

Documentation of Scandic's nomination committee ahead of the Annual General Meeting 2018

A nomination committee has been appointed consisting of the chairman of the Board (the "Board") and the three largest shareholders in Scandic Hotels Group AB ("Scandic" or the "Company"). The composition of the nomination committee was published on 11 October 2017 and the members are:

- Joel Lindeman, Provobis through Novobis AB
- Johan Wester, Stena Sessan Investment AB
- Staffan Ringvall, Handelsbanken Fonder AB
- Vagn Sørensen, chairman of the Board

At an 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 and a 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.

The nomination committee was appointed and has worked in alignment with the nomination committee instructions. The first meeting was held on 2 October 2017, and Joel Lindeman was then appointed chairman of the nomination committee. The nomination committee has in total held six documented meetings with continuous contact between the meetings. These meetings have mainly been devoted to evaluation of the Board's work including mapping its competence, assessment of fees, assessment of potential chairman and board member candidates and assessment of the composition of the Board.

The shareholders' have had the possibility to submit their proposals to the nomination committee.

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, deputy Board members, auditors and deputy auditors to be elected at the annual general meeting

The nomination committee proposes that the number of Board members shall be nine members with no deputy members and that the number of auditors shall be one auditor with no deputy auditors.

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

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

- Re-election of Ingall Berglund, Per G. Braathen, Grant Hearn, Lottie Knutson, Christoffer Lundström, Eva Moen Adolfsson, Martin Svalstedt and Fredrik Wirdenius.
- Election of Frank Fiskers as a new member of the Board.
- Election of Per G. Braathen as chairman of the Board.

The current chairman of the Board Vagn Sørensen has informed the nomination committee that he will not be available for re-election.

The nomination committee's reasons for the proposal follows below.

Proposal by the nomination committee regarding fees to the Board

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

- Chairman of the Board: SEK 750,000 (SEK 720,000)
- Other Board members: SEK 340,000 each (SEK 330,000)
- Chairman of the audit committee: SEK 150,000 (unchanged)
- Chairman of the compensation committee: SEK 100,000 (unchanged)
- Members of the audit committee and the compensation committee: SEK 50,000 each (unchanged)
- No additional fee to a potential vice chairman of the Board to the extent such vice chairman is appointed by the Board (SEK 500,000)

The nomination committee's reasons for the proposal follows below.

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

The nomination committee proposes, in accordance with the audit committee's recommendation, re-election of Scandic's current auditor, PricewaterhouseCoopers AB ("**PwC**"), for a period until the end of the next annual general meeting. PwC has announced that Sofia Götmar-Blomstedt will be appointed auditor in charge. Fees to the auditor is proposed to be paid in accordance with approved invoices.

Presentation of the proposed chairman

Per G. Braathen

Born: 1960.

Education: MBA from Schiller University London, UK.

Other current assignments: Chairman of the Board of Braathens Regional Airlines (BRA), Bramora Ltd. Chairman of the Board and CEO of Braganza AB. Member of the Board of Wayday Travel AS.

Previous positions: Chairman of the Board and CEO of Tjæreborg, Always and Saga Tours. Chairman of the board of Escape Travel A/S and SunHotels AG. Member of the Board of Arken Zoo Holding AB, Kristiansand Dyrepark AS, Ticket Leisure Travel AB and Ticket Biz AB.

Shareholdings in Scandic: 14,925 (through companies)

Independency in relation to major shareholders: Yes

Independency in relation to the company and management: Yes

Presentation of the director proposed for new election

Frank Fiskers

Born: 1961

Education: Studies with Cornell University, USA, London Business School, UK, and IMD Business School, Switzerland.

Other current assignments: Industrial advisor to EQT Partners.

Previous positions: CEO and group chief executive of Scandic 2007-2010 and 2013-2017. CEO and group chief executive of Kooperativa Förbundet (KF), partner of Azure Property Group, leading positions within Hilton Hotels Cooperation and Rezidor and CEO and group chief executive of First Hotels. Chairman of the board of the Akademibokhandeln group and KF Media.

