

Corporate governance report

Good corporate governance is fundamental in ensuring to shareholders that Inwido is run as sustainably, responsibly and efficiently as possible. In turn, this improves confidence in the Company in the capital market and among the general public – confidence that is essential if we are to have the liberty to realize our strategies so that we can generate value over the long term.

Operations

Inwido is Europe's largest supplier of windows and a leading door supplier. The Group markets some 20 strong local brands. Inwido maintains operations in Austria, Denmark, Estonia, Finland, Germany, Ireland, Lithuania, Norway, Poland, Sweden and the UK, and exports to a large number of countries. The Group's headquarters are located in Malmö, Sweden.

Governance principles

Inwido AB (publ) ("Inwido" or "the Company") is a Swedish public company whose shares are listed on the Nasdaq Stockholm exchange. The governance of Inwido is based on the Company's Articles of Association, the Swedish Companies Act, other relevant Swedish and foreign regulations and legislation, and internal guidelines. Inwido's governance is also based on Nasdaq Stockholm's regulations for issuers, as well as the Swedish Corporate Governance Code ("the Code").

Inwido followed the Code in all respects in 2016.

This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Code. Inwido's auditors have reviewed

the report and an opinion from the auditors has been included in this. Corporate Governance Reports and other information on corporate governance are available at Inwido's website: www.inwido.com.

Inwido strives to conduct its operations in a sustainable, responsible and efficient manner that generates value for our customers, shareholders, employees, suppliers, local communities and other stakeholders. Combined with its financial targets (see page 17), the Company's strategy (see page 15) supports this direction. The Company's sustainability objectives are described on pages 27–29.

The highest decision-making body in the Company is the General Meeting, which normally convenes once a year in the form of the Annual General Meeting, although, under certain conditions, it may also convene as an Extraordinary General Meeting. Although the Company prepares the Annual General Meeting, shareholders can influence and propose items for the Meeting's agenda.

Share capital and shareholders

Inwido's shares have been traded on the Nasdaq Stockholm exchange since September 2014. At the end of 2016, share capital in Inwido amounted to SEK 231,870,112 distributed between 57,967,528 shares of a single class. The corresponding number of shares after dilution was 58,071,472. The shares have a par value of SEK 4 each. Each share entitles the holder to one vote and equal entitlement to participation in the company's assets and earnings. On 31 December 2016, there were 9,376 shareholders. Of the total number of shares, about 42 percent were owned by foreign shareholders. The Fourth AP Fund was the largest shareholder, with about 9.8 percent of the total number of shares. See pages 92–93 of the annual report for further information about owners and share capital.

