

**NOTICE****Welcome to the Annual General Meeting 2016 of Scandi Standard AB (publ)**

---

The shareholders of Scandi Standard AB (publ) are invited to participate in the Annual General Meeting to be held on Monday, April 25, 2016 at 1.00 p.m. at IVAs Konferenscenter, Grev Turegatan 16 in Stockholm. Registration starts at 12 noon.

**Registration and notice of attendance**

Shareholders who wish to attend the Annual General Meeting must

- be recorded in the share register kept by Euroclear Sweden AB, the Swedish securities registry, on Tuesday, April 19, 2016, and
- give notice of attendance to Scandi Standard AB (publ) at the latest on Tuesday, April 19, 2016. Notice of attendance can be given by telephone +46 (0) 8-402 90 55 between 9.00 a.m. and 4.00 p.m. or on Scandi Standard's website, [www.scandistandard.com](http://www.scandistandard.com).

Notice may also be given in writing to:

Scandi Standard AB (publ)  
c/o Euroclear Sweden AB  
P.O. Box 191  
SE-101 23 Stockholm  
Sweden

When giving notice of attendance, please state name, date of birth or registration number, address, telephone number and the number of any attending assistants (not more than two).

The Annual General Meeting will be conducted in Swedish and, if needed, simultaneously translated into English

**Shares registered in the name of a nominee**

In addition to giving notice of attendance, shareholders having their shares registered in the name of a nominee, must request the nominee to temporarily enter the shareholder into the share register as per Tuesday, April 19, 2016, in order to be entitled to attend the Annual General Meeting. The shareholder should inform the nominee to that effect well before that day.

**Proxy**

Shareholders represented by proxy shall issue a power of attorney for the representative. A power of attorney issued by a legal entity must be accompanied by a copy of the entity's certificate of registration (should no such certificate exist, a corresponding document of

authority must be submitted). In order to facilitate the registration at the Annual General Meeting, the power of attorney in the original, certificate of registration and other documents of authority should be sent to Scandi Standard AB (“publ”) in advance to the address above for receipt no later than by Thursday, April 21, 2016. Forms of power of attorney in Swedish and English are available on Scandi Standard’s website [www.scandistandard.com](http://www.scandistandard.com).

## **Agenda**

1. Election of the chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Determination whether the Annual General Meeting has been properly convened.
5. Election of two persons approving the minutes.
6. Presentation of the annual report and the auditors’ report, the consolidated accounts and the auditors’ report on the consolidated accounts as well as the auditors’ presentation of the audit work during 2015.
7. The CEO’s speech and questions from the shareholders to Scandi Standard’s board of directors and management.
8. Resolutions with respect to
  - a. adoption of the income statement and the balance sheet, and the consolidated income statement and the consolidated balance sheet;
  - b. discharge of liability for the members of the board of directors and the CEO; and
  - c. the appropriation of the profit in accordance with the approved balance sheet and the record date for dividend.
9. Resolution on amendment to the instruction for the Nomination Committee.
10. Presentation of the proposals of the Nomination Committee, election of the board of directors etc.
  - a. Determination of number of board members of the board of directors to be elected by the Annual General Meeting
  - 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.
  - c. Election of board members and chairman of the board of directors.
  - d. Determination of number of auditors.
  - e. Determination of fees payable to the auditor.
  - f. Election of auditor.
11. Resolution on
  - a. guidelines for remunerations for the managing director and senior management
  - b. Long Term Incentive Program, LTIP 2016;
  - c. authorization to acquire own shares; and
  - d. transfer of own shares.
12. Closing of the meeting.

**Item 1. 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 8 c. Dividend and record date**

The board of directors proposes a dividend of SEK 1:80 per share and Wednesday, April 27, 2016, as record date for dividend. Assuming this date will be the record date, Euroclear Sweden AB is expected to disburse dividends on Monday, May 2, 2016.

**Item 9. Resolution on instruction for the Nomination Committee**

The Nomination Committee currently consists of Seamus FitzPatrick (CapVest Associates LLP), Per Harkjaer, (Chairman of the Board of Directors of Scandi Standard, Hans Hedström (Carnegie Fonder), Jannis Kitsakis, (Fjärde AP-Fonden), Gustav Lindner (Investment AB Öresund), Per Olof Nyman (Lantmännen Kycklinginvest AB and Chairman of the Nomination Committee) and Knut Pousette (Kvalitena AB), who have prepared the proposal for Instruction for the Nomination Committee and the proposals regarding board members elected by the meeting and fees etc.

