

Press release

This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

NOTICE OF 2017 ANNUAL GENERAL MEETING

The Annual General Meeting of Indutrade Aktiebolag (publ) will be held at 4 p.m. on Wednesday, 26 April 2017, at IVA's Conference Center, Grev Turegatan 16, Stockholm, Sweden.

A. RIGHT TO PARTICIPATE AND NOTIFICATION OF ATTENDANCE

To be entitled to participate at the Annual General Meeting, shareholders must be listed in the shareholder register maintained by Euroclear Sweden AB on Thursday, 20 April 2017, and notify the Company of their intention to participate at the Meeting no later than Thursday, 20 April 2017. Notification of intention to participate at the Meeting can be made by filling out a form on Indutrade's website, www.indutrade.se, by email to arsstamma@indutrade.se, by post to Indutrade Aktiebolag, Box 6044, SE-164 06 Kista, Sweden or by phone at +46-8-703 03 00. The notification must state the shareholder's name, national ID number/corporate registration number, address and phone number. Information provided in the notification will be data-processed and used only for the 2017 Annual General Meeting. Shareholders are entitled to bring one or two assistants. Proxies, registration certificates and other authorisation documents must be on hand at the Annual General Meeting, and should, in order to facilitate entrance to the Meeting, be sent to the Company by no later than Friday, 21 April 2017. Proxies must be presented in original.

Shareholders whose shares are registered in the name of a nominee must request registration of their shares in their own names in the shareholder register as per Thursday, 20 April 2017, in order to be entitled to participate in the Meeting. Such registration can be temporary.

B. ITEMS OF BUSINESS

B.I Proposed agenda

1. Opening of the Meeting
2. Election of a chairman to preside over the Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to check the minutes
6. Determination as to whether the Meeting has been duly convened
7. Report on the work of the Board of Directors and its committees
8. Presentation of the annual report and consolidated accounts, and in connection with that, the President's report on the operations for the year
9. Presentation of the audit report and the audit report for the group, and of the auditor's statement regarding whether the Company has adhered to the guidelines for compensation of senior executives that have applied since the preceding Annual General Meeting
10. Resolutions on:
 - (a) adoption of the income statement and balance sheet, and of the consolidated income statement and consolidated balance sheet
 - (b) distribution of the Company's earnings in accordance with the adopted balance sheet
 - (c) the record date, in the event the Meeting resolves to distribute profits
 - (d) discharge from liability to the Company of the directors and the President

11. Report on the work of the Nomination Committee
12. Resolution on the number of directors and the number of auditors
13. Resolution on directors' and auditors' fees
14. Election of directors and the Chairman of the Board
15. Election of auditor
16. Resolution on the Board's proposed guidelines for compensation and other terms of employment for senior executives
17. Resolution on the implementation of a long-term incentive programme, including directed issue and transfer of warrants
18. Closing of the Annual General Meeting

B.II Dividend

The Board proposes a dividend of SEK 3.20 per share.

Friday, 28 April 2017, is proposed as the record date for payment of the dividend. Provided that the Meeting resolves in accordance with the proposal, dividends are expected to be distributed by Euroclear Sweden AB on Thursday, 4 May 2017.

B.III Election of a chairman to preside over the General Meeting, Board of Directors, etc.

The Nomination Committee has been composed of Claes Boustedt (L E Lundbergföretagen), Fredrik Lundberg (Chairman of Indutrade), Anders Oscarsson (AMF and AMF Funds), Henrik Didner (Didner & Gerge Funds) and Jonathan Schönbäck (Handelsbanken Funds). Claes Boustedt served as Nomination Committee Chairman.

The Nomination Committee proposes the following:

AGM chairman:

Fredrik Lundberg, Chairman of the Board of Indutrade AB

Number of directors and auditors:

The Board shall consist of eight directors and no deputies.

One registered accounting firm is proposed as auditor of the company.

Directors' fees:

A fee of SEK 540,000 is proposed for the Chairman of the Board, SEK 406,000 for the Deputy Chairman of the Board, SEK 271,000 for each of the other non-executive directors, SEK 60,000 for the Audit Committee chair and SEK 27,000 for members of the Remuneration Committee.

Auditors' fees:

Fees payable on current account (unchanged).

Board of Directors:

Re-election of Fredrik Lundberg, Bengt Kjell, Ulf Lundahl, Katarina Martinson, Krister Mellvé and Lars Petterson. Annica Bresky and Johnny Alvarsson are not available for re-election. Susanna Campbell and Bo Annvik are proposed to be elected as new board members.

Susanna Campbell (b. 1973), M.Sc. Business and Administration, currently serves on the board of Telia and is a former CEO of Ratos. Prior to that she worked for McKinsey & Company and Alfred Berg Fondkommission.

