

Notice to attend the annual general meeting

The shareholders of Dustin Group AB (publ), reg. no. 556703-3062 (the "Company" or "Dustin"), are hereby invited to attend the annual general meeting, to be held on Tuesday 11 December 2018 at 3.00 p.m. (CET) at Westmanska Palatset, Holländargatan 17, in Stockholm, Sweden.

REGISTRATION

Shareholders who wish to attend the annual general meeting shall:

- be registered in the share register maintained by Euroclear Sweden on Wednesday 5 December 2018 (the so-called "record date"), and
- notify the Company of their intention to attend the annual general meeting no later than Wednesday 5 December 2018.

The registration can be made by email to gm@dustingroup.com, by telephone to +46 08 553 44 000 or in writing to Dustin Group AB (publ), Att: General Meeting, P.O Box 1194, SE-131 27 Nacka Strand, Sweden. Shareholders shall in the notification state their name, personal/company registration number, address, telephone number, and any advisors (not more than two).

Shareholders whose shares are nominee registered must – in addition to giving notice of their attendance – temporarily re-register the shares in their own name at Euroclear Sweden. Such re-registration should be requested at the nominee well before the record date (i.e. well before 5 December 2018). Shareholders may attend the annual general meeting represented by proxy or by a representative. Shareholders who wish to exercise this possibility should well before the annual general meeting, preferably no later than 5 December 2018, submit a power of attorney, registration certificate or other documents of authority to the Company at the address above. A template proxy form is available at <http://www.dustingroup.com/en/agm1718>.

Information submitted in connection with registration will be computerised and used exclusively for the annual general meeting. See below for additional information on the processing of personal data.

PROPOSED AGENDA

1. Opening of the annual general meeting.
2. Election of chairman of the annual general meeting.
3. Drawing up and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check and verify the minutes.
6. Determination as to whether the annual general meeting has been duly convened.
7. Presentation of the annual report and the auditors' report for both the parent company and the group.
8. Presentation by the CEO and questions.
9. Resolution on
 - (a) the adoption of the income statement and the balance sheet for both the parent company and the group,
 - (b) disposition of the Company's profits based on the adopted balance sheet and the record date for the dividend, and
 - (c) discharge from personal liability for board members and the CEO for their administration.
10. Report of the nomination committee's work and proposals.
11. Resolution on the number of board members to be elected by the meeting.
12. Resolution on remuneration to the board members and the auditor.
13. Election of board members.
14. Election of chairman of the board.
15. Resolution on the number of auditors and election of auditor.
16. Resolution on guidelines for remuneration to the CEO and other senior executives.
17. Resolution on long-term incentive program 2019 (LTI 2019), issue and transfer of warrants and issue of synthetic options.
18. Closing of the annual general meeting.

THE NOMINATION COMMITTEE'S PROPOSALS FOR RESOLUTIONS

Election of chairman of the annual general meeting, resolution on number of board members, remuneration to the board members and auditor, election of board members and chairman of the board and resolution on number of auditors and election of the auditor (items 2, 11-15)

The nomination committee that consists of Caroline Berg (Axel Johnson/Axmedia) (Chairman), Lennart Francke (Swedbank Robur funds), Jan Särilvik (Nordea funds) and Mia Brunell Livfors, Chairman of the Dustin board (adjunct) has presented the following proposals.

- Mia Brunell Livfors is proposed to be appointed chairman of the annual general meeting (item 2).
- The board is proposed to consist of seven directors and no deputy directors (item 11).
- Remuneration to the chairman of the board is proposed to be SEK 620,000 (2016/17: SEK 600,000) and SEK 310,000 (2016/17: SEK 300,000) to each of the other board members. The remuneration to the chairman of the audit committee is proposed to be SEK 100,000 and SEK 50,000 to each of the two other members of the audit committee, as well as SEK 60,000 to the chairman of the remuneration committee and SEK 30,000 to each of the other two members of the remuneration committee (the proposal means no amendment in relation to the remuneration 2016/17) (item 12). The remuneration proposed for ordinary board work and committee work for the period until the end of the next annual meeting amount to in total SEK 2,800,000 (2016/17: SEK 2,720,000).
- The remuneration to the auditor shall be paid in accordance with approved invoices (item 12).
- The board shall, for the period until the end of the next annual general meeting, consist of Mia Brunell Livfors (re-election), Caroline Berg (re-election), Gunnel Duveblad (re-election), Johan Fant (re-election), Tomas Franzén (re-election), Mattias Miksche (re-election) and Morten Strand (re-election) (item 13).
- Mia Brunell Livfors shall be re-elected as chairman of the board (item 14).
- The nomination committee proposes, in accordance with the audit committee's recommendation, that the Company shall have a registered accounting firm as auditor, and that the registered accounting firm Ernst & Young is re-elected as auditor for the period until the end of the annual general meeting 2018/19. Ernst & Young has informed that the authorised public accountant Jennifer Rock-Baley will continue as auditor-in-charge if Ernst & Young is re-elected as auditor (item 15).