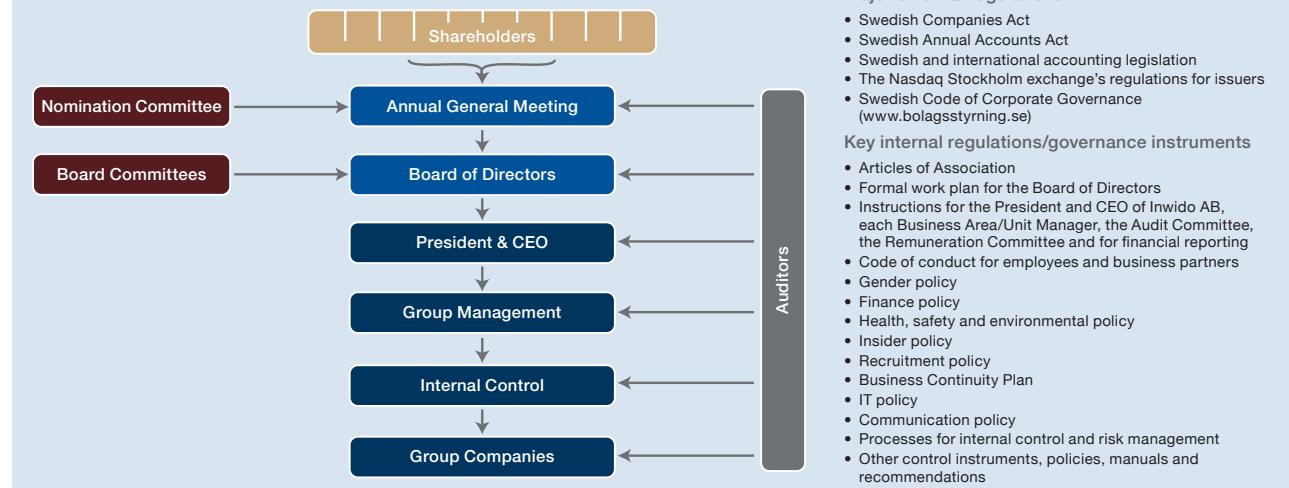
Insider trading and insider list

Inwido has ambitious objectives in terms of proper ethical behaviour. On 3 July 2016, the European Parliament and Council Regulation (596/2014/EU) on market abuse (MAR) came into effect and became directly applicable in Swedish law. Accordingly, Inwido's Board of Directors adopted a revised insider policy as part of efforts to maintain a high level of ethics and to ensure that Inwido maintains a good reputation in the eyes of the general public and the capital market. The policy aims to reduce the risk of insider trading and other illegal acts and to create conditions for compliance with applicable rules.

Inwido's corporate governance structure

Shareholders' influence in the company is exercised at the General Meeting, which is the Company's highest decision-making body. At the General Meeting, each shareholder is entitled to attend, in person or by proxy, and to vote in accordance with his/her shareholding. At the Annual General Meeting, which is the regular General Meeting held annually, the shareholders elect the Board members, the Chairman of the Board and the Auditors, and determine their fees. The Annual General Meeting resolves whether to adopt the income statement and balance sheet, to approve the distribution of profits and to discharge the Board members and the President and CEO from liability. The Annual General Meetings also decides on the principles for the Nomination Committee, as well as on principles for remuneration and other terms of employment for the President and CEO and other senior executives. The Annual General Meeting or Extraordinary General Meeting may also resolve to change the Articles of Association, increase or reduce the share capital, etc. Annual General Meetings are convened through a notice published in the Official Swedish Gazette – Post- och Inrikes

Inwido's corporate governance



Tidningar – and on the company's website. The fact that an Annual General Meeting has been convened will be published in Swedish national daily newspaper Dagens Industri.

On behalf of the shareholders, the Board is tasked with administering the Company's affairs in the interests of the Company and all of its shareholders. The Chairman of the Board bears the specific responsibility for the work of the Board being well organized and efficient. The Audit Committee and Remuneration Committee are appointed by the Board of Directors. The Company's auditor is appointed by the General Meeting to audit the Company's annual report and accounts, as well as administration of the Company by the Board of Directors and the President and CEO. The auditor reports to the shareholders at the Annual General Meeting by means of the audit report. The Board of Directors establishes a formal work plan for the Board and instructions for the President and CEO. The Board appoints the President and CEO, who is to oversee the ongoing management of the Company. In turn, the President and CEO appoints the Group management team.

Nomination Committee

Each year, a Nomination Committee shall be appointed at the initiative of the Chairman, with the rules governing the composition of the Committee being adopted by the Annual General Meeting. The principle is that the Nomination Committee shall comprise representatives from the company's largest shareholders and that it should consist of four members. The members of the Nomination Committee shall include one representative for each of the three largest shareholders in terms of the known number of voting rights held as of 30 September in the relevant year, and the Chairman of the Board. In the event that shareholdings change substantially after the Nomination Committee has been appointed, the composition of the Committee may be changed to reflect this. Each year, a survey is conducted among the Board members regarding the work of the Board of Directors, its composition, qualifications, experience and efficacy. The survey forms the basis for the Committee's assessment of whether the Board ought to be strengthened with additional expertise or if there are other reasons to change the composition of the Board. Normally, the Nomination Committee also meets the President and CEO and sometimes individual Board members too. Proposed new Board members are interviewed by the Nominating Committee.