Bo Annvik (b. 1965) M.Sc. Business and Economics, is a former President and CEO of Haldex, and prior to that he served in a number of executive positions, both in Sweden and abroad, for Volvo Cars, SKF and Outokumpu.

Fredrik Lundberg is proposed to be re-elected as Chairman of the Board.

Auditor:

Re-election of PricewaterhouseCoopers AB as auditor of the company for the period until the end of the Annual General Meeting of 2018, in accordance with the recommendation from the Audit Committee.

The Audit Committee recommends re-election of PricewaterhouseCoopers ("**PwC**") as the preferred alternative and election of Ernst & Young as the secondary alternative. PwC is the Audit Committee's preferred alternative for the following reasons. PwC has defined an audit scope well-adapted to the group companies' various sizes and businesses, offered the most comprehensive audit in terms of the number of group companies compared to other participants in the tender process, and offered competitive fees in relation to the assignment.

B.IV The Board's proposed guidelines for compensation and other terms of employment for senior executives

The Board proposes that the Annual General Meeting adopt the following guidelines for compensation and other terms of employment for senior executives.

Indutrade shall apply compensation levels and terms of employment necessary to be able to recruit and retain management with high qualifications and the ability to achieve set objectives. The forms of compensation shall motivate members of the executive management to perform their utmost in order to safeguard the interests of the shareholders.

The forms of compensation shall therefore be in line with the going rate in the market and shall be straightforward, long-term and quantifiable. Compensation of members of executive management shall normally consist of a fixed and a variable portion. The fixed salary for members of the executive management shall be in line with the going rate in the market and shall be commensurate with the individual's expertise, responsibilities and performance. The variable portion shall reward achievement of clear goals to improve the Company's and the respective business areas' level of earnings and the Group's growth, in simple and transparent structures. The variable compensation component for members of the executive management shall normally not exceed seven months' salary and may not exceed SEK 14 million.

Incentive programmes in the Company shall mainly be share price related and cover persons in senior positions in the Company who have a significant influence over the Company's results of operations and growth, and shall be based on the achievement of set targets. An incentive programme shall contribute to the long-term commitment to the Company's development and shall be implemented on market terms. The Company may pay out monetary compensation to key executives linked to investments in shares or share-related instruments. Such monetary compensation shall normally not exceed 15 per cent of the fixed annual salary.

Non-monetary benefits for members of the executive management shall facilitate the individuals in the execution of their duties and correspond to what can be considered to be reasonable in respect of practice in the market in which the respective executive is active.

Pension terms for members of the executive management shall be in line with the going rate in the market in respect of what applies for peer executives in the market in which the executive works and should be based on a defined contribution pension solution or correspond to a public pension plan (in Sweden the ITP plan).

Fixed salary during the notice period and severance pay for members of executive management shall in aggregate not exceed a total of 24 months' salary in the event the Company serves notice, and six months' salary in the event the member of the executive management gives notice.

By executive management is meant in this context the President and CEO, the Chief Financial Officer, the Business Area Presidents, the Head of Group Finance and the Head of Business Development.

The Board's Remuneration Committee prepares and drafts proposals for decisions regarding the terms of employment for the President, and the Board evaluates the President's performance on a yearly basis. The Remuneration Committee also prepares and deals with guidelines for remuneration matters regarding members of the executive management, for decisions by the Board. The President consults with the Remuneration Committee regarding the terms of employment for other members of the executive management.

The Board shall have the right to depart from the aforementioned guidelines for compensation of the executive management if there are special reasons in a particular case.

B.V The Board's proposal on the implementation of a long-term incentive programme, including directed issue and transfer of warrants

Since LTI 2014 expires in the near term, the board proposes that the Annual General Meeting resolves on the implementation of a new long-term incentive programme ("**LTI 2017**") for senior executives and other key employees within the Indutrade group, on terms and conditions principally similar to LTI 2014. Indutrade's participation in LTI 2017, as in connection with LTI 2014, is also proposed to include that Indutrade pays a cash subsidy to the participants in the programme.

Similarly to LTI 2014, the purpose of LTI 2017 is to, in a simple way, reward and retain important employees as well as to promote and create a long-term commitment to the Indutrade group by the employees' own investments and subsequently attain an increased alignment of interests between the employees and Indutrade's shareholders.

The structure of the Indutrade group is highly decentralised and focuses to a great extent on growth and profitability. To offer a competitive remuneration structure for senior executives of the group and other key employees, whose efforts and skills have been and are of great importance to the continuous ambition of the group to achieve growth and profitability, it is proposed that Indutrade participates in LTI 2017 as set out below.