See the company's website for additional information on the board members that have been proposed to be re-elected.

THE BOARD'S PROPOSALS FOR RESOLUTIONS

Dividend (item 9 (b))

The board proposes a dividend of in total SEK 239,402,156, distributed on all outstanding shares in the company, taking the on-going rights issue into account, and that Thursday 13 December 2018 shall be the record date for dividend. The dividend per share will depend on the outcome of the rights issue approved on the extraordinary general meeting on 10 October 2018. Based on the current number of outstanding share the dividend per share will amount to SEK 3.10 per share. Assuming that the rights issue is fully subscribed, the dividend per share will amount to SEK 2.72 per share.

If the annual general meeting resolves in accordance with the proposal, the dividend is expected to be paid to the shareholders on Tuesday 18 December 2018.

Guidelines for remuneration to the CEO and other senior executives (item 16)

The board proposes that the annual general meeting resolves on guidelines for remuneration to the CEO and senior executives in accordance with the following.

The total remuneration to individual senior executives in Dustin shall be in line with market practice and shall be competitive in order to attract, motivate and retain key employees. The intention is to create incentives for the senior executives to execute strategic plans and to deliver excellent operative results, as well as to align the interests of the senior executives with the interests of the shareholders.

The remuneration to the CEO and other senior executives shall consist of fixed remuneration, short-term variable remuneration (STI) which shall be based on achieved financial targets for Dustin as well as individual performance, as well as long-term share or share price related incentive programs (LTI), in addition to pension and other customary benefits.

- The fixed remuneration shall be based on the senior executive's competence and area of responsibility. The fixed remuneration shall be reviewed annually.
- The STI shall be based on performance in relation to established goals. The goals shall be individual, measurable as well as linked to Dustin's financial results and to specific accomplishments and processes (individual goals). The STI can amount to a maximum of 100 per cent of the fixed remuneration for the CEO and to a maximum of 60 per cent of the fixed remuneration for other senior executives.
- Long-term share or share price related incentive programs shall be linked to certain predetermined financial and/or share or share price related performance targets, and shall ensure a long-term commitment to the Company's development.
- Other benefits may include health insurance and other customary benefits. Other benefits shall not constitute a material portion of the total remuneration.
- Senior executives shall be offered individual pension plans amounting to a maximum of 30 per cent of the fixed remuneration or defined contribution pension solutions.
- In the event of termination by the company, the notice period for senior executives shall amount to a maximum of 12 months.

According to the Companies Act, the company must report what the variable remuneration to senior executives may cost at various possible outcomes. The cost of variable remuneration can amount to a maximum of approximately SEK 11.5 million. The number is based on the fact that there are nine senior executives in the company.

Under special circumstances, the board may deviate from the above guidelines. In such case, the board is required to explain the reason for the deviation at the next annual general meeting.

For more information regarding the existing guidelines for remuneration to the CEO and other senior executives for 2017/18, see note 7 for the group in the annual report 2017/18.

In accordance with the Swedish Corporate Governance Code, the board's remuneration committee monitors and evaluates the application of the guidelines for remuneration to senior executives. The Company's auditor has, in accordance with Chapter 8, Section 54 of the Swedish Companies Act, given a statement on whether or not the guidelines for remuneration to senior executives which have applied during 2017/18 has been followed. Both the remuneration committee's evaluation and the auditor's review have resulted in the conclusion that the guidelines adopted by the annual general meeting have been followed by Dustin during 2017/18.

