

## Notice of the annual general meeting of Scandic Hotels Group AB

The shareholders of Scandic Hotels Group AB (556703-1702) are hereby invited to participate in the annual general meeting to be held on Thursday, April 26, 2018 at 13:00 at Scandic Alvik, Gustavslundsvägen 153, SE-167 51 Bromma, Sweden. Registration commences at 12:00 (noon).

### Registration and notification

Shareholders who wish to participate in the annual general meeting must

- be recorded in the share register kept by Euroclear Sweden AB on Friday, April 20, 2018, and
- give notice to the company of their intent to participate not later than on Friday, April 20, 2018.

Shareholders who are private individuals may register on the company's website [www.scandichotelsgroup.com](http://www.scandichotelsgroup.com), by phone +46 771 24 64 00, or in writing to the following address: Computershare AB, "Scandic Hotels Group AB's Annual General Meeting", P.O. Box 610, SE-182 16 Danderyd, Sweden.

Representatives for legal entities shall give notice to attend by phone at +46 771 24 64 00, or in writing to the following address: Computershare AB, "Scandic Hotels Group AB's Annual General Meeting", P.O. Box 610, SE-182 16 Danderyd, Sweden.

The notice of attendance should state the shareholder's name, personal or organization identification number, address, telephone number and the number of assistants attending (if any). Shareholders represented by proxy must issue a power of attorney. A template power of attorney in Swedish and in English is available on the company's website [www.scandichotelsgroup.com](http://www.scandichotelsgroup.com). A power of attorney issued by a legal entity must be accompanied by a certified copy of the legal entity's certificate of registration. A power of attorney is valid one year from its issue date or such longer time period as set out in the power of attorney, however not more than five years. The certificate of registration shall evidence the circumstances on the date of the annual general meeting and should not be older than one year at the time of the meeting. In order to facilitate the registration at the annual general meeting, powers of attorney in original, certificates of registration and other documents of authority should be sent to Computershare AB, "Scandic Hotels Group AB's Annual General Meeting", P.O. Box 610, SE-182 16 Danderyd, Sweden, well in advance of the meeting.

In order to be entitled to attend the annual general meeting, the following must be observed by shareholders who have their shares registered in the name of a bank or other nominee. In addition to giving notice of attendance, such shareholders must have their shares registered in their own names, to be entered into the share register on Friday, April 20, 2018. In such cases, the shareholder should instruct the bank or the nominee thereof well in advance of Friday, April 20, 2018. Such registration may be temporary.

### Proposed agenda

1. Opening of the meeting.
2. Election of a chairman of the meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to approve the minutes.

6. Determination as to whether the meeting has been duly convened.
7. Presentation of the annual report and the audit report as well as the consolidated accounts and the audit report for the group.
8. Speech by the President and CEO, Even Frydenberg.
9. Presentation of the work of the Board of Directors and the work of the remuneration committee and the audit committee.
10. Presentation of the audit work.
11. Resolutions regarding:
  - a. the adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet,
  - b. allocation of the company's results in accordance with the adopted balance sheet, and
  - c. discharge from liability for the members of the Board of Directors and the President and CEO.
12. Presentation by the chairman of the nomination committee.
13. Determination of the number of members of the Board of Directors and the number of auditors.
14. Determination of fees for the members of the Board of Directors and the auditors.
15. Election of members of the Board of Directors, chairman of the Board of Directors and auditors.
16. Resolution on remuneration guidelines for senior management.
17. Adoption of a long term incentive program in accordance with (A) and hedging arrangements in respect thereof in accordance with (B).
18. Closing of the meeting.

#### **Proposal by the nomination committee (item 2)**

The nomination committee in respect of the 2018 annual general meeting consisted of chairman Joel Lindeman (Provobis through Novobis AB), Johan Wester (Stena Sessan Investment AB), Staffan Ringvall (Handelsbanken Fonder AB) and Vagn Sørensen (chairman of the Board of Directors).

