

DUNI AB (PUBL)

Documents for the Annual General Meeting of Shareholders – Tuesday 16 May 2023

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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 2023 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 14 November 2022 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 six and proposes re-election of the directors Morten Falkenberg, Thomas Gustafsson, Sven Knutsson and Pia Marions, and new election of Viktoria Bergman and Janne Moltke-Leth. The nomination committee proposes that Thomas Gustafsson is re-elected as chairman of the board of directors. Pauline Lindwall has declined re-election.

For further information about the proposals of directors for re-election and new 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 the chairman of the board shall receive SEK 610,500 (SEK 590,000) and the other directors appointed by the meeting SEK 326,000 (SEK 315,000) each. In addition, the chairman of the remuneration committee shall receive SEK 69,000 (SEK 67,000) and the other members of the remuneration committee SEK 32,000 (SEK 31,000) each, and the chairman of the audit committee shall receive SEK 132,000 (SEK 128,000) and the other members of the audit committee SEK 65,000 (SEK 60,000) 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 2023 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 2023. 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, that the six proposed members constitute an appropriate board composition. The nomination committee has 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 nomination committee's proposal means that three out of six of the proposed members are women, and that the gender distribution between the members elected by the general meeting is thus equal.

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. 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.

DUNI AB - THE BOARD OF DIRECTORS' PROPOSAL REGARDING RESOLUTION ON DISPOSITION OF THE COMPANY'S PROFITS AND THE REASONED STATEMENT IN ACCORDANCE WITH CHAPTER 18 SECTION 4 OF THE SWEDISH COMPANIES ACT (ITEM 10 B ON THE AGENDA)

The proposal by the board of directors on a dividend:

The board of directors proposes that the profit, according to the adopted balance sheet for 2022, shall be disposed so that SEK 140,997,096 is distributed to the shareholders and that the remaining unappropriated earnings amounting to SEK 2,190,418,603 are carried forward.

The board of directors proposes that the following will apply for the dividend:

- SEK 3.00 shall be distributed per share, distributed to the shareholders in two equal payments of SEK 1.50 per share,
- 19 May 2023 is record date for the first instalment,
- payment of the first instalment is estimated to be made on 24 May 2023,
- 14 November 2023 is record date for the second instalment, and
- payment of the second instalment is estimated to be made on 17 November 2023.

It is proposed that the dividend shall be divided into two installments to achieve a more balanced cash flow in relation to Duni's seasonal variation.

The board of directors' reasoned statement according to Chapter 18 Section 4 of the Swedish Companies Act:

The board of directors makes the following reasoned statement according to Chapter 18 Section 4 of the Swedish Companies Act (2005:551):

The parent company's and the group's position is good, which is demonstrated by the year-end report for 2022 and by the audited annual report that has been submitted by the board of directors. There will be sufficient coverage for the company's restricted equity after distribution of the proposed dividend. Based on the profits after tax for 2022, the proposed dividend is more than well in line with the company's dividend policy.

The proposed dividend amounts to 5.8% of the parent company's shareholders' equity and 4.4% of the consolidated shareholders' equity. The group generates good cash-flows and the board of directors assesses that Duni has a strong balance sheet. After the distribution of the dividend, the parent company's and the group's equity/asset ratios are approximately 47.7% and 43.4%, respectively. The equity/assets ratio and liquidity will also after the proposed dividend, be satisfactory considering the line of business in which the company and the group operate, and the company and the group are expected to be able to fulfill its respective obligations in the short and long term and carry out planned investments.

Shareholders' equity would have been SEK 28 k lower if financial instruments valued at fair value pursuant to Chapter 4, section 14 a of the Swedish Annual Accounts Act, instead had been valued on the basis of the lower of cost or market value principle (*Sw. lägsta värdets princip*).

With reference to the foregoing, the board of directors assess that the dividend is justifiable considering;

1. the requirements that the nature, scope and risks of the operations (of the group as well as of the parent company) impose on the size of the equity, and
2. the parent company's and the group's consolidation requirements, liquidity and position in general.

