



Press release Stockholm, November 8, 2016

## **Dustin Group AB (publ) notice to attend the annual general meeting**

**The shareholders of Dustin Group AB, reg. no. 556703-3062 (the "Company" or "Dustin"), are hereby invited to attend the annual general meeting, to be held on Tuesday 13 December 2016 at 1.00 p.m. (CET) at Playhouse Teater, Drottninggatan 71A, 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 7 December 2016 (the so-called "record date"), and
- notify the Company of their intention to attend the annual general meeting no later than Wednesday 7 December 2016.

The registration can be made by email to [gm@dustingroup.com](mailto:gm@dustingroup.com) or in writing to Dustin Group AB (publ), Att: General Meeting, 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 7 December 2016). 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 7 December 2016, 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/agm1516>.

### **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 adoption of procedures for appointment of the nomination committee.
17. Resolution on guidelines for remuneration to the CEO and other senior executives.
18. Resolution on long-term incentive program 2017 (LTI 2017), issue and transfer of warrants and issue of synthetic options.
19. Closing of the annual general meeting.

## **THE NOMINATION COMMITTEE'S PROPOSALS FOR RESOLUTIONS**

### **Election of chairman of the annual general meeting (item 2)**

The nomination committee proposes that the chairman of the board, Fredrik Cappelen, is elected to be chairman of the meeting.

### **Resolution on number of board members and election of board members and chairman of the board (items 11, 13 and 14)**

The nomination committee proposes that the board shall consist of eight members.

The nomination committee proposes, for the period until the end of the next annual general meeting, re-election of the board members Fredrik Cappelen, Gunnel Duveblad, Johan Fant, Tomas Franzén, Mattias Miksche and Maija Strandberg and election of Caroline Berg and Mia Brunell Livfors as new board members.

The nomination committee proposes that Fredrik Cappelen shall be re-elected as chairman of the board.

### **Resolution on remuneration to the board members and the auditor (item 12)**

The nomination committee proposes that the remuneration to the board shall be SEK 2,500,000.

The nomination committee's proposal means a remuneration of SEK 750,000 (unchanged) to the chairman of the board and SEK 250,000 (unchanged) to each of the other board members. No additional remuneration shall be paid for work in the board's committees.

The nomination committee proposes that the remuneration to the auditor shall be paid in accordance with approved invoices.

**Resolution on the number of auditors and election of auditor (item 15)**

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 close of the annual general meeting 2016/17. 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.

**Procedures for appointment of the nomination committee (item 16)**

The nomination committee proposes that the Company's nomination committee shall consist of four members, appointed by the, as per the last trading day of March, largest shareholders in the Company who wish to appoint a member, and the chairman of the board (who will act as the convener). No more than the six largest shareholders have to be invited to appoint a member of the nomination committee, unless it is required in order for the nomination committee to consist of at least three members, appointed by shareholders. Chairman of the nomination committee shall, unless the members agree otherwise, be the member who is appointed by the largest shareholder.

The nomination committee shall submit proposals for:

- election of chairman of the board,
- election of other members of the board,
- fees and other remuneration to each of the board members,
- election of, and remuneration to, the auditor, and,
- chairman of the annual general meeting.

Furthermore, the nomination committee shall, if deemed necessary, submit proposals regarding amendments to this instruction.

The nomination committee is appointed for a term of office commencing at the time of its formation, and ending when a new nomination committee is formed.

If a member, or a shareholder that has appointed a member, notifies the nomination committee that the member wishes to resign, or that the shareholder wishes to replace the member, the shareholder who have appointed the member shall have the right to appoint a new member provided that the shareholder is still among the four largest shareholders. If during the nomination committee's term of office, one or more of the shareholders that have appointed the nomination committee's members are no longer among the four largest shareholders, members appointed by such shareholders shall resign their positions, and the shareholder or shareholders who have become among the four largest shareholders shall be entitled to appoint a member. Unless there is special cause, the composition of the nomination committee shall be unchanged following changes in the ownership structure that are either minor, or occur less than three months prior to the annual general meeting. Shareholders who have become one of the four largest following a more significant change in its holding, less than three months before the annual general meeting shall however be entitled to appoint a member who should have the right to be present at the nomination committee's meetings. If a shareholder, who is invited to appoint a member by the nomination committee, abstain from appointing a member, the nomination committee shall

ask the next shareholder in size who has not appointed a member to the nomination committee.

Changes in the nomination committee's composition shall be made public as soon as possible.

The nomination committee shall have the right to charge the Company with costs for examinations, recruitment consultants and related travel, if deemed appropriate.

This instruction for the nomination committee shall apply until a resolution on amendment of the instruction for the nomination committee is adopted by the general meeting.

## **THE BOARD'S PROPOSALS FOR RESOLUTIONS**

### **Dividend (item 9 (b))**

The board proposes a dividend of SEK 2.40 per share and that Thursday 15 December 2016 shall be the record date for dividend. If the annual general meeting resolves in accordance with the proposal, the dividend is expected to be paid to the shareholders on Tuesday 20 December 2016.

### **Guidelines for remuneration to the CEO and other senior executives (item 17)**

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 salary, 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 salary shall be based on the senior executive's competence and area of responsibility. The fixed salary 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 salary for the CEO and to a maximum of 60 per cent of the fixed salary 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 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 may deviate from the above guidelines. In such case, the board is required to explain the reason for the deviation at the following annual general meeting.

For more information regarding the existing guidelines for remuneration to the CEO and other senior executives for 2015/16, see note 7 for the group in the annual report 2015/16.

