

The nomination committee's proposals to the annual general meeting 2020, including explanations

The nomination committee of Scandi Standard hereby presents its proposals to the annual general meeting 2020.

The nomination committee's proposals

Chairman of the annual general meeting

The nomination committee proposes that Advokat Björn Svensson is elected chairman of the annual general meeting of shareholders 2020.

Number of members of the board of directors to be elected by the annual general meeting

The nomination committee proposes that the number of board members elected by the annual general meeting is seven without deputies.

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

The nomination committee proposes the following fees to the board members for the period until the next annual general meeting.

The fee to the chairman of the board shall be SEK 700,000 (SEK 690,000) and the individual fee payable to the other non-employed board members elected by the annual general meeting shall be SEK 360,000 (SEK 345,000).

The nomination committee proposes that the fees to members of the committees of the board, for the period until the next annual general meeting, shall remain unchanged and not be more than SEK 420,000. This comprises an individual annual fee of SEK 150,000 for the chairman of the audit committee and SEK 75,000 for each of the two other members of the audit committee, SEK 60,000 for the chairman of the remuneration committee and SEK 30,000 for each of the two other members of the remuneration committee.

Election of board members and chairman of the board of directors

The nomination committee proposes that the following persons be elected board members.

Re-election of:

- Per Harkjaer
- Michael Parker
- Karsten Slotte
- Heléne Vibbleus

- Øystein Engebretsen
- Vincent Carton

New election of:

- Henrik Hjalmarsson

The nomination committee proposes that Per Harkjaer is re-elected as chairman of the board.

Number of auditors

The nomination committee proposes that Scandi Standard shall have one auditor without deputy auditor.

Fees payable to the auditor

The nomination committee proposes that the auditor fees are paid against approved account.

Election of auditor

The nomination committee proposes that Öhrlings PricewaterhouseCoopers AB is re-elected as auditor for the period until the close of the next annual general meeting.

Instruction for the nomination committee

The nomination committee proposes that Section 7. c–d in the instruction for the nomination committee is amended and that the amended instruction shall be as follows:

1. The Company shall have a Nomination Committee with no less than four members. One member shall be the chairman of the Board of Directors, or a board member nominated by the Chairman.
2. Based on the shareholding statistics received by the Company from Euroclear Sweden AB as per the last bank day of August following the Annual General Meeting of Shareholders, the Nomination Committee shall, without unnecessary delay, identify the four largest shareholders by voting power of the Company¹.
3. As soon as reasonably feasible, the Nomination Committee shall, in a suitable manner, contact the identified four largest shareholders and request them,

¹ The shareholding statistics used shall be sorted by voting power (grouped by owners) and cover the 25 largest in Sweden direct registered shareholders, i.e. shareholders having registered an account with Euroclear Sweden AB in their own name or shareholders holding a custody account with a nominee that have reported the identity of the shareholder to Euroclear Sweden AB.

within reasonable time, however not exceeding 30 days, to provide in writing to the Nomination Committee the name of the person that the respective shareholder wishes to appoint as a member of the Nomination Committee.

Should a shareholder, among the four contacted, abstain from its right to appoint a member or fail to appoint a member within the prescribed time, the right to appoint a member shall transfer to the subsequent largest shareholder by voting power provided such shareholder has not already appointed a member of the Nomination Committee or previously abstained from such right.

4. The chairman of the Nomination Committee shall be the member that represents the largest shareholder(s) by voting power, provided the Nomination Committee does not unanimously resolve to appoint another member. Notwithstanding the foregoing, neither the chairman of the Board of Directors nor a member of the Board of Directors may be appointed as the Chairman of the Nomination Committee.
5. As soon as all the members and the chairman of the Nomination Committee have been appointed, the Nomination Committee shall inform the Company to that effect and also provide required information on the members and chairman of the Nomination Committee including the name of the appointing shareholder(s). The Company shall, without unnecessary delay, make public the constitution of the Nomination Committee by releasing a separate press release and post the information on the Company's web site not later than six months ahead of the Annual General Meeting of Shareholders.
6. The Nomination Committee shall be considered appointed and its mandate period shall start when the information has been released in a separate press release. The mandate period of the Nomination Committee extends for the period until the next Nomination Committee has been appointed and its mandate period starts, see item 2-5 above.
7. The Nomination Committee shall remain unchanged unless:
 - a) a member wishes to resign prematurely, in the case of which such a request shall be sent to the Chairman of the Nomination Committee (or in case it is the Chairman who wishes to resign, to another member of the Nomination Committee) and the receipt imply that the request has been effected, or
 - b) a nominating shareholder wishes to change its representative on the Nomination Committee against another person, in the case of which such a request (containing the two relevant names) shall be the sent to the

Chairman of the Nomination Committee (or in case it is the Chairman who shall resign, to another member of the Nomination Committee) and the receipt imply that the request has been effected, or

- c) a shareholder becomes one of the four largest shareholders by voting power (the new larger shareholder) and makes a written request to nominate a new member of the Nomination Committee, in which case the Nomination Committee shall resolve to increase the Nomination Committee with the member nominated by the new larger shareholder, except that if the Nomination Committee determines that only minor changes in shareholding have occurred or that a change in composition would not be made in sufficient time before the relevant General Meeting, it may decide that the Nomination Committee shall not be changed, or
 - d) the Nomination Committee, to reflect the ownership structure in the Company, at its own discretion resolves to offer places on the Nomination Committee to a shareholder with a substantial shareholding (provided that such shareholder has not already appointed a member of the Nomination Committee) and receipt of a written nomination from such shareholder imply that the request has been effected.
8. Should the Nomination Committee at any point in time consist of less than four members, the Nomination Committee shall nevertheless be authorized to fulfil its assignment according to this instruction.
 9. The Nomination Committee shall perform its assignment in accordance with this instruction and applicable rules.

