

# Corporate Governance Report

THE PARENT COMPANY OF THE DOMETIC GROUP (THE "GROUP") IS DOMETIC GROUP AB (PUBL) ("DOMETIC" OR THE "COMPANY"), A SWEDISH PUBLIC LIMITED LIABILITY COMPANY LISTED ON NASDAQ STOCKHOLM. DOMETIC'S CORPORATE GOVERNANCE IS MAINLY REGULATED BY THE SWEDISH COMPANIES ACT, THE SWEDISH ANNUAL ACCOUNTS ACT, NASDAQ STOCKHOLM'S RULE BOOK FOR ISSUERS AND THE SWEDISH CORPORATE GOVERNANCE CODE (THE "CODE").

Dometic has applied the Code from November 25, 2015, when Dometic's shares started to be traded on Nasdaq Stockholm. The 2015 Corporate Governance Report describes Dometic's corporate governance, management and administration as well as the internal control over the financial reporting. This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Code. In addition to the above mentioned external regulations, Dometic operates under internal regulations, which include the Company's articles of association, the rules of procedure for the Board of Directors of Dometic (the "Board"), the instruction for the CEO, the instructions for the Remuneration Committee and the Audit Committee, respectively, the Code of Conduct, as well as a number of policies and instructions containing rules and principles for the Group's operations and employees. Dometic's auditor has reviewed this report and the auditor's opinion has been included in the auditors' report.

Dometic strives to operate its activities in a sustainable manner while at the same time creating value for customers, shareholders, employees, suppliers, local communities and other stakeholders. This involves the maintenance of:

- an efficient organizational structure;
- systems for internal control and risk management; and
- transparent internal and external reporting.

Dometic does not report any deviations from the Code in 2015. Below follows Dometic's governance structure.

## Shareholders' meetings

Pursuant to the Swedish Companies Act (2005:551), the shareholders' meeting is the Company's highest decision-making body and the shareholders exercise their voting rights at such meetings. Shareholders who are listed in the share register on the record date and have notified the Company of their intention to participate in the shareholders' meeting not later than on the date and at time indicated in the notice are entitled to attend the shareholders' meeting in person or by proxy. Shareholders who are represented by proxy, including all corporate shareholders, shall submit a valid power of attorney as well as other required documentation in due time before the shareholders' meeting.

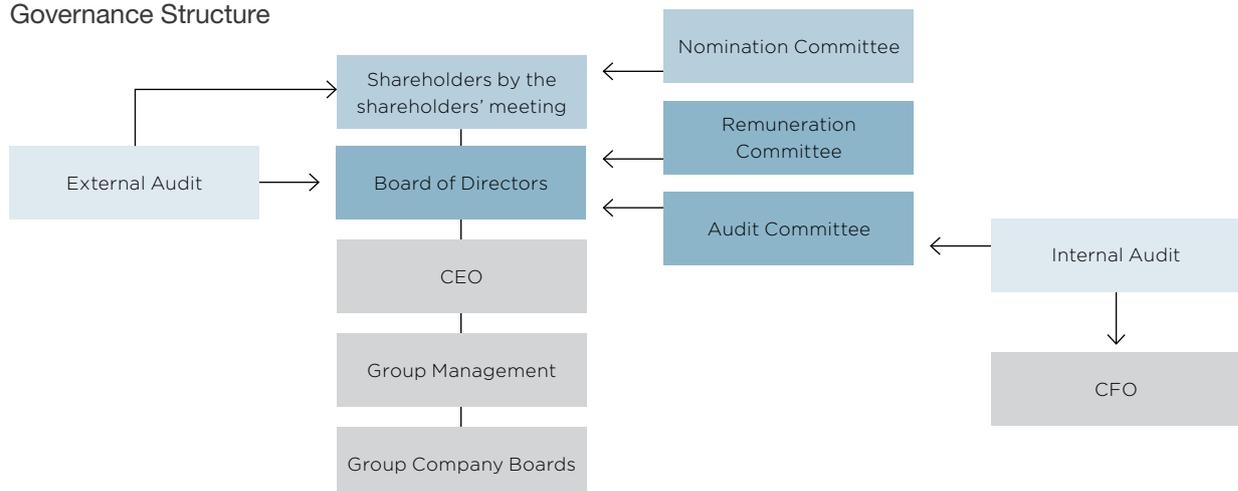
At the shareholders' meeting, resolutions shall normally be passed by a simple majority. However, in certain matters, the Swedish Companies Act stipulates that a certain level of attendance is required to form a quorum or a qualified majority of votes.