1. LTI entails that 180 persons in around twenty countries are offered to subscribe for a maximum of 704,000 warrants. The warrants are proposed to be issued in two series (Series I and Series II), of which a maximum of 704,000 warrants of Series I and a maximum of 200,000 warrants of Series II. The total number of warrants that are transferred to the participants may however not exceed 704,000. Each warrant entitles to subscription for one share in Indutrade.

2. Notification for acquisition of warrants must be made no later than 10 trading days from the day after the board resolves to offer to the participants in LTI 2017 to acquire warrants in the respective series. However, the respective notification period may be extended upon a resolution by the board.
3. The price for the warrants shall be determined as the calculated market value for the warrants at the time of allotment by applying the Black & Scholes valuation model calculated by an independent valuation institute (Nordea Bank AB).
4. The right to acquire warrants is granted the participants in four employee categories as follows: (i) CEO of the group, comprising 1 participant, is allotted a minimum of 1,000 and a maximum of 40,000 warrants, however, with a guaranteed allotment of 20,000 warrants, (ii) other members of the group management, comprising a maximum of 8 participants, are allotted a minimum of 1,000 and a maximum of 24,000 warrants, however, with a guaranteed allotment of 12,000 warrants, (iii) business unit presidents, comprising a maximum of 25 participants, are allotted a minimum of 1,000 and a maximum of 12,000 warrants, however, with a guaranteed allotment of 6,000 warrants and (iv) subsidiary CEOs and other key employees, comprising a maximum of 146 participants, are allotted a minimum of 1,000 and a maximum of 6,000 warrants, however, with a guaranteed allotment of 3,000 warrants.

The above apportionment of participants in different categories is preliminary and is based on the contemplated number of participants at the time of the proposal, i.e. excluding any additional participants. The apportionment of any additional participants within the respective participant categories will be determined by the board prior to the offer of warrants of Series II.

5. The right to acquire warrants of Series I shall be granted all participants at the time of the offer from the board. The right to acquire warrants of Series II shall solely be granted additional thereafter employed senior executives and other key employees in the Indutrade group comprised by the programme and such participants that were prevented to acquire warrants of Series I due to insider legislation or equivalent.
6. In the event that the respective offers to acquire warrants are not fully subscribed, the participants shall, within the scope of the maximum number of warrants offered in each category above, be entitled to apply for acquisition of additional warrants that have not been acquired, whereby allotment shall be made pro rata relative to the additional number of warrants that each participant submitted applications to acquire warrants for.

Directed issue of warrants

In order to carry out LTI 2017, the board proposes that the Annual General Meeting resolves on a directed issue of warrants of two series, with deviation from the shareholders' pre-emptive rights.

The board's proposal entails that the Annual General Meeting shall resolve on a directed issue of two series, of a maximum of 704,000 warrants of Series I and a maximum of a 200,000 warrants of Series II, with a right to subscribe for new shares in Indutrade on the following terms and conditions.

1. The warrants are issued free of charge.
2. Each warrant shall entitle a right to subscribe for one (1) new share in Indutrade. Consequently, the share capital will, provided that the warrants are fully exercised, increase with a maximum of SEK 1,408,000 for Series I and a maximum of SEK 400,000 for Series II.

3. The right to subscribe for warrants shall, with deviation from the shareholders' pre-emptive rights, be granted Indutrade's wholly-owned subsidiary C & M Plast AB.
4. Subscription for warrants shall be made no later than 30 June 2017, with the board reserving the right to extend this time limit.
5. Subscription for new shares may take place as from the registration of the warrants with the Swedish Companies Registrations Office (*Sw. Bolagsverket*) up to and including Friday, 20 May 2022, however only during the following subscription periods; (i) the three-week period commencing immediately after the day of the announcement of the interim report for the first quarter of 2020, (ii) the three-week period commencing immediately after the day of the announcement of the interim report for the third quarter of 2020, (iii) the three-week period commencing immediately after the day of the announcement of the interim report for the first quarter of 2021, (iv) the three-week period commencing immediately after the day of the announcement of the interim report for the third quarter of 2021, (v) as from the day after the announcement of the interim report for the first quarter 2022 up to and including Friday, 20 May 2022, as well as, where applicable, (vi) thirty days after Indutrade has been notified that a third party has acquired shares in Indutrade entailing that the third party has the right to call for compulsory acquisition of the remaining minority shareholders' shares in Indutrade in accordance with applicable rules and regulations.
6. The warrants entitle to subscription for new shares in Indutrade with a subscription price corresponding to 120 per cent of the volume-weighted average purchase price for the Indutrade share listed on Nasdaq Stockholm during a period of 10 trading days calculated as from the day after the board directs the offer to acquire warrants of each series to the senior executives and other key employees within the Indutrade group that are comprised in LTI 2017.
7. The new shares issued shall entitle to dividend as from the first record date for dividend to occur after the registration of the new shares with the Swedish Companies Registration Office.
8. The terms and conditions for the warrants may be recalculated in accordance with customary recalculation principles due to e.g. a bonus issue, share split or consolidation, rights issue and/or any similar event.