The Nomination Committee shall submit proposals for the Chairman of the Board and other Board members, and for fees and other remunerations for Board assignments. In particular, the Nomination Committee shall take into account the requirement of diversity and breadth of the Board and to strive for balance in terms of gender. The Nomination Committee assesses the composition of the Board with respect to its independence, taking into account all proposals regarding the composition of the Board of Directors submitted to the Committee that may have been received from other shareholders. The names of the Nomination Committee representatives and the shareholders they represent are to be announced no later than six months prior to the Annual General Meeting. Based on the ownership structure as of 30 September 2016, the three largest shareholders in Inwido

were asked to participate in the nomination process for 2017. Alongside Arne Frank, the Chairman of the Board, Thomas Wuolikainen, Fourth AP fund (Chairman of the Nomination Committee), Helen Fast-Gillstedt, Handelsbanken Fonder AB and Pehr-Olof Malmström, Danske Bank/Danske Capital were appointed.

The Nomination Committee's proposals are to be presented in the notice to attend the Annual General Meeting and on Inwido's website. In connection with this, the Nomination Committee shall provide, on the Company's website, a reasoned opinion on the proposed composition of the Board with regard to the provisions in the Code regarding the composition of the Board of Directors. In particular, the proposal must be justified in view of the requirement that a balance should be sought with regard to gender. The opinion shall also contain a brief account of how the Nomination Committee has conducted its work and of the equal opportunities policy that the Committee has applied in preparing its proposal.

The Nomination Committee's tasks include preparing a proposal to the Annual General Meeting, containing the following:

- Proposal for election of a Chairman for the Annual General Meeting.
- Proposal for election of Board members.
- Proposal for election of Chairman of the Board.
- Proposed fees for the Board, including the Chairman, and members' work on Board committees.
- Proposal for remuneration to the external auditors.
- Composition of the Nomination Committee and its tasks for the ensuing year (if applicable).

The Nomination Committee shall also submit proposals for the election and remuneration of external auditors when these are to be appointed by the Annual General Meeting. Here, the Nomination Committee is supported by the Audit Committee, which, among other things, informs the Nomination Committee of the results of the evaluation of the auditor's work.

The Nomination Committee shall submit its reasoned opinion on its proposals to the Annual General Meeting. Shareholders wishing to submit proposals to the Nomination Committee may send these by e-mail to ir@inwido.com no later than two months prior to the meeting. The Nomination Committee's proposals are published in conjunction with or prior to the notice of the Annual General Meeting. The members receive no remuneration for their work on the Nomination Committee.

2016 Annual General Meeting

The Annual General Meeting for the 2015 financial year took place on 10 May 2016 in Malmö, Sweden. At the Annual General Meeting, 38 percent of the total number of shares and votes was represented in person or by proxy. The Meeting was also attended by the Board of Directors, the external auditors and members of Group Management. The Chairman of the Board, Arne Frank, was elected Chairman of the meeting.

The Annual General Meeting approved the presented income statement and balance sheet, as well as the consolidated statement of comprehensive income and statement of financial position. The company's retained earnings and profit for the year were carried forward. The Meeting discharged the Board and the President from responsibility.

In addition, the following principal decisions were made:

• Election of Board members and auditors

Arne Frank, Benny Ernstson, Eva S. Halén, Sisse Fjelsted Rasmussen and Anders Wassberg were re-elected as Board members. Leif Johansson and Henrik Lundh declined re-election. Arne Frank was re-elected as Chairman of the Board. Thomas Forslund, KPMG, was newly elected as auditor, and authorized public accountant Linda Bengtsson, KPMG, was re-elected as deputy auditor.

• Fees

Fees will be paid to the Board in the amount of SEK 215,000 to each Board member not employed by the Company and SEK 440,000 to the Chairman. It was decided that the special fee of SEK 50,000 for committee work would be paid to each member of the Audit Committee, SEK 100,000 to the chairman of the Audit Committee and SEK 25,000 to each member and the chairman of the Remuneration Committee.

