proposed fees are in line.

Consequently, the Nomination Committee proposes that total fees to the board members, for the period until the next Annual General Meeting, shall be increased to SEK 2,475,000. The fee to the chairman of the board shall remain SEK 550,000 and the individual fee payable to the other seven non-employed board members elected by the Annual General Meeting shall remain SEK 275,000.

The Nomination Committee proposes that total fees to committees of the board, for the period until the next Annual General Meeting, shall be decreased to SEK 330,000. This comprises a decrease of the individual annual fee of SEK 200,000 to 130,000 for the Chairman of the Audit Committee, unchanged SEK 50,000 for each of the two other members of the Audit Committee, SEK 50,000 for the chairman of the Remuneration Committee and SEK 25,000 for each of the two other members of the Remuneration Committee. The Nomination Committee considers that the fees for committee work are reasonable and the decrease of the fee to the chairman of the Audit Committee is motivated in that there is no longer any need for the extra support that has been required for the setting up and implementation of financial internal controls structures.

The proposal of the Nomination Committee implies all in all an increase of the fees of approximately 7.9 percent compared to the total fees to the board members for board and committee work resolved by the Annual General Meeting 2015.

## **Item 10 c. Election of board members and chairman of the board of directors**

The Nomination Committee proposes that the following persons be elected board members.

### Board members:

Re-election of Ulf Gundemark, Michael Parker, Asbjörn Reinkind, Karsten Slotte and Heléne Vibbleus.

New election of Samir Kamal and Harald Pousette.

Kate Briant has declined re-election.

### Chairman of the board:

Re-election of Per Harkjaer.

### Samir Kamal

**Born:** 1965

**Education:** Imperial College, University of London, Bachelor of Science (Electrical and Electronic Engineer. Stockholm School of Economics, Master of Science (Business and Economics).

**Board member:** Granngården AB (since 2008), TitanX Engine Cooling AB (since 2012) including Stiftelsen Industrifonden, Save-By-Solar Sweden AB and NCC Housing (since 2015).

**Holding in Scandi Standard:** None.

**Principal work experience:** Dagens Industri and Finanstidningen, journalist. SEB - Enskilda Securities and Enskilda Strategy, analyst. D. Carnegie AB - Investment Banking and Corporate Finance, analyst and project manager. Industri Kapital (IK), partner and head of Swedish Investment Team. EQT AB - EQT Opportunity and EQT Equity, partner.

### Harald Pousette

**Born:** 1965

**Education:** University of Uppsala, Bachelor of Arts (Economics).

**Chairman of the Board:** Bil- och Traktorservice i Stigtomta AB (since 2014), BOX Bygg AB (since 2012) and Svenska Schakt AB (since 2011).

**Board Member:** Stig Svenssons Motorverkstad AB (since 2015).

**Holding in Scandi Standard:** None.

**Principal work experience:** Gota Bank, Foreign Exchange and Fixed Income Trade. Nordiska Fondkommission, Sales Trader and Portfolio manager. Dresdner Kleinwort Wasserstein (Sweden), vice president. The Collins Group (Sweden), managing director. Kvalitena AB, Chief Financial Officer.

In the composition of the board of directors, the Nomination Committee considers, among others, necessary experience and competence, the value of diversity, gender balance and renewal and assesses the appropriateness of the number of members of the board.

The Nomination Committee takes into account the competence and experience of each individual member along with the individual member's contribution to the board work as a whole in its appraisal of qualifications and performance of the individual board members. The Nomination Committee considers it important that board members can devote the necessary time and care required to fulfil their tasks as board members in Scandi Standard, and has therefore also familiarized itself with the proposed Board members' engagements outside of Scandi Standard and the time they require.

The Nomination Committee considers that the current Board and Board work is well functioning and that the board fulfils high expectations in terms of composition and that the Board as well as the individual board members fulfil high expectations in terms of expertise. All Board members contribute meritoriously with their respective expertise. The Nomination Committee has noted that board members in Scandi Standard have high board meeting attendance and that they are well prepared at the meetings. To reflect major changes in the ownership structure since 30 August 2015 and to replace Kate Briant, it is the opinion of the Nomination Committee, based on thorough discussion and evaluation, that the proposed Board members have sufficient skills and time to fulfil their tasks as board members in Scandi Standard.

### **Information regarding proposed board members**

Information regarding the proposed board members is presented in Exhibit 1 of the Nomination Committee proposal, which can be found on Scandi Standard's website.

### **Independence of board members**

In terms of applicable Swedish independence requirements, the Nomination Committee has made the following assessments.

- a. The Nomination Committee considers that all of the board members are independent of Scandi Standard and its senior management.
- b. From among the board members reported in a. above, the Nomination Committee considers that at least the following are independent of Scandi Standard's major shareholders:
  - Per Harkjaer
  - Mike Parker
  - Samir Kamal
  - Asbjörn Reinkind
  - Karsten Slotte
  - Helene Vibbleus

### **Item 10 d. Number of auditors**

According to the articles of association, Scandi Standard shall have no less than one and no more than two auditors with no more than two deputies. As auditor and, when applicable deputy auditor, shall an authorized public accountant or a registered public accounting firm be elected. The Nomination Committee proposes that Scandi Standard shall have one auditor without deputy auditor.

### **Item 10 e. Fees payable to the auditor**

The Nomination Committee proposes that the auditor fees be paid against approved account.

**Item 10 f. Election of auditor**

The Nomination Committee proposes that PricewaterhouseCoopers AB be re-elected as auditor for the period as of the end of the Annual General Meeting 2016 until the end of the Annual General Meeting 2017.

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**Stockholm in March 2016**

**The Nomination Committee**

