

Press release
July 25, 2016

INWIDO
Great Windows & Doors

MALMÖ, Sweden – July 25, 2016

Notice of Extraordinary General Meeting in Inwido AB to supplement the existing incentive program

The shareholders of Inwido AB (publ) are hereby invited to attend the Extraordinary General Meeting (“EGM”) to be held on Friday 26 August 2016 at 4.00 p.m. CET, at Inwido’s head office, Engelbrektsgatan 15 in Malmö, Sweden.

Registration of attendance commences at 3.30 p.m. The notice is available at www.inwido.com where shareholders also can notify the company of their intention to attend the EGM.

Right to attend

Shareholders who wish to attend the EGM must:

- be recorded in the share register for the company maintained by Euroclear Sweden AB, as of Saturday 20 August 2016, and
- notify the company of their intention to attend the EGM by Monday 22 August 2016 at the latest, preferably before 4.00 p.m. CET.

In order to participate in the EGM, shareholders with nominee-registered shares should request their bank or broker to have the shares temporarily owner-registered with Euroclear Sweden AB by Friday 19 August 2016 since the record day is on Saturday 20 August 2016. Shareholders therefore are requested to notify their bank or broker in due time before 19 August 2016.

Notice of attendance

Notice of attendance at the EGM shall be made through the website www.inwido.com, in writing to Inwido AB (publ), Engelbrektsgatan 15, 211 33 Malmö, Sweden or by email to ir@inwido.com. The notice of attendance shall state name, personal (or corporate) identity number, shareholding, telephone number and name of proxy and/or advisor, if any. Shareholders represented by proxy should submit a power of attorney to the company before the EGM. A proxy form is available at the company and on the company’s website, www.inwido.com. Representatives of a legal entity shall present a copy of the certificate of registration or similar document of authorization.

About Inwido. Inwido is Europe’s largest supplier of windows and doors. The company has operations in Sweden, Denmark, Finland, Norway, Estonia, Ireland, Lithuania, Poland, the UK and Austria and also exports to a large number of countries. The Group markets some 20 strong local brands including Elitfönster, SnickarPer, Hajom, Hemmafönster, Outline, Tiivi, Pihla, Diplomat, and Sokolka. Inwido has about 3,400 employees and generated sales of approximately SEK 5.2 billion in 2015. The Group’s headquarters are located in Malmö, Sweden. For further information, please visit www.inwido.com

Proposal for agenda

1. Opening of the meeting
2. Election of 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 of compliance with the rules of convocation
7. Resolution on the Board of Directors' proposal for a supplementary long-term incentive program including (A) new issue of convertibles, (B) new issue of subscription warrants and (C) allotment of convertible bonds and transfer of subscription warrants
8. Closing of the meeting

The Board of Directors' proposal for a supplementary long-term incentive program including resolutions on (A) new issue of convertibles, (B) new issue of subscription warrants and (C) allotment of convertible bonds and transfer of subscription warrants (item 7)

The annual general meeting of Inwido AB (publ) (the "Company") on 10 May 2016 resolved on the implementation of a long-term incentive program including resolutions on (A) new issue of convertible bonds for a convertible program for all employees within the Inwido group, (B) new issue of subscription warrants for implementation of a subscription warrants program for senior executives and key employees, and (C) transfer of subscription warrants ("**Incentive Program 2016/2019:1**").

Since a number of people within the Company, mainly among the group management and its so-called Senior Leaders, who wished to participate in the Incentive Program 2016/2019:1, had inside information during the application period for Incentive Program 2016/2019:1, were unable to participate in the program. The board of directors considers it important that also these people are given the opportunity to participate in the long-term incentive program and therefore proposes that the extraordinary general meeting resolves on a supplementary long-term incentive program, on terms corresponding to Incentive Program 2016/2019:1, including resolutions on (A) new issue of convertible bonds for a convertible program for the relevant employees ("**Convertible Program 2016/2019:2**"), (B) new issue of subscription warrants for implementation of a subscription warrants program for the same employees ("**Warrants Program 2016/2019:2**"), and (C) allotment of convertible bonds and transfer of subscription warrants. The Convertible Program 2016/2019:2 and the Warrants Program 2016/2019:2 are jointly referred to as "**Incentive Program 2016/2019:2**". The Incentive Program 2016/2019:2 is proposed to be principally carried out in accordance with what is stated below.