Annual shareholders' meeting shall be held within six (6) months from the end of each fiscal year. Dometic's annual shareholders' meeting shall usually be held in the month of March/April in Stockholm, Sweden or in Solna, Sweden.

The agenda for the shareholders' meeting shall consist of matters that are statutory pursuant to the Swedish Companies Act, regulatory pursuant to the Code or internal pursuant to the Company's articles of association.

In preparation for the shareholders' meeting, the Board

## Governance Structure



shall review matters to be proposed for decision by the shareholders' meeting, including:

- Adoption of statutory financial statements;
- Discharge of liability for the Board members and the CEO;
- Disposition of the Company's results;
- Principles for the remuneration for Group Management;
- Adoption of long-term incentive programs, if applicable;
- Repurchase and transfer of the Company's own shares, if applicable;
- Authorization to resolve on the issuance of new shares, if applicable; and
- Other matters to be decided by the shareholders' meeting.

The shareholders' meeting shall also decide on matters proposed by the Nomination Committee as follows:

- Election of a Chairman of the shareholders' meeting;
- Number of Board members;
- Remuneration to Board members and external auditors;
- Election of Board members and Chairman of the Board and
- Election of external auditor (every year according to the Company's articles of association).

At the shareholders' meeting, shareholders shall have the opportunity to ask questions about the Company and its results for the past year.

Written documentation presented at the shareholders' meeting may be downloaded from the Company's website and shall also be sent to shareholders upon request.

The minutes recorded at the shareholders' meeting shall normally be published within a few days and not later than two (2) weeks following the shareholders' meeting. A press release containing the decisions made by the shareholders' meeting shall be published immediately after the shareholders' meeting.

In addition to the annual shareholders' meeting, extraordinary shareholders' meetings can be convened.

Individual shareholders may request that the Board includes a specific issue in the agenda of a shareholders' meeting through an address provided on Dometic's website seven (7) weeks prior to the meeting.

In accordance with the Company's articles of association, notice of a shareholders' meeting shall be published in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and on the Company's website, [www.dometicgroup.com](http://www.dometicgroup.com). In conjunction with notice being given an announcement with information that the notice has been issued shall be published in the Swedish daily newspaper Svenska Dagbladet.

The Company's articles of association contain no separate provisions pertaining to the appointment and dismissal of Board members, nor to amendment of the Company's arti-

cles of association. For the complete text of the Company's articles of association, please refer to the website <http://www.dometicgroup.com>.

#### *Annual shareholders' meeting 2015*

The 2015 annual shareholders' meeting was held on May 13, 2015, in Solna, Sweden. The shareholders' meeting resolved the following: (i) to adopt the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet, (ii) that no dividend for the fiscal year 2014 was to be paid to the shareholders; and (iii) that the Company's profit, together with earnings for 2014, were to be carried forward. The shareholders' meeting discharged the Board members and the CEO from liability and resolved on the remuneration to the Board members.

#### *Extraordinary shareholders' meetings in 2015*

A number of extraordinary shareholders' meetings were held during autumn 2015 and prior to the listing of the Company's shares on Nasdaq Stockholm on November 25, 2015, in order to resolve on adapting the Company and the structure of the Company's share capital to a listed environment as well as to resolve on remuneration to the Board members following the listing.

