

The board of DORO AB's (publ), reg. no. 556161-9429, proposal regarding remuneration guidelines for the group management

The board of DORO AB's (publ.), reg. no. 556161-9429 proposes below guidelines for determining the remuneration of the CEO and other members of the group management (the "Guidelines"). Fees to members of the board in addition to fees for fulfilling their duty as members of the board, are also covered by these guidelines. For remuneration that has been agreed after the annual general meeting ("AGM") 2020 and for changes in already agreed remuneration made thereafter, the Guidelines shall apply. Remuneration decided by the annual general meeting is not covered by the Guidelines. Regarding employment conditions which are governed by rules other than Swedish, in so far as pension benefits and other benefits are concerned, adjustments shall be made to enforce and uphold such mandatory rules or local practice. The overall purpose of these Guidelines shall, to the extent possible, be met.

Guidelines for promoting the company's business strategy, long-term interests and sustainability

In order for Doro to be able to successfully implement the company's business strategy, as described on the website, and safeguarding the company's long-term interests, including its sustainability, the remuneration of senior executives and employees of the Doro Group must, in both the short and long term, reflect the individual's performance, behaviour, and his/her responsibilities. When assessing the CEO and Group's management's performance, in relation to a number of predetermined well-defined goals (both individual, department-wise and for a group), Doro applies a structured process in order to assess correctly their performance. This process does not only take into account "what" is delivered but also "how" it is delivered, i.e. performance in combination with behaviour. Decisions on the payment of compensation should only be made based on the guidelines set out in the policies and instructions. No factors such as race, gender, age, or religious or ethnic affiliation are allowed.

The remuneration to senior executives and employees normally consists of;

- Fixed-base salary
- Short-term variable remuneration paid in cash (key people)
- The opportunity to participate in long-term incentive plans (key people), and
- Pension and other customary benefits

The fixed base salary shall consist of a fixed annual cash salary corresponding to remuneration for the role and position. Size of compensation is affected by: the complexity of work, responsibility, performance, local market conditions, and the way it contributes to achieving the business objectives. Since the fixed salary should reflect the performance of the executive in question, it is individual and differentiated.

A fixed variable remuneration shall be based on the achievement of predetermined set targets and the variable remuneration shall have a predetermined ceiling. The result must be linked to measurable goals (qualitative, quantitative, general and individual). No compensation can be paid if there is no clear link to the achievement of the goals. As far as financial targets are concerned, the assessment shall be based on the latest financial information published by the company.

A short-term variable salary program aims to ensure the company's long-term sustainability and a maximum cost including social security contributions for variable remuneration must not exceed the fixed remuneration of the company's senior executives.

Conditions for variable salary shall be designed so that the board of directors has the option of limiting or, in its sole discretion, deciding not to pay variable salary if such a measure is deemed reasonable. Such remuneration may not exceed an amount corresponding to 30 % of the fixed annual salary and shall not be paid more than once a year and per individual for a member of the Group's management, with the exception that for the CEO this may amount to 50 %. A decision on such remuneration shall be made by the board on a proposal from the Remuneration Committee.

Additional variable cash compensation may be payable in exceptional circumstances, provided that such extraordinary arrangements are time-limited and made only at the individual level either for the purpose of recruiting or retaining executives, or as compensation for extraordinary work in addition to the person's regular duties.

Long-term incentive plans

These can be introduced for some of the company's employees to create confidence in and commitment to the Group's long-term financial results. The establishment of a long-term incentive plan is proposed by the board and resolved at the AGM.