**Instruction for the Nomination Committee**

The Nomination Committee proposes that the Annual General Meeting of Shareholders 2016 of Scandi Standard AB (publ) ("Company") resolves to adopt the following amendments to Item 3 and a new Item 7 that replaces current Items 7-9, in the Instruction for the Nomination Committee.

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 Scandi Standard 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 Company<sup>1</sup>.

---

<sup>1</sup> 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.

3. As soon as reasonably feasible, the Nomination Committee shall, in a suitable manner, contact the identified four largest shareholders and request them, 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 nominating shareholder sells its entire shareholding in Scandi Standard, in the case of which the member representing the selling nominating shareholder shall be deemed to have resigned from the Nomination Committee automatically, or
  - d. the Nomination Committee, at its own discretion, resolves to offer vacant places on the Nomination Committee to other shareholders to reflect the ownership structure in the Company.
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.

**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 AB (publ) ("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
  - Samir Kamal
  - Mike Parker
  - 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.

**Item 11 a. Guidelines for remunerations for the managing director and senior management**

The board of directors of Scandi Standard proposes that the Annual General Meeting resolves to approve the board's proposal regarding guidelines for remuneration for the senior management as set forth below which shall apply until the Annual General Meeting 2017. In this context, the senior management means the CEO of Scandi Standard and the executives in Scandi Standard and other group companies who, from time to time, are reporting to the CEO or the CFO and who are also members of the senior management, as well as members of the board of directors of Scandi Standard to the extent employment or consulting agreements are entered into.

Salaries and other terms and conditions of employment shall be sufficient for Scandi Standard to recruit and retain skilled senior managers at a reasonable cost to Scandi Standard. Remuneration in Scandi Standard shall be based on principles of performance, competitiveness and fairness. The remuneration to the senior managers consist of a fixed salary, variable salary, pension and other benefits. Every 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 remuneration committee. 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 Scandi Standard, 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. Individual remunerations and other terms of employment for all employees earning more than SEK 2,000,000 per annum are approved by the board of directors.

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.

#### **Item 11 b. Long Term Incentive Program 2016 (LTIP 2016)**

##### **Background and summary**

Salaries and other terms and conditions of employment in Scandi Standard and any of its subsidiaries (Scandi Standard and its subsidiaries are hereinafter jointly referred to as the “**Group**”) shall be sufficient for the Group to recruit and retain skilled employees at reasonable costs to the Group. Remuneration shall be based on principles of performance, competitiveness and fairness. The board of directors of Scandi Standard has decided to propose to the annual general meeting the below Long Term Incentive Program 2016 (“**LTIP 2016**”) for key employees, which is intended to contribute to long term value growth and provide a shared interest in value growth between shareholders and employees.

Performance share rights shall be allotted free of charge to the participants of LTIP 2016, who are key employees in the Group, in relation to a fixed percentage of their base salary. After a three-year vesting period commencing in connection with the implementation of LTIP 2016 and provided that certain conditions are fulfilled, the participants may exercise their performance share rights through which they will be allotted shares in Scandi Standard free of charge.

In order to ensure the delivery of shares under LTIP 2016 and for the purpose of hedging social security charges under LTIP 2016, the board of directors proposes that the board of directors be authorized to acquire a maximum of 269,598 shares in Scandi Standard on Nasdaq Stockholm. In addition, the board of directors proposes that the annual general meeting resolves to transfer a maximum of 209,076 own shares to the participants of LTIP 2016 in accordance with the terms of LTIP 2016.

The intention is that a program similar to LTIP 2016 shall be adopted annually, at the annual general meetings the coming years.

## **Proposal**

The board of directors proposes that the annual general meeting resolve on the implementation of LTIP 2016 principally based on the terms and conditions set out below.

### **1. Participants and allotment under LTIP 2016**

LTIP 2016 comprises a maximum of 19 participants divided into five (5) categories.