• Dividend

In accordance with the proposal by the Board of Directors and the President, the Meeting approved a dividend of SEK 2.50 per share.

• Guidelines for remuneration to senior executives

In accordance with the Board's proposal, the Meeting adopted guidelines on remuneration to senior executives that primarily entail the following: Remuneration and terms for senior executives shall be based on local market conditions and consist of a balanced mix of fixed salary, variable compensation, pension benefits, other benefits and terms of dismissal. Variable remuneration shall be based on performance in relation to set targets. Variable cash remuneration shall be maximized and may not exceed 50 percent of fixed annual salary. Variable remuneration may also be paid in the form of long-term incentive plans. Pension benefits shall be in the form defined contribution plans. The Board of Directors shall have the right to deviate from these guidelines in individual cases if specific reasons motivate this.

• Establishment of long-term incentive programme

The Annual General Meeting approved the Board's proposal on the establishment of a long-term incentive programme consisting of two parts: an issue of convertibles with the opportunity for all employees to participate and an issue of subscription warrants to approximately 50 of the Company's senior executives and so-called Senior Leaders. The convertible loan shall not exceed SEK 40 million, or what corresponds to a maximum increase of the share capital by SEK 1.2 million applying the established conversion price. The convertibles are interest-bearing, issued at nominal amount, corresponding to their market value, and can be convertible into new shares from 1 August 2019 to 15 September 2019. All employees will be entitled to subscribe in accordance with the principles presented in the Board of Directors' proposal. The conversion price is SEK 130.30.

The warrants issue will encompass a maximum 500,000 warrants issued to Inwido's wholly

owned subsidiary, Inwido Europe AB, to later be transferred to the Company's senior executives and Senior Leaders. Transfer is to take place at market value at the time of transfer and allocations will be made according to the principles presented in the Board of Directors' proposal. The subscription of shares based on the warrants is to take place during the period from 1 August 2019 to 15 September 2019. The subscription price corresponds to the conversion price for the convertibles of SEK 130.30.

See Inwido's website, www.inwido.com, for the full protocol and information about the Annual General Meeting.

Extraordinary General Meeting 2016

Inwido AB held an Extraordinary General Meeting on 26 August 2016 in response to the Board's proposal to supplement the existing incentive programme. The Extraordinary General Meeting approved the Board's proposal for an additional long-term incentive programme comprising two parts: an issue of convertibles and an issue of warrants. The incentive programme targets certain individuals in Group management and so-called Senior Leaders, who wished to, but for reasons of insider information, were unable to participate in the incentive programme that the Annual General Meeting adopted on 10 May 2016. The supplementary incentive programme replaces, in part, the incentive programme adopted at the Annual General Meeting and entails no further dilution beyond the original programme.

The convertible loan shall not exceed SEK 12 million. The convertibles are interest-bearing and are issued at a nominal amount corresponding to their market value. It will be possible to convert them into new shares from 1 September 2019 to 15 September 2019. The conversion price is SEK 139.20. The warrants issue will encompass a maximum 144,000 warrants issued to Inwido's wholly owned subsidiary, Inwido Europe AB, to later be transferred to the participants of the program. Transfer shall take place at market value at the time of transfer. The subscription of shares based on the warrants is to take place during the period from 1 September 2019 to 15 September 2019. The subscription price corresponds to the conversion price for the convertibles of SEK 139.20.

2017 Annual General Meeting

The 2017 Annual General Meeting will be held on 9 May 2017 at 4.00 p.m. at Malmö Börshus, Skeppbron 2 in Malmö. For further information regarding the 2017 Annual General Meeting, please see page 93.

The Board and its work in 2016

Composition of the Board of Directors

The Board of Directors of Inwido shall consist of three to ten members. The trade unions are entitled to appoint two members with voting rights and two deputies. The President and CEO is not a member of the Board but participates in all board meetings on a co-opted basis. Other officers of Group participate in board meetings to present reports and to act as secretary. Additional information about the members of the Board is provided on pages 40–41 of the 2016 Annual Report.