The assignment includes provision of proposals for:

 - chairman at the Annual General Meeting of Shareholders;
 - chairman of the Board of Directors and other members of the Board of Directors appointed by the Annual General Meeting of Shareholders;
 - fees payable to non-employed members of the Board of Directors;
 - when applicable, election of auditor and fees payable to the auditor; and
 - to the extent deemed necessary, amendments to this instruction for the Nomination Committee
 10. No remuneration shall be paid to the members of the Nomination Committee. However, the Company shall bear the reasonable expenses of the Nomination Committee.
 11. This instruction for the Nomination Committee applies until the General Meeting of Shareholders resolve otherwise.

Description of the nomination committee's work for the annual general meeting 2020

The composition of the nomination committee was made public by Scandi Standard AB (publ) on 16 September 2019. The nomination committee consists of the following members:

- Andreas Hofmann (chairman, appointed by Investment AB Öresund);
- Justin Carton (appointed by Carton Group);
- Viktor Henriksson (appointed by Carnegie Fonder);
- Per Olof Nyman (appointed by Lantmännen Animalieinvest AB); and
- Per Harkjaer (chairman of the board of directors of Scandi Standard).

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 2017. 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. In November 2019, the nomination committee was informed that Gunilla Aschan resigned from the board due to personal reasons. The nomination committee reviewed the results of the external evaluation of the board work and procedures, including the performance of the chairman of the board and its members individually. On this basis, the nomination committee has assessed what competence and experience is required of Scandi Standard's board members and evaluated the need for increased diversity on the board in terms of age, gender, cultural/geographic background and ownership representation. In doing so, the nomination committee identified the opportunity to further strengthen the board's competence in and experience from supply chain management. 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. Prior to submitting this proposal, the nomination committee has held four meetings.

Explanation of proposal regarding board composition, independence etc

Diversity policy

The nomination committee has determined that Rule 4.1 of the Swedish Corporate Governance Code is to be applied as board diversity policy. This means that when preparing its proposals to the annual general meeting, the nomination committee will consider that the board of directors is to have a composition appropriate to

Scandi Standard's operations, phase of development and other relevant circumstances. The board members elected by the general meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The nomination committee is to strive for gender balance on the board of directors of Scandi Standard.

All board assignments in Scandi Standard are to be based on merit with the prime consideration being to maintain and enhance the board of directors' overall effectiveness. Within this, a broad set of qualities and competences is sought for and the nomination committee recognises that diversity (including age, gender, geographical provenance and educational and professional background) is an important factor to take into consideration. In particular, the nomination committee notes the necessity to increase the gender balance of the board of directors over time.

The number of board members

According to the articles of association, the board shall consist of no less than three and no more than nine board members, without deputies. The AGM 2019 elected seven board members. However, after Gunilla Aschan's resignation due to personal reasons in November 2019, the board currently consist of six members. The nomination committee considers that the reduction of the number of board members from nine to seven which was resolved at the AGM 2018 has been successful and that seven board members is adequate.

The nomination committee's considerations regarding proposed board composition

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 believes that the proposed new board member Henrik Hjalmarsson will bring additional experience from supply chain management and the food industry to the board and further strengthen the boards' competence and experience in these areas. 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.

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.

Based on thorough discussions and assessments, the nomination committee considers that the proposed board well balances the desire to reflect the ownership structure of the company while taking continuity and gender diversity into account. Moreover, the nomination committee considers that the proposed board members have sufficient skills and time to fulfil their tasks as board members of Scandi Standard.

Independence of board members

According to the Swedish Corporate Governance Code (the “**Code**”), a majority of the members of the board of directors elected by the general meeting are to be independent of the company and its senior management. At least two of the members of the board of directors who are independent of the company and its senior management are also to be independent in relation to the company's major shareholders. The nomination committee is of the opinion that the proposed composition of the board of directors fulfils the requirements of the Code.

In terms of applicable Swedish independence requirements, the nomination committee has made the following assessments.

- (a) The nomination committee considers that all of the proposed board members except Vincent Carton, who was a member of the group management during part of 2019, are independent of Scandi Standard and its senior management.
- (b) The nomination committee considers that that all of the proposed board members except Öystein Engebretsen (being an employee of Investment AB Öresund) are independent of Scandi Standard's major shareholders. The nomination committee notes that Vincent Carton has a significant shareholding in the company through Carton Group that does not meet the 10% threshold for being considered a major shareholder.

Board remuneration

It is important that board fees (including for committee work) 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 for board and committee work are in line with market practice and reasonable.

Information regarding the proposed board members

Henrik Hjalmarsson

Born: 1976

Education: Master of Science in Mechanical Engineering and Technology Management, University of Lund, Sweden.

Other assignments: President & CEO of Inwido AB (publ). Chairman of the board of directors of Repasco AB.

Shareholding in Scandi Standard: 1,000 shares.

Principal work experience: CEO and other leading positions at Findus and Nomad Foods.

Information regarding the board members that are proposed to be re-elected can be found on Scandi Standard's website.

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Stockholm in April 2020
The nomination committee