

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 2020 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 amount to a maximum of 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, an 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, are 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 2019 annual shareholders’ meeting.

The CEO has for 2019 a maximum of 75% STI opportunity and is included in the LTI plan for 2019. The other members of the Group Management have for 2019 a maximum of 30-50% STI opportunity and all members of the Group Management were included in the 2019 LTI program. The pensions for Group Management are in line with the Guidelines.

Guidelines for Remuneration

The Board has evaluated and concluded that the guidelines for remuneration adopted by the 2019 annual shareholders' meeting 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 2019 annual shareholders' meeting, with the following deviation. The board of directors exercised its mandate given by the annual shareholders' meeting to deviate from the guidelines in connection with the recruitment of a new CFO. It was agreed to compensate the new CFO for lost STI from the previous employment with a maximum amount of SEK 1,300,000. The final amount to be paid out in accordance therewith has been determined to SEK 1,276,136.

The Board proposes that the 2020 annual shareholders' meeting approves guidelines for remuneration that are in line with the guidelines adopted at the annual shareholders' meeting 2019. In order to meet new legal requirements, the proposed guidelines for remuneration are more detailed than the previous guidelines but do not entail any material changes regarding remuneration structures or levels of remuneration.

Stockholm, March 2020

Dometic Group AB (publ)
The Board of Directors