

The nomination committee's proposals to the annual general meeting 2018, including explanations

The nomination committee of Scandi Standard hereby presents its proposals including explanations to the annual general meeting 2018.

The nomination committee's proposals

Chairman of the annual general meeting

The nomination committee proposes that Advokat Björn Svensson be elected chairman of the annual general meeting of shareholders 2018.

Number of board 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 that fees to the board members, for the period until the next annual general meeting, shall be not more than SEK 2,600,000 (currently SEK 2,750,000). The fee to the chairman of the board shall be increased to SEK 650,000 (SEK 550,000) and the individual fee payable to the other non-employed board members elected by the annual general meeting shall be increased to SEK 325,000 (SEK 275,000).

The nomination committee proposes that fees to members of the committees of the board, for the period until the next annual general meeting, shall be not more than SEK 420,000 (SEK 330,000). This comprises an individual annual fee of SEK 150,000 (SEK 130,000) for the chairman of the audit committee and SEK 75,000 (SEK 50,000) for each of the two other members of the audit committee, SEK 60,000 (SEK 50,000) for the chairman of the remuneration committee and SEK 30,000 (SEK 25,000) 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
- Öystein Engebretsen

New election of:

- Gunilla Aschan
- Vincent Carton

The nomination committee proposes Per Harkjaer to be 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 be paid against approved account.

Election of auditor

The nomination committee proposes that Öhrlings PricewaterhouseCoopers AB be re-elected as auditor for the period as of the end of the annual general meeting 2018 until the end of the annual general meeting 2019.

Description of the nomination committee's work for the annual general meeting 2018

The composition of the nomination committee was made public by Scandi Standard AB (publ) on 16 November 2017. The nomination committee consists of the following members:

- Gustav Lindner (chairman, appointed by Investment AB Öresund);
- Justin Carton (appointed by Carton Group);
- Hans Hedström (appointed by Carnegie Fonder);
- Ulf Zenk (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. 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 and has interviewed 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. The nomination committee also has been in contact with the external auditor regarding the cooperation with the company and the audit committee. Prior to submitting this proposal, the nomination committee has held three meetings.

Explanation of proposal regarding board composition, independence etc

Members not available for re-election

Current board members Ulf Gundemark, Samir Kamal, Harald Pousette and Asbjörn Reinkind have informed the nomination committee that they are not available for re-election.

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. At present, the board consist of nine members. The nomination committee notes that the board is in comparison to other similar companies large and that the board work would likely benefit from a reduced number of members. Therefore, the nomination committee proposes that the board shall comprise seven members.

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 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.

Several members are not available for re-election. The nomination committee has also identified the need to reduce the size of the board to increase its efficiency. The nomination committee has further identified the need to maintain the shareholder perspective on the board, to strengthen its competence in finance and its industrial knowledge and to move towards a more gender balanced board composition. The nomination committee has based on this need identified Gunilla Aschan and Vincent Carton as two candidates that would strengthen the board in these areas and bring on board the desired competences. Both candidates have a shareholder perspective and industrial knowledge, Vincent Carton from Ireland's largest chicken producer Manor Farm and Gunilla Aschan from her educational background, her current board engagement with Lantmännen as well as her past board engagement with e.g. HKScan. In addition, Gunilla Aschan bring further finance competence to the board from her current position with Nordea Bank. The nomination committee also notes that of the two proposed new board members,

there is one man and one woman, moving the board composition in the direction of gender balance.

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

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 are independent of Scandi Standard and its senior management.
- (b) The nomination committee considers that that all of the proposed board members except Øystein 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. Furthermore, the nomination committee notes that Gunilla Aschan is a member of the board of directors of Lantmännen that has a significant shareholding in the company 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 proposed board members

Information regarding the proposed board members is presented in the Exhibit to the nomination committee proposal, which can be found on Scandi Standard's website.

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Stockholm in April 2018
The nomination committee