

## Annual General Meeting in Pergo AB

The Board of Directors of Pergo has for the Annual General Meeting, se notice below - inter alia the following proposals.

- that the General Meeting authorises the Board of Directors to decide to issue new shares to HW Industries in connection with the merger with Witex AG (see item 10 in the notice)
- that the General Meeting decides on a stock options program constituting a debenture issue associated with warrants for new subscription, approval of the transfer of warrants and the issuance of personnel stock options to senior executives and key managers in the Pergo Group (see item 15 in the notice).

## Invitation to annual general meeting

The shareholders in Pergo AB (publ), 556563-2600, are hereby invited by the Board of Directors to attend the Annual General Meeting on Tuesday April 22, 2003 at 3.00 p.m. at the Headquarters, Showroom, in Trelleborg, Sweden

### Right to attend and notification

Shareholders who wish to attend the General Meeting:

- must be recorded in the share register maintained by the Swedish Securities Register Centre ("VPC") as of Saturday April 12, 2003 (registration must however, due to intervening weekend, be made not later than Friday April 11, 2003),
- notify the company of their intent to attend the General Meeting by noon Monday April 14, 2003 at address: Pergo AB (publ), Att: Victoria González, "General Meeting", P.O. Box 1010, SE-231 25 Trelleborg, Sweden, by e-mail: [victoria.gonzalez@pergo.com](mailto:victoria.gonzalez@pergo.com), by fax +46 410-36 34 32 or by phone +46 410-36 33 76

When notifying the Company the Shareholder should state name, personal code number or organisation registration number, address and telephone number as well as the number of counsel the Shareholder wishes to bring to the meeting (maximum two counsel). Proxy and representative of juridical person shall submit papers of authorisation with notice of participation to the Company prior to the meeting.

Shareholders who have placed their shares in trust must temporarily re-register the shares in their own names to allow them to participate in the General Meeting. A Shareholder must inform the trustee thereof in good time before Friday April 11, 2003, at which date such re-registration must have been executed.

The Company will confirm receipt of notice of participation by sending an admission card to be shown at the General Meeting.

### Agenda

#### Proposed Agenda

1. Opening of the Meeting.
2. Election of the Chairman to preside at the Meeting.
3. Preparation and approval of a voting list.
4. Approval of the agenda.
5. Election of two persons to approve the minutes.
6. Examination of whether the General Meeting has been properly convened.
7. Managing Director's report.

8. Presentation of the Annual Report, the Auditors' Report on the Parent Company, the Consolidated Accounts and the Auditors' Report on the Group.
9. Consideration of resolutions in respect of the following:
  - a) the adoption of the Parent Company Income Statement, the Parent Company Balance Sheet, the Consolidated Income Statement and the Consolidated Balance Sheet;
  - b) the appropriation of the Company's profit according to the adopted Balance Sheet as well as record date; and
  - c) the Directors' and the Managing Director's discharge from liability.
10. Decision to authorise the Board of Directors to decide on the issue of new shares to HW Industries GmbH & Co. KG (issue in kind).
11. Determination of the number of Directors of the Board.
12. Determination of the fees for the Board of Directors and the Auditors.
13. Election of the Board of Directors.
14. Decision on the Board of Directors' proposal on amendment of the Company's articles of association.
15. Decision on the Board of Directors' proposal for an Incentive Programme.
16. Consideration of proposal from Sveriges Aktiesparares Riksförbund that the General Meeting should resolve to
  - a) appoint a Nomination Committee;
  - b) instruct the Board of Directors to appoint a Remuneration Committee; and
  - c) instruct the Board of Directors to appoint an Audit Committee.
17. Closing of the Meeting.

## **Proposals**

### Dividends and Record Date (item 9 b on the agenda)

The Board of Directors proposes that no dividends shall be distributed.

### Decision to authorise the Board of Directors to decide to issue new shares (item 10 on the agenda)

Pergo presently owns 25.1 % of the shares in Witex AG. In order to make the acquisition of the remaining shares in Witex AG possible the Board of Directors proposes that the General Meeting authorises the Board of Directors to decide on an increase of the share capital of the company from present SEK 535,696,850 by SEK 133,924,210 by issue of 13,392,421 new shares, each with a par value of SEK 10. The right to subscribe to the new shares shall be granted to HW Industries GmbH & Co. KG, shareholder of Witex AG. Payment for the new shares shall be made by HW Industries GmbH & Co. KG by property in kind consisting of 94,667 shares in Witex AG, which corresponds to 74.9% of all shares in Witex AG. In addition to the above shares HW Industries GmbH & Co KG will receive a cash consideration of EUR 6 million. The reason for the authorisation is to provide flexibility for the Board of Directors with respect to the completion of the transaction.