Procedures and responsibilities of the Board

In addition to its statutory meeting, the Board of Directors shall hold three to six meetings per financial year. Additional meetings shall be held as necessary. Each year, the Board adopts written rules of procedure that clarify its responsibilities and regulate the division of labour within the Board and its committees including the role of the Chairman, decision-making procedures, meeting schedules, procedures for calling board meetings, agendas and minutes, as well as the Board's work in connection with accounting, auditing and financial reporting. The Board has also adopted a set of instructions for the President and CEO and other special policies. The Board continuously assesses the work of the President and CEO and the Board addresses this issue specifically once a year without senior management being present.

The responsibility of the Board includes monitoring the work of the President and CEO through the continuous review of operations over the year, safeguarding a structure for the appropriate management of Inwido's interests. The Board's responsibilities also involve setting strategies and targets, developing special policies, making decisions regarding large-scale acquisitions and divestments of operations, making decisions on other major investments, determining investments and loans

in accordance with the Group's finance policy, issuing financial reports, evaluating operational management and planning succession. The Board safeguards the quality of the financial reports by means of adopted control instruments and instructions to the President and CEO, as well as through its consideration of reports from the Audit Committee in the form of minutes and observations, as well as recommendations and proposed decisions and measures. The Board also safeguards the quality of the financial reports by addressing the appurtenant materials in detail during board meetings. As part of its assurance of quality, the Board of Directors also meets the Company's auditor once a year without the attendance of the President and CEO or anyone else from senior management.

Role of the Chairman of the Board

The Chairman organizes and manages the work of the Board, ensuring that it is conducted in accordance with the Swedish Companies Act, other legislation and regulations, as well as the Board's internal control instruments. The Chairman monitors operations through ongoing contacts with the President and CEO and is responsible for ensuring that the other members of the Board receive satisfactory information and data on which to make decisions. The Chairman is responsible for ensuring that the Board members continuously update and deepen their knowledge of Inwido and that they receive the training otherwise necessary to be able to conduct their work efficiently. The Chairman of the Board shall ensure that the Board's duties and working methods are assessed annually and discussed with the Board members, and that the Nomination Committee is informed of the results, with the purpose of developing the Board of Directors' working methods and efficiency. Such an evaluation was carried out in 2016, primarily through a combination of individual interviews and a detailed questionnaire to the Board. The results of the evaluation were presented to and discussed with the Nomination Committee, as well as with the full Board.

Work of the Board in 2016

During the year, the Board of Directors held a total of 13 board meetings. At the scheduled board meetings, the President and CEO reported on the Group's earnings and financial position, including the outlook for the coming quarters. Beyond approving the annual and interim reports and adopting a business plan and associated financial plan, the following key issues were addressed by the Board of Directors during the year:

- Proposed dividend of SEK 2.50 per share
- Revision and adoption of the Company's policies
- Acquisition of Värmelux, Klas1, CWG Choices and Outrup vinduer & Døre
- Investments
- Incentive programmes
- Risk assessment
- Product development
- Organization

In connection with the board meeting in September, the Board visited the recently acquired company CWG Choices Ltd in the UK.

Attendance in 2016

Name	Elected year	Inde-pen-dent ¹	Board meetings ²	Audit Com-mittee	Remu-nera-tion Com-mittee	Approved Board fees, TSEK
Chairman of the Board:						
– Arne Frank	2014	Yes/Yes	13/13	4/4	2/2	440
Board members:						
– Benny Ernstson	2004	Yes/Yes	13/13	—	—	215
– Eva S Halén	2011	Yes/Yes	12/13	—	—	215
– Anders Wassberg	2009	Yes/Yes	13/13	3/4	2/2	215
– Sisse Fjelsted Rasmussen	2015	Yes/Yes	11/13	4/4		215
Employee representatives:						
– Tony Johansson	2016	—	11/13	—	—	—
– Robert Wernersson	2012	—	13/13	—	—	—

¹ Refers to independence in relation to the company, its management and independent in relation to major shareholders in the company.

