



CORPORATE GOVERNANCE

The purpose is to improve corporate governance in listed companies and to create confidence in these companies, both among the public and among those active on the capital markets. The Code is based on the "comply or explain" principle, which means that it is possible to deviate from the rules provided that the company gives an account of the selected alternative and a satisfactory explanation for the change. The Code is available on the website www.bolagsstyrning.se.

General meeting

The general meeting is the company's highest decision-making body. At the annual general meeting, Doro AB's board of directors and the chair of the board are elected. The company's auditors are also appointed. The annual general meeting establishes the income statement, balance sheet and the allocation of profit for the year. Other matters follow from the Swedish Companies Act. The annual general meeting shall be held within six months after the end of the financial year. Shareholders who are registered in Euroclear Sweden's share register as of the record date and have registered have the right to participate at the general meeting.

Nominating committee

The annual general meeting appoints the members of the company's nominating committee. The nominating committee's task is to nominate board members and, where applicable, auditors for election at the next annual general meeting and to

propose remuneration for the work of the board and its committees. The nominating committee also proposes the chair for the annual general meeting.

The nominating committee consists of chair Mark Shay, nominated by Accendo Capital, Christoffer Häggblom, nominated by Rite Ventures and Erik Durhan, nominated by Nordea. Johan Andsjö, chairman of Doro AB, is adjunct to the nomination committee.

The board of directors

Doro AB's board consists of six members and one employee representative that was elected by the general meeting on the 27:th of April, 2018. Johan Andsjö was elected chairman of the board. A detailed presentation of each member can be found on page 40. Doro AB's CFO Carl Johan Zetterberg Boudrie co-opted to the board as secretary. Other senior executives participate in board meetings as rapporteurs.

The meetings of the board

The board met eleven times in 2018. All members were present at all meetings except Niklas Savander, who was absent on 18 October and 15 November 2018. The board deals with current issues such as market situation, budget, profit and loss for the period and cost-effectiveness. All board meetings follow a pre-approved agenda. This is sent to each board member one week before each meeting, along with relevant documentation and a list of open items from the previous meeting.

The remuneration committee's meetings are reported to the board of directors and minutes of these meetings are distributed to the board.

Every month, the previous month's financial results are also sent with comments.

The rules of procedure for the board

The board's rules of procedure lay down the working methods of Doro AB's board of directors. The board's rules of procedure are based on the articles of association, the Companies Act and the Code. The board has overall responsibility for the Doro group.

The board's responsibilities also include Doro's relations with the shareholders, the public, authorities and other organisations and interest groups. The board is responsible for executing decisions taken by the annual general meeting and for achieving the business objectives specified in the company's articles of association. The board's authorisation is described in the articles of association and in the Swedish Companies Act.

Evaluation of the work of the board

An evaluation of the board's combined work is carried out annually through a joint internal review of the board's work. The results of the evaluation shall be presented to the nomination committee.

Distribution of work between the board and the CEO

The company's board of directors appoints its CEO. The distribution of work between

the board and the CEO is described in the rules of procedure for the board and in the instructions to the CEO. These documents determine that the board is responsible for the company's governance, supervision of the ongoing operations, organisation, strategies, internal control and policies. The board also decides on issues concerning major investments, policy issues regarding governance of subsidiaries and the election of board members and managing directors of subsidiaries. The board ensures the quality of financial reporting. In turn, the CEO is responsible for managing the company in accordance with the board's guidelines and instructions. In addition, the CEO is responsible for the budget work and the planning of the company's activities in order to achieve specific objectives. The CEO shall ensure a good control environment and that the group's risk-taking always complies with the board's instructions. Any deviations must be reported to the board. The board also receives regular updates from the CEO in the form of monthly reports.

Remuneration committee

The board as a whole is responsible for remuneration issues and other conditions of employment for group management and two other key persons. The chair of the board shall approve the terms and conditions for managers who report to the CEO. In total, employment conditions are handled for 8 people. The board's fees are decided annually by the annual general meeting. Proposals for fees are prepared by the company's nominating committee.



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The board then determines the remuneration of the CEO. The board has appointed Jonas Mårtensson and Henri Österlund to the remuneration committee. The committee had its first meeting on 14 February 2018, at which both members took part, to determine the remuneration principles for 2018.

Remuneration

The total fees to the members of the board of directors amounted to SEK 1,483 thousand, which follows the annual general meeting's decision. Of this amount, the chair's fee was SEK 450 thousand and to other members SEK 1,033 thousand.

The company's present CEO received a salary of SEK 3,700 thousand for his work during 2018. Variable remuneration was paid to SEK 486 thousand. In accordance with the employment contracts in force, the CEO and the company have a mutual period of notice of twelve months. During the period of notice, the CEO is entitled to full pay and other employment benefits.

Salaries to the seven other members of group management amounted to SEK 10,731 thousand. Variable remuneration of SEK 1,195 thousand has been paid for 2018. All members of the group management team, including the CEO, are offered a benefit in the form of a company car if desired. The annual general meeting on 27 April 2018 decided on guidelines for remuneration to senior executives for the financial year 2018. The company's other senior executives have a notice period with pay of between three and twelve months.

Governance of subsidiaries

The 17 subsidiaries are controlled and supervised by their own boards in each country, which mainly consist of representatives of Doro AB in Sweden. The subsidiaries report to Doro AB's board of directors on all meetings. The reports contain information on the respective company's development and financial position.

Steering group/finance committee

Since 2017, the finance committee has been an integral part of the board of directors, and during board meetings the financial position of the company and other issues falling under the responsibility of the finance committee are discussed on an ongoing basis. The committee's task is primarily to prepare quarterly reports, as well as decision support for acquisitions and the group's financing.

Controls and audits

The board is ultimately responsible for ensuring that the company has a satisfactory structure for internal control and the compilation of reliable financial reports. It is the responsibility of the board and group management to monitor and identify business risks and to govern the company so that it can manage the most important risks.

The auditors follow and investigate how the company is led by its board and CEO, as well as the quality of the company's financial reporting.

The annual general meeting 2018 appointed the auditing company PricewaterhouseCoopers AB as Doro AB's

auditors for a period of one year, with Magnus Willfors as auditor in charge. For the past three years, fees for audit work in the Doro group amounted to SEK 1.6 million (2018), SEK 1.6 million (2017) and 2.0 million (2016) for each year.

Audit committee

The audit committee's responsibility is carried out as an integral part of the board meetings and their minutes. The auditor attends two meetings per year according to plan.

The audit's focus and scope are presented by the company's auditor. Based on the quarterly financial statement as of 30 September, an audit is carried out, the results of which are reported at a meeting with the audit committee.

All members participated in the first meeting, Niklas Savander was absent from the second meeting. The audit committee fulfils the requirement for independence in the Swedish Corporate Governance Code.

