

dormakaba Holding AG

Annual General Meeting

- Agenda and motions
- Organizational
- Explanation concerning the approval of the compensation of the Board of Directors and Executive Committee

22 October
2019

Admission 2.15 pm

Beginning 3.00 pm

Mövenpick Hotel Zürich Regensdorf

dormakaba 

Agenda and motions

1. Reporting on the Financial Year 2018/19

1.1 Approval of the Financial Statements (including Group and Holding financial statements) and the Corporate Governance Report for the Financial Year 2018/19, as well as acknowledgement of the reports of the statutory auditors.

The Board of Directors (BoD) proposes that the Financial Statements (including Group and Holding financial statements) and the Corporate Governance Report for the financial year 2018/19 be approved.

1.2 Advisory Vote on the Compensation Report 2018/19

The BoD proposes that the Compensation Report 2018/19 be ratified in a non-binding advisory vote.

2. Appropriation of Retained Earnings of dormakaba Holding AG

The BoD proposes that the retained earnings at the Annual General Meeting's (AGM) disposal, i.e.

	CHF million
Retained earnings carried forward from previous year	372.0
Allocation to reserves for treasury shares	-30.1
Net profit for the period	62.1
Unappropriated retained earnings at the end of the period	404.0
Allocation from reserves from capital contributions	67.2
Total at the AGM's disposal	471.2

be appropriated as follows:

	CHF million
Distribution from reserves from capital contributions*	67.2
To be carried forward	404.0
Total at the AGM's disposal	471.2

* Calculated based on the number of shares as at 30 June 2019. The total amount of the distribution depends on the number of shares entitled to dividend as at 23 October 2019. Treasury shares are not entitled to dividend payout.

The BoD proposes to the AGM, instead of a dividend distribution out of retained earnings, a distribution out of reserve from capital contribution of CHF 16.00 per share. As last year the distribution may be effected out of reserve from capital contribution, free of the Swiss withholding tax of 35%. Shares of dormakaba Holding AG purchased until 23 October 2019 will entitle to distribution. Beginning on 24 October 2019, the shares will be traded ex-dividend. Subject to the approval of the proposal by the AGM, the distribution will be settled as from 28 October 2019.

3. Discharge of the Board of Directors and of the Executive Committee

The BoD proposes that discharge be granted to the members of the BoD and of the Executive Committee (EC) for their acts in the financial year just ended.

4. Elections to the BoD

The BoD proposes the re-election of the following members of the BoD for a further term of one year each (by way of separate election):

4.1 Re-election of Riet Cadonau

as member and Chair of the BoD in the same vote

4.2 Re-election of Hans Hess as a member

4.3 Re-election of Jens Birgersson as a member

4.4 Re-election of Stephanie Brecht-Bergen as a member

4.5 Re-election of Daniel Daeniker as a member

4.6 Re-election of Rolf Dörig as a member

4.7 Re-election of Karina Dubs-Kuenzle as a member

4.8 Re-election of Hans Gummert as a member

4.9 Re-election of John Heppner as a member

4.10 Re-election of Christine Mankel as a member

5. Elections to the Compensation Committee

The BoD proposes the re-election of the following members of the Compensation Committee for a further term of one year each (by way of separate election):

5.1 Re-election of Rolf Dörig as a member

5.2 Re-election of Hans Gummert as a member

5.3 Re-election of Hans Hess as a member

The BoD intends to appoint Rolf Dörig (in case of his re-election) as Chair of the Compensation Committee.

6. Appointment of PricewaterhouseCoopers AG as Statutory Auditors

The BoD proposes the re-election of PricewaterhouseCoopers AG, Zurich, as statutory auditors for a further term of one year.

7. Appointment of Law Office Keller Partnership as Independent Proxy

The BoD proposes the election of the Law Office Keller Partnership (company of Andreas Keller, independent proxy of the recent years), Zurich, as independent proxy for a term of one year.

8. Approval of the Compensation of the BoD and the EC

8.1 Approval of the Compensation of the BoD

The BoD requests the approval of a maximum total compensation amount for the BoD of CHF 2,390,000 for the period from the 2019 AGM until the 2020 AGM.

8.2 Approval of the Compensation of the EC

The BoD requests the approval of a maximum aggregate amount of CHF 5,600,000 for the fixed basic compensation of the EC and of CHF 12,400,000 for the variable compensation of the EC, which makes a maximum total compensation amount of CHF 18,000,000 for the financial year 2020/21.

