

## **THE BOARD OF DIRECTORS' PROPOSAL ON GUIDELINES FOR REMUNERATION TO THE MANAGING DIRECTOR AND OTHER SENIOR EXECUTIVES**

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The board of directors of Dustin Group AB (publ) proposes that the annual general meeting 2014/15 resolves on the following guidelines for remuneration to the managing director and other senior executives as set forth below.

The total remuneration of 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 unite senior executives' interests with the interests of the shareholders.

The remuneration to the managing director and other senior executives shall consist of base salary, short term variable remuneration (STI) which shall be based on achieved financial targets for Dustin as well as individual performance, and long term variable remuneration based on share and share related incentive programs (LTI). This is in addition to pension and other customary benefits.

- The base salary shall be based on the senior executive's competence and area of responsibility. The base salary shall be the basis for the STI. The base salary shall be reviewed annually.
- The STI shall be based on performance in relation to established goals. The goals must be individual, measurable and linked to Dustin's financial results and to specific accomplishments and processes (individual goals). The managing director's STI can amount to a maximum of 70 per cent of the base salary. For other senior executives the STI can amount to a maximum of 50 per cent of the base salary.
- The vesting period for the LTI-program must be at least three years. The LTI-program shall be based on shares or share related securities. The LTI shall ensure long-term incentives linked to Dustin's development. Every share based LTI shall require approval of the shareholders before launch.
- Other benefits may include health insurance and other customary benefits. Other benefits shall not constitute a material portion of the total remuneration.
- Senior executives will be offered individual pension plans amounting to a maximum of 30 per cent of the base salary 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.

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

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Nacka, December 2015

**Dustin Group AB (publ)**

The board of directors