Long-term incentive program 2019 (LTI 2019), issue and transfer of warrants and issue of synthetic options (item 17)

The objective of LTI 2019 is to link an increasing share of key employees', of Dustin Group, compensation to Dustin Group's and the Dustin share's long-term value growth, and thereby aligning the interests of the employees with those of the shareholders. LTI 2019 will be an important program for Dustin in order to be able to motivate and retain the best talents; this is vital in order for Dustin to achieve long-term value-growth for the shareholders. LTI 2019 has the same structure as the incentive program which was adopted at the annual general meeting 2016/17.

The proposed LTI 2019 implies, upon exercise of all warrants, a full dilution corresponding to approximately 1.5 percent. As per the date of the proposal for LTI 2019 the outcome of the on-going rights issue is however unknown. The information and the calculations presented in the proposal for LTI 2019 are based on the assumption that the rights issue will be fully subscribed. If the rights issue is not fully subscribed, LTI 2019 will be adjusted so that the total dividend, upon full exercise, shall correspond to approximately 1.5 percent.

The board proposes that the general meeting resolves on an issue of no more than 1,323,882 warrants, each warrant shall entitle the holder to subscribe for one (1) share, in one series, and issuance of no more than 588,392 cash settled synthetic options, issued within an incentive program for Dustin's group management and key employees. LTI 2019 includes no more than 25 individuals. The Company's board members shall not be included in LTI 2019.

The Company's wholly-owned subsidiary, Dustin AB, with deviation from the shareholders preferential right, shall be entitled to subscribe for the warrants. Subscription shall take place on a specific subscription list at the latest on 18 January 2019. The board have the right to extend the subscription period. The warrants shall be issued free of charge. Dustin AB shall transfer the warrants to the participants in LTI 2019. Such transfer shall be made at a price corresponding to the market value of the warrant (the premium). In total, the participants in LTI 2019 are entitled to acquire the total number of warrants that upon exercise for subscription of new shares corresponds to approximately 1.5 per cent of the Company's share capital and votes following dilution. There can be no over-subscription.

Each warrant shall, during the period commencing on 31 January 2022 and up to and including 30 June 2022, entitle the holder to subscribe for one new share in Dustin Group AB (publ) at an exercise price corresponding to 120 per cent of the average volume weighted Company share price as quoted on Nasdaq Stockholm during the period seven trading days calculated as from and including 10 January 2019. The exercise price thus calculated shall be rounded off to the nearest full SEK 0.10,

whereby SEK 0.05 shall be rounded downwards. The exercise price will not be less than the quota value of the share (*Sw. kvotvärde*). The exercise price and the number of shares that each warrant entitles to subscribe for shall be recalculated in the event of a split, reversed split, new share issue etc. in accordance with market practice. If all warrants are exercised, the share capital will increase with a maximum of SEK 6,619,410.145994.

The warrants shall otherwise be subject to the conditions which are available on the Company's website, <http://www.dustingroup.com/en/agm1718>.

Transfer of the warrants to the participants

The following terms and conditions shall apply for the transfer of the warrants to the participants in LTI 2019.

Dustin AB shall offer the warrants to participating group management and key employees within the Dustin Group. The transfer of the warrants shall be made at a price corresponding to the market value of the warrants at the time of transfer (the premium), calculated according to a by the market generally accepted valuation model (Black & Scholes). The calculation shall be performed by an independent valuation institute. In connection with the transfer of the warrants to the participants, the Company shall reserve a right to buy-back the warrants, if the participant's ceases to be employed or performing services to the group or if the participant should transfer its warrants (pre-emptive right).

Distribution of warrants and synthetic options

Dustin's group management and certain key employees shall be entitled to acquire warrants, subject to that they have entered into a pre-emption agreement with the Company. Allotment of warrants will be made by the board, in accordance with the principles set-out by the annual general meeting. LTI 2019 will comprise no more than the following number of warrants for the different categories of participants:

- the CEO of Dustin can acquire not more than 392,261 warrants at market value, and
- the other participants can, together, acquire not more than 931,621 warrants or synthetic options at market value, the maximum number of warrants or synthetic options that each participant can acquire will be based on the participant's competence and area of responsibility.

Synthetic options

Due to tax reasons, the board proposes that Norwegian and Dutch employees may be offered to participate in LTI 2019 without making an investment in warrants, and instead be offered a cash settlement by investing in so-called synthetic options that retains the economic characteristics of the warrants. In order to implement the synthetic option program, the board proposes that the annual general meeting resolves on the following principal terms and conditions.