A. Issue of convertible bonds

1. The Company shall procure a convertible loan with a maximum nominal value of SEK 12,000,000, or such lesser amount as follows from section A.11 below, through a new issue of convertible bonds.
2. The subscription price for each convertible bond shall equal its nominal value.
3. In the event of insolvency or liquidation of the Company, the convertible bonds shall be subordinated to and rank for payment from the Company's assets after the Company's general non-subordinated obligations and pari passu with other subordinated obligations, which are not expressly subordinated to the convertible bonds.
4. With deviation from the shareholders' preferential right, the right to subscribe for the convertible bonds shall be granted the employees within the Inwido group that is stated in section C below.

5. Subscription for the convertible bonds shall be made by simultaneous cash payment no later than on 31 August 2016, with a right for the Board to extend the subscription period.
6. The convertible bonds carry an annual interest rate from and including 1 September 2016, as specified in Appendix A, due for payment in arrears on 30 June each year, commencing on 30 June 2017, and on the maturity date of the loan. Each interest payment covers interest for exactly one year, except for the first year of the program. As evident in the complete terms and conditions for Convertible Program 2016/2019:2, Appendix A, at conversion, the right to receive interest will cease for the period from the nearest preceding interest payment date. The interest rate is determined separately for each annual interest period and consists of STIBOR 6M plus an interest margin, as specified in more detail in Appendix A. STIBOR 6M shall never be less than zero percent when calculating the interest rate. The interest margin shall be determined so that the market value of the convertible bonds corresponds to its nominal value. Assuming an average share price of SEK 103, a conversion price of SEK 129.8, STIBOR 6M of -0.37 percent, a risk free interest rate of -0.56 percent and the nominal value of the convertible bonds corresponding to the market value of the convertible bonds, the interest margin will be approximately 3.0 percent, thus resulting in an interest rate of approximately 3.0 percent.
7. The loan is due for payment on 30 September 2019, in so far as conversion has not occurred before.
8. The convertible bonds shall be convertible into new shares in Inwido AB from and including 1 September 2019 up to and including 15 September 2019.
9. The conversion price shall correspond to 126% of the volume weighted average price according to Nasdaq Stockholm's official price list for the share in the Company during the period from 12 August 2016 up to and including 25 August 2016.

In the absence of a settled price for any of the days in question, the quoted bid price for that day shall be included in the calculation. A day with neither a settled price or a quoted bid price shall be excluded from the calculation. The calculated conversion price shall be rounded to the nearest whole cent (*Sw. öretal*), whereby half a cent shall be rounded down.

10. Shares that have been obtained through conversion, shall entitle to dividends for the first time on the first record date for dividend occurring after the conversion has been executed.
11. The total increase in the share capital for both the Incentive Program 2016/2019:1 and the Incentive Program 2016/2019:2 shall not exceed SEK 1,200,000. The increase in the share capital under the Incentive Program 2016/2019:1 can be no more than SEK 157,728 meaning that the maximum increase in the share capital under the Incentive Program 2016/2019:2 may not be more than SEK 1,042,272. If the conversion price as determined above, is set at a value that would initially lead to an increase in the share capital by more than SEK 1,042,272 after full conversion, the maximum amount of the loan shall be reduced so that the maximum increase in the share capital amounts to SEK 1,042,272.

The reasons for the deviation from the shareholders' preferential right are that Inwido wishes to introduce a global incentive program also for the relevant employees within the group, whereby they can be offered to take part of an increase in value of the Inwido share. This is expected to increase the interest for the Company's profitability and share price performance and to stimulate continued company loyalty over the forthcoming years. Such an incentive program is also expected to contribute to the possibilities to recruit and retain competent, motivated and committed employees.

B. Issue of subscription warrants

1. A maximum of 144,000 subscription warrants shall be issued.

2. The right to subscribe for the subscription warrants shall, with deviation from the shareholders' preferential right, be granted to Inwido's wholly-owned subsidiary Inwido Europe AB, with a right and obligation for the subsidiary to transfer the subscription warrants to senior executives and key employees within the Inwido group in accordance with what is stated in section C below.
3. The subscription warrants shall be issued free of charge.
4. Subscription of the subscription warrants shall be made on a separate subscription list no later than on 31 August 2016, with a right for the Board to extend the subscription period.
5. Each subscription warrant shall entitle to subscribe for one (1) new share in the Company.
6. Subscription of shares by virtue of the subscription warrants may be effected from and including 1 September 2019 up to and including 15 September 2019.