9. Renewal of Authorized Share Capital

(Change of § 3c of the Articles of Incorporation)

At the AGM held on 17 October 2017, the shareholders created an authorized capital and entitled the BoD of dormakaba Holding AG to increase the share capital up to a maximum amount of CHF 42,000, consisting of 420,000 registered shares with a nominal value of CHF 0.10 each. This entitlement expires on 17 October 2019. The BoD now requests to renew the authorized capital and to empower the BoD, while adhering to the current conditions contained in the Articles of Incorporation, to increase the share capital until 22 October 2021 by a maximum of 420,000 new shares and to amend § 3c of the Articles of Incorporation as follows:

Current wording of the Articles of Incorporation	Proposed wording of the Articles of Incorporation (changes in bold)
§ 3c – Authorized Share Capital	§ 3c – Authorized Share Capital
1. The Board of Directors shall be entitled to increase the share capital until October 17, 2019 up to a maximum amount of CHF 42,000 by issuing 420,000 registered shares at most with a par value of CHF 0.10 each that shall be fully paid in. Increases in partial amounts shall also be authorized.	1. The Board of Directors shall be entitled to increase the share capital until October 22, 2021 up to a maximum amount of CHF 42,000 by issuing 420,000 registered shares at most with a par value of CHF 0.10 each that shall be fully paid in. Increases in partial amounts shall also be authorized.
[2. – 4. unchanged]	[2. – 4. unchanged]

Organizational

Documentation

The Annual Report for 2018/19, which contains

- Financial Statements 2018/19 (including Group and Holding financial statements)
- Corporate Governance Report 2018/19
- Compensation Report 2018/19

as well as the original reports of the statutory auditors are available for review by shareholders at the company's headquarters at Hofwissenstrasse 24, 8153 Rümlang, Switzerland. The information is also published online at www.report.dormakaba.com/2018_19.

Admission Tickets

Shareholders, entered in the share register with voting rights until 14 October 2019, will receive the invitation to the AGM, including the proposals of the BoD, by mail. Upon return of the reply form, the shareholders will receive the admission ticket and voting slips. **No entries will be made in the share register from 15 to 22 October 2019.** Owners of registered shares who sell their shares prior to the AGM will no longer be eligible to vote. Shareholders who sell or buy portions of their shares are kindly requested to have their admission ticket replaced at the information desk on the day of the AGM.

Due to limited seating capacity, access to the AGM is reserved for shareholders. In exceptional cases, however, we may issue guest tickets. They must be requested in advance. At the AGM day itself no guest cards will be issued.

Representation/Proxy

Shareholders who cannot personally attend the AGM may be represented as follows:

- by another **shareholder** who is entered in the share register: The enclosed reply form constitutes a power of attorney (the admission ticket will be sent directly to your representative),

or

- by the **independent proxy**, Andreas Keller, attorney-at-law, Gehrenholzpark 2g, 8055 Zürich, Switzerland. The enclosed reply form constitutes a power of attorney (there is no need to order an admission ticket). To the extent that no specific instructions are provided in the instruction form on the reverse side of the reply form, the signed form grants general authorization to the independent proxy to vote in favor of the proposals submitted by the BoD.

Electronic Proxies and Instructions to the Independent Proxy

Shareholders may register themselves online to be able to order their admission ticket, grant power of attorney and issue voting instructions to the independent proxy electronically until the close of the online voting period on 18 October 2019 at 3 PM. Information on how to access the online voting platform is included on the reply form. Contact information for technical support is available on the homepage of the platform. Shareholders who granted power of attorney and voting instructions electronically are not permitted to cast their votes at the AGM in person. Participation as a guest is permitted.

Proxy Limitations

We wish to draw our shareholders' attention to § 10 of the Articles of Incorporation according to which a shareholder may only be represented by another shareholder or by the independent proxy.

The AGM will be held in German with simultaneous translation into English.

Timing

- 2.15 pm Admission
- 3.00 pm Beginning of the AGM
- 6.30 pm End of the event

How to get there

In line with our sustainability efforts, we ask our shareholders to please use public transport. With your admission ticket, you will receive a special day ticket from the ZVV.

Please also use the public transport for the transfer from Regensdorf train station to the hotel. As the buses run frequently, we will not organize the separate hotel bus anymore.

Rümlang, 18 September 2019

Explanation concerning the approval of the compensation of the Board of Directors and the Executive Committee

Agenda item 8

Preface

In line with the Ordinance Against Excessive Compensation in Listed Stock Companies (VegüV), the Board of Directors (BoD) will submit the maximum total compensation amounts of the BoD and the Executive Committee (EC) to shareholders' vote at this year's Annual General Meeting (AGM).

