

Documentation of Scandic's nomination committee ahead of the annual general meeting 2016

At the extraordinary general meeting on 15 September 2015, it was resolved that the company shall have a nomination committee consisting of the chairman of the Board of Directors and one representative of each of the three largest shareholders in terms of votes based on shareholder statistics from Euroclear Sweden AB as per the last bank day in August each year. The nomination committee shall remain in office until a new nomination committee has been appointed. The names of the three shareholder representatives and the names of the shareholders they represent shall be announced no later than six months prior to the annual general meeting. Unless the members agree otherwise, the chairman of the nomination committee shall be the member who represents the shareholder controlling the largest number of votes.

Due to the initial public offering of the company's shares on 2 December 2015, a nomination committee consisting of the three largest shareholders based on shareholder statistics from Euroclear Sweden AB as per 11 December 2015 was appointed. The nomination committee has the following composition:

- Vagn Sørensen, chairman of the Board of Directors
- Caspar Callerström (Sunstorm Holding AB, a company controlled by EQT V Limited, governed by EQT Partners, with Accent Equity 2003 fund as co-investors).
- Joel Lindeman (Provobis through Novobis)
- Katja Bergqvist (Handelsbanken Fonder)

The nomination committee held its first meeting on 15 January 2016, and Joel Lindeman was then appointed chairman of the nomination committee. On 4 April 2016, Handelsbanken Fonder announced that Magdalena Wahlqvist Alveskog has replaced Katja Bergqvist as representative for Handelsbanken Fonder in the nomination committee. The nomination committee has in total held four documented meetings with continuous contacts between the meetings. These meetings have mainly been devoted to evaluation of the board's work, assessment of fees and recruitment of members to the proposed Board of Directors.

Proposal by the nomination committee

Proposal by the nomination committee regarding election of chairman of the annual general meeting

The nomination committee proposes that attorney at law Andreas Steen, Mannheimer Swartling, be elected chairman of the annual general meeting.

Proposal by the nomination committee regarding the number of Board members and deputy Board members to be elected at the annual general meeting

The nomination committee proposes that the number of Board members shall be eleven members and no deputies.

According to the Articles of Association, the Board of Directors shall, to the extent elected by the shareholders' meeting, consist of not less than three and not more than ten directors with not more than two alternate directors. Hence, the proposal of the nomination committee requires that the Articles of Association be amended to state that the Board of Directors shall, to the extent elected by the shareholders' meeting, consist of not less than three and not more than eleven directors with not more than two alternate directors.

Proposal by the nomination committee regarding fees to the Board of Directors

Regarding fees to the Board of Directors, the nomination committee proposes a change for certain roles within the Board, in accordance with the proposal below:

- Chairman of the Board of Directors: SEK 700,000 (SEK 600,000)
- Other Board members: SEK 320,000 each (SEK 300,000), in addition to any fees for committee work as stated below
- Chairman of the audit committee: SEK 150,000 (SEK 100,000)
- Chairman of the remuneration committee: SEK 100,000 (unchanged)
- Other members of the audit committee and the remuneration committee: SEK 50,000 each (unchanged)

The reasons for the proposal by the nomination committee follow below.

Proposal by the nomination committee regarding election of members of the Board of Directors and chairman of the Board of Directors

As to the election of members of the Board of Directors at the annual general meeting, the nomination committee proposes, for a period until the end of the next annual general meeting:

- Re-election of Per G. Braathen, Grant Hearn, Lottie Knutson, Eva Moen Adolfsson, Niklas Sloutski, Vagn Sørensen and Fredrik Wirdenius.
- Election of Ingalill Berglund, Albert Gustafsson, Stephan Leithner and Christoffer Lundström as new board members.
- Re-election of Vagn Sørensen as chairman of the Board of Directors.

Caspar Callerström and Rikard Steiber have informed the nomination committee that they will not stand for re-election.

Information regarding the Board members proposed for new election and the nomination committee's reasoned statement follows below.

Proposal by the nomination committee regarding election of auditor and fee to the auditor

The nomination committee proposes re-election of Scandic's current auditor, PwC, for a period until the end of the next annual general meeting. PwC has announced that Magnus Brändström will remain auditor in charge. Fee to the auditor is proposed to be paid in accordance with approved invoices.

Presentation of the directors proposed for new election

Ingalill Berglund

Born: 1964

Education: Advanced special course in Economics, Frans Schartau.

Main occupation: Self-employed. Previously CEO and CFO within the Atrium Ljungberg group. Twenty years' experience from the real estate sector.

Other assignments: Member of the Board of Handelsbanken regional bank in Stockholm.

Shareholding in Scandic: 3,000 shares

Albert Gustafsson

Born: 1977

Education: Bachelor in Economics, Gothenburg School of Economics.

Main occupation: Director in EQT Partners AB. Previously employee of Lehman Brothers International Europe Ltd.

Other assignments: Member of the Board of Frostbite Holding AB, GG Holding AB, Grangården AB and Dometic Group AB (publ).

Shareholding in Scandic: 0 shares

Stephan Leithner

Born: 1966

Education: PhD in Business Administration from St. Gallen University, Switzerland.

Main occupation: Partner of EQT Partners Germany. Previous experience from senior positions and directorships within Deutsche Bank AG and previously Partner of McKinsey & Co.

Other assignments: No current assignments. Previously member of the Board of BBUG Baden-Badener Unternehmensgespräche e.V. etc.

