

DUNI AB (PUBL)

Documents for the Annual General Meeting of Shareholders – Tuesday 17 May 2022

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THE PROPOSALS BY THE NOMINATION COMMITTEE TO THE ANNUAL GENERAL MEETING OF DUNI AB (ITEM 2 AND 13-18 ON THE AGENDA) AND THE REASONED OPINION IN RESPECT OF THE PROPOSAL REGARDING BOARD OF DIRECTORS

The members of Duni's nomination committee in respect of the annual general meeting 2022 are Thomas Gustafsson, chairman of the board of directors, Johan Andersson nominated by Mellby Gård AB, Hans Hedström, nominated by Carnegie fonder and Bernard R. Horn, Jr. nominated by Polaris Capital Management, LLC. Johan Andersson has been the chairman of the nomination committee. The composition of the nomination committee was published on 3 November 2021 and all shareholders have had the opportunity to contact the nomination committee with nomination proposals. The proposals by the nomination committee for resolutions to be passed at the annual general meeting, and the reasoned opinion in respect of the proposal regarding the board of directors are as follows:

Election of chairman of the annual general meeting (item 2 on the agenda)

The nomination committee proposes chairman of the board of directors Thomas Gustafsson, as chairman of the annual general meeting.

Resolution on the number of directors, election of directors and chairman of the board of directors and auditor (item 13 and 16-17 on the agenda)

The nomination committee proposes that the number of directors shall be five and proposes re-election of the directors Morten Falkenberg, Thomas Gustafsson, Sven Knutsson, Pauline Lindwall and Pia Marions. The nomination committee proposes that Thomas Gustafsson is re-elected as chairman of the board of directors.

For further information about the proposals of directors for re-election, see [Appendix A](#).

The nomination committee proposes, in accordance with the Audit Committee's recommendation, re-election of the registered public accounting firm PricewaterhouseCoopers AB for the period until the end of the next annual general meeting. PricewaterhouseCoopers AB has informed that Carl Fogelberg will be auditor in charge.

Resolution on the remuneration to the chairman of the board of directors, the other directors, and to the auditor (item 14-15 on the agenda)

The nomination committee proposes that remunerations should return to 2019 level which means that the chairman of the board shall receive SEK 590,000 (SEK 578,000) and the other directors appointed by the meeting SEK 315,000 (SEK 309,000) each. In addition, the chairman of the remuneration committee shall receive SEK 67,000 (SEK 65,000) and the other members of the remuneration committee SEK 31,000 (SEK 30,000) each, and the chairman of the audit committee shall receive SEK 128,000 (SEK 125,000) and the other members of the audit committee SEK 60,000 (SEK 59,000) each.

The nomination committee has further proposed that fair remuneration to the auditor is to be paid as charged.

Proposal regarding the nomination committee (item 18 on the agenda)

The nomination committee proposes that the representatives of the nomination committee shall be appointed through a procedure where the chairman of the board of directors contacts the three largest shareholders in terms of votes as per 30 September 2022 and that each such shareholder appoints a representative to, together with the chairman of the board of directors, constitute the nomination committee up until the next annual general meeting, or, if applicable, up until a new nomination committee has been appointed. The nomination committee shall be convened no later than 31 October 2022. If any of the three largest shareholders, in terms of votes, renounces from its right to appoint a representative, the right shall pass to the largest shareholder in turn. Should a representative resign from the nomination committee before its work is completed, a substitute shall be appointed by the same shareholder that has appointed the resigning representative, if considered necessary, or, if this shareholder does not belong to the three largest shareholders in terms of votes anymore, by the new shareholder that belongs to this group. The nomination committee shall appoint one of its members as chairman. The composition of the nomination committee shall be made public as soon as the nomination committee has been formed and no later than six months before the annual general meeting. In the event that the ownership structure is changed after the nomination committee has been composed such that one or several shareholders that have appointed a representative to the nomination committee is no longer in the group of the three largest shareholders in terms of votes, the composition of the nomination committee may be changed in accordance therewith if the nomination committee considers that it is necessary. The tasks of the nomination committee shall be to prepare, for the next annual general meeting, proposals in respect of number of members of the board of directors to be elected by the annual general meeting, remuneration to the members of the board of directors and the auditors, remuneration, if any, for committee work, the composition of the board of directors, the

chairman of the board of directors, resolution regarding the nomination committee, chairman at the general meeting and election of auditors.