- Category 1 consists of the CEO
- Category 2 consists of the CFO and the Group COO
- Category 3 consists of the country managers and the chief of live operations
- Category 4 consists of other key employees

The participants shall free of charge be allotted performance share rights entitling to allotment of shares in Scandi Standard. The number of performance share rights allotted to a participant shall be calculated as a percentage of the relevant participant's base salary plus any social security charges attributable to such amount divided by 57.58, which was the average share price during the period 2 March 2016 to 18 March 2016. The percentage of the base salary forming the basis for allotment of performance share rights depends on which category the participant belongs to, in accordance with the following:

- Category 1: 100 percent of the base salary for 2016
- Category 2: 75 percent of the base salary for 2016
- Category 3: 50 percent of the base salary for 2016
- Category 4: 25 percent of the base salary for 2016

The above percentages will be adjusted so that participants who have been employed with the Group for less than a year will receive less than 100 percent of the numbers illustrated above.

Provided that the conditions set out in item 2 are fulfilled, the performance share rights shall entitle to allotment of shares in Scandi Standard in accordance with what is described below. Allotment of shares on the basis of performance share rights shall be made at the earliest three years after the implementation of LTIP 2016 (the "**Vesting Period**").

### **2. Performance share rights**

Following the Vesting Period, each performance share right shall entitle to allotment of up to one (1) share. The conditions for allotment of shares are described in the following.

#### ***Vesting requirement***

In order for performance share rights to entitle to allotment of shares, it shall be required that the relevant participant remains employed and has not given or been given notice of termination of employment within the Group during the Vesting Period. If this condition is not fulfilled, no shares shall be allotted. However, in case a participant's employment has terminated prior to the end of the Vesting Period due to such participant's death or disability or if the employer has given notice of termination of the participant's employment without cause (including, for the avoidance of doubt, notice of termination due to redundancy/shortage of work (Sw. *arbetsbrist*)), 1/3 of the right to allotment of shares shall be vested at each anniversary of the implementation of LTIP 2016.

***Performance requirement***

In addition, allotment of shares shall be conditional upon satisfaction of a financial target set by the board of directors of Scandi Standard, being the compound annual growth rate of earnings per share (“EPS CAGR”).

The EPS CAGR shall be calculated by the board of directors on the basis of the Group’s quarterly financial statements, which are adjusted for non-comparables. EPS for the financial year 2015 shall be SEK 3.27, as agreed with the remuneration committee.

In order for full allotment of shares to occur, the average EPS CAGR during the period 1 January 2016 – 31 December 2018 must be at least 12.5 percent. If the average EPS CAGR during the period 1 January 2016 – 31 December 2018 is 5 percent, the participants shall be allotted shares for 25 percent of their performance share rights. If the average EPS CAGR during the period 1 January 2016 – 31 December 2018 is more than 5 percent but less than 12.5 percent, the participants shall receive linear allotment. If the average EPS CAGR during the period 1 January 2016 – 31 December 2018 is less than 5 percent, no shares shall be allotted.

**3. Terms and conditions for the performance share rights**

In addition to what has been stated above, the following terms and conditions shall apply for the performance share rights:

- The performance share rights are allotted free of charge.
- The participants are not entitled to transfer, pledge, or dispose the performance share rights or perform any shareholder’s rights regarding the performance share rights during the Vesting Period.
- Execution of the performance share rights may take place at the earliest three years after LTIP 2016 was implemented.
- Scandi Standard will not compensate the participants for any dividends.

**4. Detailed terms and administration**

The board of directors, or a certain committee appointed by the board of directors, shall be responsible for determining the detailed terms and the administration of LTIP 2016, within the scope of the terms and guidelines given by the general meeting. By way of example, the board of directors shall be authorized to decide that, despite the conditions under item 2 above being fulfilled, no allotment of shares shall be made to a participant in case of fraud, other criminal activity or gross misconduct by such participant.

In connection with any rights issues, splits, reverse splits and similar dispositions, the board of directors shall be authorized to recalculate EPS CAGR as well as the number of shares that the performance share rights shall entitle to.