The subscription price per share shall correspond to 126% of the volume weighted average price according to Nasdaq Stockholm's official price list for the share in the Company during the period from 12 August 2016 up to and including 25 August 2016.

In the absence of a settled price for any of the days in question, the quoted bid price for that day shall be included in the calculation. A day with neither a settled price or a quoted bid price shall be excluded from the calculation. The calculated conversion price shall be rounded to the nearest whole cent (*Sw. öretal*), whereby half a cent shall be rounded down.

7. Shares that have been issued by virtue of the subscription warrants, will entitle to dividends for the first time on the first record date for dividend occurring after subscription of shares through exercise of subscription warrants has been executed.

The reasons for the deviation from the shareholders' preferential right are that Inwido wishes to introduce an incentive program for the relevant senior executives and key employees within the group, whereby they can be offered to take part of an increase in value of the Inwido share. This is expected to increase the interest for the Company's profitability and share price performance and to stimulate continued company loyalty over the forthcoming years. Such an incentive program is also expected to contribute to the possibilities to recruit and retain competent, motivated and committed employees.

C. The incentive program – allotment of convertibles and transfer of subscription warrants

The Convertible Program 2016/2019:2 shall principally be carried out in accordance with what is stated below.

1. The convertible bonds shall be issued to employees within the Inwido group, in accordance with the guidelines stated in section C.3.
2. The convertible bonds shall be issued to nominal value, which shall correspond to the market value of the convertible bonds. The market value of the convertible bonds shall be established by Öhrlings PricewaterhouseCoopers AB as an independent valuation institute.
3. Allotment per category shall be made by no more than such number of convertible bonds that, applying the determined conversion price, correspond to the maximum base amount and over-subscription amount, respectively, in accordance with the guidelines below:

Category	Position	Base amount	Over-subscription amount
I	CEO	maximum SEK 2,000,000	maximum SEK 4,000,000
II	Group Management (7 persons ¹)	maximum SEK 500,000 per person	maximum SEK 1,000,000 per person
III	Senior Leaders (2 persons ²)	maximum SEK 250,000 per person	maximum SEK 500,000 per person

Allotment is expected to take place in the beginning of September 2016. For all categories the investment in convertible bonds cannot be lower than SEK 10,000. If the total amount of convertible bonds subscribed for exceeds the maximum amount in accordance with sections A.1 and A.11, reduction down to the maximum amount will occur according to the following principles. Firstly, participants who have subscribed for an amount exceeding the base amount (over-subscription) shall get this over-subscription amount reduced in proportion to their over-subscription, if necessary down to the base amount. Secondly, the participants' base amount shall be reduced in proportion to the respective base amount.

- Right to allotment in the Convertible Program 2016/2019:2 requires that the employee on 31 August 2016 at the latest holds its position or has signed an agreement regarding it and has not, at such time, informed or been informed that the employment will be terminated.

The Warrants Program 2016/2019:2 shall principally be carried out in accordance with what is stated below.

- The subscription warrants shall against payment be transferred by Inwido Europe AB, on one or several occasions, to employees within the Inwido group, in accordance with the guidelines stated in section C.7.
- Transfer according to section C.5 shall be made at market value at the time of transfer, to be established by Öhrlings PricewaterhouseCoopers AB, as an independent valuation institute, by application of the Black & Scholes valuation method.
- Allotment of subscription warrants shall be made in accordance with the following guidelines:

For all categories three (3) subscription warrants may be subscribed for every SEK 125 subscribed for (regardless of allotment) in the Convertible Program 2016/2019:2, subject however to the maximum number of subscription warrants stated below.

Category	Position	Number of subscription warrants
I	CEO	a maximum of 48,000 subscription warrants
II	Group Management (7 persons)	a maximum of 12,000 subscription warrants per person
III	Senior Leaders (2 persons)	a maximum of 6,000 subscription warrants per person

¹ Participants from the group management are Peter Welin, Lena Wessner, Jonna Opitz, Lars Jonsson, Timo Luhtaniemi, Mikael Carleson and Philip Isell Lind af Hageby.