The nomination committee's reasoned opinion in respect of the proposal regarding board of directors

Considering the company's operations, stage of development and other relevant circumstances, the nomination committee has discussed the size of the board of directors and its composition in respect of industry experience, competence and international experience. As a basis for its work, the nomination committee has, inter alia, used an evaluation of the board of directors and its work. The nomination committee has noted that the evaluation of the board of directors of Duni, as well as the nomination committee's own assessment, indicate that the board of directors in its current composition is well-functioning. The nomination committee has previously assessed that the relatively limited size of the board of directors encourages efficiency at board meetings and active commitment.

As diversity policy, the nomination committee has applied Section 4.1 in the Swedish Corporate Governance Code whereby the board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background and the nomination committee is to strive for gender balance on the board.

The proposed board of directors comprise two women and three men (equivalent to 40 per cent and 60 per cent, respectively). The nomination committee notes that the proportion of women in the proposed board composition reaches the level of ambition as stated by the Swedish Corporate Governance Board. The nomination committee maintains the ambition to strive for an equal gender distribution, and to achieve an optimal composition of the board of directors with regard to the board members' competence, age, experience and background.

In addition, the nomination committee has assessed the independence of the directors. The nomination committee believes that its proposal regarding the composition of the board of directors fulfills the requirements for independence as stipulated in the Swedish Corporate Governance Code. It is the opinion of the nomination committee that Thomas Gustafsson and Sven Knutsson are to be regarded as dependent in relation to major shareholders and that Thomas Gustafsson also is to be regarded as dependent in relation to the company and executive management. Other proposed directors, are to

be regarded as independent in relation to the company and executive management as well as to major shareholders.

The nomination committee makes the overall assessment that the proposed board of directors meets the demands well that will be imposed on the board of directors in the future as a consequence of Duni's situation and future direction.

INFORMATION ABOUT MEMBERS OF THE BOARD OF DIRECTORS PROPOSED BY THE NOMINATION COMMITTEE OF DUNI AB (PUBL)

The Nomination Committee of Duni AB (publ) has in respect of the annual general meeting 2022 proposed that the board of directors of the company shall be composed of the following five ordinary members:

Thomas Gustavsson (re-election, chairman of the Board)

Chairman of the Board since 2020.

- ✎ Year of birth: 1965
- ✎ Education: Diploma in Business Administration
- ✎ On-going assignments: Vice CEO and board member of Mellby Gård AB, Chairman of the board of Smart Eyes International AB, KappAhl AB (publ) and OJ Holding Sweden AB and board member of Topeja Holding AB and Aros Kapital AB
- ✎ Experience: CEO of Duni AB (publ) 2012-2017, previous responsible for overseeing Mellby Gård's consumer goods companies and before then President and CEO of 2E Group AB (publ). Senior executive positions at Spendrups Bryggeri AB, Brämhults Juice AB and Eckes Granini GmbH
- ✎ Number of shares: 26,400
- ✎ Not considered as independent of the company, the company management or Duni's major shareholders

Morten Falkenberg (re-election, board member)

Board member since 2020.

- ✎ Year of birth: 1958
- ✎ Education: M. Sc in Business Administration, Copenhagen School of Economics and Business Administration
- ✎ On-going assignments: Board member in Embellence Group AB and Ansell.
- ✎ Experience: President and CEO, and board member, of Nobia AB (publ), Executive Vice President and Head of Floor Care and Small Appliances at Electrolux and also senior positions at TDC Mobile and the Coca-Cola Company
- ✎ Number of shares: 2 891

Considered as independent of the company, the company management and Duni's major shareholders

Sven Knutsson (re-election, board member)

Board member since 2020.

- ✎ Year of birth: 1969
- ✎ Education: MBA in economics
- ✎ On-going assignments: CEO of Mellby Gård Innovation och Tillväxt AB, a division within Mellby Gård, and among others, Chairman of the Board at Klarahill AB and Söderberg & Haak Maskin AB. Board member in KappAhl AB (publ), Open Air Group AB, Hedson Technologies AB and OJ Holding AB (Oscar Jacobson)

- Experience: Previous experience from various industries such as Thule Group, Cardo Flow Solutions and Alfa Laval and also as CFO of Boxon AB
- Number of shares: 2 000
- Considered as independent of the company, the company management but not in relation to Duni's major shareholders

Pauline Lindwall (re-election, board member)

Board member since 2014.

