

Clear responsibility for operations generates confidence

The confidence of the market, shareholders and the general public is crucial to Doro's success. It requires responsible, committed and transparent work by the Board of Directors and management team. It is therefore reassuring to know that our company has a well-functioning Board of Directors, which, over the year, cooperated constructively with the company's management team and other employees. The role of the Board of Directors is particularly important in a global business environment with faster changes both in regard to the macro climate and the specific business conditions in which Doro operates, as well as the increased competition we are now seeing in some of our markets. We are well prepared to meet developments in the market and can quickly adjust the company to new conditions.

We are also in a period of significant investment in new products and services that enable the world's seniors. This imposes great demands on the Board's capacity to reach well-founded decisions and to balance the risks and opportunities that are always associated with commercial operations.

Equally important for Doro's credibility is our openness to the market and that we provide continuous information on our ongoing measures and the results of our operations. This represents the foundation for a value-generating relationship with all of our stakeholders where our shareholders, both existing and new, must feel secure in receiving correct information at the right time.

Doro AB is incorporated under the laws of Sweden with a public listing on the OMX Nasdaq Stockholm. The governance of Doro is based on Swedish legislation and regulations primarily the Swedish Companies Act, but also the rules of Nasdaq OMX Stockholm, the Swedish Code of Corporate Governance (the Code) and other relevant rules. In addition, governance follows the Articles of Association, internal instructions and policies and recommendations issued by relevant organizations. This corporate governance report has been prepared by the Board of Directors of Doro AB in accordance with the Swedish Annual Accounts Act and the Code. It does form part of the formal Annual Report and it has been reviewed by the company's auditors.

Shareholders

Doro AB had 7 072 shareholders according to the 2012 year-end shareholders register published by Euroclear Sweden AB. Foreign investors held about 31.8 percent of the shares. The number of shares in Doro AB at year-end 2012 amounted to 19,349,174 shares. Doro's market capitalization as of December 31, 2012, was SEK 474.1 m.

The largest single shareholder is Försäkringsaktiebolaget Avanza Pension with a holding of 10.0 percent of the shares.

Swedish Code of Corporate Governance

The Code is applicable to all companies which are listed on the OMX Nasdaq Stockholm. The aim is to improve corporate governance in listed companies and foster trust in companies both among the general public and in the capital market. The Code is based on the "comply or explain" principle, which means that it is possible to deviate from the Code provided that an account is given of the chosen alternative solution and the reasons for the deviation. The Code is available on the website www.bolagsstyning.se.

Annual General Meeting

The Annual General Meeting is the company's highest decision making institution. The Annual General Meeting appoints the

Board and Chairman of the Board for Doro AB. It also appoints the auditors of the company.

The Annual General Meeting also decides how profits or losses are to be appropriated. Other issues that arise are issues that are mandatory items under the Swedish Companies Act. The Annual General Meeting shall be held within six months of the close of the financial year. Shareholders who are registered in the company's share register, and who notify the company of their participation, are entitled to participate in the Annual General Meeting.

Nominating procedure

The Annual General Meeting decides on the members of the company's Nomination Committee. The Nomination Committee's task is to submit proposals for Board members and auditors and their fees as well as fees for work on the Board committees to the next Annual General Meeting, at which the Board and auditors are due to be elected. The Nomination Committee also proposes the chair of the AGM.

The Nomination Committee consists of Tedde Jeansson who is elected Chairman of the Nomination Committee, Arne Bernroth nominated by Nordea Investment Funds and Bo Kastensson (Chairman of Doro AB).