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

#### **Proposal by the Board of Directors (item 11 b)**

The Board of Directors proposes that the annual general meeting resolves on a dividend for 2017 of SEK 3.40 per share, to be paid in two equal installments of SEK 1.70 per installment and share. The Board of Directors proposes that Monday, 30 April, 2018, is set as the record date for the first installment of dividend, and Tuesday, 30 October 2018 as the record date for the second installment of dividend. If the annual general meeting resolves in accordance with the proposal, it is expected that Euroclear Sweden AB will distribute the first installment of dividend on Friday, May 4, 2018 and the second installment on Friday, 2 November, 2018.

#### **Proposals by the nomination committee (items 13–15)**

**Item 13** Nine Board members and no deputies. One auditor and no deputies.

**Item 14** Fees to the directors elected by the annual general meeting and not employed by the company (including fees for committee work) in accordance with the following:

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

Fees to the auditor shall be paid in accordance with approved invoices.

**Item 15** Re-election of Ingaliill Berglund, Per G. Braathen, Grant Hearn, Lottie Knutson, Christoffer Lundström, Eva Moen Adolfsson, Martin Svalstedt and Fredrik Wirdenius as Board members and election of Frank Fiskers as new Board member for a period until the end of the next annual general meeting. Election of Per G. Braathen as new chairman of the Board of Directors for a period until the end of the next annual general meeting. Vagn Sørensen has declined re-election.

In accordance with the audit committee's recommendation, re-election of PricewaterhouseCoopers AB as auditor for a period until the end of the next annual general meeting.

#### **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.

Further information regarding the proposed Board members and the reasoned statement issued by the nomination committee are available at the company's website, [www.scandichotelsgroup.com](http://www.scandichotelsgroup.com).

#### **Proposal by the Board of Directors on remuneration guidelines for Scandic's senior management (item 16)**

The Board of Directors proposes that the annual general meeting resolves to approve the Board of Directors' proposal regarding guidelines for remuneration for the senior management as set forth below which shall apply until the annual general meeting 2019. In this context, the senior management means the CEO of Scandic Hotels Group AB ("**Scandic**" or the "**Company**") and the executives in the Company and other group companies who, from time to time, are reporting to him and who are also members of the senior management, as well as members of the Board of Directors of the Company to the extent employment or consulting agreements are entered into.

##### *Policy*

Scandic shall offer a total remuneration in line with market conditions to enable the Company to recruit and retain the managers the Company needs to meet its short-term and long-term targets. The remuneration to the management may consist of fixed salary, variable salary, pension and other benefits. Long-term incentive programs may be offered in addition to the above and will in such case be submitted to the general meeting for approval.

##### *Fixed salary*

The fixed salary for the CEO and the other members of the senior management shall be in line with market conditions and mirror the demands and responsibility that the position entails as well as individual performance. The fixed salary for the CEO and the other members of the senior management is revised once every year.

To the extent a member of the Board of Directors carries out work for the Company or for another group company, in addition to the Board work, consulting fees and/or other remuneration for such work may be payable.

#### *Variable salary*

The variable salary for the CEO and the other members of the senior management shall be based on the Company's fulfillment of objectives determined in advance. These objectives are determined for the promotion of the Company's/the group's short-term and long-term targets, long-term development, value creation and financial growth and shall be designed in a way that does not encourage an excessive risk-taking. The variable salary may not amount to more than 60% of the fixed annual salary for the CEO and not more than 35–50% of the fixed annual salary for the other members of the senior management. In this context, fixed annual salary means cash salary earned during the year, excluding pension, supplements, benefits and similar.

#### *Long-term incentive programs*

The aim of having long-term incentive programs would be to create a long-term commitment to Scandic, to attract and retain members of the senior management and key employees and to ensure the shareholder perspective.

Long-term incentive programs, if any, may constitute a complement to the fixed salary and the variable salary, with participants to be nominated based on, among other things, competence and performance. The outcome shall be dependent on the fulfillment of certain predetermined competence or performance requirements.

#### *Pension*

The pension benefits for the CEO and the other members of the senior management shall preferably consist of premium based pension plans, but may also be defined benefits pursuant to collective agreements.

#### *Other benefits and compensation*

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 18 months. 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.

Other compensation may consist of other benefits that are customary and in line with market conditions, such as healthcare insurance, which shall not constitute a material portion of the total remuneration.

In addition thereto, additional compensation may be paid out in extraordinary circumstances, provided that such arrangement is made for management recruitment or retention purposes and is agreed on an individual basis. Such extraordinary arrangements may for example include a one-time cash payment, or a support package including relocation support, tax filing support, or similar.