In case a public offer for all shares in Scandi Standard is completed resulting in the offeror owning more than 90 percent of the shares in Scandi Standard, the board of directors shall be authorized to resolve upon the close-down of LTIP 2016, including but not limited to approving earlier execution of performance share rights, amending the vesting requirements and shorten the periods for application of the EPS CAGR thresholds for determination of to which extent the performance requirement is fulfilled.

If delivery of shares cannot be accomplished at reasonable costs, with reasonable administrative effort and without regulatory problems, the board of directors shall be authorized to decide that the participants may instead be offered a cash-based settlement.

Further, the board of directors shall be authorized to decide on other adjustments in the event that major changes in the Group, the market or otherwise in the industry would occur, which would entail that resolved conditions for allotment and the possibility to use the performance share rights under LTIP 2016 would no longer be appropriate.

#### **5. Hedging of commitments according to LTIP 2016 – Acquisitions and transfers of own shares**

The board of directors proposes that the annual general meeting resolve to authorize the board of directors to acquire maximum 269,598 shares for the following purposes:

- (1) Securing delivery of shares at exercise of the performance share rights.
- (2) Securing and covering social security charges triggered by LTIP 2016.

Acquisitions shall be made on Nasdaq Stockholm on one or several occasions and until the next annual general meeting at a price within the band of prices applying on the exchange. The full proposal regarding authorization for the board of directors to acquire own shares is included in item 11 c. of the notice.

Further, the board of directors proposes that the annual general meeting resolves to transfer a maximum of 209,076 shares acquired in accordance with the foregoing. Transfers shall be made to the participants of LTIP 2016 in accordance with the terms of LTIP 2016. The full proposal regarding transfers of own shares is included in item 11 d. of the notice.

#### **6. The value of and the estimated costs for LTIP 2016**

Assuming 100 percent vesting, full fulfilment of the EPS requirement and a share price at the time of exercise of the performance share rights of SEK 57.58, LTIP 2016 will result in the allocation of 209,076 shares in Scandi Standard, representing a value of SEK, 14,237,604.

LTIP 2016 will cause costs for the Group in the form of social security charges. Social security charges shall be expensed and allocated to the periods during which the participants' services were performed. The social security charges are expected to amount to in average approximately 18 percent of the market value of the shares allocated upon exercise of the performance share rights.

The board of directors has proposed that the effect on cash flow that may arise as a result of social security charges payable when the performance share rights are exercised be hedged by way of acquisitions of own shares in the market.

In addition, the performance share rights will give rise to accounting costs in accordance with IFRS 2. These costs shall be determined on the allotment date and be allocated over the Vesting Period. In accordance with IFRS 2, the theoretical value of the performance share rights shall form the basis of the calculation of these costs. The theoretical value shall not be re-valued in subsequent reporting periods, although adjustments shall be made in conjunction with every financial report for the performance share rights that have not been vested. In this manner, the accumulated costs at the end of the Vesting Period will correspond to the number of performance share rights that fulfil the conditions.

#### **7. Dilution and effects on key ratios**

No new shares will be issued in Scandi Standard due to LTIP 2016. However, Scandi Standard will need to acquire 269,598 own shares, corresponding to approximately 0.4 percent of the outstanding shares and votes in Scandi Standard in order to secure delivery of shares under LTIP 2016 and to secure and cover social security charges.

The costs for LTIP 2016 are expected to have a marginal effect on the Group's key ratios.

#### **8. The objectives of the proposal and reasons for deviations from the shareholders' preferential rights**

The board of directors considers the existence of effective share-related incentive programs for key employees of Scandi Standard to be of material importance for the development of Scandi Standard. The proposed program creates a common Group focus for the key employees in the different parts of the Group. By linking the key employees' remuneration to Scandi Standard's earnings, long term increase in value is rewarded and thus an alignment of interest of the key employees and shareholders is achieved.

In light of these circumstances, the board of directors considers that LTIP 2016, with regard to the terms and conditions, the size of the allotment and other circumstances, is reasonable and advantageous for Scandi Standard and its shareholders.

#### **Preparation of proposal**

The proposal has been prepared by the remuneration committee in consultation with the board of directors and external advisors. The resolution to propose LTIP 2016 to the annual general meeting has been taken by the board of directors.