Board of Directors

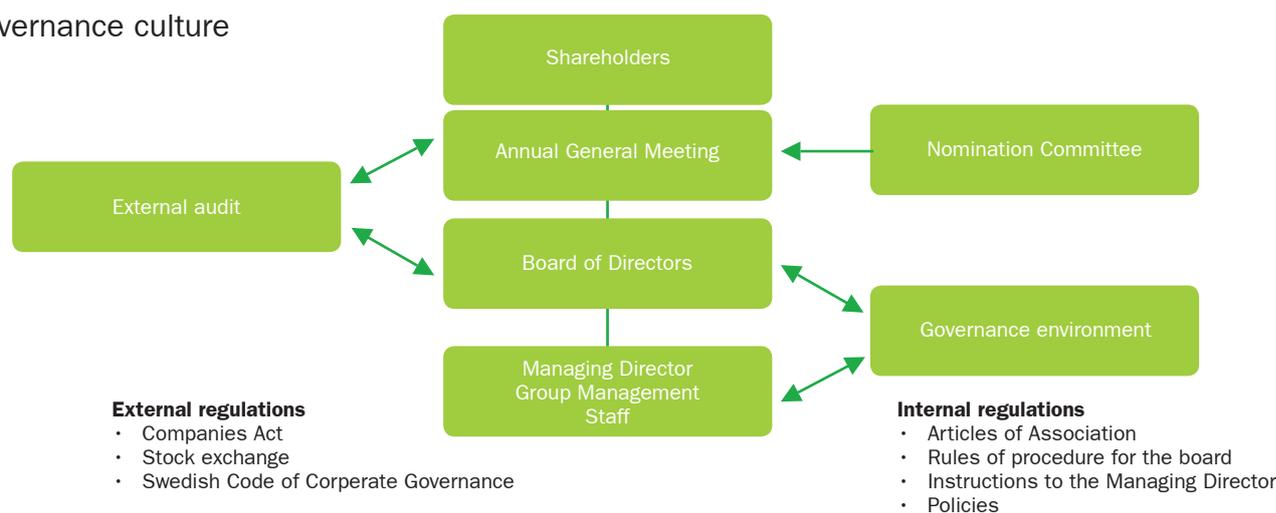
The Board of Directors of Doro AB consists of the Managing Director and four other members elected by the Annual General Meeting on March 21, 2012. A more detailed presentation of each member is given on page 34.

The company's CFO is co-opted to the Board as its secretary. Other company executives take part in Board meetings in a reporting capacity.

Board meetings

The Board held ten meetings in 2012, five times in Stockholm, three times at Doro's premises in Lund and one meeting was held at another place in Sweden. In addition, one meeting was held by telephone. All board members attended all meetings.

Governance culture



The company's CFO and Board Secretary, was present at almost all meetings. The Board continually addresses subjects such as the business situation, the budget, periodical accounts and cost efficiency.

Each Board meeting was governed by an approved agenda. Supporting documentation for the agenda items as well as a list of outstanding issues from previous meetings were distributed to the Board Members a week prior to the meetings.

Meetings of the Remuneration and Audit Committees have been reported to the Board and the corresponding minutes have been distributed. Each month, the previous month's results are sent out along with comments.

Rules of Procedure for the Board

The Rules of Procedure for the Board apply to the work to be carried out by the Board of Doro AB. The rules of procedure are based on the Articles of Association, the Swedish Companies Act and the Code. The Board's field of work covers the entire Doro Group.

The field of work also includes Doro's relations to shareholders, the general public, authorities and other organizations and interested parties. The Board is responsible to the Annual General Meeting in accordance with the fiduciary duties and the duties of care, which are placed on the Board by the rules of procedure and by applicable laws and regulations. The Board is responsible for the implementation of the resolutions of the Annual General Meeting and the business objectives set out in the Articles of Association. The Board has the authorities granted by the Articles of Association and the Swedish Companies Act.

Distribution of work between Board and Managing Director

The Board appoints the Managing Director of the company. The distribution of work between the Board and Managing Director is indicated in the Board's rules of procedure and the Managing Director instruction. These state that the Board is responsible for the governance, supervision, organization, strategies, internal control and policies of the company. In addition, the Board decides on major investments and matters of principle relating to the governance of subsidiaries, as well as election of Board members in subsidiaries and the Managing Director.

The Board also establishes the quality of the financial reporting. The Managing Director in turn is responsible for ensuring that the company is administered in accordance with

Board's guidelines and instructions.

In addition, the Managing Director is responsible for budgeting and planning the company's operations so that specified goals are attained. The Managing Director ensures that the control environment is good and that the Group's risk taking at any time is compatible with the Board's guidelines. Any deviations have to be reported to the Board. The Board also receives regular information from the Managing Director through a monthly report.

Remuneration Committee

The Board as a whole bears responsibility for remuneration issues and other employment terms for senior executives and three of the heads of subsidiaries. The Chairman of the Board approves principles for remuneration to the management reporting to the Managing Director. Employment terms for eight people are dealt with.

The fees paid to the Board are decided each year at the Annual General Meeting. Proposals for fees are discussed beforehand by the Nomination Committee. On the other hand, the Board decides on the remuneration of the Managing Director.

A special Remuneration Committee, appointed by the Board consists of Bo Kastensson and Karin Moberg.

The Remuneration Committee held its first meeting on February 14, 2012 to decide on 2012 principles.