A synthetic option gives the holder the right to receive a cash amount, from Dustin, corresponding to the difference between the exercise price (calculated in accordance with the above) and the average for each trading day calculated average volume-weighted price paid for the Dustin share on Nasdaq Stockholm during the period ten trading days before the day the synthetic option is exercised.

The participants' acquisition of the synthetic options shall be made at market value. The value (the premium) shall be calculated according to the same principles as the warrants and each participant shall be entitled to acquire the same number of synthetic options as the number of warrants that the participant would otherwise have been entitled to acquire. The synthetic options are to be exercised during the period from 31 January 2022 up to and including 30 June 2022.

The board shall resolve on the content of the option agreements to be entered into with the participants who would like to purchase synthetic options. The Company will reserve the right to (i) buy-back the synthetic options if the participant should transfer the synthetic options (pre-emptive right) and (ii) cap the amount per synthetic option, that each participant can receive to SEK 319.76.

Impact on key ratios

The Company's earnings per share is not affected by the issue of warrants or synthetic options since the present value of the exercise price exceeds the current market price at the time of the transfer or issuance.

Costs

The transfer of warrants and synthetic options shall be at a price equivalent to the market value at the time of transfer or the date of issuance, which means that there are no social security contributions for the group in connection with the issue and transfer of the warrants or the issuance of the synthetic options. According to a preliminary valuation, based on the market value of the Company's share on 5 November 2018 of SEK 74.96 with deduction for proposed dividend per share for December, the market value of the warrants and the synthetic options are SEK 3.77 per option. In the valuation, adjustments are made to account for estimated accumulated dividend over the options term. The Black & Scholes-model has been used for the valuation, assuming a strike price of SEK 86.20 per share, a risk-free rate of -0.15 per cent and a volatility of 24 per cent.

Other expenses for the incentive program relates to fees to external advisors and administrative costs for LTI 2019.

The dilution of existing shares and votes

The proposed LTI 2019 implies, upon exercise of all warrants, a full dilution corresponding to approximately 1.5 percent of the total number of shares and votes outstanding in the Company. If all outstanding incentive programs of the Company are included in the calculation, the corresponding maximum dilution is approximately 4.47 per cent.

Preparation of the proposal

LTI 2019 has, in accordance with guidelines from the board, been prepared by the Company's management and external advisors as well as been considered by the remuneration committee and at board meetings in October and November 2018.

Majority decision

Resolution on the adoption of LTI 2019 requires for its validity that the proposal is supported by shareholders representing at least nine tenths of both the votes cast at the general meeting and the shares represented at the general meeting.

OTHER INFORMATION

Number of shares

As per the date of the announcement of this notice, the total number of shares and votes in the Company amounted to 77,226,502. As per the date of the announcement of this notice, the Company holds no own shares.

Authorization

The board, or the person appointed by the board, shall be entitled to make such minor adjustments to the annual general meeting's resolutions that may prove necessary for registration with the Swedish Companies Registration Office and Euroclear Sweden.

Documents

The nomination committee's motivated statement regarding its proposal of board and information regarding the proposed board members is available from today, 6 November 2018. The annual report, the board's motivated statement according to Chapter 18, Section 4 of the Swedish Companies Act and the report of the remuneration committee's review according the Swedish Corporate Governance Code, the auditor's statement according to Chapter 8, Section 54 of the Swedish Companies Act and the terms of the warrants will be available not later than from 15 November 2018.

Above mentioned documents will be available at the Company's website, <http://www.dustingroup.com/en/agm1718>, at the Company on the address Augustendalsvägen 7 in Nacka Strand and will be sent to shareholders who so request and state their postal or e-mail address. To order the documents can, the same address, e-mail address and telephone number as is used for the notification to the annual general meeting, see above, be used.

Shareholders right to request information

The board and the CEO shall, if any shareholder so requests and the Board believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the Company's or its subsidiaries' financial situation and the Company's relation to other companies within the group and the consolidated accounts.

Processing of personal data

For information on how your personal data is processed, see the Privacy notice available on Euroclear's website <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammorengelska.pdf>.

Stockholm in November 2018

DUSTIN GROUP AB (PUBL)

THE BOARD OF DIRECTORS

Other

Program at the annual general meeting:

14.00 - The entrance to the general meeting room opens.

15.00 - The annual general meeting opens.