

CLEAR RESPONSIBILITY FOR OPERATIONS CREATES CONFIDENCE

Having the confidence of the market, shareholders and the public is essential to Doro's continued success. To maintain it, the Board of Directors and management must conduct themselves in a responsible, transparent and committed manner. Accordingly, it is reassuring that in the year, the Board of Directors worked effectively and constructively with the Company's management and other employees. The role of the Board is becoming increasingly important in a global business environment where change is occurring ever more rapidly—not only in terms of the macro-economic climate and specific business conditions that Doro operates in, but also through the increased competition now present on some of our markets. We are well prepared to face changing market conditions and the Company can adapt quickly to new circumstances.

We are also in a period of significant investment in new products and services that make life easier for the world's seniors. This places great demands on the Board's ability to take well-founded decisions and to balance the risks and opportunities always associated with a commercial enterprise.

Doro's openness to the market and the fact that we continually provide information about ongoing actions and business results are just as important to Doro's credibility. This is the basis of a value-creating relationship with all our stakeholders, whereby existing and new shareholders can be sure they are receiving accurate information at the right time.

Doro AB is a Swedish public limited company listed on OMX Nasdaq Stockholm ("the Stockholm Stock Exchange"). Doro's corporate governance is based on Swedish legislation, primarily the Swedish Companies Act, but also on the Stockholm Stock Exchange's Rule Book for Issuers, the Swedish Corporate Governance Code ("the Code") and other applicable rules. The

Company is also governed by its Articles of Association, internal instructions and policies, and recommendations issued by relevant bodies. This Corporate Governance Report has been prepared by the Board of Directors of Doro AB in compliance with the Swedish Annual Accounts Act and the Code. This Report is part of the formal Annual Accounts

SHAREHOLDERS

According to the share register maintained by Euroclear Sweden AB as of 31 December 2016, Doro AB had 11,066 shareholders. Foreign shareholders represented 38.0 percent of the total number of shares. The number of shares of Doro AB as of 31 December 2016 was 23,238,255, and at the same date, Doro's market capitalization was SEK 1,232m.

Doro's largest shareholder is Accendo Capital, which holds 11.6 percent of the Company's shares.

SWEDISH CORPORATE GOVERNANCE CODE

All companies listed on the Stockholm Stock Exchange must comply with the Swedish Corporate Governance Code. Its aim is to improve the corporate governance of listed companies and to create confidence in them, from the public and participants on the capital markets. The Code is based on the principle of "comply or explain", which means that companies may depart from the rules provided they give a satisfactory explanation for their departure and review the selected alternative. The Code is available on the website www.corporategovernanceboard.se.

ANNUAL GENERAL MEETING

The Annual General Meeting is the Company's highest decision-making body. The Board of Directors and Chairman of the Board of Doro AB are elected at the Annual General Meeting. The Company's auditors are

also appointed. The Annual General Meeting approves the Income Statement and Balance Sheet, and the appropriation of profit or loss for the year. Other matters to be dealt with are laid down in the Swedish Companies Act. The Annual General Meeting is to be held within six months of the end of the financial year. Shareholders who are registered in Euroclear Sweden's register of shareholders on the record day and have notified their intention to attend are entitled to participate at the Annual General Meeting.

NOMINATION COMMITTEE

The Annual General Meeting appoints the members of the Company's Nomination Committee. The duties of the Nomination Committee are to nominate Board members and, where appropriate, auditors for election at the next Annual General Meeting, and to propose remuneration for work on the Board and its Committees to the Annual General Meeting. The Nomination Committee also proposes a Chairman for the Annual General Meeting.

The members of the Nomination Committee are Chairman Mark Shay, nominated by Accendo Capital, Bengt Belfrage, nominated by Nordea Fonder and Helen Fasth Gillstedt, nominated by Handelsbanken Fonder. Johan Andsjö, Acting Chairman of Doro AB, co-opted member of the nomination committee.

BOARD OF DIRECTORS

Doro AB's Board of Directors consisted of seven members elected by the AGM on 3 May 2016. In October 2016, Chairman of the Board Magnus Mandersson resigned. Johan Andsjö took over as Acting Chairman. In February 2017, Jerome Arnaud resigned as Board member, and since then, the Board of Directors consists of five members. There is a more detailed presentation of each member on page 28. The Company's

CFO Magnus Eriksson is co-opted to the Board of Directors as Secretary. Other senior executives participate at Board meetings to make presentations.