Both members were present at the meeting. A second meeting was held on November 7, 2012 to discuss current salary level, both members were also present at this meeting. The meetings were minuted and reported at the next Board meeting.

Remuneration

Fees paid to the Board during the financial year totaled SEK 800,000, in accordance with a decision of the Annual General Meeting. Of the Board's total fee, SEK 350,000 was paid to the Chairman of the Board and SEK 150,000 to other Board members. The company's Managing Director did not receive any fee.

The company's Managing Director received salary totaling SEK 3,437 m during the equivalent period. The Managing Director did not receive any variable remuneration or bonus for 2012. Salary received by the other six members of Group Management totaled SEK 5,102 m. Variable salary for these six members were paid for 2012 at the amount of SEK 188 t. Other Group Management did not receive any bonus for 2012. Amongst the Group Management there are two persons engaged

Doro's corporate organization



as consultants; CFO on an interim basis starting October 2012 and another person who has been engaged the full-year. Both consultants invoice their fees to the company. In 2012 total invoiced fees were SEK 2.6 m. All employed members of Group Management, and the Managing Director, receive the additional benefit of a car. Annual General Meeting held on March 21, 2012 decided on guidelines for Group Management pertaining to the year 2012. Under the current contract of employment the Managing Director and the company has the mutual termination notice period of 12 months.

In the event of termination by the company, 12 months' salary is payable. Applicable salary, bonus and benefits are payable during the period of notice. The other members of Group Management have notice periods of 3–9 months.

Governance of subsidiaries

The seven wholly-owned active subsidiaries Doro A/S, Doro GmbH., Doro SAS., Doro UK Ltd., Doro Hong Kong Ltd., Doro Inc. and Doro Incentive AB are governed by their own Boards in the country concerned, principally consisting of representatives of Doro AB in Sweden. The Managing Director of Doro is the Chairman in each subsidiary, except in Doro SAS in France where Bo Kastensson is the Chairman. These subsidiaries report to the Board of Doro AB in Sweden at every meeting. This report also includes the results of operations and financial position of the company concerned.

Financial Committee

The Financial Committee consists of Chairman of the Board Bo Kastensson and the Board member Jonas Mårtensson together with the company's Managing Director Jérôme Arnaud and CFO Gunnar Modalen. The committees' tasks are primarily to provide the Board with proposals regarding interim reports as well as acquisitions and Group financing.

Inspection and Auditing

The Board of Directors has ultimate responsibility for ensuring that the company has a satisfactory system for internal control and for preparing reliable financial statements. It is the responsibility of the Board of Directors and the management to monitor and identify the business risks and to guide the company to tackle the most significant risks.

The auditors inspect how the company is managed by the Board of Directors and the Managing Director, as well as the quality of the company's financial statements. The registered auditing firm of Ernst & Young AB was elected as auditor at the 2012 Annual General Meeting with a mandate period of one year. Göran Neckmar is the chief auditor. Fees for audit engagements in the Group in the last three years totaled SEK 779,000 (2012), SEK 600,000 (2011) and SEK 1,000,000 (2010) respectively.

Audit Committee

The scope and focus of the audit are presented by the company's auditor. A review is carried out based on the quarterly report from September 30 and the result of this is reported at the audit meeting with the Audit Committee.

In 2012, the Audit Committee consisted of Board members Bo Kastensson, Karin Moberg, Jonas Mårtensson and Charlotta Falvin. One meeting was held on February 14 and one meeting was held on November 7. The meetings were minuted in the same minutes as for the Board meeting held at the same time.

All members were present at the meetings, which were also attended by the auditor Göran Neckmar. The Audit Committee fulfils the guidelines regarding independence in the Swedish Companies Act.

The Committee's primary task is to support the Board in fulfilling its work in the areas of audit and internal control, accounting and financial reporting.

Work in 2012 focused on follow-up of the 2011 audit and the hard close audit carried out as of September 30, 2011. In addition, the third quarter interim report (for the period up to and including September 2011) was reviewed by the committee.

Additional disclosure in accordance with Chapter 6, Section 2a of the Annual Accounts Act

The 2012 Annual General Meeting resolved to authorize the Board to make a decision to issue a total of at most 1,930,000 shares, entailing an increase in share capital of at most SEK 1,930,000, corresponding to a dilution of approximately 10 percent of the company's share capital and total voting rights. The authorization applies until the 2013 Annual General Meeting.

Internal control

An important part of the control environment is that the organizational structure, the decision hierarchy and the authority to act are clearly defined and communicated in the company's guiding documents. Please refer to page 33 for the Board's report on internal control.

