

Proposal by the Board of Directors on guidelines for remuneration to senior executives

The Board of Directors of Inwido AB (publ) ("Inwido") proposes that the annual general meeting 2020 resolves on the following guidelines for executive remuneration.

Individuals who are senior executives of Inwido, which include the CEO and other members of the Group Management of Inwido during the period of which these guidelines are in force, fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

To the extent a member of the Board performs services for Inwido in addition to the Board assignment, certain cash remuneration may be paid for such work. The cash remuneration shall be at market level, based on the nature and contribution of such work.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Inwido acquires, owns and develops Europe's leading companies within the window and door industry. Today, Inwido is Europe's largest windows group and a natural home for the region's strongest companies. The key to Inwido's success is the local connection. A prerequisite for the successful implementation of Inwido's business strategy and safeguarding of its long-term interests, including its sustainability, is that Inwido is able to recruit and retain qualified personnel. To this end, it is necessary that Inwido offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration. For more information regarding the company's business strategy, please see <https://www.inwido.com/>.

Types of remuneration, etc.

The total remuneration and the terms and conditions for the senior executives shall be based on relevant market conditions and shall be comprised of a balanced mixture of fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

Fixed cash salary

The fixed cash salary shall be determined taking into account the executive's responsibility, authority, competence and experience.

Variable cash remuneration

The variable cash remuneration shall be linked to predetermined, well-defined and measurable criteria for the group, which can be financial or non-financial. The variable cash remuneration may amount to not more than 50 per cent of the total fixed cash salary under the measurement period for such criteria. The criteria for variable cash remuneration shall to 60 per cent linked to operational EBITA, to 20 per cent be linked to the

relation between the working capital being tied up and sales, and to 20 per cent be linked to measurable strategical individual criteria, which may be financial or non-financial. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The criteria for awarding variable cash remuneration shall aim at promoting Inwido's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. For the purpose of promoting a common endeavor to achieve Inwido's business strategy, long-term interests and sustainable development of Inwido, and ultimately an increased shareholder value, the senior executives shall have the same financial criteria for awarding variable cash remuneration.

Pension benefits

For the CEO and other executives, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined unless the executive concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration equivalent to maximum 50 per cent of the maximum variable cash remuneration shall qualify for pension benefits, unless otherwise required by mandatory collective agreement provisions. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the pensionable income for the CEO and not more than 25 per cent of the pensionable income for other executives.

Other benefits

Other benefits than fixed cash salary, variable cash remuneration and pension benefits shall be applied restrictively. Such other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdförsäkring) and company car, and may amount to not more than 10 per cent of the fixed annual cash salary.

Additional remuneration

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Foreign employments

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Executives who are expatriates to or from Sweden may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the expat arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits may not in total exceed 25 per cent of the fixed annual cash salary.

Remuneration to Board members

To the extent a member of the Board performs services for Inwido, in addition to the board assignment, certain cash remuneration may be paid for such work (consulting fee), provided that such services promote the implementation of Inwido's business strategy and long-term interests, including its sustainability. The annual consultant fee shall be at market terms and be related to the benefit for Inwido. For each Board member, such consultant fee may not exceed 100 per cent of the annual fee for the Board member. Such consultant fees, as well as other terms and conditions, shall be determined by the Board of Directors.

The satisfaction of criteria for awarding variable cash remuneration, etc.

The Remuneration Committee shall prepare, monitor and evaluate matters related to variable remuneration. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and determined, respectively, when the measurement period has ended. For financial objectives, the evaluation shall be based on the latest financial information made public by Inwido. Remuneration to the CEO is resolved by the Board of Directors upon the Remuneration Committee's proposal. Remuneration to other senior executives is resolved by the Remuneration Committee upon the CEO's proposal.

Programs and criteria for variable cash remuneration shall be designed in such a way as to enable the Board of Directors, if exceptional financial conditions prevail, to restrict or omit payment of the variable cash remuneration if such action is deemed reasonable and consistent with Inwido's responsibility towards shareholders, employees and other stakeholders. The Board of Directors shall have the possibility, pursuant to applicable law or contractual provisions, to in whole or in part reclaim variable remuneration paid on incorrect grounds.

Termination of employment

The notice period may not exceed twelve months if notice of termination of employment is made by Inwido. Fixed cash salary during the period of notice and any severance pay shall together not exceed an amount equivalent to the CEO's fixed cash salary for 18 months, and twelve months for other executives. The period of notice may not exceed six months without any right to severance pay when termination is made by the executive.

After the termination of the employment, senior executives may be compensated for non-compete undertakings, however, only to the extent severance pay is not paid during the same period of time. The purpose of such remuneration shall be to compensate the senior executive for the difference between the fixed salary at the time of termination of the employment, and the (lower) income which is obtained, or could be obtained, by a new employment agreement, assignment or own business. The remuneration may be paid during the period the non-compete undertaking is applicable, and no longer than a period of 24 months after the termination of the employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Inwido have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee, which deals with remuneration matters for senior executives. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for senior executives, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in Inwido. The members of the Remuneration Committee are independent of Inwido and its executive management. The CEO and other senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Inwido's long-term interests, including its sustainability, or to ensure Inwido's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Transitional provisions applicable for the annual general meeting 2020

Information on the total remuneration, including previous commitments not yet due for payment, to CEO and other senior executives during the financial year 2019 is presented in note 9 of the Annual Report 2019.