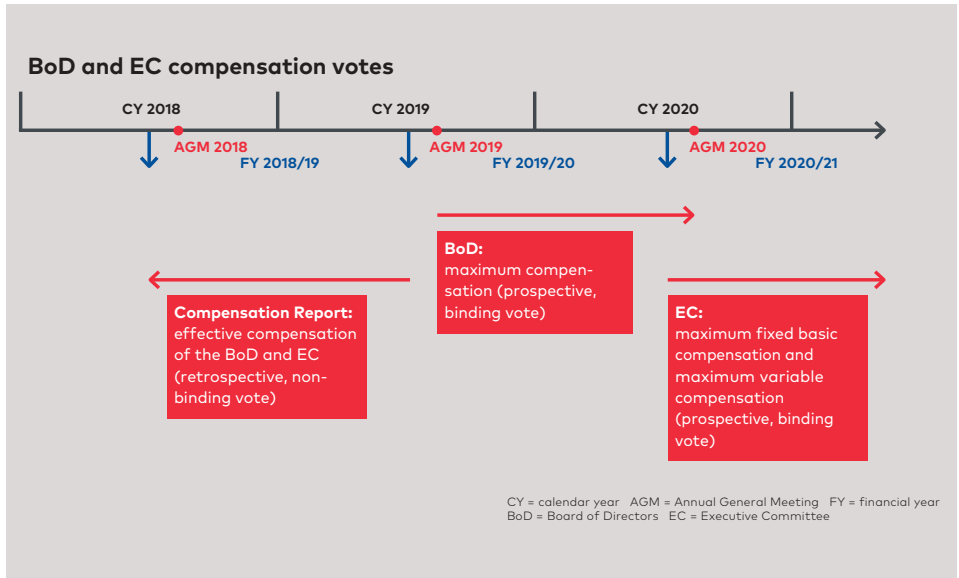
The approval of the maximum total compensation amount of the BoD applies to the compensation period from the 2019 AGM until the 2020 AGM (agenda item 8.1).

The approval of the maximum total compensation amount of the EC applies to financial year 2020/21 and includes fixed and variable compensation elements (agenda item 8.2).

This document provides shareholders of dormakaba Holding AG with background information on the requested maximum amounts of compensation of the BoD and the EC.

Further information about the compensation system and about the compensation awarded for the financial year 2018/19 can be found in the Compensation Report 2018/19. Shareholders will have the opportunity to express their opinion on the Compensation Report in a non-binding retrospective vote.

The graphic below illustrates the structure of the shareholders' votes on compensation at the 2019 AGM.



Agenda item 8.1 – Approval of the compensation of the BoD

Request of the BoD

The BoD requests the approval of a maximum total compensation amount for the BoD of CHF 2,390,000 for the period from the 2019 AGM until the 2020 AGM.

The proposal assumes that all proposed Board members (ten members) will be elected by the AGM (previous compensation period from 2018 AGM until 2019 AGM: ten members).

Explanation of the fundamentals of compensation for the BoD

To reinforce their independence, BoD members receive only fixed compensation. They receive no variable or performance-based compensation, no stock options and no additional fees for attending Board or committee meetings. Board members do not receive any company pension benefits. The amount of compensation is determined annually by the BoD based on the recommendation of the Compensation Committee according to the function, time, and effort spent by the individual members to fulfill their tasks on the BoD and its committees.

According to the current compensation directive, each BoD member receives an annual cash compensation for the work on the BoD and on the Board's committees. Additional fees are paid for performing additional special tasks assigned by the BoD. A portion of the cash compensation can be allocated individually in form of restricted shares of dormakaba Holding AG if the respective BoD member so decides. In addition, the BoD members receive an allocation of restricted shares based on a fixed monetary amount. The fixed monetary amount is converted into a number of shares on the basis of the average closing share price during the five last trading days of the month preceding the payment of the compensation. All allocated shares are subject to a three-year blocking period.

The amount of compensation of each function of the BoD is determined annually considering the market compensation trends and comparisons with other Swiss listed industrial companies. The last benchmarking analysis was conducted in financial year 2017/18 based on the following peer companies: Autoneum, Bucher Industries, EMS Chemie, Geberit, Georg Fischer, Landis + Gyr, Logitech, Lonza, OC Oerlikon, Sonova, and Sulzer. The results of the analysis showed that the overall compensation of the BoD was slightly below market benchmark. In view of the evolving requirements on the BoD members' role and considering that the compensation levels of the BoD remained unchanged since 2014 despite being below benchmark, they will be increased effective for the term of office from the 2019 AGM until the 2020 AGM.

The Chair of the Board does not receive any compensation for his function on the BoD as long as he acts in a dual role as Chair of the Board and CEO.

