

Corporate Governance

General framework

This Corporate Governance Report explains the principles of management and control at the highest level of the Kaba Group in accordance with the Directive on Information Relating to Corporate Governance (Corporate Governance Directive, RLCG) issued by the SIX Swiss Exchange AG. The information contained in this report for financial 2014/2015 is valid as at 30 June 2015, unless stated otherwise.

Corporate governance at the Kaba Group complies largely with the principles and recommendations of the Swiss Code of Best Practice for Corporate Governance dated July 2002 and the updated version from 2007 and 2014. The Kaba Group has made some adjustments and simplifications to suit its management and shareholder structure and its medium size. The principles and rules on corporate governance at the Kaba Group are laid down in the Articles of Incorporation¹⁾, the Organizational Regulations and the regulations of the Board of Directors' committees.

1) The Articles of Incorporation are published on www.dormakaba.com/corporate-governance

On 29 April 2015, Kaba Holding AG and certain companies owned by the Mankel/Brecht-Bergen family (hereinafter also referred to separately or together for simplicity's sake as the Mankel/Brecht-Bergen family) signed a transaction agreement in respect of the merger of Kaba Group with Dorma Group. The Extraordinary General Meeting of Kaba Holding AG approved the merger on 22 May 2015 by a large majority, and the merger was completed on 1 September 2015.

With the completion of the merger, Kaba Holding AG was renamed dorma + kaba Holding AG. However, to avoid confusion in this report, we use the term Kaba Holding AG throughout. Furthermore, some features of the combined Group's corporate governance are being adjusted. Significant changes in corporate governance, which were approved by the Extraordinary General Meeting, but which are only being implemented on completion, i.e. after the balance sheet date, are disclosed at the end of the relevant chapters under "Significant changes since the balance sheet date".

Group structure and shareholders

Group structure

Kaba Group's operational structure consists of the following four divisions: Access + Data Systems (ADS) EMEA, Access + Data Systems (ADS) AP, Access + Data Systems (ADS) Americas and Key Systems. In the 2014/2015 financial year, the existing Access + Data Systems (ADS) EMEA/AP division has been split into two separate divisions: the ADS EMEA (Europe, Middle East and Africa) division and the ADS AP (Asia Pacific) division.

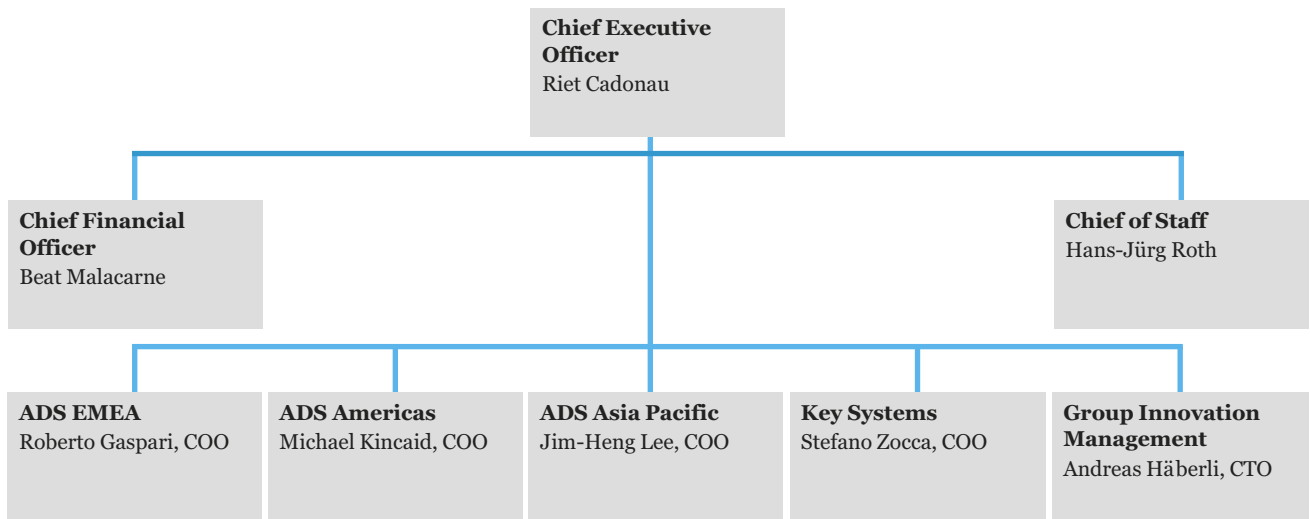
The names of the companies that go to make up the consolidated Group can be found in the Financial Statements on pages 40 et seq.

Significant changes since the balance sheet date

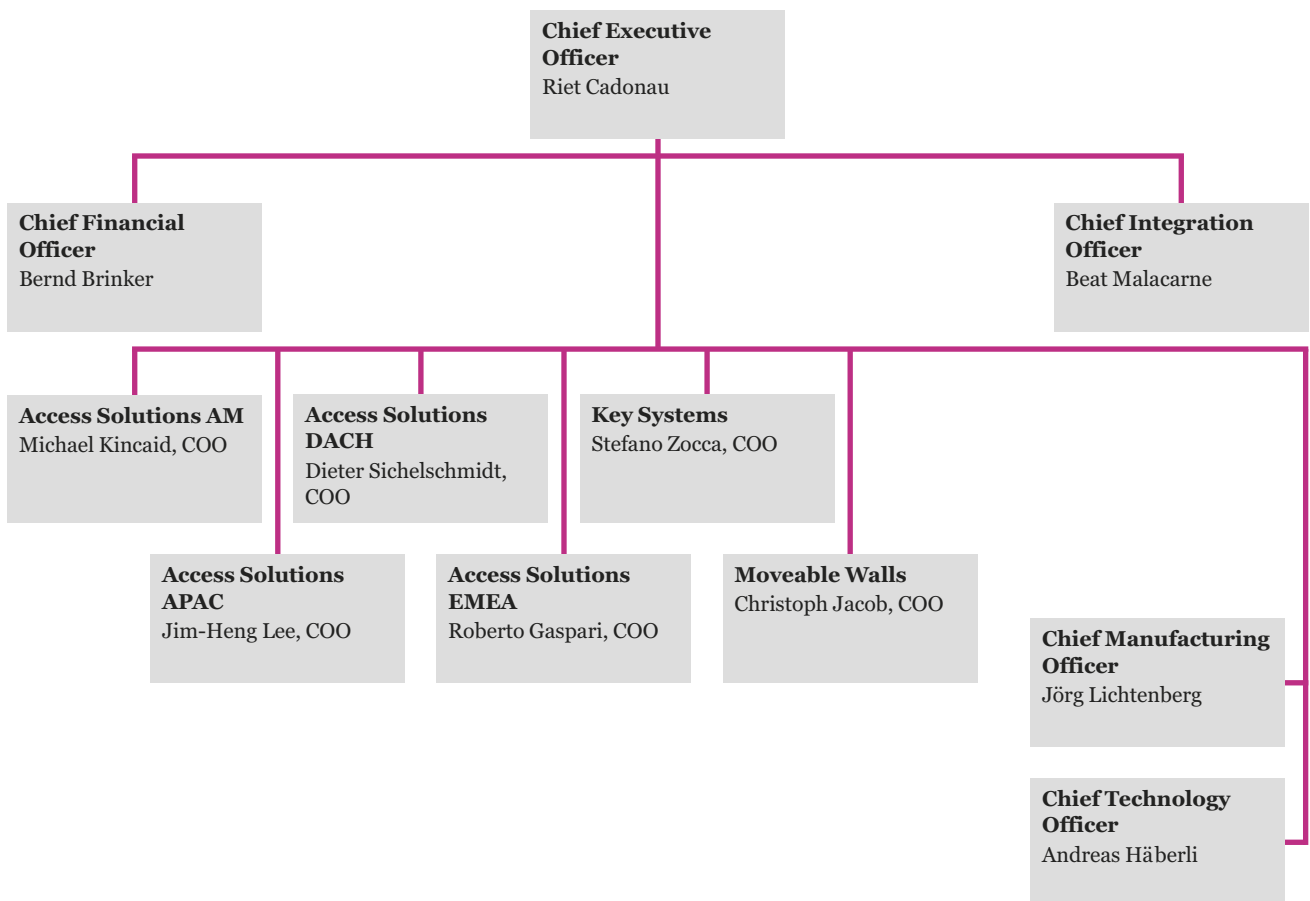
With the completion of the merger, Kaba Holding AG has transferred its operating companies into a sub-holding company, Dorma Holding GmbH + Co. KGaA (Ennepetal, Germany) (which was renamed dorma + kaba Holding GmbH + Co. KGaA). In consideration of said transfer, Kaba Holding AG has received a majority 52.5% interest in the sub-holding company. The remaining 47.5% is held by the Mankel/Brecht-Bergen family.

Kaba Holding AG as the ultimate company will run the combined dorma + kaba Group strategically, financially and operationally. The operating Group structure of the combined dorma + kaba Group comprises the following divisions: Access Solutions AM, Access Solutions APAC, Access Solutions DACH, Access Solutions EMEA, Key Systems and Moveable Walls.