#### *Deviation from the guidelines*

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.

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*Resolved remunerations not yet payable*

The Company has resolved on a one-off remuneration of up to EUR 50,000 to be paid to a member of the senior management subject to a successful integration of the Restel hotels. The remuneration is payable in 2018.

*Deviation from the 2016 guidelines*

The 2016 guidelines authorized the Board of Directors to deviate from the guidelines if there, in an individual case, were special circumstances justifying that. The guidelines stipulated that fixed salary during notice periods and severance payment, including payments for any restrictions on competition, should in aggregate not exceed an amount equivalent to the fixed salary for 18 months. In 2017, the Board of Directors resolved to approve an employment agreement for the CEO according to which such payment shall not exceed an amount equivalent to the fixed salary for 18 months i.e. in accordance with the guidelines, but including a provision to the effect that severance payment (if any) shall qualify for pension. The Board of Directors considered such deviation justified considering that the company recruited a new CEO with international background and made the assessment that the CEO's overall remuneration package was reasonable and well-balanced. Further information on the CEO's remuneration may be found in note 06 in the annual report for 2017.

**Adoption of a long term incentive program in accordance with (A) and hedging arrangements in respect thereof in accordance with (B) (item 17)**

**Background**

The Board of Directors of Scandic Hotels Group AB (publ) ("**Scandic**") proposes that the annual general meeting 2018 resolves on the implementation of a long-term incentive program (the "**Program**" or "**LTIP 2018**"). In November 2015, an extraordinary general meeting resolved on the implementation of a long-term incentive program that was launched in connection with the initial public offering ("**LTIP 2015**") and the annual general meetings 2016 and 2017 approved long-term incentive programs based on the same principles, with an additional matching condition relating to Total Shareholder Return (TSR) ("**LTIP 2016**" and "**LTIP 2017**"). The vesting period for LTIP 2015 expires in connection with the announcement of Scandic's interim report for Q1 2018.

The Board of Directors considers the programs to be structured in an attractive and appropriate way and notes that nearly all employees who were offered to participate accepted such offer. Therefore, the Board of Directors now proposes that the annual general meeting 2018 adopts a long-term incentive program on, in all material respects, the same terms and conditions as LTIP 2017. However, compared to LTIP 2017, the Board of Directors proposes that LTIP 2018 shall not have any performance condition based on RGI (room revenue generation index), and that the number of participants to be invited is to be increased in order to create a long-term commitment for additional key employees and to align their interests with those of the shareholders. Similar to previous programs, LTIP 2018 is proposed to be directed to the members of the Executive Committee, the Country Managing Directors, a number of Country Management Team members, and certain other key employees of the Scandic Group.

The overall purpose of the Program is to closely align the participants' interests with those of the shareholders and to create a long-term commitment to Scandic. The Program provides Scandic with a crucial component of a competitive total compensation package to attract and retain employees who are critical to Scandic's on-going success. The Board of Directors intends to propose that future annual general meetings of Scandic approve long-term incentive programs, since, for the above reasons, the Board of Directors considers that having recurring long-term incentive programs is a vital and important part of Scandic's total compensation program.

The Program shall be inspiring, achievable, easy to understand, cost effective to administer and easy to communicate. Following implementation of the Program, the Board of Directors intends to carry out an evaluation thereof in order to systematically analyse the achieved results in relation to the aims outlined above. The purpose of the evaluation will be to determine whether

the Program satisfies its purposes, and this will also include the review of the outcome and the costs for the Program.

#### **A. Implementation of the Program**

The Board of Directors proposes that the implementation of the Program shall be made in accordance with the principal terms and conditions set out below.