Resolution on transfer of warrants to certain senior executives and other key employees within the Indutrade group

In order to carry out LTI 2017, the board further proposes that the Annual General Meeting resolves on a transfer of warrants from the wholly-owned subsidiary C & M Plast AB to 180 senior executives and other key employees within the Indutrade group that are comprised in the LTI 2017.

The board's proposal entails that transfer of warrants shall be made on the following terms and conditions.

1. Transfer may be made of a maximum total of 704,000 warrants.
2. The right to acquire warrants shall, with deviation from the shareholders' pre-emptive rights, be granted senior executives and other key employees within the Indutrade group that are comprised in the LTI 2017.
3. Transfer of warrants shall be made at a price corresponding to the market value for the warrants at the time of allotment, which shall be determined as the calculated market

value for the warrants applying the Black & Scholes valuation model calculated by an independent valuation institute (Nordea Bank AB)

4. Transfer of warrants shall be made at the times, and on the other terms and conditions that apply to the participants' right to acquire warrants under LTI 2017.

Reason for the deviation from the shareholders' pre-emptive rights

The reason for deviating from the shareholders' pre-emptive rights is that Indutrade wishes to implement an incentive programme for senior executives and key employees within the group, by which they can be offered the opportunity to take part in the value increase in Indutrade's share.

Subsidy

A cash subsidy corresponding to 120 per cent of the price paid for the warrants by the participants in the programme, which shall correspond to a calculated market value for the warrants at the time of allotment of the warrants by applying the Black & Scholes valuation model calculated by an independent valuation institute (Nordea Bank AB), will be paid by Indutrade to the participants on two occasions in equal parts (1/2), after 24 months and after 36 months.

Purchase of warrants in excess of the number that is guaranteed in each employee category does not entitle to the subsidy. The participants of the programme pay tax on the subsidy to an amount depending on where the participant is liable of taxation and other circumstances relevant to each participant. Payment of the subsidy will normally be subject to the condition that the participant, at the time of payment, has not disposed of any warrants and that the participant is still employed by the Indutrade group and has not resigned or been dismissed. The reasons for the subsidy are both that it is expected to contribute to a high level of participation in LTI 2017 and that it encourages continued employment within the Indutrade group.

Miscellaneous

Participation in the LTI 2017 presupposes that it is legally possible and adequate in the jurisdiction concerned and that such participation is considered possible with reasonable administrative and financial costs. The board shall be entitled to offer alternative incentive programmes, including cash settlement, to participants in jurisdictions where acquisition and/or exercise of warrants legally or adequately cannot be made.

If the warrants are fully exercised, the number of outstanding shares in Indutrade will increase by 704,000. These new shares issued represent approximately 0.58 per cent of the shares and votes after full dilution (including shares that may be issued under LTI 2014).

Majority requirements

The Annual General Meeting's resolution to implement LTI 2017, including the directed issue and the transfer of warrants to senior executives and other key employees, is valid only if it is supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Annual General Meeting.

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C. SHARES AND VOTES

The number of shares and votes in the Company at the time of this notice was 120,000,000.

D. DOCUMENTS

Accounting records (including the Board's proposed distribution of profits and statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act), the audit report, the Board's complete proposals for implementation of a long-term incentive programme, as well as for compensation and other terms of employment for senior executives, the auditors' statement on whether the guidelines for compensation and other terms of employment for senior executives for the time since the preceding Annual General Meeting have been adhered to and proxy forms will be available at the Company for the shareholders and on the Company's website, www.indutrade.se, three weeks before the Annual General Meeting. These documents can also be ordered by post from Indutrade Aktiebolag, Box 6044, SE-164 06 Kista, Sweden, or by e-mail: arsstamma@indutrade.se, and will also be sent to shareholders who so request, provided they provide their postal address. The documents will also be on hand at the Annual General Meeting.

E. DISCLOSURES AT THE ANNUAL GENERAL MEETING

The Board of Directors and President shall, if requested by any shareholder, and if the Board believes that it can be done without causing material harm to the Company, provide disclosures on conditions that could affect the assessment of a matter on the agenda, including conditions that could have an effect on the assessment of the Company's or a subsidiary's financial situation as well as of the Company's relations with another Group company. A shareholder who wishes to submit questions in advance can do so by post to Indutrade AB, Box 6044, SE-164 06 Kista, Sweden, or by e-mail to arsstamma@indutrade.se.

Stockholm, March 2017
Indutrade Aktiebolag (publ)
The Board of Directors