Executive Committee Kaba Group as of 30 June 2015



Executive Committee dorma + kaba Group as of 1 September 2015



Shareholders

	As at 30.06.2015 No of shares at CHF 0.10 par value		As at 30.06.2014 No of shares at CHF 0.10 par value	
		in %		in %
Heirs of Leo Bodmer				
Creed Kuenzle ¹⁾		<3	127,452	3.3
Karin Forrer ²⁾		<3	153,020	4.0
Other heirs of Leo Bodmer		<3	271,334	7.2
Total heirs of Leo Bodmer		<3	551,806	14.5
Pool shareholders ³⁾				
	1,145,503	27.3		
Public shareholders				
Ulrich Bremi ⁴⁾		<3	138,228	3.6
Oakmark International Small Cap Fund (a series of Harris)		<3	194,543	5.1
UBS Fund Management (Switzerland) AG	127,474	3.1		
Other public shareholders	2,900,295	69.1	2,911,067	76.3
Total public shareholders	3,027,769	72.2	3,243,838	85.0
Members of the Board and current Executives				
Members of the Board (non-executive)	51,859	1.2	50,834	1.4
Current Executives	6,556	0.2	5,026	0.1
Total members of the Board and current Executives	58,415	1.4	55,860	1.5
Less double-counting in respect of "Pool shareholders" or "Heirs of Leo Bodmer" who are members of the Board ⁵⁾	-36,661	-0.9	-36,478	-1.0
Total shares	4,195,026	100.0	3,815,026	100.0

- 1) Creed Kuenzle, Herrliberg, was Chairman of the Board of Directors of Kaba Holding AG from 1978 to 2001. As of 30 June 2015 the shares concerned are being disclosed as part of «Pool shareholders» and will no longer be listed separately.
- 2) Karin Forrer, Ittigen, was a member of the Board of Directors of Kaba Holding AG from 1978 to 1997. As of 30 June 2015 the shares concerned are being disclosed as part of «Pool shareholders» and will no longer be listed separately.
- 3) The following people are party to the pool agreement of 29 April 2015: Familie Mankel Industriebeteiligungs GmbH + Co. KGaA/Ennepetal, Mankel Family Office GmbH/Ennepetal, KRM Beteiligungs GmbH/Ennepetal, Christine Mankel/Ennepetal, Stephanie Brecht-Bergen/Hamburg, Karl-Rudolf Mankel/Ennepetal, all Germany; Martina Bössow/Dubai (United Arab Emirates); and Anja Bremi/Zollikon, Ulrich Bremi/Zollikon, Balz Dubs/Zurich, Karina Dubs/Zurich, Kevin Dubs/Zurich, Linus Dubs/Zurich, Anja Flückiger/Forch, Christian Forrer/Bern, Karin Forrer/Ittigen, Anna Katharina Kuenzle/Thalwil, Clive Kuenzle/Zurich, Creed Kuenzle/Herrliberg, Michael Kuenzle/Meilen, Alexandra Sallai/Worb, Christoph Sallai/Worb, Andrea Ullmann/Zollikon, Sascha Ullmann/Zollikon, Adrian Weibel/Meilen and Tonia Weibel/Meilen, all Switzerland.
- 4) Ulrich Bremi, Zollikon, was employed by Kaba Holding AG from 1962 to 1992 and was Delegate of the Board of Directors from 1975 to 1992. As of 30 June 2015 the shares concerned are being disclosed as part of «Pool shareholders» and will no longer be listed separately.
- 5) Shares held by pool shareholders or by the heirs of Leo Bodmer who sit on the Board of Directors are included under both "Pool Shareholders" and "Members of the Board of Directors".

Major shareholders

The table above sets out the shareholding structure of Kaba Holding AG as at the end of the financial year and gives the names of shareholders that have disclosed voting rights of 3% or more to Kaba Holding AG.

The following shareholders submitted disclosure notifications to Kaba Holding AG and the SIX Swiss Exchange AG in 2014/2015 pursuant to their disclosure obligations under stock exchange laws if specific thresholds have been reached, exceeded or fallen below (further details can be found via the search engine on the SIX Swiss Exchange AG's disclosure site www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html):

- Ulrich Bremi (Zollikon/Switzerland): 8 May 2015 below 3%
- Karin Forrer (Ittigen/Switzerland): 8 May 2015 below 3%
- Creed Kuenzle (Herrliberg/Switzerland): 8 May 2015 below 3%
- Anchor shareholders as per the pool agreement¹⁾: 8 May 2015 above 25% to 30.02% (1,145,420 shares)
- Harris Associates L.P. (Chicago/USA): 11 November 2014 below 5% to 4.86% (185,319 shares), 8 April 2015 below 3% to 2.91% (111,019 shares)
- UBS Fund Management (Switzerland) AG: 11 December 2014 above 3% to 3.18% (121,143 shares)

- 1) The following are party to the pool agreement of 29 April 2015: Family Mankel Industriebeteiligungs GmbH + Co. KGaA, Mankel Family Office GmbH, RRM Beteiligungs GmbH, Christine Mankel and Stephanie Brecht-Bergen as well as Martina Bössow, Anja Bremi, Ulrich Bremi, Balz Dubs, Karina Dubs, Kevin Dubs, Linus Dubs, Anja Flückiger, Christian Forrer, Karin Forrer, Anna Katharina Kuenzle, Clive Kuenzle, Creed Kuenzle, Michael Kuenzle, Alexandra Sallai, Christoph Sallai, Andrea Ullmann, Sascha Ullmann, Adrian Weibel and Tonia Weibel, as well as persons who join the pool agreement in future.

The anchor shareholder group has signed a pool agreement that governs the mutual rights and obligations of Kaba family shareholders and the Mankel/Brecht-Bergen family. The pool agreement states that the anchor shareholder group will propose five representatives to the General Meeting for election to the Board of Directors. The Kaba family shareholders and the Mankel/Brecht-Bergen family undertake to vote in concert on certain significant General Meeting resolutions. The members of the anchor shareholder group also grant each other the right of first refusal if they intend to sell shares in Kaba Holding AG. Finally, if they sell 27% or more of Kaba Holding AG voting rights, members of the anchor shareholder group undertake to commit the buyer to make a public takeover offer to all Kaba Holding AG shareholders at the same price that the members of the anchor shareholder group are selling. This is aimed at preventing any price discrimination against minority shareholders. The pool agreement lasts until 29 April 2030.

As far as Kaba Holding AG knows, other principal shareholders listed in the table above are not linked by any shareholders' agreements or similar arrangements with respect to their Kaba Holding AG registered shares or the exercise of shareholders' rights.

Cross-shareholdings

The Kaba Group has not entered in any capital-based or voting rights-based cross-shareholdings with other companies.

Capital structure

Capital

At 30 June 2015, the share capital of Kaba Holding AG was CHF 419,502.60, divided into 4,195,026 fully paid-up registered shares with a par value of CHF 0.10 each. In addition, at 30 June 2015, Kaba Holding AG has a conditional capital amounting to a maximum of CHF 42,938.40 for the issue of bonds or similar instruments (maximum CHF 36,000 divided into 360,000 registered shares with a par value of CHF 0.10 each) and for employee share ownership schemes (maximum CHF 6,938.40 divided into 69,384 registered shares with a par value of CHF 0.10 each).

Conditional capital

The share capital of Kaba Holding AG may be increased by an amount not exceeding CHF 36,000 by issuing up to 360,000 registered shares, to be fully paid up, with a par value of CHF 0.10 each, through the exercise of conversion and/or option rights that have been granted in connection with the issue of bonds or similar instruments by Kaba Holding AG or a Group company, and/or through the exercise of option rights that have been conferred on shareholders. If bonds or similar instruments are issued in connection with conversion and/or option rights, the subscription rights of existing shareholders are excluded. The right to subscribe to the new registered shares falls to the respective holders of conversion and/or option rights. The purchase of registered shares by exercise of conversion and/or option rights, as well as every subsequent transfer of registered shares, is subject to the transfer and voting rights restrictions set out in the Articles of Incorporation.

The Board of Directors is entitled to limit or abolish the pre-emptive subscription right of shareholders in connection with the issue of bonds or similar instruments with conversion and/or option rights if such instruments are issued for the purpose of financing the acquisition of companies, parts of companies or equity interests.

The share capital of Kaba Holding AG may be increased by no more than CHF 6,938.40 by issuing to employees and members of the Board of Directors of Kaba Holding AG and of Group companies no more than 69,384 registered shares with a par value of CHF 0.10 each, which must be fully paid up. The subscription rights of existing shareholders to such new shares are excluded. Registered shares or option rights in this respect will be issued to employees or members of the Board of Directors subject to one or more sets of regulations to be defined by the Board of Directors and taking into account performance, function and level of responsibility. The group of beneficiaries and the principles of allocation are disclosed in the Compensation Report (see pages 72 et seq.). Said registered shares or option rights may be issued to employees or members of the Board of Directors at a price below the market price. In connection with the issue of option rights to employees and members of the Board of Directors, the pre-emptive subscription rights of existing shareholders are excluded. The purchase of shares within the context of employee share ownership schemes, as well as any subsequent transfers of such shares, are subject to the transfer and voting rights restrictions set out in the Articles of Incorporation.