² Participants from Senior Leaders are Björn Gelberg and Linda Gustafsson.

Allotment is expected to take place in the beginning of September 2016. There will be no over-subscription.

8. Right to allotment in the Warrants Program 2016/2019:2 requires that the employee on 31 August 2016 at the latest holds its position or has signed an agreement regarding it and has not, at such time, informed or been informed that the employment will be terminated.

Costs, dilution etc.

In addition to financial costs related to the convertibles, which at full subscription are estimated to amount to approximately SEK 1 million per year, the Company may be charged minor costs for social security contributions for certain participants in other jurisdictions. Other than that, the Incentive Program 2016/2019 is not expected to entail any significant costs for the Company. No measures to hedge the program has been taken.

Under Incentive Program 2016/2019:1 convertible bonds were subscribed for an amount of SEK 5,138,000, which when applying the determined conversion price of SEK 130.3 and assuming full conversion in the Incentive Program 2016/2019:1, results in a maximum increase in the share capital of SEK 157,728, corresponding to a dilution effect equivalent of approximately 0.07 percent. Assuming full subscription and conversion of the convertible bonds in the Incentive Program 2016/2019:2 and based on a share price of the Company's share of SEK 103 and a conversion price determined in accordance with the above, the Company's share capital would increase by approximately SEK 370,000, resulting in a maximum dilution effect equivalent to approximately 0.16 percent. Based on the above assumptions, the convertible bonds in Incentive Program 2016/2019:1 and Incentive Program 2016/2019:2 can result in a dilution effect equivalent to approximately 0.23 percent. Subject to a potential application of section A.11, the maximum dilution effect for the convertible bonds under the Incentive Program 2016/2019:1 and the Incentive Program 2016/2019:2 amounts to 0.5 percent, which corresponds to the maximum dilution effect under Incentive Program 2016/2019:1.

Furthermore, the Incentive Program 2016/2019:1 entailed that 500,000 subscription warrants were issued, corresponding to a maximum dilution effect of approximately 0.9 percent. The Company will cancel subscription warrants in the Incentive Program 2016/2019:1 corresponding to the amount of subscription warrants issued in the Incentive Program 2016/2019:2 in order to achieve a dilution effect not exceeding the maximum dilution effect in the Incentive Program 2016/2019:1. The Incentive Program 2016/2019:2 therefore does not entail any further dilution due to the subscription warrants than the Incentive Program 2016/2019:2 entailed.

All the above dilution effects are calculated as the number of new shares in relation to the number of existing and new shares and are subject to re-calculations of the convertible bonds and the subscription warrants in accordance with the customary terms stated in the complete terms and conditions.

In the event of full aggregated dilution in accordance with the above, the key figure earnings per share for the full year 2015 had been reduced by approximately SEK 0.03 from SEK 5.10 to SEK 5.07.

The proposal from the Board has been prepared by the Remuneration Committee and by the Board in its entirety.

Documentation in accordance with Chapter 14 Section 8 and Chapter 15 Section 8 in the Swedish Companies Act has been established.

Majority requirement

The resolution of the general meeting in accordance with the Board's proposals under section A-C above is proposed to be adopted as one joint resolution. A valid resolution requires that shareholders representing at least nine tenths (9/10) of the votes cast and shares represented at the general meeting support the resolution.

Documents and other information

The Board's complete proposal for the resolutions under item 7 above and documentation referred to in Chapter 14, Section 8, and Chapter 15, Section 8, in the Swedish Companies Act will be available at the company and on the company's website, www.inwido.com, as from Friday 5 August 2016 at the latest and will be sent to shareholders upon request. Copies will also be available at the EGM.

The Board and the CEO shall at the EGM, if any shareholder so requests and the Board believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of items on the agenda and the company's relation to other companies within the group.

The total number of shares in the company amounts to 57,967,528. The company has only one series of shares and the total number of votes in the company amounts to 57,967,528.

Malmö in July 2016

The Board of Directors of Inwido AB (publ)

For further information, please contact

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