- (a) The Program is proposed to be open to no more than 80 permanent employees of the Scandic Group, who are divided into the following three groups: the Chief Executive Officer of Scandic ("**Group 1**"), no more than 9 members of the Executive Committee ("**Group 2**") and no more than 70 Country Management Team members or Key Employees ("**Group 3**"). Participants in Group 1–3 are collectively referred to as "**Participants**".
- (b) The Program will allow the Participants to make investments of their own in common shares in Scandic or allocate already held common shares in Scandic to the Program ("**Saving Shares**"). The Saving Shares entitle a possibility to be allotted Matching Shares (as defined below) and Performance Shares (as defined below), following the expiration of a vesting period of approximately three years that ends in connection with the announcement of Scandic's interim report for Q1 2021 (the "**Vesting Period**").
- (c) For each Saving Share, the Participants will have the possibility to be allotted up to one common share in Scandic free of charge, from Scandic, another company within the Scandic Group or from a designated third party ("**Matching Share**"). Such Matching Shares will be allotted in accordance with the following: for each Saving Share, zero point five (0.5) Matching Shares will be allotted subject to certain conditions relating to continued employment and uninterrupted holding of Saving Shares (as further described in section (k) below), and zero point five (0.5) Matching Shares will be allotted subject to an additional condition according to which the Total Shareholder Return during the financial years 2018–2020 shall exceed a certain level pre-determined by the Board of Directors (the "**Matching Condition**").
- (d) Further, the Participants will, depending on satisfaction of certain Performance Conditions (as defined and described in paragraph (e) below), after the expiration of the Vesting Period have the possibility to be allotted additional common shares in Scandic free of charge from Scandic, another company within the Scandic Group or from a designated third party (the "**Performance Shares**"). For each Saving Share, the Participants may be allotted Performance Shares in accordance with the following:
  - Participants in Group 1 may be allotted no more than five (5) Performance Shares (no more than two point five (2.5) Performance Shares based on the fulfilment of Performance Condition 1, as defined below, and no more than two point five (2.5) Performance Shares based on the fulfilment of Performance Condition 2, as defined below);
  - Participants in Group 2 may be allotted no more than four (4) Performance Shares (no more than two (2) Performance Shares based on the fulfilment of Performance Condition 1 and no more than two (2) Performance Shares based on the fulfilment of Performance Condition 2); and
  - Participants in Group 3 may be allotted no more than three (3) Performance Shares (no more than one point five (1.5) Performance Shares based on the fulfilment of Performance Condition 1 and no more than one point five (1.5) Performance Shares based on the fulfilment of Performance Condition 2).

- (e) The allotment of Performance Shares shall depend on the degree of fulfilment of the Performance Conditions for the Program. The Performance Conditions shall be established by the Board of Directors and be based on Program specific financial targets related to the accumulated EBITDA<sup>1</sup> for the financial years 2018–2020 (“**Performance Condition 1**”), and the accumulated cash flow<sup>2</sup> for the financial years 2018–2020 (“**Performance Condition 2**” jointly referred to as the “**Performance Conditions**”). In connection with the expiry of the Vesting Period, the Board of Directors will publish the Performance Conditions levels and to what extent these have been fulfilled.

The number of Performance Shares that may be allotted shall be calculated in accordance with the following:

- A condition for any allotment of Performance Shares to occur is that a certain starting point be exceeded (the “**Minimum Level**”). If the Minimum Level is not exceeded, no Performance Shares will be allotted.
  - For maximum allotment of Performance Shares to occur, a certain higher level must be reached (the “**Maximum Level**”).
  - Should the degree of fulfilment exceed the Minimum Level but be between the Minimum Level and the Maximum Level, the Participants will receive a linear allotment of Performance Shares.
- (f) The number of Matching Shares and Performance Shares that a Participant is entitled to be allotted shall be increased to compensate for any dividend relating to the financial years 2018–2020 on the Scandic shares during the Vesting Period in order to further align the Participants’ interests with those of the shareholders.
- (g) The maximum value per each right to receive a Matching Share or a Performance Share (or such number of Matching Shares or Performance Shares as follows from an adjustment for dividend as described in paragraph (f) above) shall be limited to SEK 261, corresponding to 300 per cent of the volume weighted average price of the Scandic share during the first five trading days in March 2018 (the “**Cap**”). Should the value of such right (calculated based on the volume weighted average price of the Scandic share during the five trading days immediately following the day of publication of the interim report for Q1 2021, after deduction of dividend approved by the general meeting of shareholders, where the share is still traded including the right to such dividend) exceed the Cap, a proportional reduction in the number of Matching Shares and Performance Shares to be allotted shall be made. For the avoidance of doubt, after such reduction, the value of each such right shall correspond to the Cap.
- (h) The maximum number of Saving Shares each Participant may invest in or allocate to the Program depends on the Participant category that he/she belongs to in the Program, in accordance with the following:
- Each Participant in Group 1 and in Group 2 may at a maximum invest in or allocate to the Program a number of Saving Shares determined based on a share price of SEK 87.17, i.e. the volume weighted average price during the

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<sup>1</sup> Defined as earnings before interest, taxes, depreciation and amortization, adjusted for non-recurring items not related to the ordinary business such as transactions and integration costs for acquisitions, excluding effects of financial leasing.