Authorized capital

As at 30 June 2015, Kaba Holding AG has no authorized capital. The Board of Directors will propose to the General Meeting of 20 October 2015 that it create authorized capital of maximum CHF 41,900. If the General Meeting agrees to this proposal, the Board of Directors will be authorized until no later than 20 October 2017 to increase the share capital to a maximum of CHF 41,900 through the issuance of not more than 419,000 fully paid-up registered shares with a nominal value of CHF 0.10 each.

Changes in capital structure within the last three financial years

As a result of the increase from authorized capital, which was renewed by the Annual General Meeting of 28 October 2014, the share capital of Kaba Holding AG increased as at 28 May 2015 by CHF 38,000 from CHF 381,502.60 to CHF 419,502.60; the authorized capital (divided into 380,000 registered shares with a nominal value of CHF 0.10 each) was cancelled accordingly. This capital increase was carried out in connection with the proposed merger between Kaba Group and Dorma Group and is not dependent on completion of the merger. The 380,000 shares issued from authorized capital were subscribed by Familie Mankel Industriebeteiligungs GmbH + Co. KGaA. There was no change in the capital in either the 2012/2013 or the 2013/2014 financial years.

Shares and non-voting shares (Partizipationsscheine)

Each registered share carries one vote at the general meetings of Kaba Holding AG. Voting rights may be exercised only after a shareholder has been entered in the share register of Kaba Holding AG as a shareholder with voting rights. The registered shares of Kaba Holding AG are issued in the form of uncertificated shares. They are registered as book-entry securities. The registered shares are fully entitled to dividends with the exception of the 380,000 registered shares with a nominal value of CHF 0.10 each which were issued on 28 May 2015 from authorized capital to Familie Mankel Industriebeteiligungs GmbH + Co. KGaA; these shares do not carry rights to the special dividend from capital reserves of CHF 50 per share that was resolved by the Extraordinary General Meeting of Kaba Holding AG on 22 May 2015 and that will be distributed after completion of the transaction between Kaba Group and Dorma Group. Kaba Holding AG has not issued any non-voting shares (Partizipationsscheine).

There are no shares with privileged dividend entitlement or other preferential rights outstanding.

Profit-sharing certificates (Genussscheine)

Kaba Holding AG has not issued any profit-sharing certificates (Genussscheine).

Limitations on transferability and nominee registrations

Transfers of registered shares require the approval of the Board of Directors. Approval for transfer of registered shares may be refused for the following reasons:

a) In the case of individuals, legal entities or partnerships, if they would acquire more than 5 % of all share votes as a result of the share transfer. Legal entities and partnerships linked by capital, voting rights, joint management or otherwise, as well as all natural persons and legal entities that have combined for the purpose of circumventing this restriction, are deemed to constitute a single person. The limitation to 5 % of all share votes also applies in the case of subscription for or acquisition of registered shares

by exercise of subscription, option or conversion rights. For shareholders who were entered in the share register with more than 5 % of all share votes on 13 November 1995, the Board of Directors may provide for exceptions to this restriction via regulations. Two shareholders, each with holdings of between 5 % and 6 % at that date, are still subject to this ruling. Therefore, the Board of Directors resolved on 27 October 1997 to issue a regulation with respect to the limitations on transferability of registered shares of Kaba Holding AG. According to these regulations, the Board of Directors has generally approved the registration of shareholders who were already entered in the share register with more than 5 % of all voting rights on 13 November 1995. These shareholders will not be entered for registered shares thereafter acquired if such registration increases their percentage of voting rights above the total percentage registered on 13 November 1995. The Board of Directors will, however, approve such acquisitions insofar as they are intended to offset disposals that have been or will be completed after 13 November 1995. Such right to restock is only valid up to such total percentage of voting rights for which the shareholders concerned were registered on 13 November 1995. The Board of Directors will always approve registration of registered shares that have been acquired through succession, division of an estate or marital property law (article 685d paragraph 3, Swiss Code of Obligations). The existing rights to restock will in such cases be proportionally transferred.

- b) If authorization of the transfer of registered shares could prevent Kaba Holding AG from furnishing legally required evidence regarding the constituency of its body of shareholders.
- c) If the registered shares are held in trust. In such cases, instead of approval being refused the registered shares may also be entered in the Share Register without voting rights.

Changes of Capital of Kaba Holding AG within the last three reporting years

in CHF million	30.06.2015	30.06.2014	30.06.2013	30.06.2012
Equity				
Share capital	0.4	0.4	0.4	0.4
Legal reserves				
– General reserves	40.7	40.7	40.7	40.7
– Reserve from capital contribution	568.2	433.5	475.3	509.6
– Reserve for treasury shares	4.3	6.4	4.7	4.3
Other reserves	216.0	213.9	215.6	215.9
Unappropriated retained earnings	288.7	223.7	172.2	121.9
Total equity	1,118.3	918.6	908.9	892.8

For the year under review, the Board of Directors has not granted any exemptions from the limitations on transferability. To cancel or change the restrictions on transferability of registered shares, a resolution of the General Meeting approved by at least two-thirds of the votes represented is required. The registered shares of Kaba Holding AG in the form of book-entry securities cannot be transferred, and no security interest in any such book-entry securities can be granted by way of assignment. Rather, any transfer of, or granting of security in, such registered shares in the form of book-entry securities must be effected in accordance with the provisions of the Act on Book-Entry Securities.

Significant changes since the balance sheet date

On 22 May 2015, the Extraordinary General Meeting of Kaba Holding AG lifted restrictions on the transferability of registered shares. This resolution came into legal effect on 1 September 2015.

Convertible bonds and options

Neither Kaba Holding AG nor any of its Group companies have issued any convertible bonds or warrants that are still outstanding, or any options. The only exception is the allocation of shares to employees under the Kaba Executive Stock Award Plans, details of which are given in the Compensation Report on page 75 et seq.

Board of Directors

The duties of the Board of Directors of Kaba Holding AG are based on the provisions of the Swiss Code of Obligations, the Articles of Incorporation and the Organizational Regulations.

Members of the Board of Directors

The Board of Directors of Kaba Holding AG consists of eight non-executive members. No member of the Board has been part of the Executive Committee of Kaba Holding AG or Kaba Group at any time in the last four financial years. No member of the Board has significant business relations with Kaba Holding AG or the Kaba Group. The permissible number of mandates for the members of the Board of Directors in the supreme governing or administrative bodies of legal entities outside the Group is governed in §27 of the Articles of Incorporation. The following table sets forth the name, position, age and time of first election of each member of the Board of Directors.

Members of the Board of Directors as of 30 June 2015

Name/Position	Year of birth	Entry
Ulrich Graf Chairman	1945	1989
Rolf Dörig Vice-Chairman	1957	2004
Elton SK Chiu	1957	2010
Daniel Daeniker	1963	2010
Karina Dubs	1963	2001
John Heppner	1952	2013
Hans Hess	1955	2012
Thomas Pleines	1955	2011



Ulrich Graf, Chairman

Chair Nomination Committee

Swiss citizen

Education: Degree in electrical engineering from the Swiss Federal Institute of Technology (ETH) (CH)

Career: 1989–2006 CEO Kaba Group and President Kaba Holding AG; 1976–1989 various executive positions at Kaba Group

External activities and interests: Chairman of the Board of Directors Dätwyler Holding AG¹⁾ (CH) and Griesser Group (CH); member of the Board of Directors Georg Fischer AG¹⁾ (CH) and Feller AG (CH); Chairman of the Board of Trustees of Rega (Swiss Air Rescue) (CH); member of the Supervisory Board Dekra e.V. (DE)



Rolf Dörig, Vice-Chairman

Chair Compensation Committee, Member Nomination and Audit Committees

Swiss citizen

Education: Dr. iur., attorney-at-law

Career: 2002–2008 CEO, 2008 Delegate and since 2009 Chairman of the Board of Directors Swiss Life¹⁾ (CH); 1986–2002 various executive positions at Credit Suisse¹⁾ (CH); 2000–2002 member of the Executive Board and responsible for Swiss corporate and retail banking

External activities and interests: Since 2009 Chairman of the Board of Directors of Swiss Life¹⁾ (CH) and Adecco¹⁾ (CH); member of the Supervisory Board of Danzer Holding AG (AT) and Walter Frey Holding AG (CH)

1) listed company



Elton SK Chiu

Chinese citizen, residing in Hong Kong

Education: Higher diploma in accountancy at Hong Kong Polytechnic (HK); Corporate Financial Management Program at the University of Michigan (USA)

Career: Since 2003 President ELP Business Advisory Ltd. (founded by Chiu) and Vice-Chairman Centurylink International Investment Ltd. as well as practicing consultant at Chan + Man, Certified Public Accountants (all HK); 1989–2003 various management positions JT International (China) Ltd. (HK) and its predecessor companies, most recently as General Manager; since 2006 non-executive member of the Board of the Kaba affiliate Wah Yuet Group (HK/CN)

External activities and interests: Member of the Hong Kong Institute of Certified Public Accountants (FCPA, practicing); member of the Association of Chartered Certified Accountants of United Kingdom (FCCA); fellow member of the Institute of Chartered Accountants, England and Wales (FCA)



