

*The English text is a translation of the Swedish original version. In the event of a conflict between the English and the Swedish texts the Swedish text shall prevail.*

## **Inwido AB (publ)**

### **The Board of Directors' proposal for resolution on a long-term incentive program including resolutions on (A) new issue of convertibles, (B) new issue of subscription warrants and (C) transfer of subscription warrants**

The Board of Directors of Inwido AB (publ) (the "Company") proposes that the annual general meeting resolves on 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 (the "Convertible Program 2016/2019"), (B) new issue of subscription warrants for a subscription warrants program for senior executives and key employees (the "Warrants Program 2016/2019"), and (C) transfer of subscription warrants. The Convertible Program 2016/2019 and the Warrants Program 2016/2019 are jointly referred to as "Incentive Program 2016/2019". The Incentive Program 2016/2019 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 40,000,000, or such lesser amount as follows from section 12 below, through a new issue of convertible bonds.
2. The subscription price for each convertible bond shall equal its nominal value.
3. The convertible bonds shall have the same right, and in no order of precedence, after the Company's other general obligations, which are not subordinated, and for which there is no security right.
4. With deviation from the shareholders' preferential right, the right to subscribe for the convertible bonds shall be granted employees within the Inwido group in accordance with what is stated in section C below.
5. Subscription for the convertible bonds shall be made on a separate subscription list no later than on 3 June 2016, with a right for the Board to extend the subscription period.
6. Payment for the convertible bonds shall be made no later than on 16 June 2016.
7. The convertible bonds carry an annual interest rate from and including 1 July 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. As evident in the

complete terms and conditions for Convertible Program 2016/2019, 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 100.00, a conversion price of SEK 126, STIBOR 6M of -0.315 percent, a risk free interest rate of -0.39 percent and the nominal value of the convertible bonds corresponding to the market value of the convertible bonds, the interest margin will be approx. 3.90 percent, thus resulting in an interest rate of approx. 3.90 percent.

8. The loan is due for payment on 30 September 2019, in so far as conversion has not occurred before.
9. The convertible bonds shall be convertible into new shares in Inwido AB from and including 1 August 2019 up to and including 15 September 2019.
10. 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 26 April 2016 up to and including 9 May 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.

11. 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.
12. 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 1,200,000 after full conversion, the maximum amount of the loan shall be reduced so that the maximum increase in the share capital amounts to SEK 1,200,000.
13. Applicable terms for re-calculation and other terms for the convertibles in the Convertible Program 2016/2019 are set forth in the "*Terms and conditions for convertible bonds series 2016/2019 in Inwido AB (publ)*".

The Board, or anyone appointed by the Board, is authorized to make such minor adjustments in the resolutions of the annual general meeting, including appendices, that may be necessary in connection with registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

The reasons for the deviation from the shareholders' preferential right are that Inwido wishes to introduce a global incentive program for all 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. 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 500,000 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 3 June 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 August 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 26 April 2016 up to and including 9 May 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.
8. Applicable terms for re-calculation and other terms for the subscription warrants in the Warrants Program 2016/2019 are set forth in the "*Terms and conditions for subscription warrants series 2016/2019 regarding subscription for shares in Inwido AB (publ)*".

The Board, or anyone appointed by the Board, is authorized to make such minor adjustments in the resolutions of the annual general meeting, including appendices, that may be necessary in connection with registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

The reasons for the deviation from the shareholders' preferential right are that Inwido wishes to introduce an incentive program for senior executives and certain 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. 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 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:

<b>Category</b>	<b>Position</b>	<b>Base amount</b>	<b>Over-subscription amount</b>
I	CEO	maximum SEK 2,000,000	maximum SEK 4,000,000
II	Group Management (9 persons)	maximum SEK 500,000 per person	maximum SEK 1,000,000 per person
III	Senior Leaders (approx. 40 persons)	maximum SEK 250,000 per person	maximum SEK 500,000 per person
IV	Other employees (approx. 3,300 persons)	maximum SEK 25,000 per person	maximum SEK 50,000 per person

The first allotment is expected to take place in June 2016. For all categories the investment in convertible bonds cannot be lower than SEK 10,000. There will be no guaranteed allotment. If the total amount of convertible bonds subscribed for exceeds the maximum amount in accordance with sections A.1 and A.12, 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.

4. Right to initial allotment in the Convertible Program 2016/2019 requires that the employee on 3 June 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 shall principally be carried out in accordance with what is stated below.

5. 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.
6. 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.
7. 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<sup>1</sup>, subject however to the maximum number of subscription warrants stated below.

<b>Category</b>	<b>Position</b>	<b>Number of subscription warrants</b>
I	CEO	a maximum of 48,000 subscription warrants
II	Group Management (9 persons)	a maximum of 12,000 subscription warrants per person

<sup>1</sup> Assuming a share price in the Company of SEK 100, this corresponds to approximately three (3) subscription warrants for each one (1) convertible bond subscribed for.

III	Senior Leaders (approx. 40 persons)	a maximum of 6,000 subscription warrants per person
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The first allotment is expected to take place in June 2016. There will be no over-subscription.

8. The subscription warrants remaining after the first allotment may be allotted to future employees at market value, applicable from time to time, in accordance with the allotment principles stated above, with the difference that the number of subscription warrants available for subscription shall not be related to subscription in the Convertible Program 2016/2019. Transfer of subscription warrants to future employees may not take place after 30 June 2018.
9. Right to initial allotment in the Warrants Program 2016/2019 requires that the employee on 3 June 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.

#### ***Participants in other jurisdictions***

For participants in jurisdictions other than Sweden, it is implied that allotment and further transfer, respectively, of the convertible bonds and the subscription warrants is legally possible and that it, in the Board's opinion, can be carried out with reasonable administrative and financial efforts at their established market value. The Board shall have the right to adjust the terms of the Incentive Program 2016/2019 to the extent required in order for issuance of convertible bonds and allotment of subscription warrants to participants in other jurisdictions, to the extent practically possible, to be carried out under the same conditions imposed by the Incentive Program 2016/2019.

#### ***Costs, dilution etc.***

In addition to financial costs related to the convertibles, which at full subscription are estimated to amount to approximately SEK 2.5 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.

Assuming full subscription and conversion of the convertible bonds in the Convertible Program 2016/2019, based on a share price of the Company's share of SEK 100 and a conversion price determined in accordance with the above and after reduction according to A.12, the Company's share capital will increase by, no more than, SEK 1,200,000, resulting in a maximum dilution effect equivalent to approximately 0.5 percent calculated as the number of new shares in relation to the number of existing and new shares. Assuming that all 500,000 subscription warrants in the Warrants Program 2016/2019 are exercised for subscription of new shares, the Company's share capital will increase by no more than SEK 2,000,000, resulting in a maximum dilution effect

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equivalent to approximately 0.9 percent calculated as the number of new shares in relation to the number of existing plus new shares. The above is subject to recalculations 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 dilution, the key figure earnings per share for the full year 2015 had been reduced by approximately SEK 0.07 from SEK 5.10 to SEK 5.03.

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

***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.

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Malmö in April 2016  
**Inwido AB (publ)**  
*Board of Directors*