Malmö, February 2023
DUNI AB (publ)

The Board of Directors

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 2023 proposed that the board of directors of the company shall be composed of the following six 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: Deputy CEO and board member of Mellby Gård AB, Chairman of the board of KappAhl AB and board member of Aros Kapital AB, G4 Capital AB, OJ Holding Sweden AB and Scandinavian Resort i Sälen AB
- Experience: CEO of Duni AB (publ) 2012-2017, previously responsible for overseeing Mellby Gård's consumer goods companies and before that 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
- Considered as independent of the company and the company management but not in relation to Duni's major shareholders

Morten Falkenberg (re-election, board member)

Board member since 2020.

- Year of birth: 1958
- Education: M.Sc. in Business and Economics, 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. 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: M.Sc. in Business and Economics, Lund University
- On-going assignments: Deputy CEO of Mellby Gård AB, Chairman of the Board at Klarahill AB, Söderberg & Haak Maskin AB and OJ Holding Sweden AB. Board member in KappAhl AB, Open Air Group AB, Hedson Technologies AB
- 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

Pia Marions (re-election, board member)

Board member since 2020.

- Year of birth: 1963
- Education: M.Sc. in Business and Economics, Stockholm University
- On-going assignments: CFO at Skandia Group since 2017, Chairman of the Board at Skandiabanken Aktiebolag (publ), board member of Vitrolife AB (publ) and Skandia Fastigheter AB
- Experience: CFO at Folksam Group, Carnegie Group and Skandia Liv, 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

Viktor Bergman (new election, board member)

Board member proposed for new election at the 2023 AGM.

- Year of birth: 1965
- Education: Berghs School of Communications, Communication Executives Program at Stockholm School of Economics
- Ongoing assignments: Chairman of the board of Trianon AB (publ) and Galber AB, deputy Chair WaterAid Sweden, board member Cinis Fertilizer AB and Novus Group International AB (publ)
- Experience: Viktoria has a broad experience in corporate governance, sustainability, communication, market- and product development from leading positions in global companies in several industries. She has been Senior Vice President Communications and Sustainability EON Nordic, Senior Vice President Corporate Communications Trelleborg Group as well as had various positions within Falcon Breweries/Unilever and the Cerealia Group
- Shareholding: 0
- Considered as independent of the company, the company management and Duni's major shareholders

Janne Moltke-Leth (new election, board member)

Board member proposed for new election at the 2023 AGM.

- Year of birth: 1966
- Education: M.Sc. in Business and Economics, Aarhus University
- Ongoing assignments: Board member of Sydbank A/S
- Experience: Janne has special expertise in strategy and business development, marketing and communication, sales and distribution and ESG. She has been, among other things, CEO of Kolpin Hotels A/S and Paustian A/S and had various positions at Carlsberg, Royal Unibrew and Copenhagen Airport
- Shareholding: 0
- Considered as independent of the company, the company management and Duni's major shareholders

Remuneration report 2022

Introduction

This report describes how the guidelines for executive remuneration of Duni AB, adopted by the annual general meeting 2020, were applied in 2022. 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 2022. Information on the work of the remuneration committee in 2022 is set out in the Corporate Governance Report available on pages 64-65 in the annual report 2022.

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 2022.

Key developments 2022

The CEO summarizes the company's overall performance in his statement on pages 8-9 in the annual report 2022.

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 2022. During 2022, 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.

Total remuneration to the CEO and the deputy CEO 2022

2022, TSEK	Base salary ¹	Variable remuneration ²	Other Benefits ³	Pension expense	Severance pay	Total remuneration	Proportion of fixed and variable remuneration ⁴
Robert Dackeskog CEO	4,189	2,914	5	1,701	-	8,810	67/33
Magnus Carlsson deputy CEO	2,147	1,035	112	682	-	3,976	74/26

1) Fixed remuneration including holiday compensation of TSEK 273 to Robert Dackeskog and TSEK 203 to Magnus Carlsson

2) Variable remuneration refers to accounting year 2022 but is paid in 2023.

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

4) 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

The performance criteria for the variable remuneration shall contribute to the company's strategy and encourage behaviour which is in the long-term interest of the company. The strategic objectives as well as short-term and long-term business priorities for the financial year shall also be taken into account.