Daniel Daeniker

Chair Audit Committee

Swiss citizen

Education: Dr. iur. University of Zurich (CH), Zurich bar; LL.M. at The Law School of the University of Chicago (IL/USA)

Career: Since 2013 Managing Partner at Homburger AG (CH), where he became Partner in 2000 and which he joined in 1991; lecturer in law at the University of Zurich (CH)

External activities and interests: Member of the Board of Directors GAM Holding AG¹⁾ (CH) and Paris-Orléans S.A.¹⁾ (FR), the parent company of the Rothschild Group



Karina Dubs

Swiss citizen

Education: Swiss federal certificate of higher vocational education and training in advertising (incl. International Advertising Association's Advertising Diploma)

Career: Since 1997 Partner of Dubs Konzepte AG (CH); advertising assistant at Wirz Werbeberatung AG (CH) and at Heiri Scherer Creative Direction (CH)

External activities and interests: Member of the Board of Directors of Dubs Konzepte AG and Fehba Import Export AG (CH)



John Heppner

US citizen

Education: Bachelor of Science University of Wisconsin-Milwaukee (WI/USA), MBA University of Wisconsin-Milwaukee (WI/USA)

Career: 2006–2013 President and CEO Fortune Brands Storage and Security (USA) with global responsibility for Master Lock Company LLC and Waterloo Industries; 2000–2006 Chief Operating Officer Master Lock Company LLC (USA); 1998–2000 Executive Vice President Sales + Marketing Master Lock Company LLC (USA); 1996–1998 Marketing + New Business Master Lock Company (USA); 1992–1996 Vice-President Logistics and Corporate Controller Master Lock Company LLC (USA)

External activities and interests: Member of the National Association of Corporate Directors (USA)



Hans Hess

Member Audit, Nomination and Compensation Committees

Swiss citizen

Education: Master's Degree in Material Science and Engineering ETH Zurich (CH); Master of Business Administration (MBA) from the University of Southern California (USA); Stanford Executive Program at Stanford University (USA)

Career: Since 2006 owner of Hanesco AG (CH); 1996–2005 President and CEO Leica Geosystems AG¹⁾ (CH); 1993–1996 President Leica Optronics Group (CH); 1989–1993 Vice President Leica Microscopy Group (CH); 1983–1988 Head of Polyurethane Business Unit Huber + Suhner AG¹⁾ (CH); 1981–1983 Development Engineer Sulzer AG¹⁾ (CH)

External activities and interests: Chairman of the Board of Directors Comet Holding AG¹⁾ (CH) and Reichle & De-Massari Holding AG (CH); member of the Board of Directors Burckhardt Compression Holdings AG¹⁾(CH); Chairman of Swissmem (CH); Vice-Chairman of Economiesuisse (CH)



Thomas Pleines

Member Compensation Committee

German citizen

Education: Degree in Jurisprudence University of Frankfurt (DE), attorney-at-law

Career: 2006–2010 Chief Executive Officer, Allianz Versicherungs-AG (DE) and member of the Management Board, Allianz Deutschland AG (DE); 2003–2005 CEO and Managing Director Allianz Suisse (CH); 2001–2003 Chief Executive Officer, Advance Holding AG/ Finanzplanung AG (DE); 1997–2001 Managing Director of the Allianz Baden-Württemberg branch (DE)

External activities and interests: Since 2012 member of the Board of Directors Bâloise Holding AG¹⁾ (CH); since 2011 President of the Presidential Board Dekra e.V. (DE), Chairman of the Supervisory Board Dekra SE (DE) and President of the Board of Directors Südvers Holding GmbH & Co. KG (DE); 1999–2013 member of the Board of Directors Bilfinger Berger SE¹⁾ (DE)

1) listed company

Elections and terms of office

The Board of Directors of Kaba Holding AG is elected by the General Meeting, with each member standing for election individually. The Articles of Incorporation provide that the Board of Directors must consist of five to ten members. The members of the Board of Directors are elected for a one-year term until the next Annual General Meeting. Members of the Board of Directors can be re-elected. Once they have reached 70 years of age, members of the Board of Directors usually resign at the next General Meeting. Therefore, Heribert Allemann left the Board of Directors at the General Meeting of 28 October 2014. The Board of Directors has decided not to currently apply the age limit it voluntarily included in the Organizational Regulations in respect of Ulrich Graf because it wants to continue to use his experience (especially stemming from the Unican takeover) and support during the implementation and integration work associated with the merger of Kaba Group with Dorma Group.

The Board of Directors is proposing to the Annual General Meeting on 20 October 2015 that all the members of the Board of Directors in office be re-elected and that Ulrich Graf be elected as Chairman of the Board.

Significant changes since the balance sheet date

In connection with the merger between Kaba Group and Dorma Group, the Extraordinary General Meeting of 22 May 2015 elected the following three persons as additional members of the Board of Directors. These elections came into legal effect on 1 September 2015. Thomas Pleines announced that he would be stepping down from the Board of Directors on the completion date.

Name/Position	Year of birth
Stephanie Brecht-Bergen	1985
Hans Gummert	1961
Christine Mankel	1982

Christine Mankel and Stephanie Brecht-Bergen are part of the family that owns Dorma Group. The Mankel/Brecht-Bergen family indirectly holds 47.5 % of the sub-holding company, dorma + kaba Holding GmbH + Co. KGaA (Ennepetal, Germany), which controls the operating companies of the combined dorma + kaba Group. The Mankel/Brecht-Bergen family also indirectly holds 9.1 % of Kaba Holding AG. Hans Gummert has no significant business relations with Kaba Holding AG or Kaba Group. None of the additional members of the Board have sat on the Executive Committee of Kaba Holding AG or Kaba Group at any time in the last four financial years.



Stephanie Brecht-Bergen

German citizen

Education: Master of Science in General Management, EBS University (DE); MBA, Pepperdine University (CA/USA); PhD candidate, Management & Economics department, EBS University (DE)

Career: Since 2014 Management Board member of Mankel Family Office GmbH (DE); since 2009 shareholder of Dorma Holding GmbH + Co. KGaA (DE); 2010–2013 research assistant, EBS University (DE)

External activities and interests:

Since 2008 Management Board member of the foundation “Rudolf Mankel Stiftung” (DE)



Hans Gummert

German citizen

Education: Universities of Tübingen and Bonn (DE); attorney-at-law, admitted to the bar in 1990

Career: Partner since 1991 and Managing Partner since 2009 at the law and tax consultancy firm Heuking Kühn Lüer Wojtek (DE/BE/CH)

External activities and interests:

Chairman of the Supervisory Board of Dorma Holding GmbH + Co. KGaA (DE); Chairman of the Supervisory Board of Familie Mankel Industriebeteiligungs GmbH + Co. KGaA (DE); Board member of Zaplox AB (SE); member of the Supervisory Board of ara AG (DE); Board member of Schüco Middle East Window & Façade Systems LLC (UAE)



Christine Mankel

German citizen

Education: Diplomkauffrau, EBS University (DE)

Career: Since 2014 Management Board member of Mankel Family Office GmbH (DE); since 2009 shareholder of Dorma Holding GmbH + Co. KGaA (DE); 2006–2009 audit assistant, BDO AG Wirtschaftsprüfungsgesellschaft (DE)

External activities and interests:

Since 2008 Management Board member of the foundation “Rudolf Mankel Stiftung” (DE)

Internal organizational structure

The primary duties of the Board of Directors, as defined in the Swiss Code of Obligations and the Articles of Incorporation and Organizational Regulations of Kaba Holding AG, are as follows:

- Strategic direction and management of Kaba Group;
- Accounting matters, financial control, and financial planning;
- Appointment and dismissal of the members of the Executive Committee and other key executives;
- Overall supervision of business operations;
- Preparation of the annual report and the General Meeting as well as the execution of its resolutions;
- Approving the signing authority of Kaba Holding AG employees;
- Approving the purchase and sale of companies, business areas or other assets if worth more than CHF 5 million;
- Approving investment in and purchase and disposal of property worth more than CHF 5 million.

Resolutions of the Board of Directors are taken collectively by its members. The Chief Executive Officer and the Chief Financial Officer attend the meetings of the Board of Directors on a regular basis in an advisory capacity. Other members of the Executive Committee are called in an advisory capacity as necessary to advise on individual agenda items. During financial year 2014/2015, the Board of Directors held twelve meetings. Meetings usually last a whole working day. In addition, 15 meetings of the committees took place. The agenda items for Board meetings are set by the Chairman based on proposals from the Chief Executive Officer. Any member of the Board of Directors, however, may request that items be included on the agenda. In advance of Board meetings, the members of the Board of Directors receive documents allowing them to prepare for discussion of the items on the agenda.

The Board of Directors maintains an exchange of ideas with the company's managers and usually visits one or more locations of the Kaba Group per year.

Committees

The Board of Directors has established an Audit Committee, a Compensation Committee and a Nomination Committee. The members of the Compensation Committee are being elected by the Annual General Meeting. Each of the committees has regulations in writing, outlining its duties and responsibilities. The chairpersons are elected by the Board of Directors. The committees meet regularly and are required to submit full minutes and recommendations to the Board of Directors at its regular meetings. The agenda items for the committee meetings are set by their chairpersons. In advance of meetings the members of the committees receive documents allowing them to prepare for discussion of the items on the agenda.