BOARD MEETINGS

The Board of Directors met on 13 occasions in 2016, five meetings were held in Stockholm, three meetings were held at the Company's premises in Lund, and one meeting was held at the Company's premises in Paris. Four meetings were also held as conference calls. All Board members attended all meetings apart from the CEO on 7 December. The Company's CFO and Board Secretary attended ten of the meetings.

The Board deals with matters arising such as market conditions, budgets, results for the period and cost efficiency. All Board meetings follow an agenda, which is approved in advance. This is sent out to each Board member a week in advance of each meeting, along with relevant documentation and a list of matters outstanding from the previous meeting. The meetings of the Remuneration Committee are reported back to the Board and minutes of these meetings are distributed to the Board.

Each month, the previous month's results are also sent out with comments.

THE BOARD'S RULES OF PROCEDURE

The Board of Directors' rules of procedure stipulate the working methods for Doro AB's Board of Directors. The rules of procedure are based on the Articles of Association, the Swedish Companies Act and the Code. The Board bears overall responsibility for the Doro Group.

The Board of Directors' responsibilities also encompass Doro's relationships with its shareholders, the general public, public authorities and other organizations and interest groups. The Board of Directors is responsible for executing resolutions made by the AGM

and for achieving the business targets stated in the Articles of Association. The Board of Directors' authorizations are stated in the Articles of Association and the Swedish Companies Act.

APPRAISAL OF THE WORK OF THE BOARD OF DIRECTORS

An appraisal of the overall work of the Board of Directors should be conducted each year through a collective internal review of the Board's work. The outcome of this appraisal should be reported to the Nomination Committee. The change of Chairman of the Board and Chief Executive Officer in the past year means that this appraisal has been deferred until after the AGM.

DIVISION OF RESPONSIBILITIES BETWEEN THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Company's Board of Directors appoints its Chief Executive Officer. The division of responsibility between the Board of Directors and the Chief Executive officer is stated in the Board of Directors' rules of procedure and instructions for the Chief Executive Officer. These state that the Board of Directors is responsible for the Company's governance, monitoring, organization, strategies, internal controls and policies. The Board of Directors also decides on major investments, matters of principle regarding governance of subsidiaries and electing Board members and Chief Executive Officers of subsidiaries.

The Board of Directors assures the quality of financial reporting. In turn, the Chief Executive Officer is responsible for the Company being managed in accordance with the Board of Directors' guidelines and instructions. Additionally, the Chief Executive Officer is responsible for budgeting and planning the Company's operations to achieve specific targets. The Chief Executive Officer should make arrangements for a good control environment and that the Group's risk-taking always complies with the Board of Directors' instructions. Any non-compliance must be reported to the Board of Directors. The Board of Directors also receives regular updates from the Chief Executive Officer through monthly reports.

REMUNERATION COMMITTEE

The whole Board is responsible for remuneration matters and other terms of employment for Group

management and five other key employees. The Chairman of the Board approves the employment terms of managers who report to the CEO. In total, this applies to the terms of employment for 12 people. Directors' fees are decided annually by the Annual General Meeting.

The Company's Nomination Committee consults on proposals for fees.

The Board then sets the remuneration for the CEO. The Board has appointed Jonas Mårtensson and Henri Österlund to the Remuneration Committee from among its members. The Committee held its first meeting on 3 May 2016 to decide on remuneration principles for 2016 and establishing a bonus program for 2016. A new share warrant program was not initiated in 2016. Both members attended the meeting. A second meeting was held on 15 December 2016 with the aim of discussing the current bonus program and remuneration for the new CEO for 2017. Both members also attended this meeting. The minutes from these meetings were presented at the following Board meeting.

REMUNERATION

Total Directors' fees amounted to SEK 1,450,000, in accordance with an Annual General Meeting resolution. Of this amount, the fees to the Chairman of the Board were SEK 450,000, with each other Board member receiving SEK 200,000. The Company's CEO received no Director's fee.

The Company's Chief Executive Officer received a salary of SEK 4,346,000 for his work in 2016. The Company also expensed severance pay for the Chief Executive Officer of SEK 9,022,000 and variable remuneration of SEK 477,000. Salaries to the Group management's other six members amounted to SEK 8,508,000 including severance pay of SEK 2,257,000. No variable compensation was paid for 2016. All employed members of Group management including the CEO receive employment benefits in the form of a company car. The Annual General Meeting held on 3 May 2016 adopted guidelines for remuneration of senior executives for the financial year 2016.

According to his current employment contract, the CEO and the Company have a reciprocal notice period of 12 months. The CEO is entitled to full salary and other employment benefits during the notice period. Other senior executives have notice periods of three to nine months.

