

PROPOSAL BY THE BOARD OF DIRECTORS FOR EXECUTIVE REMUNERATION

Individuals who are members of the Group Management of Duni AB ("senior executives"), during the period of which these guidelines are in force, as well as Board members as set out below, fall within the provisions of these guidelines. These guidelines do not apply to any remuneration decided or approved by the general meeting such as share-related or share price-related incentive programs. These guidelines shall be applicable until new guidelines have been adopted by the general meeting.

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

A description of Duni's business strategy and sustainability work is set forth in, inter alia, Duni's annual and sustainability report. A prerequisite for the successful implementation of the Duni's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The objective of these guidelines for remuneration is to offer a remuneration on market terms, in order to attract, motivate and retain competent and skilled employees.

The total remuneration to senior executives shall be related to the senior executive's responsibility and authority. The total remuneration may consist of fixed cash salary, variable cash remuneration (bonus), pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

Variable cash remuneration

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.

When the measurement period of the criteria for awarding variable cash remuneration has been finalised, the Board of Directors shall, based on a proposal from the remuneration committee, determine to what extent the criteria have been satisfied. When determining the satisfaction of the criteria, the Board of Directors may, based on a proposal from the remuneration committee, grant exceptions from the set criteria on the basis of what is mentioned below under the section *Deviation from the guidelines*. For the satisfaction of financial criteria, the evaluation shall be based on the latest financial information made public by the company, taking into account any adjustments that the Board of Directors has determined in advance when implementing the program.

Variable remuneration shall not be awarded, or variable remuneration may be reclaimed, if senior executive has acted contrary to the company's code of conduct. Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. The Board of Directors shall have the possibility, pursuant to applicable law or contractual provisions, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

Further remuneration

Further variable cash remuneration may be awarded as one-off arrangements in extraordinary circumstances, for the purpose of recruiting or retaining executives. Such remuneration may not exceed an amount corresponding to the annual fixed cash salary. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the remuneration committee.

Pension

The ITP plan (Sw: *Industrins och handelns tilläggspension*) shall be applicable to senior executives according to collective agreement or equivalent. The ITP plan entails that the pension premium for senior executives does not exceed 40% of the fixed cash salary.

Other benefits

Other benefits such as company car, fuel, supplementary health insurance or occupational health services may be provided to the extent this is considered customary for senior executives holding equivalent positions on the labour market on which the employee operates. The total value of these benefits shall amount to not more than 12% of the fixed cash salary.

Terms of notice

Senior executives shall be employed until further notice. At termination of employment, the fixed cash salary during the applicable notice period shall, together with severance pay, not exceed 18 months of fixed cash salary. At termination by the executive, there shall be no right to severance pay. Senior executives may be compensated for non-compete undertakings after the termination of the employment to the extent severance pay is not paid during the same period of time. Such remuneration may at a maximum correspond to 12 months' fixed cash salary.

Remuneration to Board members

If a Board member (including a Board member acting through a wholly owned subsidiary) perform work for Duni in addition to the assignment as Board member, certain cash remuneration may be paid for such work (consulting fee). The remuneration shall be in line with market terms and be related to the benefits for Duni. Such remuneration, as well as other terms and conditions, is to be resolved by the Board of Directors.

Decision process and deviations, etc.

In the preparation of the Board of Directors' proposal for these guidelines, salary and employment conditions for employees of Duni have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The remuneration committee prepares the Board of Directors' decision to propose guidelines for senior executive remuneration. These guidelines are reviewed annually and submitted for resolution by the annual general meeting when amendments are proposed or at least every fourth year. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the

remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Transitional provisions applicable for the annual general meeting 2020

Information on remuneration, etc. to senior executives during the financial year 2019 is set forth on the page of note 16 of the Annual Report 2019, including previous commitments not yet due for payment.