Audit Committee

The Audit Committee consists of three non-executive members of the Board of Directors whose professional background has made them experienced in financial and accounting matters amongst other things:

Daniel Daeniker (Chair)

Rolf Dörig

Hans Hess

The Board of Directors has determined that the members must meet certain requirements with respect to independence and qualification and may not be part of the Executive Committee. Each member of the Audit Committee is elected for a term of one year or until the end of the next Annual General Meeting; re-election is allowed. The chairperson invites the members of the Audit Committee to convene as often as business requires, but meetings are held at least twice a year. During the 2014/2015 financial year the Audit Committee met four times, with each meeting lasting at least two hours.

Usually, the Chief Financial Officer attends the meetings in an advisory capacity as do, if necessary, the Chief Executive Officer, representatives of the statutory auditors, representatives of internal audit and controlling as well as the General Counsel. During the 2014/2015 financial year, representatives of the statutory auditors took part in three meetings, the General Counsel in four meetings and representatives of the internal auditors and the controlling department in four meetings. External consultants took part in four meetings. The Audit Committee keeps minutes of its discussions and resolutions.

The principal responsibilities of the Audit Committee are to evaluate risk management and controlling processes, monitor financial reporting and internal audits, and assess external audits. With regard to external audits, the Audit Committee has the following responsibilities:

- Approval of the focal points of the auditing program;
- Acceptance of the statutory auditors' report and any recommendations from the statutory auditors before the annual accounts (individual and consolidated accounts) are submitted to the Board of Directors as a whole for approval;
- Submission of a proposal to the Board of Directors as a whole as to which external auditor is to be proposed to the General Meeting for election as the statutory auditor, including appraisal of the statutory auditors' performance and compensation as well as of their independence, and assessment of the compatibility of their auditing activities with any consultancy mandates.

With regard to internal auditing, the committee has the following responsibilities:

- Approval of guidelines governing the organization and responsibilities of internal auditing;
- Approval of the auditing program;
- Checking auditing results and implementation of recommendations by external or internal auditors;
- Outsourcing, if necessary, of internal auditing activities to third parties or to the statutory auditors as an expansion of their scope of activities;

- Monitoring of the existing Internal Control System (ICS). Internal Audit audits the ICS, compliance with the guidelines established by the Management Information System, compliance with guidelines on limiting legal risk, and reporting on/minimization of insurable risks. In individual cases, external specialist auditors may be brought in to help;
- Auditing of Compliance Report;
- Monitoring of outstanding legal proceedings;
- Evaluation and monitoring of business and financial risks.

The risk management system periodically records legal, operational and business risks. Legal risks include current or potential legal disputes; operational risks include scenarios such as operational failures and natural disasters; and business risks include e.g. payment defaults, general negative market developments, etc. Risks are quantified and weighted with regard to their likelihood and their possible financial and/or business impact. Preventative measures that have been planned or already implemented are also subject to critical review. Risks are recorded if they have a potential financial impact of CHF 2.5 million or more.

The Audit Committee reports regularly to the Board of Directors as a whole on its activities; however, it notifies the Board of Directors immediately of any important matters.

Compensation Committee

The Compensation Committee consists of three non-executive members of the Board of Directors:

Rolf Dörig (Chair)

Hans Hess

Thomas Pleines

Each member of the Compensation Committee is elected for a term of one year or until the end of the next Annual General Meeting; re-election is allowed. The Compensation Committee meets at least once a year. During the 2014/2015 financial year, the Compensation Committee met five times, with each meeting lasting at least two hours. Members of the Compensation Committee are elected by the Annual General Meeting. The Chief Executive Officer usually participates in the meetings. In addition, the SVP Group HR took part in all meetings during the 2014/2015 financial year. Details of the compensation policy can be found in the Compensation Report on pages 72 et seq.

The Compensation Committee's job among other tasks is to propose to the whole Board of Directors the compensation for Board members and, in response to the Chief Executive Officer's proposals, to define the salary policy and payments to the Executive Committee.

Significant changes since the balance sheet date

In connection with the merger between Kaba Group and Dorma Group, the Extraordinary General Meeting of 22 May 2015 elected Dr. Hans Gummert as a member of the Compensation Committee. With his resignation from the Board of Directors, Thomas Pleines also leaves the Compensation Committee. These two changes took legal effect on 1 September 2015.

Nomination Committee

The Nomination Committee is composed of three members, the majority of whom must be non-executive members of the Board of Directors:

Ulrich Graf (Chair)

Rolf Dörig

Hans Hess

The Nomination Committee's members are elected for a term of one year or until the end of the next Annual General Meeting; re-election is allowed. The Nomination Committee convenes at least once a year. During the 2014/2015 financial year, the Nomination Committee met six times, with each meeting lasting at least two hours.

The meetings are generally also attended in an advisory capacity by the Chief Executive Officer, as the sole member of the Executive Committee. During the 2014/2015 financial year, external advisors took part in two meetings. The Nomination Committee establishes the principles for the nomination and re-election of members of the Board of Directors, and submits to the Board of Directors proposals regarding the Board's composition. The Nomination Committee also recommends the appointment and deselection of members of the Executive Committee; the final decisions on appointments and deselections are taken by the Board of Directors as a whole. The Nomination Committee keeps minutes of its discussions and resolutions, and regularly reports to the Board of Directors.

Powers and responsibilities

Management organization

The Board of Directors is ultimately responsible for business strategy and exercises overall guidance over the Kaba Group. The Board of Directors is the highest decision-making body and establishes the strategic, organizational, accounting and financial planning policies to be followed by the Kaba Group. The Board of Directors has delegated the management of day-to-day business operations to the Executive Committee, which is headed by the Chief Executive Officer. The Chief Executive Officer is responsible for the overall executive management of the Kaba Group.

The functions and responsibilities of the Executive Committee are defined in Kaba Holding AG's Organizational Regulations. The Chief Operating Officers, the Chief Financial Officer, the Chief Technology Officer as well as the Chief of Staff report to the Chief Executive Officer, who is responsible for overall management and collaboration across divisions. These functions sit on the Executive Committee.

Significant changes since the balance sheet date

As a result of the revised organizational structure prompted by the merger of Kaba Group and Dorma Group, the Chief Manufacturing Officer and Chief Integration Officer will now report to the Chief Executive Officer and sit on the Executive Committee alongside the Chief Operating Officers, the Chief Financial Officer and the Chief Technology Officer. The Chief of Staff function is being abolished. This change enters into force on completion of the transaction.

Chief Executive Officer

The Chief Executive Officer manages the Kaba Group. He is entrusted with all functions except for those matters reserved by law, the Articles of Incorporation and the Organizational Regulations for another corporate body. After consultation with the Executive Committee, the Chief Executive Officer submits strategy, long- and medium-term objectives and the management guidelines of the Kaba Group to the Board of Directors as a whole for approval. In response to a proposal by the Chief Executive Officer the whole Board of Directors decides about the annual budget (consolidated), individual projects, the consolidated accounts and the financial statements of Kaba Holding AG. The Chief Executive Officer submits proposals to the Nomination Committee about personnel issues at Executive Committee level. The Chief Executive Officer also makes proposals to the Compensation Committee regarding the compensation of members of the Executive Committee (including allocation of shares from the share allocation plans).

The Chief Executive Officer reports regularly to the Board of Directors as a whole on current business developments, anticipates important business opportunities and risks as well as changes in management at division level. The members of the Board of Directors may request and review other information. The Chief Executive Officer must immediately notify the Chairman of the Board of Directors if significant unanticipated developments occur.

Information and control instruments relating to Executive Committee

Kaba Group's Management Information System (MIS) operates as follows: the individual financial statements (balance sheet, income statement, cash flow statement) of each of the subsidiaries are prepared monthly, quarterly, semi-annually and annually. These figures are summarized per division and consolidated for the Group. They are compared with the preceding financial year and the budget. The budget, which constitutes the first year of a three-year mid-term plan per subsidiary, is assessed on the basis of the quarterly statements and in the form of forecasts with respect to its achievability. Once a month, the Chief Executive Officer and the Chief Financial Officer report in writing to the Board of Directors on the achievement of budgeted figures and on the comparison to the preceding financial year. The Division Heads (Chief Operating Officers) inform the Chief Executive Officer and the Chief Financial Officer about business progress and noteworthy events in monthly performance reviews based on written reports, including about budget fulfillment. At the meetings of the Board of Directors, a summary of these reports is discussed and evaluated with the Chief Executive Officer and the Chief Financial Officer.

Executive Committee

Management philosophy

The Kaba Group delegates entrepreneurial responsibility for operational business to the divisions. The corresponding management organization is based on decentralized responsibility and rapid decision-making structures situated close to the local markets. This helps to keep activities focused on the customer.

Group functions such as Human Resources and Communications define and monitor Group-wide standards and are responsible for functional, Group-wide projects. The Division Heads are responsible for their own business activities, including development, production and distribution, while Group Innovation Management is strategically managed by the Chief Technology Officer at Executive Committee level.