- Year of birth: 1961
- Education: MBA from University of Växjö
- On-going assignments: Member of the board of EIT Food iVZW and Swedish Match North Europe AB
- Experience: Category Director Coffee for France and southern Europe, Kraft/Mondelez, Schweiz and several years of experience from management positions within the Nestlé group in Asia and Europe such as Country Business Manager of Nestlé Nutrition in Germany and Indonesia
- Number of shares: 1,000
- Considered as independent of the company, the company management and Duni's major shareholders

Pia Marions (re-election, board member)

Board member since 2020.

- Year of birth: 1963
- Education: M.Sc. in Business and Economics
- On-going assignments: CFO at Skandia Group since 2017 and board member of Vitrolife AB (publ), Skandiabanken Aktiebolag (publ) and Skandia Fastigheter AB
- Experience: CFO at Folksam, Carnegie Group and Skandia Liv and senior positions at Royal Bank of Scotland, Länsförsäkringar Liv and the Swedish Financial Supervisory Authority and as Chartered accountant
- Number of shares: 1 000
- Considered as independent of the company, the company management and Duni's major shareholders

REMUNERATION REPORT 2021 (ITEM 11 ON THE AGENDA)

Introduction

This report describes how the guidelines for executive remuneration of Duni AB, adopted by the annual general meeting 2021, were implemented in 2021. The report also provides information on remuneration to the CEO and the deputy CEO. The report has been prepared in accordance with the Swedish Companies Act and the rules on *Remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 16 (Salaries and other remuneration) on pages 98-100 in the annual report 2021. Information on the work of the remuneration committee in 2021 is set out in the Corporate Governance Report available on pages 64-65 in the annual report 2021.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 16 on page 99 in the annual report 2021.

Key developments 2021

The CEO summarizes the company's overall performance in his statement on pages 8-9 in the annual report 2021.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and shall be related to the senior executive's responsibility and authority. The total remuneration consists of fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be limited in advance to a maximum amount and be based on the outcome of predetermined and measurable criteria of result, designed with the purpose to promote the business strategy and long-term interests of the company, including its sustainability. The annual variable cash remuneration (annual bonus) shall amount to a maximum of 75% of the fixed cash salary. The variable cash remuneration may for example be based upon annual criteria in relation to financial profitability and capital tied up, as determined by the board of directors, and inter alia, be linked to the group's adjusted operating profit and adjusted return on capital employed.

The complete guidelines can be found in the Corporate Governance Report on the pages 66-67 in the annual report 2021. During 2021, Duni AB has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the

guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on www.dunigroup.com. No remuneration has been reclaimed. Duni AB has no long-term share-related incentive programmes. The program for synthetic share options in Duni AB, which was issued by the main shareholder Mellby Gård AB in 2018, has ceased without exercise as of June 30, 2021.

Total remuneration to the CEO and the deputy CEO 2021

2021, TSEK	Base salary ¹⁾	Variable remuneration	Other Benefits ²⁾	Pension expense	severance pay	Total remuneration	Proportion of fixed and variable remuneration ³⁾
Robert Dackeskog CEO	4,087	-	5	1,609	-	5,701	100/0
Mats Lindroth deputy CEO	2,115	-	103	618	-	2,836	100/0

1) Fixed remuneration including holiday compensation of TSEK 325 to Robert Dackeskog and TSEK 243 to Mats Lindroth.

2) Other benefits include company car, fuel and health insurance.

3) Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Application of performance criteria for variable remuneration

In February 2021, the Remuneration Committee decided that no performance-based bonus would be paid for the financial year 2021 as the Group is still affected by the pandemic and its effects on the Group's earnings and financial position and that many of the Group companies have received government grants. No performance criteria for variable remuneration have therefore been set for 2021.

Comparative information on the change of remuneration and company performance

Multi-Year Comparison	2017	2018	2019	2020	2021
Total remuneration to the CEO, TSEK ¹⁾²⁾	9,641	5,598	8,809	12,755	5,701
Total remuneration to the deputy CEO, TSEK ¹⁾	2,440	2,522	3,642	1,634	2,836
Average remuneration of employees in the group, TSEK ³⁾	363	391	408	368	359
Average remuneration change compared to prev year, %	-1.7%	7.6%	4.3%	-9.8%	-2.3%
The Group's reported operating income, EBIT, MSEK	456	351	408	70	173

1) 2019 includes bonus.

2) 2017 includes non-recurring compensation of MSEK 2.5 regarding sign-on bonus and 2020 includes severance payment of MSEK 7.9.

3) Average remuneration on a full time equivalent basis of employees of the group excluding members of the group executive management.

Malmö in March 2022
DUNI AB (publ)
The Board of Directors