### Election of the Board of Directors as well as determination of the fees for the Board of Directors and the Auditors (items 11, 12 and 13 on the agenda).

Major shareholders of the Company have notified the Company that they intend to, in good time prior to the General Meeting, present proposals regarding the election of the Board of Directors as well as remuneration to the Board of Directors and the Auditors, whereafter the Company will make such proposals official.

### Proposal by the Board of Directors to amend the Company's articles of association (item 14 on the agenda).

The Board of Directors propose that the General Meeting resolve an amendment of the Company's articles of association, section 3, so that the Board of Directors shall have its registered office in the municipality of Trelleborg, in the county of Skåne, and section 10,

paragraph 2, so that invitation to general meetings shall be made by advertisement in a daily publicised newspaper in Trelleborg, Post- och Inrikes Tidningar and Svenska Dagbladet or another nationwide daily newspaper.

Proposal by the Board of Directors on an Incentive Programme (item 15 on the agenda).

The Board of Directors proposes that the Annual General Meeting decide on a stock options program constituting a debenture issue associated with warrants for new subscription, approval of the transfer of warrants to employees and the issuance of personnel stock options to employees in accordance with the following main terms and conditions. The decision of the Annual General Meeting shall be conditional upon completion of the planned acquisition of Witex AG.

The Board of Directors proposes that the Annual General Meeting decide on issuing a debenture in the maximum nominal amount of SEK 11,700. The debenture shall be associated with a maximum of 1,170,000 detachable warrants carrying the right to subscribe a maximum of 1,170,000 new shares during the period from December 15, 2005 through June 15, 2006. The subscription price will be set at an amount corresponding to approximately 140 percent of the average on each trading day during the period June 4, 2003 through June 11, 2003 of the highest and lowest price paid during the day as posted on the Stockholm Stock Exchange's share price list for the company. One or several wholly owned subsidiaries of Pergo AB shall be entitled – waiving the preferential rights of existing shareholders – to subscribe for the debenture. The debenture will not carry interest and will fall due for payment on June 30, 2003.

The subsidiary shall be entitled to further transfer the warrants to approximately 40 senior executives and key managers in the Pergo-Group in Sweden and abroad. The President shall be entitled to acquire a maximum of 100,000 warrants. Other senior executives and key managers shall be entitled to acquire a maximum of 60,000 warrants or a lower number of warrants depending on the job category.

Persons entitled to acquire who are employed in Sweden (approximately 20 persons) shall apply for acquisition of warrants during the period June 4, 2003 through June 16, 2003. A market premium shall be paid for the warrants. This premium will be determined by Handelsbanken Capital Markets based on the average paid price of the Pergo share on Stockholm Stock Exchange during the period June 4 to June 11, 2003.

Persons entitled to acquire who are employed abroad (about 20 persons) shall, free-of-charge, be allotted so-called personnel stock options, namely options that do not constitute securities and are non-transferable. Personnel stock options shall entitle the holder to acquire shares in Pergo at an exercise price corresponding to the subscription price of the warrant in addition to the premium that the employees in Sweden have to pay according to the aforementioned terms.

Exercising the right to subscribe for new shares based on the personnel stock options will be possible during the period from December 15, 2005 through June 15, 2006, assuming that the holder is still employed by the Pergo-Group. Subsidiaries shall be entitled to hold warrants for the purpose of fulfilling commitments in accordance with the issued personnel stock options.

At full exercise of the warrants, the share capital will increase by SEK 11,700,000 corresponding to a dilution effect of approximately 1.7 percent of the share capital and votes in the company (estimated including those shares arising from the issue to owners of Witex AG).

The Board of Directors reasons for the proposal are as follows: A personal, long-term ownership commitment among key employees is deemed essential by the Board since this can be expected to promote earnings development, enhance motivation and sense of solidarity with the company. The work with merging Pergo and Witex will require extraordinary efforts from senior executives and other key personnel. It is therefore important to create a strong incentive for this group to devote time and energy in carrying out the merger process in an efficient and speedy manner. The incentive program makes it easier for the company to retain

and recruit competent management personnel. Accordingly, the Board is of the opinion that the options program will be beneficial to both the company and its shareholders.

The motions described above require the support of shareholders representing at least 90 percent of the votes cast and the number represented at the Annual General Meeting.

**Documents, etc**

The Consolidated Accounts and the Auditors' Report as well as the complete proposals by the Board of Directors regarding (i) authorisation, (ii) amendment of the articles of association and (iii) the incentive programme will be available at the company's premises as from Tuesday April 8, 2003 and will be sent to all shareholders upon request and to the shareholders who have notified their intentions to attend the General Meeting.

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Trelleborg 2003-03-20  
Pergo AB  
Corporate Communication

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