Significant changes since the balance sheet date

Once the merger between Kaba Group and Dorma Group is completed, the Group Manufacturing area will also be managed strategically at Executive Committee level by the Chief Manufacturing Officer (CMO). Likewise, the post-merger integration process will be managed at Executive Committee level by the Chief Integration Officer (CIO). The Chief of Staff function is being abolished.

Members of the Executive Committee as of 30 June 2015

<u>Name/Position</u>	<u>Year of birth</u>	<u>Entry Executive Committee</u>
Riet Cadonau Chief Executive Officer	1961	2011
Beat Malacarne Chief Financial Officer	1962	2011
Roberto Gaspari Chief Operating Officer Access + Data Systems EMEA	1959	2006
Andreas Häberli Chief Technology Officer	1968	2011
Michael Kincaid Chief Operating Officer Access + Data Systems Americas	1961	2013
Jim-Heng Lee Chief Operating Officer Access + Data Systems Asia Pacific	1962	2014
Hans-Jürg Roth Chief of Staff	1954	2014
Stefano Zocca Chief Operating Officer Key Systems	1963	2011



Riet Cadonau

Chief Executive Officer
Chief Executive Officer and member
Executive Committee dorma + kaba Group
as of 1 September 2015

Swiss citizen

Education: Master of Arts in economics and business administration from the University of Zurich (CH); Advanced Management Program at INSEAD (FR)

Career: Since 2011 CEO Kaba Group; 2007–2011 CEO Ascom Group¹⁾ (CH); until 2007 Managing Director ACS Europe + Transport Revenue (today a Xerox company); 2001–2005 member of the Executive Board Ascom Group¹⁾, from 2002 Deputy CEO and General Manager of the Transport Revenue Division, which was acquired by ACS at the end of 2005; 1990–2001 various management positions at IBM Switzerland, lastly as a member of the Management Board and Director of IBM Global Services

External activities and interests: Since 2013 member of the Board of Directors of Zehnder Group¹⁾ (CH); 2006–2011 member of the Board of Directors Kaba Group and Griesser Group (CH); 2004–2009 President of the Swiss Management Association (www.smg.ch)



Beat Malacarne

Chief Financial Officer
Chief Integration Officer and member
Executive Committee dorma + kaba Group
as of 1 September 2015

Swiss citizen

Education: Swiss certified accountant

Career: Since 2011 Chief Financial Officer and member of the Executive Committee Kaba Group; 2009–2011 Chief Financial Officer, member of the Executive Board SBB Cargo AG (CH); 2006–2009 Project Manager Internal Control System (ICS) and Deputy Director Holcim Group Support Ltd.¹⁾ (CH); 2005–2006 Chief Financial Officer and member of the Executive Board ACC Ltd.¹⁾ (IN); 2004–2005 Project Manager Financial Integration India Holcim Group Support Ltd.¹⁾ (CH); 1999–2004 Chief Financial Officer and member of the Executive Board Siam City Cement Public Company Ltd.¹⁾ (TH); 1997–1999 Vice President Finance and member of the Asian Executive Board Hilti Asia Ltd. (CN)



Roberto Gaspari

COO Access + Data Systems EMEA
COO Access Solutions EMEA and member
Executive Committee dorma + kaba Group
as of 1 September 2015

Italian citizen

Education: Economics degree from the Bocconi University (IT)

Career: Since 2011 Head of Division Access + Data Systems EMEA and member of the Executive Committee Kaba Group; 2006–2011 Head of Division Key Systems Europe/Asia Pacific and member of the Executive Board Kaba Group; 2002–2011 General Manager Silca S.p.A. (IT); 1997–2002 Managing Director Italy and France at the multinational American company Watts Industries Inc. (USA); 1988–1997 Managing Director at Cisa S.p.A. (IT)



Andreas Häberli

Chief Technology Officer
Chief Technology Officer and member
Executive Committee dorma + kaba Group
as of 1 September 2015

Swiss citizen

Education: Master's Degree in electrical engineering ETH Zurich (CH); PhD in micro-engineering ETH Zurich (CH); financial management for executives St. Galler Business School

Career: Since 2011 Chief Technology Officer and member of the Executive Committee Kaba Group; 2003–2010 Head of Development and member of Management Board Kaba AG (CH), from 2009 also of Kaba GmbH (AT); 1999–2003 member Management Board Sensirion (CH); 1997–1999 Chip Design Engineer Invox (CA/USA)



Michael Kincaid

COO Access + Data Systems Americas
COO Access Solutions AM and member
Executive Committee dorma + kaba Group
as of 1 September 2015

US citizen

Education: Bachelor of Mechanical Engineering, Master of Business Administration

Career: Since 1 October 2013 Head of Division Access + Data Systems Americas and member of the Executive Committee Kaba Group; 2012–2013 Senior Vice President North American Sales of ADS Americas and Deputy Head of Division; 2007–2012 Vice President and General Manager Access Control, Kaba Ilco Corp. (USA); 2003–2007 Vice President and General Manager Access Control Regional Marketing Organization, Kaba Ilco Corp. (USA); 1998–2003 Vice President Sales and Marketing Unican Electronics Division, Montreal (CA); 1984–1998 various technical and management positions at divisions of Unisys and SNC Lavalin



Jim-Heng Lee

COO Access + Data Systems Asia Pacific
COO Access Solutions APAC and member
Executive Committee dorma + kaba Group
as of 1 September 2015

Singaporean citizen

Education: Diploma in Business Studies – (Finance) Ngee Ann Polytechnic Singapore (SG); Certified Public Accountant – Institute of Certified Public Accountants of Singapore (SG); Chartered Certified Accountant – University of Huddersfield (UK); MBA in Marketing – University of Strathclyde (UK)

Career: Since 1 November 2014 Head of Division Access + Data Systems Asia Pacific and member of the Executive Committee Kaba Group; 2012–2014 Vice President and General Manager of Materials Group China, Avery Dennison Corporation¹⁾ (CN); 1996–2011 various senior management positions at Assa Abloy¹⁾; e.g. 2010–2011 Vice President Asia Pacific (HK); 2006–2010 President China Door Group (CN); 2003–2005 Vice President Mergers & Acquisitions (HK)

1) listed company



Hans-Jürg Roth

Chief of Staff

Swiss citizen

Education: Master's degree in mechanical engineering ETH Zurich (CH)

Career: Since 1 November 2014 Chief of Staff and member of the Executive Committee Kaba Group; 1980–2014 various management positions at IBM Switzerland: 2012–2014 Program Manager Competitive Sales, 2005–2011 Head of Human Resources IBM Switzerland and Austria, 2000–2004 Head of Sales Operations, 1996–1999 Head of Business Unit Federal/Local Government & Universities; 1980–1995 various management positions

External activities and interests: since 2001 Commercial Judge at the commercial court (Handelsgericht) of the Canton of Zurich (CH)



Stefano Zocca

COO Key Systems

COO Key Systems and member Executive Committee dorma + kaba Group as of 1 September 2015

Italian citizen

Education: Economics degree from the Bocconi University (IT)

Career: Since 2011 member of the Executive Committee Kaba Group, since 2013 Head of Division Key Systems and 2011–2013 Head of Division Key Systems EMEA/AP/SAM; 1988–2011 various positions at Whirlpool EMEA (IT): 2004–2011 General Manager Middle East, Africa + Turkey, from 2010 also of Central Europe, 2000–2004 Customer Service Regional Director, South, Central + East Europe, Middle East + Africa, 1994–2000 European Procurement Manager; 1988–1994 various positions in industrial and logistics operations; 1986–1988 Procurement and Planning Assistant Imbal (IT)



Bernd Brinker

Chief Financial Officer and member Executive Committee dorma + kaba Group as of 1 September 2015

German citizen

Education: Vocational training with a degree in banking; Degree in Business Administration from the University Cologne (DE)

Career: Since November 2014 Chief Financial Officer of Dorma Holding GmbH & Co. KGaA; 2006–2014 Evonik Industries¹⁾ (DE); 2009–2014 Head of Corporate Portfolio Management and M + A, 2006–2008 Head of Corporate Investor Relations; 2001–2006 Head of Finance and Investor Relations Degussa AG¹⁾ (DE); 1996–2001 Head of Finance SKW Trostberg AG¹⁾ (DE); 1991–1996 VIAG AG¹⁾ (DE); 1994–1996 Head of Treasury, 1991–1994 Financial Analyst



Christoph Jacob

COO Moveable Walls and member Executive Committee dorma + kaba Group as of 1 September 2015

German citizen

Education: Master of Civil Engineering from the University of Applied Sciences Cologne (DE), Advanced Management Program Harvard (USA)

Career: Since 2011 Area President MMA at Dorma (DE); 2004–2010 Regional Director Emerging Markets & South Europe at Dorma (DE); 2002–2004 Regional Director Emerging Markets at Dorma (DE); 2000–2002 different management positions and consulting/CEO at CASEA AG (DE); 1997–1999 Group Managing Director at Dorfner Group of companies (DE); 1994–1997 General Manager at Quick-mix Berlin/Brandenburg GmbH & Co. KG (DE); 1990–1994 Assistant to the Board at Hebel AG (DE); 1987–1990 Project Sales Manager at Schlagmann Baustoffwerke GmbH & Co. KG (DE)



Jörg Lichtenberg

Chief Manufacturing Officer and member Executive Committee dorma + kaba Group as of 1 September 2015