Shareholdings in Scandic: 75,441

Independency in relation to major shareholders: Yes

Independency in relation to the company and management: No

The nomination committee's reasoned statement

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

The nomination committee has, through the chairman of the Board, studied the results of the evaluation of the current Board and its work. In 2017 the composition of the Board was changed when Martin Svalstedt was elected new board member and Albert Gustafsson, Stephan Leithner and Niklas Sloutski left the Board. The Board has been strengthened by Martin Svalstedt's broad experience of operating work, board work and financial background. The nomination committee deems that the current Board functions well and as a whole possesses the competence and experience relevant to Scandic. The board members furthermore have a big commitment and high meeting attendance.

Ahead of the annual general meeting 2018, Vagn Sørensen has informed the nomination committee that he will not be available for re-election.

The nomination committee proposes that Per G. Braathen is elected as new Chairman of the Board. Per G. Braathen joined the Board in 2007 and is currently vice chairman of the Board and member of the compensation committee of the Board. His extensive experience of the Company and the industry through these positions along with his other board commitments with inter alia Braathens Regional Airlines makes him qualified to take over the position as chairman of the Board.

The nomination committee proposes that Frank Fiskers is elected as new member of the Board. Frank Fiskers was CEO and group chief executive of Scandic between 2007-2010 and from 2013 until July 2017 as well as member of the Board during 2010-2012, which has given him a good understanding of the Company and its development. He furthermore has extensive experience of the hotel industry from his previous leading positions within inter alia Hilton Hotels, Rezidor and First Hotels.

All other Board members are proposed to be re-elected. When evaluating an appropriate composition of the Board, the nomination committee has considered the competence and experience of each member individually and of the Board as a whole with respect to the company's business and needs. The nomination committee has in this evaluation also considered the question regarding the number of Board members and agreed upon that the current

size of the Board being nine Board members elected by the general meeting is appropriate taken the Company's business, geographical presence, needs and challenges into account. The nomination committee furthermore has ensured that the proposed chairman and other Board members have the time needed at their disposal as required.

The proposed Board meets 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 proposed chairman Per G. Braathen and the following members of the proposed Board are considered to be independent in relation to major shareholders of the company: Ingalill Berglund, Frank Fiskers, Grant Hearn, Lottie Knutson, Eva Moen Adolfsson and Fredrik Wirdenius. Since Frank Fiskers has been CEO of the Company within the last five years he is considered to be dependent in relation to the Company and its senior management. The other proposed Board members are deemed to be independent in relation to the Company and its senior management.

The nomination committee has taken diversity into account where gender balance has been sought. The nomination committee has as diversity policy applied clause 4.1 of the Swedish Corporate Governance Code. Three out of the nine proposed Board members are women (33 %) and six are men (67 %) and among the proposed members who are considered to be independent in relation to Scandic's major shareholders 43 % are women and 57 % are men. As the nomination committee values diversity, it is important that future nomination committees continue to work actively for an improved gender balance within the Board. The nomination committee has also ensured that the proposed Board has diversity in competence, experience and background.

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

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 in Sweden. The results of the evaluation in combination with Scandic's need for international experience demonstrated a need for a slight increase of the fees for certain roles in accordance with the nomination committee's proposal. The proposal also takes into account that the nomination committee strives for gradual Board compensation adjustments rather than making significant changes certain years.

In the last year's annual general meeting the possibility to remunerate a vice chairman with a slightly higher fee than the other Board members was implemented, since the nomination committee considered that the appointment of a vice chairman of the Board could be beneficial to the efficiency of the Board work and ensure a successful CEO transition working closely to the new CEO during 2017. The Board after last year's annual general meeting chose to appoint Per G. Braathen as vice chairman, and he has supported the chairman both with the CEO transition as well as getting insight in the chairman position. Since the CEO transition is completed and Per G. Braathen now is proposed as new chairman the nomination committee considers that the need of a vice chairman has decreased and that in case the Board decides to appoint a vice chairman, there is no need for this person to be remunerated with a higher fee.