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 resolved by the annual general meeting. The Company's auditor has, in accordance with Ch 8 Sec 54 of the Swedish Companies Act, given a statement on whether or not the guidelines for remuneration to senior executives which have applied during 2015/16 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 2015/16.

#### **Long-term incentive program 2017 (LTI 2017), issue and transfer of warrants and issue of synthetic options (item 18)**

The objective of LTI 2017 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 2017 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 2017 has the same structure as the incentive program which was adopted at the annual general meeting 2014/15, however with a few revisions in order to make the plan more attractive to Norwegian participants by offering them a cash-settled option, through an investment in so-called synthetic options. Furthermore, the number of participants in the program have been increased, from ten to appr. 25, which means that the number of warrants and shares that participants can subscribe for by exercising the warrants have increased compared with LTI 2016.

The board proposes that the general meeting resolves on an issue of no more than 1,159,996 warrants in one series, in order to establish an incentive program for Dustin's group management and key employees. The incentive program includes appr. 25 individuals. The Company's board members shall not be included in the incentive program.

The Company's wholly-owned subsidiary, Dustin AB, shall be entitled to subscribe for the warrants, and transfer the warrants to the participants in LTI 2017. Such transfer shall be made at a price corresponding to the market value of the warrant (the premium). In total, the participants in LTI 2017 are entitled to acquire the total number of warrants that upon exercise for subscription of new shares corresponds to appr. 1.5 per cent of the Company's share capital and votes following dilution. There can be no over-subscription.

Each warrant shall entitle the holder to subscribe for one share. The warrants shall be issued free of charge to the wholly-owned subsidiary Dustin AB. The warrants shall otherwise be subject to the conditions which are available on the Company's website, <http://www.dustingroup.com/en/agm1516>.

Each warrant shall, during the period commencing on 31 January 2020 and up to and including 30 June 2020, entitle the holder to subscribe for one new share in Dustin Group AB (publ) at a subscription price corresponding to SEK 73.90 (which corresponds to 120 per cent of 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 after the publication of the year-end report 2015/16, 21 October – 3 November 2016, rounded off to the nearest full SEK ten (10) öre, whereby SEK five (5) öre shall be rounded down). The subscription 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 SEK 5,799,980.

#### *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 2017.

The issued warrants shall, with deviation from shareholders' preferential rights, be subscribed for by the Company's wholly-owned subsidiary, Dustin AB, which shall thereafter offer the warrants to Dustin's management and key employees. 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*

Dustin's 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 2017 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 237,948 warrants at market value, and
- the other participants can, together, acquire not more than 922,048 warrants at market value, the maximum number of warrants that each participant can acquire will be based on the participant's competence and area of responsibility.

#### *Synthetic options*

The board proposes that Norwegian employees may be offered to participate in LTI 2017 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 subscription price as set out above, i.e. SEK 73.90 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 2020 up to and including 30 June 2020.

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 231.62.

#### *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 subscription 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. The market value of the warrants and the synthetic options, according to a preliminary valuation based on the market value of the underlying share corresponding to the share price of the Company's share 31 October 2016, is SEK 1.72 per option, assuming a strike price of SEK 73.90 per share. The Black Scholes-model has been used for the valuation, assuming a risk-free rate of -0.52 per cent and a volatility of 25 per cent.

Other expenses for the incentive program relates to fees to external advisors and administrative costs for LTI 2017.

#### *The dilution of existing shares and votes*

Based on the number of shares and votes in the Company, the proposed LTI 2017 implies, upon exercise of all 1,159,996 warrants, a full dilution corresponding to approximately 1.5 per cent 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 3.7 per cent.

#### *Preparation of the proposal*

LTI 2017 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 November 2016.

#### *Majority decision*

Resolution on the adoption of LTI 2017 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 in the Company amounted to 76,173,115 shares with one vote each, thus in total 76,173,115 votes. 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 are available at the Company's website, <http://www.dustingroup.com/en/agm1516>, and 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.

The annual report, the board's motivated statement according to Ch 18 Sec 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 Ch 8 Sec 54 of the Swedish Companies Act and the terms of the warrants will be available at the website and at the Company from 18 November 2016.

To order the documents, the same address and e-mail address as is used for the notification to the annual general meeting, see above, can be used, as well as telephone +46 8 553 440 00.

### **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.

Stockholm in November 2016  
DUSTIN GROUP AB (PUBL)  
THE BOARD OF DIRECTORS

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### **Other**

Program at the annual general meeting:

12.00 - The entrance to the general meeting room opens.

13.00 - The annual general meeting opens.

### **For further information, please contact:**

Fredrik Sätterström, Head of Investor Relations  
[fredrik.satterstrom@dustin.se](mailto:fredrik.satterstrom@dustin.se), +46 705 10 10 22



**About Dustin**

Dustin is one of the leading Nordic resellers of IT products with associated services to companies, the public sector and private individuals. With its core business in e-commerce, Dustin functions as a bridge between the manufacturer's wide-ranging offerings and customer requirements, in which Dustin's employees support customers in finding the appropriate solution for them.

Dustin is a one-stop-shop that offers some 200,000 products with associated services, features and solutions. Operations are conducted in Sweden, Denmark, Norway and Finland.

The company has approximately 900 employees. Sales during the 2015/16 financial year amounted to approximately SEK 8.3 billion. About 90 per cent of Dustin's income derives from the corporate market with a focus on small and medium-sized companies. Dustin Group has been listed on Nasdaq Stockholm since 2015 and has its head office in Nacka, Stockholm.