German citizen

Education: Degree in engineering, degree in economic engineering Universities of Hanover and Brunswick (both DE)

Career: Currently Vice President Global Operations Industrial Group Gardner Denver (DE); 2007–2014 Director Group Logistics and Production Strategy resp. Director Operations Area North Eastern Europe resp. Director Operations Division Automatics Dorma GmbH & Co. KG (DE); 2003–2007 CEO Schiffer Dental Care Products LLC (USA); 1999–2002 member of the Executive Committee Lindal Group Lindal Ventil GmbH (DE); 1993–1999 Factory Manager resp. Business Development Manager Automatics Dorma GmbH & Co. KG (DE); 1991–1993 Kienbaum Consulting (DE)



Dieter Sichelschmidt

COO Access Solutions DACH and member Executive Committee dorma + kaba Group as of 1 September 2015

German citizen

Education: Degree in Mechanical Engineering from the Chamber of Commerce and Industry Dortmund (DE) and further education in Marketing Management at St. Gallen Marketing School (CH), in Competitive Strategies at ZFU, and in General Management at USB

Career: Since 2011 Area President Asia Pacific & Australia at Dorma (CN); 2001–2010 Director Division Door Control at Dorma (DE); 1993–2010 Head of Product Management Door Control, Sales Manager OEM Business Germany at Dorma (DE); 1991–1993 Product Manager Division Door Closer at Dorma (DE); 1988–1991 Head of PQS Door Control at Dorma (DE); 1973–1988 Employee Development/Product Quality Assurance at Dorma (DE)

1) listed company

Members of the Group Executive Committee

The table on page 64 provides the name, age, position and date first elected for those individuals who in the year under review served as members of the Executive Committee. Patrick Grawehr, Chief of Staff, has left the company as of 31 October 2014. Hans-Jürg Roth has taken over the function of Chief of Staff as of 1 November 2014. The permissible number of mandates for the members of Executive Committee in the supreme governing or administrative bodies of legal entities outside the Group is governed in §27 of the Articles of Incorporation.

Significant changes since the balance sheet date

With a view to the completion of the merger between Kaba Group and Dorma Group, the Board of Directors of Kaba Holding AG has designated the following persons as members of the Executive Committee of the dorma + kaba Group:

- Chief Executive Officer (CEO): Riet Cadonau, formerly CEO Kaba Group
- Chief Financial Officer (CFO): Bernd Brinker, formerly CFO Dorma Group
- Chief Integration Officer (CIO): Beat Malacarne, formerly CFO Kaba Group
- Chief Operating Officer (COO) for the Access Solutions (AS) Americas Division: Michael Kincaid, formerly COO ADS Americas Kaba Group
- Chief Operating Officer (COO) for the AS Asia Pacific Division: Jim-Heng Lee, formerly COO ADS Asia Pacific Kaba Group
- Chief Operating Officer (COO) for the AS DACH Division: Dieter Sichelschmidt, formerly Area President Asia Pacific & Australia Dorma Group
- Chief Operating Officer (COO) for the AS EMEA Division: Roberto Gaspari, formerly COO ADS Europe, Middle East & Africa Kaba Group
- Chief Operating Officer (COO) for the Key Systems Division: Stefano Zocca, formerly COO Key System Kaba Group
- Chief Operating Officer (COO) for the Moveable Walls Division: Christoph Jacob, formerly Area President Mediterranean, Middle East & Africa Dorma Group
- Chief Manufacturing Officer (CMO): Jörg Lichtenberg, formerly VP Global Operations Industrial Group at Gardner Denver
- Chief Technology Officer (CTO): Andreas Häberli, formerly CTO Kaba Group

The designated Executive Committee has commenced work upon completion of the merger. Since the Chief of Staff function has been abolished with completion of the merger, Hans-Jürg Roth – Chief of Staff as of balance sheet date – has stepped down from the function and thus as a member of the Executive Committee.

Management contracts

Kaba Holding AG and its Group companies have not entered into management contracts with third parties.

Compensation

The compensation policy and all facts and figures on the compensation of the Board of Directors and the Executive Committee can be found in the Compensation Report (see pages 72 et seq.). §22–25 as well as §28 of the Articles of Incorporation contain rules regarding the principles of compensation and regarding loans and credits to the corporate authorities as well as regarding the vote of the General Meeting regarding compensation.

Compliance

Compliance principles are set out in Kaba's Code of Conduct, as well as in Group directives and guidelines. Adherence to these rules is very important to Kaba Group as an internationally active, listed company. Key compliance themes include bribery and corruption, competition and cartel law and safeguarding the employees' personal integrity. The Code of Conduct and all directives and guidelines are available to Kaba's employees on the Group intranet.

The company's compliance mechanisms were introduced on a precautionary basis, are reviewed regularly and are adjusted where necessary to the changing business environment. In financial year 2014/2015, Kaba Group carried out an internal compliance audit with generally satisfactory results. Various individual points were identified for optimization, and these will be addressed in the coming financial year.

Managers at Kaba's subsidiaries conduct compliance reviews of suppliers on the basis of the applicable Group regulations. Middle managers at Kaba Group are regularly trained in compliance matters.

Code of Conduct and Supplier Code of Conduct

The Kaba Group's Code of Conduct includes standards and rules on bribery and corruption, equal employment opportunities, harassment, conflicts of interest, antitrust and competition law, and procedures for reporting noncompliance, and it refers to the company's values.

The Code of Conduct is available to all Kaba employees in several languages and in electronic as well as in printed form. Upon commencement of employment with Kaba, employees confirm receipt of the document with their signature. Members of the senior management as well as General Managers of the local companies are responsible for implementing and imposing the Code of Conduct, and they are trained at management meetings in how to work with the Code of Conduct. The General Counsel, as Compliance Officer, monitors these processes and, alongside line managers, is one of the defined contacts for reporting infringements of the Code of Conduct. The Kaba Code of Conduct can be found on www.kaba.com/coc

In the 2014/2015 financial year, Kaba Group established a Supplier Code of Conduct aimed at propagating the company's standards and values down the supply chain. With this, Kaba aims at ensuring that the raw materials and components it uses to make its products are sourced and produced in a way that is compatible with its own ethical and environmental standards. During the 2014/2015 financial year Kaba has started to institutionalize the Supplier Code of Conduct with its suppliers.

Kaba Principles

The Executive Committee and other senior managers at Kaba Group have defined the company's shared values under the heading "Kaba Principles". These are: integrity, respect, customer orientation, sustainability, courage, performance and a passionate professionalism. These values are the foundations on which Kaba employees make decisions, but they also serve as guiding principles for conduct and collaboration within the Group and for Kaba's approach to addressing customer needs.

Shareholders' participation rights

Voting rights restriction and proxy voting

At the General Meeting of Kaba Holding AG, each registered share entitles its owner to one vote. Single shareholders may exercise no more than 5% of all voting rights when directly representing their own registered shares and indirectly acting as proxies for registered shares owned by others. In this context, legal entities or partnerships that are linked by capital, voting rights, joint management or otherwise, as well as all individuals, legal entities or partnerships that combine with the intention of circumventing the voting rights restriction, are deemed to constitute a single person.

This voting rights restriction does not apply to shareholders who were already listed in the share register with more than 5% of the voting rights when the voting rights restriction clause was ratified. It also does not apply to the independent voting rights representative (IVRR) pursuant to Art. 8 VegüV. A shareholder may be represented only by another shareholder with a written proxy, or by the IVRR pursuant to Art. 689c Swiss Code of Obligation and Art. 8 VegüV. The voting rights restriction can only be amended by a resolution of the General Meeting with a majority of the votes submitted.

Significant changes since the balance sheet date

The Extraordinary General Meeting of Kaba Holding AG on 22 May 2015 decided to lift restrictions on voting rights. This decision came into legal effect on 1 September 2015.

Majorities required by the Articles of Incorporation

For resolutions covering

- conversion of registered shares into bearer shares,
- dissolution of Kaba Holding AG (including as a result of merger), and
- amendments to provisions of the Articles of Incorporation regarding the restrictions on the transferability of registered shares, resolutions of the General Meeting and the election and re-election of members of the Board of Directors,

approval requires at least two-thirds of the votes represented. In all other cases, the General Meeting of Kaba Holding AG passes its resolutions and conducts its votes, without regard for the number of shareholders present or represented shares, on the basis of the majority of votes cast. Mandatory provisions of the law are reserved.

Significant changes since the balance sheet date

On 22 May 2015, the Extraordinary General Meeting of Kaba Holding AG made changes to the statutory quorums. This decision came into legal effect on 1 September 2015. For decisions on

- amending provisions of the Articles of Incorporation concerning the opting-out and the decision-making process of the Board of Directors,
- the introduction of voting rights restrictions, and
- capital increases,

a majority of at least two-thirds of the votes represented is now required. This is subject to mandatory legal requirements and the provisions of the Articles of Incorporation concerning advance resolutions by the General Meeting in the event of a change of control (§ 36 Articles of Incorporation). For more information, please refer to the chapter "Change of Control and Defensive Measures" on page 68 et seq.