#### *Annual shareholders' meeting 2016*

The 2016 annual shareholders' meeting of Dometic shall be held on Monday, April 25, 2016, at 13:00-16:00 at Norra Latin, Musiksalen, Barnhusgatan 12-14 in Stockholm, Sweden. For more information regarding the meeting and how to register the attendance, please refer to Dometic's website, [www.dometicgroup.com](http://www.dometicgroup.com).

### **Nomination Committee**

At the extraordinary shareholders' meeting held on November 10 2015, it was decided to adopt principles for the appointment of the Nomination Committee which shall apply until the next shareholders' meeting. The principles provide for the appointment of a Nomination Committee consisting of four (4) members. In addition to the Chairman of the Board, the three remaining members of the Nomination Committee shall be appointed by each of the three largest shareholders in the Company. Should any of the three shareholders renounce its right to appoint one representative to the Nomination Committee, such right shall transfer to the shareholder who then in turn, after these three, is the largest shareholder in the Company.

The Nomination Committee member representing the largest shareholder in terms of votes shall be appointed as the Chairman of the Nomination Committee, unless the

Nomination Committee unanimously appoints someone else as the Chairman.

As a result of the listing of the Company in late November of 2015, the composition of the Nomination Committee for the 2016 shareholders' meeting shall be based on the share register kept by Euroclear Sweden AB as of the expiry of the fourth quarter of 2015 on, i.e. as of December 31, 2015.

In the case of changes in the shareholder structure after the Nomination Committee has been constituted, the composition of the Nomination Committee may be adjusted accordingly. If a member leaves the Nomination Committee before its work is completed, the new member shall be appointed by the same shareholder or, if such shareholder is no longer one of the largest shareholders, from the next shareholder in line. Changes in the composition of the Nomination Committee shall be announced immediately.

The Nomination Committee's tasks include preparing a proposal for the annual shareholders' meeting regarding the following:

- Proposal for election of Chairman of the annual shareholders' meeting;
- Proposal for election of Board members;
- Proposal for election of the Chairman of the Board;
- Proposal on remuneration to the Board members, including the Chairman, and Board members' work on the Board Committees;
- Proposal on remuneration to the external auditors; and
- Composition of the Nomination Committee and its tasks for the following year (if applicable).

The Nomination Committee shall also submit proposals for the election of external auditors and for auditors' fees. The Nomination Committee shall then be assisted by the Audit Committee, which, among other things, shall inform the Nomination Committee of the results of the evaluation of the auditors' work.

The Nomination Committee shall present to the annual shareholders' meeting its motivated opinion for its proposals. The Nomination Committee's proposals shall be publicly announced not later than on the date of notification of the annual shareholders' meeting.

Nomination Committee members shall not receive any compensation from the Company for their work on the Nomination Committee.

The term of office for the Nomination Committee shall end when the composition of the next Nomination Committee has been announced.

Further information regarding the Nomination Committee and its work can be found on the Company's website: <http://www.dometicgroup.com>.

#### *Nomination Committee for the shareholders' meeting 2016*

The members of the Nomination Committee for the shareholders' meeting in 2016 are:

- Mr. Johan Bygge, Frostbite I S.á.r.l.
- Mr. Hans Hedström, Carnegie Fonder AB
- Mr. Christian Brunlid, Handelsbanken Fonder AB
- Mr. Fredrik Cappelen, the Chairman of the Board.

#### **The Board of Directors**

The Board shall be responsible for organizing the Company and management of the Company's operations. The Board shall also issue guidelines and instructions for the CEO. In addition, the Board shall ensure that the Company's organization with respect to accounting, management of funds and the Company's financial position is satisfactory controlled.