² Including one board meeting by correspondence.

Audit Committee

Inwido's Board of Directors includes an Audit Committee. It shall consist of at least three Board members appointed by the Board. The Committee has no decision-making authority and members are appointed annually by the Board of Directors at the statutory board meeting or when a committee member must be replaced. The committee members appointed in May 2016 were Arne Frank (Chairman), Sisse Fjelst Rasmussen and Anders Wassberg. The work of the Audit Committee is regulated by a special set of instructions adopted by the Board as part of its agenda. The Committee's work focuses on the quality and accuracy of the financial accounts and reports, efforts in internal financial control, the Group's adherence to applicable regulations and, where appropriate, transactions between the Group and related parties.

In addition, the Audit Committee maintains regular contact with the auditor for Inwido AB and the Group in order to engender an ongoing exchange of ideas and information between the Board and the auditor on audit issues. Furthermore, the Committee shall assess the auditor's work and set guidelines for services, besides auditing, that Inwido may procure from its auditor.

The Audit Committee held four meetings in 2016. One member was absent from a meeting, while all members were present at all other meetings. The meetings of the Audit Committee are minuted and reported verbally at board meetings.

Each month, consolidated accounts are prepared and submitted to the Board and Group management.

External financial information is provided regularly in the form of:

- Year-end and interim reports
- Annual Report
- Press releases regarding key items of news that are expected to affect the view on Inwido
- Presentations for financial analysts, investors and the media on the dates on which year-end and interim reports are published
- Meetings with financial analysts and investors

Remuneration Committee

Inwido's Board of Directors also includes a Remuneration Committee. It shall consist of two Board

members appointed by the Board. The Chairman of the Board may chair the Remuneration Committee. Other members of the Remuneration Committee elected by the General Meeting shall be independent in relation to the company and its senior management. In part, the Remuneration Committee has an advisory role and in part it prepares matters to be addressed and decided on by Inwido's Board of Directors. The Remuneration Committee operates under the rules of procedure adopted by the Board. The principal tasks of the Remuneration Committee are to prepare the Board's decisions on matters concerning remuneration principles, remuneration and other terms of employment for senior management, monitor and evaluate programmes of variable remuneration for senior management and to monitor and evaluate the implementation of the guidelines for remuneration to senior executives adopted by the Annual General Meeting, as well as current remuneration structures and levels within Inwido.

Each year, at the statutory board meeting, or when a committee member must be replaced, the Board appoints the committee members. The committee members appointed in May 2016 were Arne Frank (Chairman) and Anders Wassberg. In 2016, the Remuneration Committee held two meetings. The meetings of the Remuneration Committee are minuted and reported verbally at board meetings.

Group Management

The President and CEO leads operations in accordance with the Companies Act and within the parameters set by the Board. In consultation with the Chairman of the Board, the President and CEO prepares the data and materials the Board requires to make its decisions, presents matters and explains proposed decisions. The President and CEO is also responsible for Inwido's commercial, strategic and financial development, leading and coordinating daily operations in line with the Board's guidelines and decisions. The President and CEO also appoints the members of Group management in consultation with the Chairman of the Board. For information about the President and CEO, see page 42.

Group management holds regular meetings led by the President and CEO. The President and CEO, together with those responsible for the central staff

functions, will also meet the management of each business unit three times a year at local management team meetings. For information about the management team, see pages 42–43.

External auditors

At the 2016 Annual General Meeting, authorized public accountant Thomas Forslund of the KPMG AB firm of auditors was elected as the company's auditor for the period extending until the end of the following Annual General Meeting. The auditor maintains regular contact with the Chairman of the Board, the Audit Committee and Group management. Inwido's auditor shall review the annual report and accounts, as well as the management of the President and CEO.