The resulting compensation model of the BoD is summarized in the table below.

Basic compensation			Additional compensation		
in CHF	BoD Chair	BoD member	in CHF	Committee Chair	Committee member
in cash	*	100,000 Previously 90,000	+	Audit Committee	60,000 20,000 Previously 15,000
in restricted shares	*	90,000 Previously 80,000		Compensation Committee	45,000 10,000
				Nomination Committee	45,000 10,000
				Lead Independent Director	30,000

* The BoD Chair does not receive any compensation for his function as long as he acts in a dual role as BoD Chair and CEO

The requested maximum total compensation of CHF 2,390,000 includes CHF 1,405,000 for cash compensation (incl. compensation for special tasks), CHF 810,000 for compensation in restricted shares, CHF 105,000 for estimated social security contributions and a reserve of 3% of the total amount to compensate for any unforeseeable circumstances. The requested amount of CHF 2,390,000 is higher than the maximum total compensation amount approved by the shareholders for the previous compensation period from the 2018 AGM until the 2019 AGM by CHF 200,000. This is due to the proposed increase in the basic board compensation and the additional fee for the membership in the Audit Committee.

The calculation of the total compensation for BoD members considers the compensation of the company and that of any of its Group companies. The approved compensation can therefore be paid by the company or any of its Group companies.

Agenda item 8.2 – Approval of the compensation of the EC

Request of the BoD

The BoD requests the approval of a maximum aggregate amount of CHF 5,600,000 for the fixed basic compensation of the EC and of CHF 12,400,000 for the variable compensation of the EC, which makes a maximum total compensation amount of CHF 18,000,000 for financial year 2020/21.

The proposal of the BoD has been calculated based on the current EC composition.

Explanation of the fundamentals of compensation for the EC

The following guiding principles apply in determining the compensation of the individual members of the EC:

- Annual base salary is set by reference to the market median in the relevant national or regional market (benchmarks based on data of Korn Ferry Hay Group as an independent external consultant).
- Variable compensation (short- and long-term) amounts to at least 50% of the total direct compensation.
- The portion of compensation delivered in shares (long-term variable compensation) shall be increased in coming years to up to 30% of total direct compensation.
- The total direct compensation shall stay within the range defined by dormakaba of -20% to +35% of the market median.

The compensation amounts proposed and submitted to vote have been calculated based on the following assumptions:

- The annual base salary of the individual EC members is not expected to change substantially compared to preceding year.
- The short-term variable compensation amounts to a maximum of 150% of the annual base salary. It is further assumed that the basis for short-term incentives (comparison of effective annual financial results to those of the preceding year) will remain unchanged. The maximum possible amount has been requested for approval.
- The maximum grant value under the long-term incentive plan, which includes restricted shares and performance share units (a conditional right to a certain number of shares after the vesting period) is allocated. The vesting of the performance share units will depend on the consolidated earnings per share growth and on the relative total shareholder return compared to companies of the Swiss Market Index Mid (SMIM) over the three-year performance period.
- Assuming a linear development of the employer contributions to social insurance and pension plan in relation to the fixed and variable compensation elements.
- Inclusion of a reserve of 10% in each of the compensation elements to cover any unforeseeable circumstances such as currency fluctuations and share price development (which impacts the value of vested share awards and the value of employer contributions to social insurance).

The table below illustrates the development of the compensation of the EC:

Financial year/CHF	2018/19 maximum approved	2018/19 effective	2019/20 maximum approved	2020/21 maximum requested
Fixed basic compensation	6,100,000	4,591,024	5,500,000	5,600,000
Variable compensation	13,400,000	8,324,259	12,500,000	12,400,000
Total	19,500,000	12,915,283	18,000,000	18,000,000
Total requested compensation (including 10% reserve)				18,000,000

On this basis, the following is proposed for the EC:

- Maximum aggregate fixed compensation including social insurance and pension contributions as well as other benefits of CHF 5,600,000.
- Maximum aggregate variable compensation including social insurance and pension plan contributions of CHF 12,400,000. This includes CHF 6,500,000 for the maximum payout under the short-term incentive, CHF 4,100,000 for the maximum grant value under the long-term incentive and CHF 1,800,000 for social insurance and pension contributions. The long-term incentive grant will consist of performance share units and restricted shares.
- Total requested aggregate compensation amount of CHF 18,000,000 corresponds to the maximum compensation amount already approved for financial year 2019/20.

The calculation of the total compensation amount for EC members considers any compensation of the company and that of any of its Group companies. The approved compensation can therefore be paid by the company or any of its Group companies.

dormakaba Holding AG – the Board of Directors

Editor dormakaba Holding AG

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