

Evaluation of programs for variable remuneration to the CEO and the Group Management in the Dometic Group AB (publ) and of applied remuneration structure and remuneration levels in the company

General

The board of directors (the “Board”) of Dometic Group AB (publ) (“Dometic Group”) has a remuneration committee that prepares the Board’s proposals concerning remuneration principles, remuneration and other employment terms for the CEO and the Dometic Group management (the “Group Management”). The remuneration committee monitors and evaluates the applied remuneration structure and remuneration levels in the company, as well as programs for variable remuneration, both ongoing and those that have ended during the year, for the CEO and the Group Management.

The remuneration committee also monitors the application of the guidelines for remuneration for the CEO and the Group Management adopted by the annual shareholders’ meeting. The following is the Board’s report of the results of the evaluation made by the remuneration committee before the 2018 annual shareholders’ meeting:

General Description of Remuneration to the CEO and Group Management

The total remuneration in the Dometic Group shall be based on the position held, individual performance, performance of the Dometic Group and be competitive in the country of employment. The overall remuneration package may consist of the base salary, variable salary based on short-term annual performance targets, long-term incentives, pension and other benefits, including non-monetary benefits.

Variable Remuneration and Incentive Programs

Currently, the Dometic Group applies a short term (STI) and a long term (LTI) cash based incentive program. Under the STI program, and dependent on an annual decision by the Board, the CEO and the Group Management are eligible to variable salary that is based on short-term annual performance targets. The variable salary potential is dependent on the position and may for the CEO amount to a maximum of 75% of the base salary and for the other members of the Group Management be within the interval 30-50%, according to individual agreements. The performance targets are cascaded to the regions and regional functions to support the overall objectives of the Dometic Group. Furthermore, a LTI plan was approved and introduced from 2017 in form of a three year rolling cash-based plan. The LTI plan, supports the Dometic Group to attract, recruit and retain qualified personnel. Implementation of new plans during the years to come, as well as decisions on performance targets and participants, is subject to annual approval by the Board. The Board bases its review of the incentive programs on annual evaluations of external benchmark data to ensure a relevant mix and level of the total remuneration. The Board is of the view that both the STI as well as the LTI program are relevant to attract and retain business critical resources.

Remuneration Structure and Levels

The Board has evaluated and concluded that the current remuneration structure and levels entail a good balance between the incentives for employees and the company’s cost efficiency requirements. Annual external benchmarks confirm that the current total remuneration mix is relevant for the Dometic Group’s CEO and Group Management positions.

The Board can confirm that the employment conditions have been applied in compliance with the guidelines for remuneration for the CEO and the Group Management as adopted by the 2017 annual shareholders’ meeting. The Board has, in accordance with the authorization granted by the 2017 annual shareholders meeting, exercised its mandate to deviate from the said guidelines for remuneration with respect to the recruitment of the new CEO of the Dometic Group as follows. During 2017 a new CEO was recruited to manage the Dometic Group as of January 8, 2018. The pension agreed for the new CEO will be 35% of the base salary instead of 30%, which is the maximum level according to the guidelines for remuneration. The pension level is, however, considered relevant and adequate according to the applicable local market conditions. The notice period to be given by the company to the new CEO in case of termination of the employment has been agreed to 12 months instead of 6 months. The new CEO will also be compensated for parts of lost compensation from the previous employer up to a

maximum of 15 MSEK. The new CEO has 75% STI opportunity and will be included in the 2018 LTI plan.

The other members of the Group Management had during 2017 between 30-50% STI opportunity and all members of the Group Management were included in the 2017 LTI program. Pensions for these members of the Group Management were, in line with the guidelines for remuneration, provided as defined contribution.

Guidelines for Remuneration

The guidelines for remuneration for the CEO and the Group Management adopted by the 2017 annual shareholders' meeting has been applied in full compliance for the CEO and the Group Management of the company during the year. The Board has, when recruiting the new CEO of the Dometic Group exercised the mandate to deviate from the guidelines for remuneration as authorized by the 2017 annual shareholders' meeting. This concerns solely the recruitment of the new CEO as described above.

The Board has evaluated and concluded that the guidelines for remuneration have served their purpose when it comes to providing a framework for the total compensation levels as well as to attract and retain candidates to Group Management positions. The remuneration guidelines have been applied in a manner consistent with the resolution by the 2017 annual shareholders' meeting, with the deviation described above.

The Board proposes that the 2018 annual shareholders' meeting approves the guidelines for remuneration that in all material respects are in accordance with the guidelines for remuneration currently in force.

Stockholm, March 2018

Dometic Group AB (publ)
The Board of Directors