GOVERNANCE OF SUBSIDIARIES

The 16 subsidiaries are managed and monitored by the Board of Directors in each country, mainly consisting of representatives of Doro AB in Sweden. Doro AB's Chief Executive Officer and President is Chairman of every subsidiary apart from Doro SAS in France, where Johan Andjso is Chairman. The subsidiaries report to Doro AB's Board of Directors at each meeting. Their reports contain information on each company's progress and financial position.

STEERING COMMITTEE/FINANCE COMMITTEE

The Finance Committee became an integrated part of the Board of Directors in the year, with the Company's financial position and other issues within the remit of the Finance Committee discussed regularly during Board meetings. The Committee's primary duty is to consult on quarterly financial statements, and provide decision support for acquisitions and the Group's financing.

CONTROL AND AUDITING

The Board of Directors bears ultimate responsibility for ensuring that the Company has a satisfactory structure for internal control and the preparation of reliable financial reports. It is the responsibility of the Board and Group management to monitor and identify commercial risks and govern the Company in such a way that it is able to manage its main risks.

The auditors monitor and review how the Company is being managed by its Board of Directors and CEO, and the quality of the Company's financial reporting.

The AGM 2016 appointed audit firm Ernst & Young AB as Doro's auditors for a period of one year, with Stefan Engdahl as Auditor in Charge. In the past three years, the Doro Group's audit fees have amounted to SEK 2.0m (2016), SEK 2.1m (2015), and SEK 1.2m (2014).

AUDIT COMMITTEE

The responsibilities of the Audit Committee are an integrated part of Board meetings and minutes of these meetings. The auditor is scheduled to participate at meetings twice a year.

The focus and scope of the audit is presented by the Company's auditor. An audit is conducted based on the quarterly accounts as of 30 September, with its

outcome presented at a meeting with the Audit Committee.

All members attended all meetings, along with the auditor, Stefan Engdahl. The Audit Committee satisfies the requirement of independence stated in the Swedish Corporate Governance Code.

The main duty of the Committee is to support the Board of Directors in its work on auditing and internal control, accounting and financial reporting. The main focus of work in 2016 was on following up on the year-2015 audit, and a more detailed review of the January-September 2016 period, known as the hard close.

INTERNAL CONTROL

The clear definition and communication of organisational resources, decision-making structures, responsibilities and authority levels in the Company's policy documents is an important component of the control environment. More information on the Company's internal controls is in the Directors' Report on page 27.

The Group Controller is responsible for raising specific issues with the CFO. In view of the limited size of the Finance department, Doro does not consider that any need exists for a separate internal audit function.

APPOINTMENT AND DISMISSAL OF BOARD MEMBERS AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The company's Board of Directors shall have a minimum of three and a maximum of seven members. Members are elected at the Annual General Meeting (AGM) for the period until the end of the first Annual General Meeting held after the Board member was appointed. The Articles of Association can be amended at Annual General Meetings or shareholders' meetings.

AUTHORIZATION REGARDING NEW ISSUES OF SHARES AND ACQUISITIONS OF TREASURY SHARES

The AGM on 3 May 2016 resolved to authorize the Board of Directors to decide on new issues of shares of a total maximum not exceeding 10 percent of the total number of outstanding shares. The AGM also decided to authorize the Board of Directors to take decisions on the purchase of treasury shares, of a maximum number of shares that treasury holdings do not exceed 10 percent of all the shares of the company at any time.

INTERNAL CONTROL

THE BOARD'S REPORT ON INTERNAL CONTROL FOR THE 2016 FINANCIAL YEAR

According to Swedish Corporate Governance Code, the Board shall ensure that the Company has sound internal control and shall constantly be kept informed concerning, and evaluate the functioning of, the Company's system for internal control. In addition, the Board shall submit a report showing how internal control over financial reporting is organised and, if there is no internal audit function, evaluate the need for such a function and justify its position.

CONTROL ENVIRONMENT

With a view to creating and maintaining a functioning control environment, the Board has established a number of fundamental documents of significance for financial reporting, including in particular the Board's rules of procedure and instructions for the CEO and the committees. The CEO has the primary responsibility for maintaining the control environment established by the Board in the day-to-day work of the Company. He reports regularly to the Board as part of established procedures. In addition, reports are received from the Company's auditors.

The internal control system also rests on a management system based on the Company's organisation and method of conducting operations, with clearly defined roles, areas of responsibility and delegation of powers. Steering documents such as policies and guidelines also play an important role in the control structure.