Convocation of the General Meeting of Shareholders and agenda

Convocation of the General Meeting is in accordance with the legal requirements. The Board of Directors of Kaba Holding AG is obliged to include motions requested by shareholders collectively representing 0.5% of the share capital in the agenda to the General Meeting, provided that such motions are submitted in writing to the Board of Directors at least four weeks prior to the General Meeting. Proposals for inclusion in the agenda must be made in writing, stating the subject matter and the motions.

Entry in the share register/Invitation to the Annual General Meeting (AGM) of 20 October 2015

Shareholders entered in the share register with voting rights as at 12 October 2015 will directly receive the invitation to the Annual General Meeting (AGM) on 20 October 2015 with the proposals of the Board of Directors. Shareholders who return their reply slip will receive the admission card and voting materials. Shareholders who sell all their shares before the AGM will no longer be eligible to vote. Shareholders who sell part of their shares or purchase additional shares are to have their admission cards updated at the information desk at the venue of the AGM. No entries will be made in the share register from 13 to 20 October 2015. All information relating to the AGM can be found at www.dormakaba.com/agm.

Change of control and defense measures

Duty to make a public offer

The Articles of Incorporation do not contain opting-out or opting-up provisions (Article 22 of the Swiss Federal Law on Stock Exchanges and Securities Trading).

Significant changes since the balance sheet date

The Extraordinary General Meeting of Kaba Holding AG on 22 May 2015 resolved to add a formal selective opting-out provision to the Articles of Incorporation. This resolution came into legal effect on 1 September 2015.

The text of the formal selective opting-out is as follows:

In the following cases, Familie Mankel Industriebeteiligungs GmbH + Co. KGaA and Mankel Family Office GmbH as well as their respective direct or indirect quota holders – individually or together with shareholders of the Company with whom they have entered into a pool agreement (Shareholder Pool) in connection with the combination of Kaba Group with Dorma Group – are exempted from the obligation to make an offer pursuant to Article 32 para. 1 of the Swiss Federal Act on Stock Exchanges and Securities Trading of 24 March 1995:

- a) *Combination of Kaba Group with Dorma Group pursuant to the transaction agreement dated 29 April 2015 between Familie Mankel Industriebeteiligungs GmbH + Co. KGaA and Mankel Family Office GmbH on the one hand and the Company on the other hand*
- b) *Transactions in shares of the Company between parties of the Shareholder Pool and/or with third parties that result in changes of the majorities within the Shareholder Pool, changes in the composition of the Shareholder Pool or changes in the direct overall participation of the parties to the Shareholder Pool in the Company, as long as such a direct overall participation does not exceed 33 1/3% of the voting rights in the Company*
- c) *Dissolution of the Shareholder Pool*
- d) *Consummation of the transfer agreement described in § 36 of the Articles of Incorporation*

Change of control provisions

In the event of a change of control of Kaba Holding AG, Kaba International Holding AG) (joint liability with Kaba Holding AG) is obliged to pay members of the Executive Committee and two members of the senior management a payment to improve their pension entitlement in the amount of approximately one year's salary (incl. variable components) if their employment contracts are terminated within a year of the change of control or if they resign within a year of the change of control. If control changes, Kaba Holding AG is also obliged to pay the Chairman of the Board of Directors an amount equivalent to approximately one year's compensation in case he leaves the Board. These change of control agreements will be cancelled by the end of 2015.

The rules of the ESAP 1, the ESAP Plus, the ESAP Plus 3 and the ESAP 5 stock award plans state that if there is a change in the control of Kaba Holding AG (as defined in the regulations) the share blocking period will, subject to mandatory law, be lifted. If there is a change in the control of Kaba Holding AG (as defined in the regulations), under ESAP Plus, ESAP Plus 3 and ESAP 5 participants have the right to a cash payment to compensate their right to a (loyalty-based) allocation of additional shares (so-called matching shares), provided the plan participants concerned are still employed with the Kaba Group and no notice has been given when the change of control occurs.

Significant changes since the balance sheet date

In connection with the completion of the merger of Kaba Group with Dorma Group, the Extraordinary General Meeting of 22 May 2015 passed an advance resolution to cover the event of a change of control, and supplemented the Articles of Incorporation (§ 36) accordingly. This decision and this change to the Articles of Incorporation came into legal effect on 1 September 2015.

According to the transfer agreement, if there is a change of control of Kaba Holding AG, the Mankel/Brecht-Bergen family has the right to buy back a 2.6% stake in dorma + kaba Holding GmbH + Co. KGaA and dorma + kaba Beteiligungs-GmbH at market value and nominal value, respectively, in order to regain control (50.1%) of these companies.

A change of control of Kaba Holding AG occurs if a third party (i) holds 33 1/3% or more of voting rights in Kaba Holding AG in shares, (ii) holds 33 1/3% or more of voting rights in Kaba Holding AG in purchase positions and the responsible Swiss authority has decided with legal effect that a mandatory offer has been triggered, or (iii) publishes the end result of a voluntary offer which, when completed, will give it at least 33 1/3% of the voting rights of Kaba Holding AG.

The Mankel/Brecht-Bergen family can only exercise the rights pursuant to the transfer agreement if Kaba Holding AG receives a written statement of assurance that (i) nobody associated with the Mankel/Brecht-Bergen family supports the change of control or has ever been involved in it, and (ii) the Mankel/Brecht-Bergen family holds a stake of at least 47.5% of dorma + kaba Holding GmbH + Co. KGaA and dorma + kaba Beteiligungs-GmbH.

The price according to the transfer agreement is based on the market price or nominal value of the shares and in the former case is calculated using a fixed formula agreed by the parties in the transfer agreement.

Under certain conditions and for a specific time period, performance of the transfer agreement can be reversed. The transfer agreement is annulled if the Mankel/Brecht-Bergen family's stake in the dorma + kaba Group falls below 25%. Approval of the transfer agreement can be rescinded by resolution of the General Meeting. Any such rescinding shall be passed (i) after the publication of a public takeover offer for the acquisition of all outstanding shares of Kaba Holding AG and before the end of the offer period and (ii) with the following minimum majorities: up till the end of 31 December 2018 with a majority of at least 75% of the votes represented, and from 1 January 2019 with a majority of at least 50% of the votes represented.

The transfer agreement and its performance were declared valid under takeover law by the Swiss Takeover Board on 22 April 2015.

The transfer agreement is available for shareholders to inspect at the Company's headquarters.

Auditors

Duration of the mandate and term of office of the head auditor

PricewaterhouseCoopers AG, Zurich, was appointed auditor of Kaba AG in 1907 and group auditor (since 2008/2009 auditor) of the Kaba Group in 1982. The head auditor responsible for the existing auditing mandate was appointed effective in financial 2009/2010.

Auditing fees and additional fees

Fees charged by the Group auditors PricewaterhouseCoopers for services in connection with auditing the Financial Statements of Kaba Holding AG and the Group companies as well as the Consolidated Financial Statements of Kaba Group in financial 2014/2015 were approximately CHF 1.58 million. In financial 2014/2015, Kaba Group also paid around CHF 0.7 million for other consultancy services from PricewaterhouseCoopers. Approximately CHF 0.58 million of this was for general advisory services relating to restructuring and accounting changes, and around CHF 0.06 million for taxation services (direct and indirect taxes). Another CHF 0.06 million was spent on accountancy support for subsidiaries.

Information pertaining to external auditors

The Audit Committee of the Board of Directors annually assesses the performance, compensation and independence of the Group auditors and submits to the Board of Directors a proposal as to which external auditors shall be proposed for election by the General Meeting. The Audit Committee also annually monitors the scope of the external auditing process, the auditing program and the relevant procedures and discusses the auditing results with the external auditors. During the 2014/2015 financial year representatives of the auditors attended three meetings of the Audit Committee. You can find more information on the Audit Committee on page 62.

Information policy

Reporting on financial 2014/2015 and Financial Statements as at 30 June 2015 consists of the Executive Report, the Annual Report which includes the Financial Statements, the Corporate Governance Report and the Compensation Report, as well as the Sustainability Report. The Executive Report will be sent to shareholders together with the invitation to the Annual General Meeting; the other publications may be ordered by using the enclosed form, or online at www.dormakaba.com/news-service. The share price, Group publications and reports, press releases and presentations may also be downloaded at www.dormakaba.com. Media and analysts' conferences are held at least once a year, but usually twice a year.

The Group usually holds one Capital Market Day per year at which financial analysts and investors can gain a deeper insight into the Company by meeting members of the Executive Committee and management as well as seeing product presentations. In addition, the Chief Executive Officer and the Chief Financial Officer attend external investors' meetings. Kaba Holding AG publishes price-sensitive information in accordance with its disclosure obligations under the rules of the SIX Swiss Exchange AG (Listing Rules, Art. 53, and rules on ad hoc publicity). Kaba Holding AG informs its shareholders in writing about the course of its business every half year. Information about the course of business is available at www.dormakaba.com/publications and www.dormakaba.com/media-releases.

The notifications, reports and presentations of the Group are not continually updated by the Company; the statements and data contained therein are therefore valid as of the relevant date of publication. For those wishing to obtain current information, Kaba Holding AG recommends that they do not refer solely to past publications.

A list of the most important dates in the financial year can be found at www.dormakaba.com/agenda.