The annual general meeting 2018 resolved on a new stock option program and issue of warrants ("The stock option program which is presented on the website https://www.doro.com/globalassets/corporateweb/doro_agm_2018_fullstandigt_voor_t_optionsprogram.pdf") A total of no more than 1,000,000 warrants were proposed to be issued in the Options Program which includes senior executives and other employees. The right to subscribe for warrants was added to the wholly owned subsidiary Doro Incentive AB, for later transfer of the options to employees in the Group. The warrants were issued free of charge to Doro Incentive AB. Transfer of warrants to participants has been made at a price corresponding to the warrants market value (i.e. the option premium) and calculated in accordance with the so-called Black & Scholes formula. The valuation of the warrants has been exercised by independent valuation institutions or audit firms.

Pension and other benefits

Pension and other customary benefits are intended to ensure senior executives and employees a suitable standard of living after retirement and personal insurance during the period of employment. Pension benefits, including health insurance, must be defined contribution for the CEO and the premiums must not exceed 30 % of the fixed annual salary. The restriction for other members of Group's management means that pension benefits are covered by defined contribution pension in accordance with compulsory collective agreement provisions IPT1. Variable salary shall be pension-based insofar as it follows from compulsory collective agreement provisions applicable to the executive (applies to Sweden and defined contribution pension)

Other benefits should be in accordance with local custom and facilitate for senior executives and employees to perform their duties, such as having a company car in accordance with the company's car policy, health care or travel benefits.

Termination and severance pay

The maximum notice period in all senior positions is generally 6 months, and in exceptional cases twelve months, during which time the payment of salary will continue. Employees' notice of termination shall follow local laws or collective agreements, where applicable. Severance pay shall not exceed the equivalent of the period of employment of employees. Compensation for any possible obligation in regards of restriction of competition may in certain exceptional cases be paid. The remuneration shall in such cases compensate for loss of income, if any, and shall only be paid during the time for which the senior executives lack the right to severance pay. Not more than 60 % of the fixed salary at the time of termination, unless otherwise provided by mandatory collective bargaining provisions, shall be payable during the period subject to the obligation on restriction of competition. In any case, this may only be applied for a maximum of 18 months after termination of employment.

Remuneration to board members

In special cases, members of the board elected by the AGM, shall be able to be remunerated for services within their respective area of expertise, which does not constitute work for the board of directors, for a limited time. For these services (including services performed by a board member's wholly owned company), a market-based fee shall be paid, provided that such services contribute to the implementation of the business strategy and the safeguarding of the company's long-term interests, including its sustainability. Such consultant fees may never exceed the annual board fees for each board member.

Salary and terms of employment for employees

When preparing the board of director's proposal for these remuneration guidelines, salaries and terms of employment for the company's employees have been taken into account in so far that information on employees' total remuneration, the components of the remuneration and the rate of increase and increase over time has been part of the remuneration committee's and the board of director's basis for decision when evaluating the reasonableness of the guidelines and the limitations these result in.

Preparation and decision-making process

There is a Remuneration Committee within the board of directors which tasks includes to prepare principles for remuneration to the group's management and to the board of director's decision on proposals for guidelines for remuneration to senior executives. New guidelines must be proposed at least every four years and submitted for resolution at the AGM. The guidelines always apply until new guidelines have been adopted by the AGM. The Remuneration Committee shall also follow and evaluate programs for variable remuneration to the group's management, the application of guidelines for remuneration to senior executives, and the applicable remuneration structures and remuneration levels within the company. The CEO's remuneration shall be decided within the framework of approved principles by the board after preparation and recommendation by the remuneration committee. The CEO decides on remuneration to other senior executives within the framework of established principles and after reconciliation with the remuneration committee. The members of the remuneration committee are independent of the company and the Group management. The CEO or other members of Group Management, insofar as they are affected by the issues, do not attend when preparation of and decisions on compensation-related issues.

Deviation from the guidelines

The board of directors may decide to deviate from the guidelines, in whole or in part, if in a specific case there are special reasons for it and a deviation is necessary in order to meet the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, it is part of the remuneration committee's tasks to prepare the board of director's decision on remuneration issues, which includes decisions on if to deviate from the guidelines.

Malmö in March 2020
DORO AB (publ)
The Board of Directors