

## Dometic's Remuneration Report 2021

### Introduction

This remuneration report provides an outline of how Dometic's Guidelines for Remuneration for the CEO & the Group Management (the "remuneration guidelines"), adopted by the annual general meeting 2020, have been implemented in 2021. The report also provides details on the remuneration of the CEO of Dometic. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 9 (*Employee benefit expense and remuneration*) on pages 102 in the annual report 2021. Information on the work of the Remuneration Committee in 2021 is set out in the corporate governance report available on pages 68-79 in the annual report 2021.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 9 on page 102 in the annual report 2021.

### Key Developments 2021

The CEO summarizes the company's overall performance in his statement on pages 6-7 in the annual report 2021.

#### The company's remuneration guidelines: scope, purpose and deviations in 2021

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. Dometic's remuneration guidelines enable the company to offer the Executive Management a competitive total remuneration.

Under Dometic's remuneration guidelines, total remuneration 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. The variable cash remuneration, STI, shall be based on predetermined and measurable performance targets which can be financial or non-financial. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The variable cash remuneration, LTI, shall be designed to ensure a long-term commitment to Dometic Group's development, be implemented on market terms and have a term of no less than three years. Long-term incentive programs shall be cash-based and linked to the development of earnings per share.

The remuneration guidelines are found on page 61-63 in the annual report 2021. Total remuneration of the CEO during 2021 has complied with the company's remuneration guidelines. The Board of Directors has exercised its mandate given by the annual general meeting to deviate from the remuneration guidelines in the following cases. In connection with the recruitment of the new President Americas, it was agreed to partly compensate the new President Americas for lost reward from the previous employment, with an amount of USD 160.000. As reported in the Remuneration Report for 2020, the pandemic set unprecedented conditions which required great efforts from the business. In light of the situation and as an extraordinary retention tool, the Board of Directors made the performance evaluation of the LTI program for 2019 in advance in 2020 (to be paid in 2022), before the three-year vesting period of the program had expired. The outcome of the Board of Directors' performance evaluation was that 50% of the maximum outcome of the program shall be paid out after expiration of the three-year vesting period for all participants in the program.

The auditor's report regarding the company's compliance with the remuneration guidelines is available on <https://www.dometicgroup.com/en/our-company/corporate-governance/shareholders-meeting/annual-shareholders-meeting-2022>. In 2021, no remuneration has been reclaimed.

Name of Director, position	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary*	Other benefits**	One-year variable***	Multi-year variable****	Extraordinary items*****	Pension expense*****	Total remuneration	Proportion of fixed and variable remuneration
Juan Vargues (CEO)	9 103	896	4 658	4 037	0	3 150	21 843	Fixed 60% Variable 40%

\* Including vacation pay of kSEK 103.

\*\* Including allowances, car benefit, per diem and health care benefit.

\*\*\* STI earned in 2021, paid in 2022. In 2021, a payment of kSEK 3 815 was made relating to STI 2020 (not included in amount).

\*\*\*\* LTI 2019, vesting March 31<sup>st</sup>, 2022. In 2021, a payment of kSEK 3 900 was made relating to LTI 2018 (not included in the amount).

\*\*\*\*\* Pension expense which in its entirety relates to base salary and is premium defined, has been counted entirely as fixed remuneration.

### Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy, or promote the executive's long-term development.

As to the quantitative assessment of performance, the internal financial metrics have been measured against the latest financial information made public by the company.

**Table 2 - Performance of the CEO in the reported financial year: variable cash remuneration**

1 Plan description	2 Description of the criteria related to the remuneration component	3 Relative weighting of the performance criteria	4 Measured performance and actual award/ remuneration outcome	
			a)	b)
STI 2021	EBIT 2021	60%	a) MSEK 2 925	b) kSEK 2 795
	EBIT Margin 2021	10%	a) 14,5%	b) kSEK 466
	Cash conversion 2021	30%	a) 60%	b) kSEK 1 397
LTI 2019	CAGR EPS 2019-2021	100%	a) See explanation above	b) kSEK 4 037
LTI 2020	EPS 2020	33,3%	*	
	EPS 2021	33,3%	*	
	EPS 2022	33,3%	**	
LTI 2021	EPS 2021	23,3%	*	
	CO2 Reduction	3,3%	a) 25%	b) 100%*
	LTIFR	3,3%	a) 2,38	b) 24%*
	Share of female managers	3,3%	a) 25,04%	b) 4%*
	EPS 2022	23,3%	**	
	ESG 2022	10,0%	**	
	EPS 2023	23,3%	**	
	ESG 2023	10,0%	**	

\* Not included in total CEO remuneration as performance period is still running.

\*\* Performance period still running.

### Comparative information on the change of remuneration and company performance

**Table 3 – Change of remuneration and company performance over the last three reported financial years**

Annual change	2019 vs 2018	2020 vs 2019	2021 vs 2020	2021 (RFY)
Juan Vargues, CEO (kSEK)	-4 828* -21,5%	+6 430 +36,4%	-2 231 -9,3%	21 843
EBIT** (MSEK)	-244 -9,1%	-496 -20,4%	+986 +50,9%	2 925
Average remuneration on a full-time equivalent basis of all employees in the group*** (kSEK)	+50 +13,3%	-39 -9,1%	-19 -4,9%	371

\* Change of CEO in January 2018. The total CEO remuneration also includes the final salary payment to previous CEO.

\*\* EBIT before items affecting comparability.

\*\*\* A comparison with the company's employees (Dometic Group AB publ.) is not possible as it only employs Group Management members. The calculation excludes CEO & Group Management.