#### **Outstanding incentive programs in Scandi Standard**

The AGM 2015 adopted a long-term incentive plan for 19 senior executives and key employees, which has essentially the same design as the now proposed LTIP 2016. A maximum of 390,184 shares may be awarded under LTIP 2015.

#### **Item 11 c. Authorization to acquire own shares**

For the purposes of (1) securing delivery of shares to the participants of LTIP 2016 at exercise of the performance share rights, and (2) securing and covering costs that can be triggered by the LTIP 2016 (e.g. social security charges and tax), the board of directors proposes that the annual general meeting resolves to authorize the board of directors to, on one or several occasions and until the next annual general meeting, resolve on acquisition of shares in Scandi Standard, in accordance with the following.

- (1) A maximum of 269,598 shares in Scandi Standard may be acquired, however only to such extent that, following each acquisition, Scandi Standard holds a maximum of 10 per cent of all shares issued by Scandi Standard.
- (2) Acquisitions shall be made on Nasdaq Stockholm.
- (3) Acquisitions shall be made at a price per share contained within the at each time prevailing price interval for the share.
- (4) Payment for the shares shall be made in cash.

The board of directors has issued a statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

#### **Item 11 d. Transfer of own Shares**

In order to secure delivery of shares at exercise of the performance share rights under LTIP 2016, the board of directors proposes that the annual general meeting resolves to transfer own shares to the participants in LTIP 2016 in accordance with the following.

Transfer of a maximum of 209,076 own shares may occur on the following terms and conditions.

- The right to receive shares shall, with deviation from the shareholders' preferential rights, be granted to the participants in LTIP 2016, with a right for each of the participants to receive no more than the maximum number of shares allowed under the terms and conditions for LTIP 2016. Furthermore, subsidiaries within the Scandi Standard Group shall have the right to receive shares, free of consideration, and such subsidiaries shall be obligated to immediately transfer, free of consideration, shares to the participants in LTIP 2016 in accordance with the terms and conditions of the program.
- The participants' right to receive shares are conditional upon the fulfilment of all terms and conditions of LTIP 2016.
- The shares shall be transferred within the time period set out in the terms and conditions of LTIP 2016.
- The shares shall be transferred free of charge.
- The number of shares that may be transferred to the participants in LTIP 2016 may be recalculated due to share issues, splits, reverse splits and/or similar dispositions in accordance with the terms and conditions of LTIP 2016.

The reason for the proposed transfers and for the deviation from the shareholders' preferential rights is to enable delivery of shares to the participants in LTIP 2016.

---

#### **Majority rules**

A resolution in accordance with item 11 b. above requires support from shareholders representing more than half of the votes cast at the meeting. A resolution in accordance with item 11 c. above requires support from shareholders representing at least 2/3 of the votes cast as well as shares represented at the meeting. A resolution in accordance with item 11 d. above requires support from shareholders representing at least 9/10 of the votes cast as well as shares represented at the meeting.

### **Shares and votes**

There are in total 60,060,890 shares in Scandi Standard and 60,060,890 votes. Scandi Standard's holding amounts to 448,712 corresponding to 448,712 votes.

### **Information at the Annual General Meeting**

The board of directors and the CEO shall, if any shareholder so requests and the board of directors believes that it can be done without material harm to Scandi Standard, provide information regarding circumstances that may affect the assessment of an item on the agenda and circumstances that can affect the assessment of Scandi Standard's or its subsidiaries' financial situation and Scandi Standard's relation to other companies within the Group.

### **Documents**

The complete proposals of the Nomination Committee with respect to Items 1, 9 and 10, are available at Scandi Standard's website [www.scandistandard.com](http://www.scandistandard.com). The complete proposals of the board of directors will be made available at Scandi Standard and at Scandi Standard's website [www.scandistandard.com](http://www.scandistandard.com), no later than three weeks prior to the Annual General Meeting. The documents will also be sent upon request to shareholders providing their address to Scandi Standard.

The Annual Report and the Auditor's Report will be made available at Scandi Standard and at Scandi Standard's website [www.scandistandard.com](http://www.scandistandard.com) no later than three weeks prior to the Annual General Meeting. The documents will also be sent upon request to shareholders providing their address to Scandi Standard.

---

Stockholm in March 2016  
*THE BOARD OF DIRECTORS*