#### *Composition of the Board*

According to the Company's articles of association, the Board shall consist of not less than three (3) and not more than eight (8) Board members with no more than three (3) deputies. The Board is currently comprised of seven (7) members without deputies. Five (5) Board members were elected at the shareholders' meeting on May 13, 2015, namely: Mr. Fredrik Cappelen, Mr. Albert Gustafsson, Mr. Harry Klagsbrun, Mr. Magnus Yngen and Mr. Rainer Schmückle. The shareholders' meeting elected Mr. Cappelen as the Chairman of the Board. Mrs. Gun Nilsson was elected as the Board member at the extraordinary shareholders' meeting on August 21, 2015. Mr. Erik Olsson was elected as the Board member at the extraordinary shareholders' meeting on August 27, 2015. One of the seven Board members is not a Swedish citizen.

The Company's CEO, the Company's CFO and the Company's General Counsel are normally present at meetings of the Board. The General Counsel serves as the Board's secretary and records the minutes of the Board meetings. Other members of the Group Management or other senior managers of the Company may also participate in the meetings from time to time in order to make presentations on significant matters.

The information is updated regularly on the Company's website, [www.dometicgroup.com](http://www.dometicgroup.com).

#### *Independence*

In accordance with the Code, a majority of the members of the Board elected by the shareholders' meeting shall be independent in relation to the Company and its executive management. Two (2) of the members who are independent in relation to the Company and its executive management shall also be independent in relation to major shareholders. The Board is considered to be in compliance

with the relevant requirements for independence.

#### *The Board Tasks*

The main task of the Board is to manage Dometic's operations in such a manner as to assure that the interests of the owners, in terms of a long-term return on capital, are being met in the best possible manner. The Board's work is governed by rules and regulations, including the Swedish Company's Act, the Company articles of association, the Code and the working procedures established by the Board. The Company articles of association of Dometic are available on Dometic's website; <http://www.dometicgroup.com>.

The Board deals with and decides on Group-related matters, such as:

- Main goals;
- Strategic orientation;
- Essential issues related to financing, investments, acquisitions and divestments;
- Follow-up and control of operations, communication and organization, including evaluation of the Group's operational management;
- Appointment of and, if necessary, dismissal of the CEO;
- Overall responsibility for establishing an effective system of internal control and risk management;
- Important policies.

#### *Working Procedures and Board Meetings*

The Board has adopted rules of procedure for its work, which include rules regarding the number of Board meetings, matters to be handled at regular Board meetings, the duties of the Chairman of the Board and the responsibilities delegated to the committees appointed by the Board.

In accordance with the procedures, the Chairman of the Board shall:

- organize and lead the Board's work, encourage open and constructive discussions in the Board with participation of all the Board members and create the best possible conditions for the Board's work;
- verify that the Board's decisions are implemented efficiently;
- ensure that new Board members receive the necessary introductory training as well as any other training that the Chairman and member agree is appropriate;
- ensure that the Board regularly updates and develops its knowledge of the Company and its operations;
- be responsible for contacts with the shareholders regarding ownership issues and communicate shareholders' views to the Board; and
- ensure that the Board receives sufficient information and documentation to enable it to conduct its work.

The Board has also issued written instructions specifying

(i) when and how information required to enable the Board to evaluate the Company and the Group's financial position shall be reported to the Board; (ii) the distribution of duties between the Board and the CEO. The instructions for the CEO include detailed instructions to the CEO regarding issues requiring the Board's approval. Among other things, these instructions specify the maximum amounts that the CEO is authorized to approve as regards credit limits, capital expenditure and other expenditure.

The duties of the Board are partly exercised through its Audit Committee and Remuneration Committee and the Board has also adopted instructions for the said Board committees.

The Board reviews, primarily through its Audit Committee, the most important accounting principles applied by the Group in financial reporting as well as major changes in these principles.

The topics for Board meetings follow an agenda plan that details the matters that shall be dealt with by the Board during the Board tenure as well as when such matters shall be dealt with, whilst leaving room for the Board members' own initiatives for topics to be addressed at the Board meetings.

The rules of procedure for the Board, instructions for the CEO and other policies are subject to annual review and are adopted by the Board at its statutory meeting, which shall be held directly after the annual shareholders' meeting. Decisions at the statutory meeting of the Board include authorization to sign on behalf of the Company.