The group-controller is responsible for escalating formal issues to CFO. Considering the limited size of the finance department, the company has decided to not retain an internal auditor.

Principal topics, Board meetings 2012

February

- 2011 year-end report
- Auditors report

March

- Strategy
- Business development
- Remuneration
- Constituent meeting

May

- Strategy
- Financial forecast
- Product development
- Q1 report

June

- Market development
- Strategy

August

- Q2 report
- Business development

September

- Strategy

November

- Q3 report
- Audit review
- Internal control

December

- Budget 2013
- Strategy

Internal control

The Board's report on internal control for the financial year 2011

According to Swedish code for corporate governance, the Board must ensure that the Company has good internal control and remains informed about and evaluate the functioning of the Company's system for internal control. In addition, the Board shall produce a report showing how internal control regarding the financial statements is organized and, if there is no internal audit, evaluate the need for such a function and justify their position

Control environment

Control environment with the aim of creating and maintaining a working control environment, the Board has established a number of fundamental documents that are important for the financial reporting. These specifically include the Board's working procedure, instructions for the Managing Director and the committees. The primary responsibility for enforcing the Board's instructions regarding the control environment in the daily routines resides with the Managing Director. He reports regularly to the Board as part of established routines. Furthermore, there will be reports from the Company's auditors.

The internal control system also builds on a management system that is based on the Company's organization and methods of running the business, with clearly defined roles, areas of responsibility and delegated authorities. The controlling documents also play an important role in the control structure e.g. policies and guidelines.

Risk Assessment

The Group carries out an ongoing risk assessment for identifying material risks regarding the financial statements. With regards to the financial statements, the main risk is considered to comprise material misstatements in the accounts e.g. regarding book keeping and the valuation of assets, liabilities, income and expenses or other discrepancies. Fraud and losses through embezzlement are a further risk.

Risk management is built into each process and different methods are used for evaluating and limiting risks and for ensuring that the risks that Doro is exposed to are managed in accordance with determined policies, instructions and established follow-up routines. The purpose of this is to minimize possible risks and promote correct accounting, reporting and the release of information.

Control Activities

These are intended for managing the risks that the Board and the management consider to be significant for the business, the internal control and the financial statements.

The control structure partially consists of clear roles within the organization which facilitate effective distribution of responsibilities for specific control activities with the aim of discovering and, preventing the risk of errors in the reports in time. Such control activities can be clear decision making and decision processes for major decisions such as larger investment, divestments, agreements, analytical follow-ups etc. An important task for Doro's staff is also to implement, further develop and enforce the Group's control routines and to implement the internal control for dealing with critical business matters. Those responsible for the process at different levels are responsible for implementing the necessary controls regarding the financial statements. In the annual accounts and reporting processes there are controls pertaining to valuation, accounting principles and estimates.

The continual analysis made of the financial statements, together with the analysis made at Group level is very important for ensuring that the financial statements do not contain any material misstatements.

The Group's controller plays an important role in the internal control process, having the responsibility for the financial statements from each unit being correct, complete and on time.

Information and communication

Doro works together with the communication bureau Vero Kommunikation AB that aims to promote completeness and correctness in financial reports released to the stock market. Through regular updates and messages, the employees concerned are made aware of, and have access to, information about changes to accounting principles and reporting requirements or other released information. The organization has access to policies and guidelines.

The Board receives financial reports monthly. The external information and communication is notably governed by the Communication Policy, which describes Doro's general principles for the release of information.

Follow up

Doro's adherence to the adopted policies and guidelines is followed-up by the Board and the Group Management. The Company's financial situation is discussed at each Board meeting. The Board's Remuneration and Audit Committees play important roles with regards to for example, remuneration, financial statements and internal control.

Before publication of Interim Reports and Annual Reports, the Board reviews the financial statements.

Doro's management conducts a monthly follow-up of results with analyses of deviation from budget, forecast and previous years. All monthly accounts are discussed within the Group Management. The external auditors' tasks include an annual review of the internal control in Group subsidiaries.

The Board meets with the auditors two times each year, partly to go through the internal controls and partly, in specific cases, to give the auditors additional tasks to undertake specifically targeted internal controls.

Against this overall background, the Board does not consider it necessary to establish a special internal audit.

