

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

**Statement of the board of directors of Scandi Standard AB (publ)
pursuant to Chapter 18 Section 4 of the Swedish Companies Act
regarding the proposal for resolution on dividend**

With reference to the dividend proposal by the Board of Directors to the Annual General Meeting 2017 of Scandi Standard AB (publ) (“**Scandi Standard**”), the Board of Directors submits the following statement as required under Chapter 18, section 4 of the Swedish Companies Act.

As per 31 December 2016 Scandi Standard’s restricted equity totalled approximately MSEK 0.6 and its non-restricted equity was approximately MSEK 971.4. At the same date the Group’s total equity attributable to the shareholders of the parent company totalled approximately MSEK 972.0.

Provided that a resolution is passed at the Annual General Meeting 2017 in accordance with the Board of Directors’ proposal for a dividend¹, an amount of approximately MSEK 891.2 of non-restricted equity will be carried forward.

The business of Scandi Standard and the Group does not involve any risks other than those related to or expected to be related to Scandi Standard’s and the Group’s line of business or the risks involved in conducting business in general. Scandi Standard’s and the Group’s dependence on market conditions does not differ from that in Scandi Standard’s and Group’s line of business. The Board of Directors considers that after the proposed dividend and taking into account the proposed repurchase authorization, Scandi Standard’s restricted equity and the Group’s total equity attributable to the shareholders of the parent company will be sufficient in relation to the scope of Scandi Standard’s and the Group’s business.

As per 31 December 2016, after deduction of the proposed dividend and assuming full exercise of the proposed repurchase authorization, Scandi Standard’s financial strength measured as its equity to assets ratio was 24,9 per cent. As per 31 December 2016, the Group’s financial strength, measured in the same way, was 27.8 per cent. Taking into account the proposed repurchase authorization, the proposed dividend does not jeopardise Scandi Standard’s or the Group’s abilities to carry out the investments considered necessary. The proposal is also consistent with the established cash-flow forecast under which Scandi Standard and the Group are expected to manage unexpected events and temporary variations in the cash flows to a reasonable extent.

¹ The Board of Directors proposes a dividend of SEK 1.35 per share, in total SEK 80,186,325.30.

Based on the above, the Board of Directors' considers that, taking into account the proposed repurchase authorization, the dividend is justified in view of the equity requirements of Scandi Standard and the Group arising from the type, scope and risks of its business as well as Scandi Standard's and the Group's consolidation needs, liquidity and position in general.

Stockholm, March 2017
Scandi Standard AB (publ)
The board of directors