According to the Board's rules of procedure, the Board shall hold at least four (4) ordinary meetings and one statutory meeting per calendar year.

Agendas for ordinary Board meetings, together with supporting documentation as required under the rules of procedure or which are otherwise necessary for the Board to take adequate action, shall be sent to the Board members in advance of the meetings.

#### *The Board's Work in 2015*

In 2015, the Board held fifteen (15) meetings, of which eight (8) meetings were held in Dometic Holding AB and seven (7) meetings in Dometic Group AB (publ)<sup>1</sup>. Six (6) meetings were held by telephone, one (1) meeting was held in Elkhart, U.S., one (1) in Emsdetten, Germany and one (1) in Stockholm, Sweden. The remaining meetings were held in Solna, Sweden. The attendance of each Board member at these meetings is shown in the table on page 48.

All Board meetings held during the year followed an agenda, which, together with the documentation for each item on the agenda, was sent electronically to the Board members in advance of the meetings.

<sup>1</sup> Please note that until August 31, 2015, the Board work had been carried out in Dometic Holding AB, a subsidiary of the Company.

In 2015, the Board mainly addressed matters regarding the Group operations, integration of Atwood acquired in 2014, divestment of the Group's global division Medical, financing and other ongoing accounting and corporate matters. Particular focus was put on handling the process of listing of the Company's shares on Nasdaq Stockholm.

The Board work was discussed and reviewed orally during the year. A full review of the Board work shall be made in 2016.

### **The Board Committees**

The Board has two (2) Board committees: the Audit Committee and the Remuneration Committee. The major tasks of these committees are preparatory and advisory, but the Board may delegate decision-making powers on specific issues to the committees. The issues considered at committee meetings shall be recorded in minutes of the meetings and reported at the following Board meeting. The members and Chairman of the committees are appointed annually at the statutory Board meeting following election of Board members, or when a committee member needs to be replaced.

#### *Remuneration Committee*

The Remuneration Committee shall prepare the Board's decisions on principles for remuneration and other terms of employment for the CEO and other Group Management members. The Committee shall also propose changes in remuneration to the CEO for resolution by the Board and shall review changes in remuneration to other members of Group Management on proposal by the CEO.

The tasks of the Remuneration Committee include:

- To prepare and evaluate principles for remuneration to the Group Management;
- To review the remuneration to the CEO;
- To prepare and evaluate targets and principles for variable remuneration for the Group Management;
- To prepare and evaluate Dometic's long-term incentive programs;
- To prepare terms for bonus, pensions, notices of termination and severance pay as well as other benefits for the Group Management;
- To review and resolve on changes in the remuneration to members of the Group Management.

The Remuneration Committee shall consist of at least two (2) members. The committee members appointed in May 2015 included: Mr. Harry Klagsbrun (Chairman), Mr. Fredrik Cappelen and Mr. Roger Johansson. In October 2015, Mr.

Johansson was replaced by Mr. Erik Olsson.

At least two (2) meetings shall be convened annually. Additional meetings shall be held as needed.

In 2015 the Remuneration Committee held two (2) meetings. The attendance of each Board member at these meetings is shown in the table on page 48. The Company's Head of Human Resources participated in the meetings and was responsible for preparations of the meetings and keeping the minutes of the meetings.

#### *Audit Committee*

The main task of the Audit Committee is to oversee the processes of Dometic's financial reporting and internal control, including risk management, in order to secure the quality of the Company's external reporting.

The Audit Committee shall also support the Nomination Committee with proposals regarding election of external auditors and auditors' fees. The Audit Committee shall also evaluate the objectivity and independence of the external auditors, monitor the external audit, evaluate the work of the external auditors and review, and when appropriate, pre-approve the external auditors' engagements in other tasks than audit services.

The tasks of the Audit Committee shall also include a review of internal audit reports submitted by the Group's internal audit function, a review and follow-up of certain capital expenditures, investments and disposals and a review of applicable credit limits.