Shareholding in Scandic: 0 shares

Christoffer Lundström

Born: 1973

Education: Bachelor of Arts at Webster University and Hotel Management Diploma at HOSTA.

Main occupation: Owner and CEO of the investment company RCL Holding AB.

Other assignments: Board member of Collector AB, Feelgood Svenska AB, Rasta Group AB, Provobis Invest AB, Harrys Pubar AB, RCL Holding AB, KL Capital AB, Future Pawnbroker AB and Tableflip Entertainment AB.

Chairman of the board of AM Brands AB and member of the nomination committee of Betsson AB and NetEnt AB.

Shareholding in Scandic: 199,996 shares. Related parties hold 5,223 shares.

The nomination committee's reasoned statement

The nomination committee's reasoned statement regarding the composition and size of the Board of Directors

The nomination committee has, through the chairman of the Board of Directors, studied the results of the evaluation of the current Board of Directors and its work. The nomination committee deems that the current Board of Directors functions well and as a whole possesses the competence and experience relevant to Scandic. In 2015 the

composition of the Board of Directors was changed when two new Board members were elected, Fredrik Wirdenius and Lottie Knutson, who have strengthened the Board of Directors' expertise and experience from the real estate industry, the travel and tourism industry including the development and sale of products and services. Ahead of the annual general meeting 2016, Caspar Callerström and Rikard Steiber have informed the nomination committee that they will not stand for re-election.

When evaluating an appropriate composition of the Board of Directors, the nomination committee has considered the competence and experience of each Board member individually and of the Board of Directors as a whole. The nomination committee also takes into account the value of diversity where gender balance has been sought. The nomination committee also seeks a balance between renewal and continuity in the composition of the Board of Directors, as well as to meet the requirements that more than half of the Board members shall be independent of the company and its senior management and that at least two of these also shall be independent of major shareholders. The composition of the proposed Board of Directors is based on these aspects, and the proposed candidates possess competence and experience that would benefit the Board of Directors' continued work.

The nomination committee proposes that the following persons be elected new Board members:

Ingalill Berglund

Ingalill Berglund has many years of financial experience as CFO and can thus strengthen the accounting and auditing competence of Scandic's Board. In addition, Ingalill has experience of being a CEO and experience of the real estate industry that would benefit the work of the Board of Directors in Scandic.

Albert Gustafsson

Albert Gustafsson is Director in EQT Partners AB in Sweden and has extensive experience from board work in both listed and unlisted companies, such as Grangården AB and Dometic Group AB. Albert has also supported the board work of Scandic, e.g. in connection with the acquisition of Rica in 2014. The board work of Scandic would benefit from these experiences and from Albert's understanding of the Nordic hotel market.

Stephan Leithner

Stephan Leithner is Partner of EQT Partners in Germany and has previously held several senior positions and directorships within Deutsche Bank AG and was before then Partner of McKinsey & Company Inc in Germany. Stephan's financial background and broad experience of strategic work and insight in the German market would well supplement the current Board's competence and composition.

Christoffer Lundström

Christoffer Lundström has extensive experience from the hospitality industry, e.g. from board assignments in Harrys Pubar AB and Rasta Group AB and other assignments through Provobis, which is the main rationale of the committee's proposal. Christoffer also has extensive experience of board work in companies such as Collector AB and FeelGood Svenska AB.

The nomination committee believes that each candidate proposed for new election possesses important competence and experience and thus is valuable for the continued work of the Board of Directors. The nomination committee assesses the proposed Board of Directors as a whole to have the broad experience, diversity and competence required with respect to the company's business and needs. The number of proposed Board members is appropriate in view of the need for the renewal and continuity that the nomination committee appreciates. In this assessment, the nomination committee has taken into account the current ownership structure where several of the proposed candidates represent shareholders that in the long term may reduce its holding in Scandic and hence also its board representation. For that reason, the nomination committee proposes an extended Board in order to secure the continuity in the board work, while the long term ambition is to reduce the number of Board members. The nomination committee has, in this assessment, also considered the fact that the work of the current Board has proceeded efficiently.

The proposed Board of Directors meets applicable requirements as regards independent Board members. The chairman of the proposed Board of Directors and the following members of the proposed Board of Directors are considered to be independent in relation to major shareholders of the company: Ingalill Berglund, Per G Braathen, Grant Hearn, Lottie Knutson, Christoffer Lundström, Eva Moen Adolffsson and Fredrik Wirdenius. All proposed Board members are deemed to be independent of the company and its senior management.

The nomination committee strives for gender balance. Three out of the eleven proposed Board members are women (27%). Among the proposed candidates who are considered to be independent in relation to Scandic's major shareholders 38 % are women. As the nomination committee values diversity, it is important that future nomination committees continue to work actively for an improved gender balance on the Board of Directors of Scandic.

Reasoned statement regarding the nomination committee's proposal regarding the fees for members of the Board of Directors

The guiding principle for the fees to the members of the Board is that the fees shall be competitive in order to ensure that Scandic can attract and retain competent Board members. The nomination committee has therefore conducted a thorough comparison of board fees paid by other medium and large listed companies. The results of the evaluation in combination with Scandic's need for international Board members demonstrated a need for an increase in the fees in accordance with the nomination committee's proposal.

The proposal by the nomination committee for the fees to the Board of Directors implies an increased discrepancy both between the chairman of the Board and the other Board members, as well as between the chairman of the audit committee and its members, in order to reflect the greater responsibility and workload required for the chairman position.