RISK ASSESSMENT

The Group conducts ongoing risk assessment to identify material risks in respect of the financial statements.

The main risk relating to the financial statements is considered to be that of material misstatement, e.g. in bookkeeping and the measurement of assets, liabilities, income and expenses, or other discrepancies.

Fraud and losses through embezzlement are a further risk. Risk management is an integral part of each process and various methods are used to evaluate and limit risks, and to ensure that the risks to which Doro is exposed are managed according to established rules, instructions and follow-up procedures. The purpose of this is to minimise any risks and promote accurate accounting, reporting and disclosure.

CONTROL ACTIVITIES

Control activities are in place to manage the risks that the Board and Company management consider to be material to the business, internal control and financial reporting.

The control structure sets out clear roles within the organisation that enable the efficient distribution of responsibility for specific control activities aimed at the timely detection and prevention of the risk of reporting errors. Such control activities include a clear decision-making hierarchy and procedures for major decisions such as acquisitions, other types of major investments, divestments, agreements and analyses.

An important duty of Doro's staff units is to implement, develop further and maintain the Group's control procedures and conduct internal control geared to business-critical matters. Those responsible for processes at different levels are responsible for implementing the necessary controls in respect of financial reporting. The period close and reporting processes include controls relating to measurement, accounting principles and estimates.

Continual analysis of financial reporting is carried out and this, along with the analysis performed at Group level, is of great importance in ensuring that the financial statements are free from material misstatement.

The Group controller plays an important role in the internal control process, bearing responsibility for the financial reporting from each unit being accurate, complete and timely.

INFORMATION AND COMMUNICATION

Doro works with the communications consultancy Hallvarsson & Halvarsson AB, which aims to promote completeness and accuracy in financial statements released to the stock market. Regular updates and bulletins inform the employees concerned of changes to accounting principles and reporting requirements and also provide them with other information. The organisation has access to policies and guidelines.

The Board receives monthly financial reports. External information and communication is governed by the Company's Communications Policy, among other things, which describes Doro's general disclosure principles.

FOLLOW-UP

Doro's compliance with adopted policies and guidelines is monitored by the Board and management team. The Company's financial position is discussed at each Board meeting. The Board's Remuneration Committee and Steering Group Finance play an important role in matters such as remuneration, financial reporting and internal control.

Before publication of interim reports and the Annual Report the Board and management review the financial statements.

Doro's management conducts monthly follow-up of earnings, analysing deviations from budget, forecasts and the previous year. The duties of the external auditor include performing an annual review of the internal controls implemented by Group subsidiaries.

The Board meets with the auditors twice a year to discuss internal control and, in specific cases, to instruct the auditors to perform separate reviews focusing on specific areas.

In light of this, the Board has not found it necessary to establish a separate internal audit function.

Lund, 3 April 2017
The Board of Doro AB

BOARD OF DIRECTORS



JOHAN ANDSJÖ

Primary occupation: Acting Chairman of the Board

Education: B.Sc., Royal Institute of Technology, Stockholm

Year of election: 2016

Year of birth: 1972

Nationality: Swedish

Other assignments: Board member: Crystal Almond holding (Wind Hellas), Adamo Telecom Iberia SA, Advisory Board T-mobile NL

Dependence:
Company: No
Owners: No

Previous assignments: CEO of Salt (former Orange Switzerland), Consejero Delegado

Own and related parties shareholdings, 2016: 54,000 shares

Own and related parties shareholdings, 2015: –

Board attendance: 12/13

Attendance:
– Remuneration Committee: 1/2



KARIN MOBERG

Primary occupation: Founder and CEO of Friends of Adam

Education: MBA, Stockholm University

Year of election: 2009

Year of birth: 1963

Nationality: Swedish

Other assignments: Chairman of the Board: Friends of Adam AB, Board member: Doro Care AB, SBAB

Dependence:
Company: No
Owners: No

Previous assignments: 14 years experience from leading positions at Telia Company
Board member: AP 7, IAR Systems Group AB, Caretech AB

Own and related parties shareholdings, 2016: 5,000 shares

Own and related parties shareholdings, 2015: 5,000 shares

Board attendance: 13/13



JONAS MÅRTENSSON

Primary occupation: Partner and Board member in Alted AB

Education: MBA, Stockholm School of Economics

Year of election: 2007

Year of birth: 1963

Nationality: Swedish

Other assignments: Chairman of the Board: Alcadon Group AB, Ownpower Projects Europe AB, Board member: DistIT AB, IAR Systems Group AB, JNM Invest AB