The Board determines the composition of the Audit Committee, which shall have at least three (3) members. The committee members appointed in May 2015 included: Mr. Magnus Yngen (Chairman), Mr. Albert Gustafsson and Mr. Rainer Schmückle. In addition, Mrs. Gun Nilsson was appointed in October 2015. The external auditors report to the Audit Committee at each ordinary meeting. At least three (3) meetings shall be held annually. Additional meetings shall be held as needed.

In 2015, the Audit Committee held five (5) meetings. The attendance of each Board member at these meetings is shown in the table on page 48. Dometic's managers have also had regular contacts with the committee Chairman regarding specific issues between meetings. The Group CFO and the Group General Counsel participated in the meetings of the Audit Committee. The Head of Internal Audit joined the Group on November 2, 2015 and participated in the Audit Committee meeting held on December 17, 2015. The Group General Counsel serves as secretary at the Audit Committee meetings.

<b>Board of Directors</b>	<b>Fredrik Cappelen</b>	<b>Albert Gustafsson</b>	<b>Erik Olsson</b>
	Chairman Born 1957. Sweden. Bachelor of Business Administration and A-level Diploma in Political Science, University of Uppsala. Elected 2013. Member of the Remuneration Committee.	Born 1977. Sweden. B.Sc. in Business Administration and Economics, Gothenburg School of Business, Economics and Law. Elected 2011. Member of the Audit Committee.	Born 1962. Sweden. B.Sc. in Business Administration and Economics, Gothenburg School of Business Economics and Law. Elected 2015. Member of the Remuneration Committee.
<b>Position and Board membership</b>	Chairman of the Board of Frostbite Holding AB, Dustin AB, Terveystalo Oy, Byggmax AB (January-May), Sanitec Oy (January-March) and several subsidiaries of Dometic Group AB (publ). Vice Chairman of the Board of Munksjö AB. Member of the Boards of Transcom AB and Securitas AB.	Employed at EQT Partners AB as Director. Member of the Board of Frostbite Holding AB, GG Holding AB, Granngården AB and several subsidiaries of Dometic Group AB (publ).	Member of the Board of Ritchie Bros. Auctioneers, Inc. Member of the Board and CEO of Mobile Mini, Inc. Member of the Board of the non-profit organization St Mary's Food Alliance.
<b>Previous positions</b>	Chairman of the Board of Granngården AB and Svedbergs AB. CEO of Nobia AB (1994-2008). Member of the Board of Carnegie Investment Bank AB and Cramo Oy. Managing Director and member of the Group Management of STORA Building-products AB. Vice President Marketing and Sales and member of Group Management of STORA Finepaper AB. Managing Director of Kauko GmbH and Kauko International.	Member of the Board of Cimbria Bulk Technology AS.	Member of the Board and CEO of RSC Holdings, Inc.
<b>Board meeting attendance<sup>1</sup></b>	15/15	14/15	6/15
<b>Remuneration Committee attendance</b>	1/2		0/2
<b>Audit Committee attendance</b>		5/5	
<b>Holdings in Dometic<sup>2</sup></b>	904,140	-	-
<b>Independence<sup>3</sup> in relation to the Company and its executive management / In relation to major shareholders</b>	Yes/No	Yes/No	Yes/Yes

1) Please note that until August 31, 2015, the Board work had been carried out in Dometic Holding AB, a subsidiary of the Company.

2) Holdings in Dometic Group AB (publ) as of December 30, 2015.

3) For further information about the independence assessment, see page 45.

