

The Board of Directors' Report under Paragraph 10.3, last paragraph, of the Swedish Code of Corporate Governance

The Board of Directors of Scandi standard AB (publ) (the "**Scandi Standard**") has internally appointed a Remuneration Committee. The Remuneration Committee currently consists of Kate Briant, Per Harkjær (chairman) and Ulf Gundemark. The Remuneration Committee's main tasks are to:

- a) prepare the Board of Directors' decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the senior management;
- b) follow and evaluate ongoing and, during the year, terminated programs for variable remuneration for the senior management; and
- c) follow and evaluate the application of the guidelines for remunerations to senior management that the annual general meeting is legally obliged to decide on, as well as the current remuneration structures and levels in the Scandi Standard.

The Annual General Meeting of Scandi Standard has adopted guidelines for remuneration to senior executives for the period from the Annual General Meeting 2015 until the Annual General Meeting 2016. The Remuneration Committee considers that the Company's guidelines for the remuneration of senior executives have fulfilled their purposes and worked well.

The Annual General Meeting 2015 resolved to adopt a long-term incentive program for senior executives and key employees, which is intended to contribute to long term value growth and provide a shared interest in value growth between shareholders and employees.

The Committee has monitored and evaluated the long-term incentive program for senior executives and key employees. According to the Committee, the program is appropriate in order to be able to retain and motivate key employees in the Group and well-balanced.

The Remuneration Committee has monitored and evaluated the remuneration structures and the remuneration levels that there are in Scandi Standard and finds that these are competitive and well balanced.

February, 2016

*The Remuneration Committee of
Scandi Standard AB (publ)*