<sup>2</sup> Defined as EBITDA plus/minus changes in working capital minus capex (maintenance, IT and development), excluding extraordinary investments not included in budget, such as new hotel acquisitions.

first five trading days in March 2018, and an investment amount corresponding to 10 per cent of the Participant's individual gross annual fixed salary as of 28 February 2018.

- Each Participant in Group 3 may at a maximum invest in or allocate to the Program a number of Saving Shares determined based on a share price of SEK 87.17, i.e. the volume weighted average price during the first five trading days in March 2018, and an investment amount of SEK 50,000.
- (i) Participants must invest in Saving Shares (or, if Scandic shares are already held, must allocate such shares to the Program) during an investment period to be determined by the Board of Directors, which shall expire no later than 31 May 2018 (unless extended or postponed by the Board of Directors in an individual case).
  - (j) Matching Shares and Performance Shares may normally be allotted only after the expiration of the Vesting Period.
  - (k) In order for a Participant to be allotted any Matching Shares or Performance Shares, as applicable, it is a condition that, with certain exemptions, he/she has been permanently employed within the Scandic Group for the duration of the whole Vesting Period and that the Participant, until the expiration of the Vesting Period, has retained the Saving Shares invested in or allocated to the Program. Saving Shares disposed of prior to the expiration of the Vesting Period will not be included in the calculation to determine any allotment of Matching Shares or Performance Shares.
  - (l) If significant changes in the Scandic Group or in the market occur which, in the opinion of the Board of Directors, would result in a situation where the conditions for allotment of Performance Shares under the Program become unreasonable, the Board of Directors shall be entitled to make adjustments to the Program, including, among other things, to resolve on a reduced allotment of Performance Shares, or that no Performance Shares shall be allotted at all.
  - (m) The Board of Directors shall be authorised to establish the detailed terms and conditions for the Program. The Board of Directors may, in that regard, make necessary adjustments of these general terms and conditions to satisfy certain regulations or market conditions outside Sweden.
  - (n) Participation in the Program presupposes that such participation is legally possible in the various jurisdictions concerned and that the administrative costs and financial efforts are reasonable in the opinion of the Board of Directors.
  - (o) The Program shall comprise no more than 370,000 common shares in Scandic (Matching Shares, Performance Shares and dividend compensation included).
  - (p) The number of Matching Shares and Performance Shares will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

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*Costs for the Program etc.*

The costs for the Program, which are charged in the profit and loss account, are calculated according to the accounting standard IFRS 2 and distributed over the Vesting Period. The calculation has been made based on the quoted closing price of the Scandic share as of 7 March 2018, i.e. SEK 87.40 per share, and based on the following assumptions: (i) an annual dividend yield of 4 per cent, (ii) an estimated annual turnover of personnel of 10 per cent, (iii) fulfilment of the Matching Condition, (iv) an average fulfilment of each of the Performance



Conditions of 50 per cent, and (v) a total maximum of 370,000 Matching Shares and Performance Shares eligible for allotment. In addition to what is set forth above, the costs for the Program have been based on that the Program comprises approximately 80 Participants and that each Participant makes a maximum investment. In total, the costs according to IFRS 2 for the Program are estimated to approximately SEK 10.8 million excluding social security costs (SEK 18.5 million if average fulfilment of each of the Performance Conditions is 100 per cent). The costs for social security charges are calculated to approximately SEK 4.8 million, based on the above assumptions, and also assuming an annual share price increase of 10 per cent during the Program and a social security tax rate of 27 per cent (SEK 7.9 million if average fulfilment of each of the Performance Conditions is 100 per cent).