Gun Nilsson	Harry Klagsbrun	Magnus Yngen	Rainer Schmückle
Born 1955. Sweden. M.Sc. in Business Administration, Stockholm School of Economics. Elected 2015. Member of the Audit Committee.	Born 1954. Sweden. B.A. in Journalism, M.Sc. in Business Administration, Stockholm School of Economics, Stockholm University and MBA from New York University. Elected 2014. Chairman of the Remuneration Committee.	Born 1958. Sweden. M.Sc. and Licentiate of Technology, Royal Institute of Technology in Stockholm. Elected 2012. Chairman of the Audit Committee.	Born 1959. Germany. Degree in Industrial Engineering, University of Karlsruhe. Elected 2011. Member of the Audit Committee.
Member of the Board of Hexagon AB, Albert Bonnier AB, Bonnier Holding AB and Capio AB (publ).	Employed in EQT Partners AB as Partner. Chairman of the Board of ACM 2001 AB, Renal Management AB, AGM 2010 AB, Svensk Utbildning Intressenter Final Holding AB and Gordon Gambro MPP Holding AB. Member of the Board of Frostbite Holding AB, Indap Sweden AB, AcadeMedia AB, Vaalserberg Förvaltning AB, Harkla AB and several subsidiaries of Dometic Group AB (publ).	President, CEO and member of the Board of Camfil AB. Chairman of the Board of Sveba-Dahlén Group AB. Member of the Board of Duni AB and Intrum Justitia AB.	Member of the Board of Autoneum Holding Ltd and Frostbite Holding AB and several subsidiaries of Dometic Group AB (publ).
CFO of Sanitec Corporation. Chairman of the Board of Ido Badrum AB, Royal Sanitec AB, Sanitec Holdings Sweden and Ifö Sanitar AB. Member of the Board of Contura Steel AB.	Member of the Board of Gambro AB, Securitas Direkt AB, Rossholmen AB, Indap Holding AB, TISKE Midholding AB, TISKE Holding AB and TISKE Topholding AB.	CEO and member of the Board of Husqvarna AB. Chairman of the Board, member of the Board and/or CEO in several subsidiaries of Dometic Group AB (publ). Member of the Board of the non-profit organizations Teknikarbetsgivarna i Sverige and Teknikföretagen i Sverige.	Member of the Board of Wittur GmbH. CEO of MAG IAS GmbH. COO Automotive of Johnson Controls, Inc. and COO of Mercedes Cars of Daimler AG.
6/15	15/15	14/15	14/15
	2/2		
0/5		5/5	3/5
4,000	-	278,460	118,895
Yes/Yes	Yes/No	Yes/Yes	Yes/Yes

### CEO and Group Management

The Dometic Group Management consists of the CEO, the heads of the regions as well as the heads of the group staff functions.

The Company's CEO is Mr. Roger Johansson (born 1965). Mr. Johansson has a B.Sc. in International Business and Trade from Gothenburg School of Business, Economics and Law. Roger Johansson has been President of Trelleborg Automotive Group AB and CEO of BE Group AB (publ). Before that he spent sixteen years with General Motors Corporation leading purchasing and also powertrain operations in Europe. He holds 895,180 shares in the Company as of December 31, 2015.

The CEO is appointed by and receives instructions from the Board and is responsible for the ongoing management of the Group in accordance with the Board's guidelines and instructions. These instructions include responsibility for financial reporting, preparation of information for decisions, and ensuring compliance with the Group's goals, policies and strategic plans as well as updating these when necessary. The CEO appoints all other members of the Group Management.

The heads of the regions are responsible for the revenues, costs and use of capital in their respective operations.

Group staff functions are responsible for the coordination of general issues of importance to the Group, development of policies and guidelines as well as support for the business units that apply them. The tasks of staff functions include consolidation and reporting of financial results, financing, treasury, tax, internal audit, internal control, IT, IR, legal matters, risk management and insurance, health and safety, environmental and sustainability issues, compliance, personnel issues, internal communication as well as external communication with media and the capital markets, brand and marketing, quality and business development.

In 2015 the Group Management held monthly meetings to review the previous month's results, update forecasts and plans and discuss strategic issues.

### External Auditor

The external auditor is elected at the shareholders' meeting every year. The annual shareholders' meeting in 2015 re-elected PricewaterhouseCoopers AB (PwC) as the Group's external auditor for the period until the annual shareholders' meeting in 2016. The authorized public accountant Mr. Magnus Brändström is the auditor in charge of Dometic.