Lund, April 8, 2013

The Board of Doro AB

Please find additional information on www.doro.com:

- Articles of Association:
- Information from previous Annual General Meetings (notification, minutes etc.)
- Annual Report
- Presentations

The Board



Name	Bo Kastensson	Charlotta Falvin	Karin Moberg	Jonas Mårtensson	Jérôme Arnaud
Position	CEO Kastensson Holding AB		Founder and Managing Director of FriendsOfAdam	Partner in Alted AB	President and CEO, Doro AB
Qualifications	Bachelor of Arts, Lund University	Master of Science in Business administration, Lund University	Bachelor of Science in Economics, Stockholm University	Bachelor of Science in Economics, Stockholm School of Economics	Master of Science, École Centrale de Paris
Year elected	2006. Chairman since 2007	2011	2009	2007	2007
Born	1951	1966	1963	1963	1963
Nationality	Swedish	Swedish	Swedish	Swedish	French
Other assignments	Chairman: • Coromatic Group AB • Axema Access Control AB Boardmember: • Pricer AB • Skandinaviska Kraft AB • Reservekraft AS Industrial Advisor EQT	Chairman: • MultiQ International AB • Barista BFT Coffee AB • Ideon AB Boardmember: • Axis AB • Sydsvenska Industri & Handelskammaren • Fasiro AB	Chairman: • Caretech AB Boardmember: • IAR Systems Group AB • SBAB	Chairman: • Ownpower Projects Europe AB • Transticket AB Boardmember: • PAN Vision AB • Deltaco AB • IAR Systems Group AB	–
Dependence - Company - Owners	No No	No No	No No	No No	Yes No
Previous experience	Former CEO of Bewator Group, Incentive Development and various positions Axel Johnson Group	VD TAT, VD Decuma, COO Axis	Managing Director Telia e-bolaget, Marketing Director and Communications Director TeliaSonera	Senior positions within corporate finance at SEB Enskilda, Maizels, Westerberg & Co and Nordea	Matra Nortel Communications
Own and related party holdings 2012	513,000 shares (through companies)	–	20,000 shares	165,000 shares (through company)	147,004 shares 200,000 warrants
Own and related party holdings 2011	506,000 shares (through companies)	–	20,000 shares	165,000 shares (through company)	147,004 shares 200,000 warrants
Attendance Board	10/10	10/10	10/10	10/10	10/10
Attendance Audit committee Rem. committee	2/2 2/2	2/2 –	2/2 2/2	2/2 –	– –
Remuneration Board	350,000	150,000	150,000	150,000	–

Auditor: Göran Neckmar.

Authorized accountant, Ernst & Young AB, Malmö. Doro's auditor since 2011. Extensive experience of auditing listed companies as MultiQ International AB and Victoria Park. Born 1956. Holdings: 0 shares, 0 options.

The shareholding data reported above includes shares owned through companies and related parties and reflects holdings as per December 31, 2012.

Group Management



Namn	Jérôme Amaud	Gunnar Modalen	Thomas Bergdahl	Ulrik Nilsson	Caroline Noublanche	Chris Millington	Louis Jouanny
Position	President and CEO Doro AB and Managing Director of Doro SAS, France. Director Business Unit Care.	CFO	Vice President Product Development	Vice President Operations	Director Business Unit Consumer	Director Brand and Marketing Strategy and Managing Director UK/IRE	Head of Sales Business Unit Consumer
Employed since	2000	2012 (consultant)	2002	1991	2011	2005	2011 (consultant)
Qualifications	Master of Science, École Centrale de Paris	Bachelor of Business Administration, Lund University	Master of Science in Industrial Engineering and Management, Institute of Technology Linköping	Telecom technician	HEC business school, Paris	Business Studies and Finance, Leeds City College	Master of Science, ESIEA, Paris
Born	1963	1959	1964	1971	1976	1970	1958
Nationality	French	Swedish	Swedish	Swedish	French	British	French
Previous experience	Working with business development, Matra Nortel Communications	CFO at Rederi AB TransAtlantic, VP Perstorp Group	Director of manufacturing, Anoto	Supply manager	CEO and founder of Prylos	Sales Management and Business Development at Oregon Scientific, Sony UK and Kenwood Electronics UK	VP EMEA, Mobile Computing Marketing Programs, Fujitsu
Own and related party holdings 2012	147,004 shares 200,000 warrants	– –	50,000 shares 50,000 warrants	632 shares 40,000 warrants	– 30,000 warrants	20,000 shares 52,000 warrants	– –
Own and related party holdings 2011	147,004 shares 200,000 warrants	– –	50,000 shares 50,000 warrants	632 shares 40,000 warrants	– 30,000 warrants	20,000 shares 52,000 warrants	– –

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