The expected annual costs of SEK 5.3 million, including social security charges, correspond to approximately 0.1 per cent of the Scandic Group's total employee costs for the financial year 2017 (0.2 per cent if average fulfilment of each of the Performance Conditions is 100 per cent).

Assuming that the Cap (for this purpose calculated as 300 per cent of the volume weighted average price of the Scandic share during the first five trading days in March 2018, i.e. SEK 87.17) is reached and that all Participants are entitled to allotment of the maximum number of Matching Shares and Performance Shares in the Program and remain in the Program until the end of the Vesting Period, the maximum cost according to IFRS 2 for Scandic will amount to SEK 25.2 million and the maximum social security charges will amount to SEK 21.7 million.

#### *Dilution*

Upon maximum allotment of Matching Shares and Performance Shares and assuming a buffer for dividend compensation, the number of shares to be allotted under the Program amounts to 370,000 common shares in Scandic, corresponding to approximately 0.36 per cent of the share capital and the votes (calculated based on 102,985,075 outstanding common shares in Scandic on 22 March 2018).

#### *Effect on key ratios*

If the Program had been introduced in 2017 with the assumptions above, the impact on basic earnings per share on a full year basis would have resulted in a dilution of 0.2 per cent or a decrease from SEK 6.87 to SEK 6.85 on a pro forma basis. The impact on the EBITDA margin and EBIT margin would be insignificant.

#### *Hedging arrangements*

The Board of Directors proposes that the general meeting resolves that the expected financial exposure of shares to be allotted under the Program shall be hedged, by Scandic being able to enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer to the Participants common shares in Scandic, in accordance with item B below.

#### *Preparations of the proposal*

The proposed Program has, pursuant to the guidelines issued by Scandic's Board of Directors, been prepared by the Compensation Committee of Scandic with the assistance of external advisors. The Compensation Committee has informed the Board of Directors of the work, who has subsequently resolved that the Program shall be proposed to the annual general meeting.

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## **B. Hedging arrangements in respect of the Program Equity swap agreement with a third party**

The Board of Directors proposes that the general meeting resolves that the expected financial exposure of shares to be allotted under the Program shall be hedged by Scandic being able to enter into an equity swap agreement with a third party. Such swap agreement shall be on terms in accordance with market practice, whereby the third party against a fee undertakes to, in its

own name, acquire and transfer to the Participants common shares in Scandic in accordance with the terms and conditions of the Program.

#### *Conditions*

The resolution to adopt the proposed long-term incentive program in accordance with item A above is conditional upon that the annual general meeting resolves on the hedging arrangements in accordance with item B.

#### *Previous incentive programs in Scandic*

Scandic has previously resolved to implement long-term incentive programs in 2015, 2016 and 2017, which in all material respects are based on the same terms and conditions as the above proposed LTIP 2018, with the exception that the 2015 year program does not contain any Matching Condition and that the previous long-term incentive programs contain an RGI-based performance condition. The programs are further described in note 06 of Scandic's annual report for the financial year 2017.

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#### **Shares and votes**

There are in total 102,985,075 shares in the company. The company has only one series of shares and the total number of votes in the company thus amounts to 102,985,075. The company does not hold any treasury shares.

#### **Information at the annual general meeting**

The Board of Directors and the President and CEO shall, if any shareholder so requests and the Board of Directors believes that it may be done without material harm to the company, at the annual general meeting provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group. Shareholders wishing to submit questions in advance may send them in writing to Scandic Hotels Group AB, Attn: Henrik Vikström, Sveavägen 167, SE-102 33, Stockholm, Sweden or by e-mail to [ir@scandichotels.com](mailto:ir@scandichotels.com).

#### **Further information**

The annual report, the auditor's report, the auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act regarding the remuneration guidelines for the senior management and the Board of Directors' proposal for dividend and reasoned statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act will be available at the company, Scandic Hotels Group AB, Sveavägen 167, SE-102 33, Stockholm, Sweden and on the website [www.scandichotelsgroup.com](http://www.scandichotelsgroup.com), as from April 5, 2018 at the latest. The documents will also be sent to shareholders who so request and state their address.

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Stockholm in March 2018  
**Scandic Hotels Group AB (publ)**  
*The Board of Directors*