PwC provides an audit opinion regarding Dometic, the financial statements of its subsidiaries, the consolidated financial statements for the Group and the administration of Dometic.

The audit is conducted in accordance with the Swedish

Companies Act, International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden.

Audits of local statutory financial statements for legal entities outside of Sweden are performed as required by law or applicable regulations in the respective countries and as required by the IFAC rules, including issuance of audit opinions for the various legal entities.

Pursuant to the decision of the shareholders' meeting taken in May 2015, the auditors' fee until the 2016 annual shareholders' meeting shall be paid on the basis of approved invoices.

### Internal Control

Internal control over financial reporting within Dometic is designed to ensure reliable financial reporting. The internal control of the financial reporting is carried out in several steps and covers income statement, capital and cash flow including supporting documentation. In addition to the financial reporting, the internal control procedures shall also support the organization in managing other identified risks and processes in the organization. Dometic's system for internal control is based on the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

#### *Control Environment*

The control environment at Dometic Group constitutes the framework for the direction and culture communicated to the organization by the Board and the Group Management.

Internal guidance and control in accordance with established frameworks is a prioritized part of the management work. The Board and the Group Management define and formulate decision-making channels, authority and responsibilities which are communicated throughout the organization. The Board also strives to ensure that governance documents, such as internal policies and guidelines, cover identified and significant areas and that they provide proper guidance for the relevant employees in the Group.

#### *Monitoring, Risk Assessment and Control Activities*

Dometic Group maintains a comprehensive financial reporting system for the monitoring of operations, which enables identification of possible deviations in financial reporting. Financial reports for the different legal entities and regions are reviewed on a continuous basis by the central finance department. This entails a thorough monitoring of the financial results in accordance with a fixed plan for the financial year.

Financial data is reported by nearly 70 reporting units and the CFO as well as other representatives of the central finance function meet the region managers and review

the region's results every month in accordance with the standardized routines for reporting that are stipulated in Dometic's finance manual. These reports are the basis for the Group's consolidated financial reporting.

To ensure that risks are identified and properly managed, a self-assessment is made in each legal unit annually. A number of control activities are also in place to ensure that transactions and investments are carried out correctly. This includes, e.g. an IT system for investments, which ensures that the relevant individuals in the organization approve investments before they are made.

Business reviews are carried out on a quarterly basis, where the CEO, the CFO and relevant representatives of the central functions meet the management of the respective region to discuss the business.

The product portfolio is reviewed on a monthly and quarterly basis as part of the internal process for product development. Larger projects are reviewed at least on a quarterly basis.

To maintain the quality of internal control and further strengthen Dometic's control processes a new function for internal control was established on November 2, 2015. Internal control provides a reasonable risk based control over financial reporting and ensures compliance with the Group policies and procedures for efficient operations.

Further, an internal audit function was established on November 2, 2015 to improve operations through independent, objective and systematic evaluation of the effectiveness of

the corporate governance, risk management and internal control. Internal audit identifies weaknesses and suggests actions for improvement to the Audit Committee and the Group Management.

The Board of Directors is ultimately responsible for internal control over financial reporting. Efficient performance by the Board is thus the basis for satisfactory internal control. Assessment of Dometic's financial position and strategy is made by the Board and the Group Management through continuous discussion and reviews. These areas are discussed at each Board meeting and the Board further receives monthly reports of the current financial and operational issues.

#### *Information and Communication*

Dometic Group maintains information and communication systems to facilitate correct and complete financial reporting. The finance manual and other instructions for reporting are updated when necessary and reviewed yearly. In addition, other policies relevant for internal control over financial reporting can be accessed on the Group's intranet by all relevant personnel.

A communication policy is in place and provides guidelines on how information shall be provided. The aim of the policy is to ensure that Dometic complies with the requirements regarding dissemination of correct and complete information to the market.