The auditor works according to an audit plan that takes into account comments submitted by the Board via the Audit Committee. The auditor reports his findings to the Board. Reporting takes place partly during the audit, and ultimately in connection with the annual report being issued and approved. The auditor also participates in one board meeting per year, where he outlines the audit process and her observations in an audit report.

Over the year, the auditor has also performed certain consulting assignments outside the scope of the audit – these have mainly involved advice on accounting matters.

The external audit is conducted in accordance with the generally accepted accounting principles in Sweden. The auditing of documentation for the annual report for legal units outside Sweden is conducted in accordance with legal requirements and other applicable regulations in the relevant countries, in accordance with generally accepted accounting principles and accompanied by audit reports where so required by local legislation.

Internal audit

Inwido has developed systems for governance and internal control. Among other things, the central accounting unit performs an internal audit of two business areas each year. The Board of Directors and the Audit Committee follow up Inwido's assessment of internal control, including through contacts with Inwido's auditors, which perform annual audits of the internal control. Given the above, the

The Board of Directors' work in 2016

DEC

- Decision on investment in Finland
- Business plan
- Impairment testing
- Assessment of the Board's work

OCT

- Interim report for January to September
- Decision on investment in Sweden

SEP

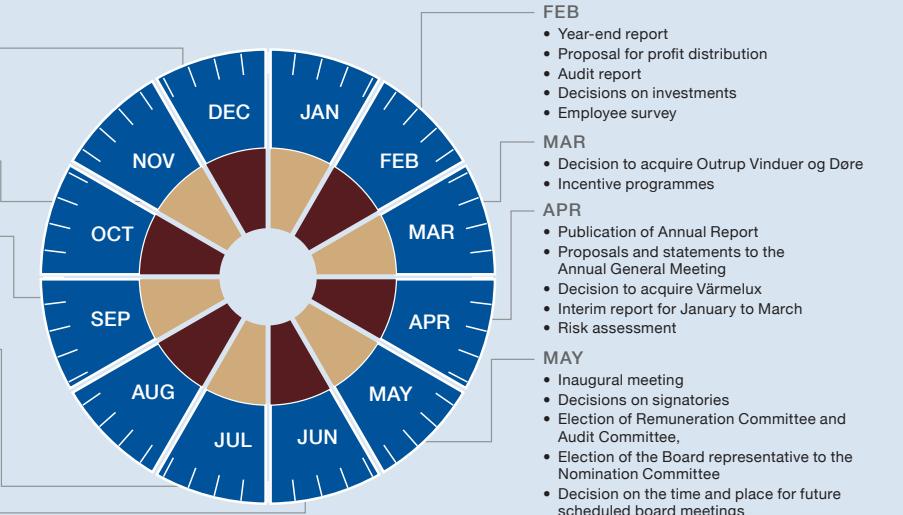
- Visit to CWG Choices
- Decisions on investments in Norway and Sweden
- Strategic plan
- Assessment of senior executives

JUL

- Decision to acquire CWG Choices
- Interim report for January to June
- Proposals and statements to the Extraordinary General Meeting

JUN

- Decision to acquire Klas1
- Visit to Vetlanda



Board has elected not to establish a special internal audit unit.

Internal control of financial reporting

The responsibility of the Board and President and CEO regarding internal control is regulated by the Swedish Companies Act. The Board's responsibility is also regulated in the Code. In accordance with the Code, the Board shall describe how the internal control of financial reporting is organized, which is carried out through the Corporate Governance Report.

The principal purpose of internal control is to ensure the achievement of the company's targets for appropriate and efficient operations, reliable reporting and adherence to applicable legislation and regulations. Internal control relating to financial reporting serves to provide reasonable security regarding the reliability of external financial reporting and to ensure that external financial reports are prepared in accordance with legislation and applicable accounting standards. This report on internal control has not been reviewed by the company's auditors. The starting point for internal control process is the regulatory framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Control environment

The Board bears the overall responsibility for internal control regarding financial reporting. To establish and maintain a functioning control environment, the Board has adopted a set of basic documents that have a bearing on financial reporting, including, in particular, the formal work plan for the Board and instructions for the President and CEO. In addition, the Board has appointed an Audit Committee whose principal task is to ensure that the established principles for financial reporting are complied with and that appropriate relations are maintained with the company's auditors. The responsibility for maintaining an effective control environment and for ongoing internal control efforts regarding financial reporting is delegated to the President and CEO, who reports regularly to the Board of Directors in accordance with established procedures. In addition, reports

are provided by the company's auditors.