Dependence:
Company: No
Owners: No

Previous assignments: 17 years in corporate finance at SEB Enskilda, Maizels Westberg & Co and Nordea

Own and related parties shareholdings, 2016: 100,000 shares (through companies)

Own and related parties shareholdings, 2015: 100,000 shares

Board attendance: 13/13

Attendance:
– Remuneration Committee: 2/2



LENA HOFBSBERGER

Primary occupation: Professional Board member

Education: Master of Business Administration, Bachelor of Arts, Both degrees Gothenburg University

Year of election: 2015

Year of birth: 1954

Nationality: Swedish

Other assignments: Chairman of the Board: Ambea, Pharma-Relations AB, Leos Lekland, RestaurangAssistans AB, Board member: Max Hamburgerrestauranger, AB Anders Löfberg, SABIS AB

Dependence:
Company: No
Owners: No

Previous assignments: CEO of Aleris, CEO of SSP Group Ltd, and a number of positions at Compass Group Plc and SAS Service Partner

Own and related parties shareholdings, 2016: –

Own and related parties shareholdings, 2015: –

Board attendance: 13/13



HENRI ÖSTERLUND

Primary occupation: Managing Partner, Accendo Capital

Education: M.Sc. (econ.), Helsinki School of Economics

Year of election: 2015

Year of birth: 1971

Nationality: Finnish

Other assignments: Founder and partner Accendo Capital

Dependence:
Company: No
Owners: Yes

Previous assignments: Board member: Okmetic Oyj, Talentum Oyj, Comptel Oyj, Partner: Conventum Corporate Finance, Triton, Associate: Doughty Hanson i Stockholm

Own and related parties shareholdings, 2016: 6,830 shares

Own and related parties shareholdings, 2015: 50 shares

Board attendance: 13/13

Attendance:
– Remuneration Committee: 2/2

MANAGEMENT



ROBERT PUSKARIC

Position: CEO
Employed since: 2017
Education: MBA
Year of birth: 1969
Nationality: Swedish
Previous experience: Ericsson AB
Own and related parties shareholdings, 2016: –
Own and related parties shareholdings, 2015: –



THOMAS BERGDAHL

Position: Vice President Product Development
Employed since: 2002
Education: MSc, Industrial Engineering and Management, Institute of Technology Linköping
Year of birth: 1964
Nationality: Swedish
Previous experience: Director of Manufacturing, Anoto
Own and related parties shareholdings, 2016: 15,000 shares, 65,000 warrants
Own and related parties shareholdings, 2015: 20,000 shares, 65,000 warrants



ULRIK NILSSON

Position: Vice President Operations
Employed since: 1991
Education: Technician, telecoms
Year of birth: 1971
Nationality: Swedish
Previous experience: Supply manager
Own and related parties shareholdings, 2016: 397 shares, 65,000 warrants
Own and related parties shareholdings, 2015: 3,897 shares, 65,000 warrants



HENRIC UNGH

Position: Vice President Sales & Marketing
Employed since: 2016
Education: MBA, University of Lund
Year of birth: 1968
Nationality: Swedish
Previous experience: Sales Director at DS Smith, VP Global Customer Unit Vodafone at Sony, Sales Director Carphone Warehouse at Sony Ericsson
Own and related parties shareholdings, 2016: 42,000 warrants
Own and related parties shareholdings, 2015: –



MAGNUS ERIKSSON

Position: Chief Financial Officer
Employed since: 2015
Education: Master of Science in Business Administration, Lunds University
Year of birth: 1969
Nationality: Swedish
Previous experience: CFO at Lekolar, CEO BRIO Holding AB, Head of Corporate Business Control at Sony Ericsson
Own and related parties shareholdings, 2016: 65,000 warrants
Own and related parties shareholdings, 2015: –



CARL-JOHAN ZETTERBERG BOUDRIE

Position: Vice President Doro Care
Employed since: 2016
Education: MSc Eng., Royal Institute of Technology and MSc Program, Stockholm School of Economics, Stockholm University
Year of birth: 1978
Nationality: Swedish
Previous experience: CFO at Lekolar, Vice President Business Development Beijer Electronics
Own and related parties shareholdings, 2016: –
Own and related parties shareholdings, 2015: –



SUSANNE VON WÖVERN

Position: Human Resources Director
Employed since: 2015
Education: Master of Science in Business Administration, Gothenburg University
Year of birth: 1971
Nationality: Danish
Previous experience: HR manager Itella, HR manager DT Group
Own and related parties shareholdings, 2016: –
Own and related parties shareholdings, 2015: –