

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 Wednesday 11 December 2019 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 Thursday 5 December 2019 (the so-called "record date"), and
- notify the Company of their intention to attend the annual general meeting no later than Thursday 5 December 2019.

The registration can be made by email to gm@dustingroup.com, by telephone to +46 (0)8 553 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 2019). 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 2019, 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/agm-18-19>.

Information submitted in connection with registration will be processed 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 2020 (LTI 2020), 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), Tomas Risbecker (AMF Försäkring & Fonder) and Mia Brunell Livfors, Chairman of the Dustin board (adjunct) has presented the following proposals.

- Mia Brunell Livfors shall be appointed chairman of the annual general meeting (item 2).
- The board shall consist of seven directors and no deputy directors (item 11).
- Remuneration to the chairman of the board shall be SEK 620,000 (2017/18: SEK 620,000) and SEK 315,000 (2017/18: SEK 310,000) to each of the other board members. The remuneration to the chairman of the audit committee shall be SEK 110,000 (2017/18: SEK 100,000) and SEK 60,000 to each of the two other members of the audit committee (2017/18: SEK 50,000), 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 2017/18). The remuneration for ordinary board work and committee work for the period until the end of the next annual meeting shall amount to in total SEK 2,860,000 (2017/18: SEK 2,800,000) (item 12).
- 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).
- In accordance with the audit committee's recommendation, the Company shall have a registered accounting firm as auditor, and the registered accounting firm Ernst & Young shall be re-elected as auditor for the period until the end of the annual general meeting 2019/20. 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 SEK 3.00 per share and that Friday 13 December 2019 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 17 December 2019.

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 10.6 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 2018/19, see note 7 for the group in the annual report 2018/19.

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 remuneration committee's evaluation has resulted in the conclusion that the guidelines adopted by the annual general meeting have been followed by Dustin during 2018/19.

Long-term incentive program 2020 (LTI 2020), issue and transfer of warrants and issue of synthetic options (item 17)

The objective of LTI 2020 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 2020 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 2020 has the same structure as the incentive program which was adopted at the annual general meeting 2017/18, with one exception which relates to the compensation in case the strike price is not reached (see more below).

The proposed LTI 2020 implies, upon exercise of all warrants, a full dilution corresponding to a maximum of 1.5 percent.

The board proposes that LTI 2020 will not comprise of more than 1,329,710 instruments in total. The board further proposes that the general meeting resolves on an issue of no more than 1,329,710 warrants, where each warrant shall entitle the holder to subscribe for one (1) share, in one series, and issuance of no more than 290,875 cash settled synthetic options, issued within an incentive program for employees in Dustin's group management and other key employees. LTI 2020 includes no more than 50 individuals. The Company's board members shall not be included in LTI 2020.

Warrants

The Company's wholly-owned subsidiary, Dustin Aktiebolag, 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 17 January 2020. The board have the right to extend the subscription period. The warrants shall be issued free of charge. Dustin Aktiebolag shall transfer the warrants to the participants in LTI 2020. Such transfer shall be made at a price corresponding to the market value of the warrant (the premium). In total, the participants in LTI 2020 are entitled to acquire the total number of warrants that upon exercise for subscription of new shares corresponds to a maximum of 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 2023 and up to and including 30 June 2023, 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 9 January 2020. 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 6,648,550.146691.

The warrants shall otherwise be subject to the conditions which are available on the Company's website, <http://www.dustingroup.com/en/agm-18-19>.

If the closing price of the Dustin share, on the last day of subscription of new shares, based on the warrants, is below 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 9 January 2020, Dustin will offer the participants a compensation amounting to 75 per cent of the total investment for the warrants, after taxes, provided that (i) the participant has not exercised his/her warrants, (ii) the participant is still employed within the Dustin Group and (iii) the earnings per share has increased with at least 20 per cent calculated from the 29 February 2020. The compensation will only be offered to participants from Sweden and Finland, due to tax reasons. Social security charges will have to be paid for such compensation and the cost for Dustin is calculated, based on the warrant valuation as per 5 November 2019, to amount to approximately MSEK 9.

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 2020.

Dustin Aktiebolag 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 ceases to be employed or performing services to the group or if the participant should transfer its warrants (pre-emptive right).

Synthetic options

Due to tax reasons, the board proposes that Norwegian and Dutch employees may be offered to participate in LTI 2020 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 seven 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 2023 up to and including 30 June 2023.

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 in order for the market value per synthetic option to correspond to the market value per warrant.

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 2020 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 103,883 warrants, and
- the other participants can, together, acquire not more than 1,225,827 warrants or synthetic options, 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.

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, made by an independent valuation institute, based on the market value of the Company's share on 5 November 2019 of SEK 77.17 with deduction for proposed dividend per share for December, the market value of the warrants and the synthetic options are SEK 4.04 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 89.00 per share, a risk-free rate of -0.38 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 2020.

The dilution of existing shares and votes

The proposed LTI 2020 implies, upon exercise of all warrants, a full dilution corresponding to a maximum of 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 4.64 per cent.

Preparation of the proposal

LTI 2020 has, in accordance with guidelines from the board, been prepared by external advisors as well as been considered by the remuneration committee and at board meetings in October and November 2019.

Majority decision

Resolution on the adoption of LTI 2020 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 88,647,339. 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 2019. 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 14 November 2019.

Above mentioned documents will be available at the Company's website, <http://www.dustingroup.com/en/agm-18-19>, 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-bolagsstammor-engelska.pdf>.

Stockholm in November 2019

DUSTIN GROUP AB (PUBL)

THE BOARD OF DIRECTORS

Other

Program at the annual general meeting:

2.00 p.m. - The entrance to the general meeting room opens.

3.00 p.m. - The annual general meeting opens.