The performance criteria for variable remuneration for the financial year 2022 consist of a financial performance measure for both the CEO and the deputy CEO. The performance measure is called Residual Income and consists of operating income minus 8% interest (WACC) of managed capital. Operating income means EBIT before restructuring costs and amortization of intangible assets identified in connection with business acquisitions. Managed capital refers to fixed assets and working capital. By including both the operating income for the year and the efficiency of the net assets, a healthy balance between long-term and short-term is promoted in the decisions.

To achieve a bonus outcome, the starting point is that the previous year's Residual Income is exceeded. At the beginning of each year, the range for bonus outcome is revalued based on the conditions prevailing in the rest of the world for the forthcoming financial year. The starting point is often slightly lower than the outcome, this to take into account negative factors that can be difficult to counteract within a year. The maximum outcome shall correspond to a significant improvement and for 2022 it was decided to be an underlying profit improvement of at least SEK 175 m compared to the previous year, which corresponds to an index of 165.

The CEO may receive a maximum of 75 % of the base salary and the deputy CEO may receive a maximum of 50 % of the base salary in variable remuneration.

The outcome for the financial year 2022 amounts to 92% of the maximum outcome for the entire management team including the CEO. As 2021 was a year strongly affected by the pandemic, 100% of the performance criteria for 2022 consisted of the group's financial performance measures.

Comparative information on the change of remuneration and company performance

Multi-Year Comparison	2018	2019	2020	2021	2022
Total remuneration to the CEO, TSEK ¹⁾²⁾	5,598	8,809	12,755	5,701	8,810
Total remuneration to the deputy CEO, TSEK ¹⁾	2,522	3,642	1,634	2,836	3,976
Average remuneration of employees in the group, TSEK ³⁾	391	408	368	359	428
Average remuneration change compared to prev year, %	7.6%	4.3%	-9.8%	-2.3%	19,1%
The Group's reported operating income, EBIT, MSEK	351	408	70	173	326

¹⁾ 2019 and 2022 includes variable remuneration.

²⁾ 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 2023

DUNI AB (publ)

The Board of Directors



This is a literal translation of the Swedish original document

Auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act (2005:551) regarding whether the guidelines for remuneration to senior executives adopted by the annual general meeting of shareholders have been complied with

To the annual general meeting of shareholders in Duni AB (publ), Corporate Identity Number 556536-7488

We have performed procedures to determine whether the Board of Directors and the Managing Director of Duni AB (publ) have, for the year 2022, complied with the guidelines for remuneration to senior executives adopted by the annual general meetings of shareholders held on 12 May 2020.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for compliance with the guidelines and for such internal control as the Board of Directors and the Managing Director determine is necessary to ensure compliance with the guidelines.

Auditor's responsibility

Our responsibility is to express an opinion, based on our procedures, to the annual general meeting of shareholders regarding as to whether the guidelines for remuneration to senior executives have been complied with. We conducted our procedures in accordance with FAR's recommendation, RevR 8 *Examination of remuneration to senior executives of some listed companies*. This recommendation requires that we comply with ethical requirements and have planned and performed the procedures to obtain reasonable assurance that the guidelines adopted by the annual general meeting of shareholders have, in all material aspects, been complied with. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Duni AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures have involved the company's organisation for and documentation of matters pertaining to remuneration to senior executives, recent resolutions regarding remuneration and a selection of payments made to senior executives during the financial year. The procedures selected depend on the auditor's judgment, including the assessment of the risk that the guidelines have not, in all material aspects, been complied with. In making this risk assessment, the auditor considers the aspects of internal control relevant to compliance with the guidelines, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control

We believe that the procedures performed provide a reasonable basis for our opinion below.

Opinion

In our opinion, the Board of Directors and the Managing Director of Duni AB (publ) have, for the year 2022, complied with the guidelines for remuneration to senior executives adopted by the annual general meetings of shareholders held on 12 May 2020.

Malmö, 20 April 2023

PricewaterhouseCoopers AB

Carl Fogelberg

Authorised Public Accountant