The internal control structure also builds on a management system based on Inwido's organization with clearly defined roles, areas of responsibility and delegated authority. Operational decisions are made at the company or business area level while decisions regarding strategy, overarching financial matters, acquisitions and major investments are made by Inwido's Board and Group management. Control documents addressing accounting and financial reporting represent crucial components in the control environment with regard to financial reporting. These documents are updated regularly in connection with changes in accounting standards and legislation.

Risk assessment

The Group conducts continuous risk assessment to identify key risks relating to financial reporting. With regard to financial reporting, risk is primarily judged to involve significant errors in the accounts; for example with regard to the reporting and valuation of assets, liabilities, revenues and costs or other discrepancies. Fraud and losses through embezzlement represent another risk. Risk management is built into every process. Various methods are used to evaluate and limit risks and to ensure that the risks to which Inwido is exposed are managed in accordance with adopted policies, instructions and established monitoring procedures. These policies, instructions and procedures are intended to reduce possible risks and promote correct accounting, reporting and disclosure.

Control activities

The risks identified with regard to financial reporting are managed through the company's control activities, such as authorization controls in IT systems and signature authentication. The control structure includes clear organizational roles that enable an efficient division of responsibilities for specific control activities serving to uncover or prevent the risk of errors arising in reports. All units have their own controllers/finance managers who participate in the assessment of their own reporting alongside the central controller function. The continuous analysis of financial reporting, like the analysis conducted at Group level, is highly important in

ensuring that financial reports are free of material errors. The Group's finance function plays a key role in the internal control process and is responsible for ensuring that financial reports from each unit are submitted correct, complete and on time.

Information and communication

Inwido continually provides the market with information on the Group's development and financial position in relevant channels. Policies, guidelines and internal instructions regarding financial reporting ensure quality in external communication. The employees concerned are given access to and notified of regular updates and messages regarding changes in accounting principles, reporting requirements or other provision of information via the Group-wide intranet.

Follow-up

The President and CEO is responsible for internal control being organized and followed up in accordance with the guidelines adopted by the Board. The President and CEO is responsible for ensuring that independent and objective reviews are conducted with the aim of systematically assessing and proposing improvements to the Group's processes for governance, internal control and risk management. Financial control is exercised by the Group's finance function. Financial data are reported each month, along with a forecast for the coming month. Inwido's management reviews results on a monthly basis, analyzing deviations from the financial plan and the preceding year. Deviations are investigated and evaluated for possible internal control activities. All monthly accounts are also discussed with the management of each business unit. The Board receives monthly financial reports and follows up on financial reporting at each of its meetings. The Board and Group management review financial reporting ahead of the publication of the annual report and interim reports. An simpler audit, referred to as a review, is carried out of the year-end accounts for the period January – September, and of the end-of-year accounts. The company's auditors present their observations to the Board. The auditors' duties also include monitoring internal control within the Group's subsidiaries on an annual basis.

MALMÖ, 31 MARCH 2017

The Board of Directors of Inwido AB (publ)

Auditor's report on the Corporate Governance Report

To the general meeting of the shareholders of Inwido AB (publ), corporate identity number 556633-3828

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2016 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

My examination has been conducted in accordance with FAR's auditing standard RevU 16. The auditor's examination of the corporate governance statement. This means that my examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. I believe that the examination has

provided me with sufficient basis for my opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

STOCKHOLM, 31 MARCH 2017

Thomas Forslund
Authorized Public Accountant