

Nomination of Riet Cadonau as Chairman to the Board with limited-term dual mandate

On 22 June 2018, the Board of Directors of dormakaba Holding AG announced its unanimous decision to propose dormakaba CEO Riet Cadonau for election as Chairman to the Board, succeeding Ulrich Graf who is stepping down after a total of 42 years of service to the company. Subject to his election, Riet Cadonau will continue in his role as CEO of dormakaba Group for a period of two to a maximum of three years. Hans Hess, independent non-executive Member of the Board of Directors, is to assume the roles of Lead Independent Director and Vice-Chairman to ensure good Corporate Governance.

As part of its long-term succession planning, the Board of Directors had for some time already been considering Riet Cadonau as a candidate for the chairmanship starting from approximately 2021. In 2015, a different succession solution had been foreseen, when Ulrich Graf had reached the statutory age limit. However, with the merger of Dorma and Kaba in 2015, the situation changed: all parties agreed that Ulrich Graf should oversee the dormakaba integration as Chairman for the first few years, a task for which he wanted to be accountable and to contribute his valuable expertise. Considering his announced resignation as per the 2018 Annual General Meeting, the transition period for an ad interim Chairman until 2020 or 2021 at the latest would have been very short.

Long-term solution for continuity and sustainable development

At dormakaba, we place great importance on long-term, stable solutions. That is why the Board of Directors wants Riet Cadonau to continue to lead the company as its CEO until 2020 or maximum 2021 in order to successfully complete the integration projects as well as to further support and monitor the technology change to cloud-based solutions. Therefore, the nomination of Riet Cadonau at this time as Chairman, paired with the appointment of Hans Hess as Lead Independent Director, is what the Board of Directors considers the best solution for a sustainable leadership. The Board of Directors is convinced that with this approach, dormakaba will be very well-positioned for the future. Riet Cadonau will ensure a seamless transfer of responsibility as well as continuity in the implementation of our strategy, and therefore also stands for the long-term orientation of the company. This was particularly important to the Board of Directors as part of their solution for the succession of the chairmanship.

Dual-mandate of limited duration

The Board of Directors is committed to good Corporate Governance. The solution to succession presented by the Board is long-term in its approach and the dual mandate is of limited duration for a period of two to a maximum of three years. All the while the proposal will be resubmitted annually for the approval of the shareholders. During this limited duration, **Riet Cadonau** as Chairman and CEO

- will not be a member of any Board committees
- will not receive any additional compensation beyond the compensation he receives for his role as CEO
- will stand for re-election annually as any Member of the Board of Directors of dormakaba Holding Ltd.

Introduction of role of Lead Independent Director

Hans Hess, an independent non-executive Member of the Board of Directors since 2012 with extensive industrial and leadership experience as Chairman, Board member and CEO of publicly listed companies, has been designated by the Board to assume the roles of Lead Independent Director and Vice-Chairman. This role was specifically designed to ensure the independence of the Board of Directors from the

Chairman/CEO and is equipped with competencies that are defined in the Organizational Regulations.

The Lead Independent Director

- will have a say in the agenda of the Board meetings
- will lead private sessions without the participation of the Chairman/CEO at each Board meeting
- will chair in matters related to the Chairman/CEO and in case of potential conflicts of interest of the Chairman/CEO
- will have direct access to all members of the Executive Committee
- will mandate independent reviews by external experts when required.

Hans Hess will also become Chairman of the Nomination Committee and lead the CEO succession process, and he will continue to be a Member of the Audit Committee. Furthermore, subject to his re-election by the Annual General Meeting, he will also continue to be a Member of the Compensation Committee. For his role of Lead Independent Director, Hans Hess will receive an additional annual lump sum of CHF 30'000.

Profile fit to demands of complex and changing industry

Our industry is complex with regards to technology, go-to-market and market needs. dormakaba develops and produces a wide range of mechanical, electronic and cloud-based solutions. Our go-to-market includes direct and indirect channels with up to three levels as well as OEM (Original Equipment Manufacturer); and our global customers range from locksmiths to Chief Security Officers. Market needs are highly varying, also driven by varying local standards and regulations. On top of all that, digital transformation impacts our business and industry.

The Board of Directors is convinced that to master this complexity and the related challenges, its Chairman needs a special set of skills and experience. **Riet Cadonau** is one of few leaders with comprehensive expertise and experience in the industrial sector and in ICT (Information & Communications Technology). His ICT experience in particular is of relevance for our company, both in terms of the digital transformation as well as the technological change in our industry. Riet Cadonau is highly familiar with our industry and for the last roughly ten years has shown strong leadership in the successful strategic direction of our company. He was instrumental in initiating and implementing the merger of Dorma and Kaba as well as Best Access Solutions and other acquisitions, which have been the basis for our current position as one of the top three companies in the global market for access and security solutions. With this experience and background, he is also ideally suited to further strengthening the shared corporate culture – broad acceptance and familiarity with the circumstances are required to this end.

Based on his vita and track record, the Board of Directors decided unanimously that Riet Cadonau has excellent qualifications and the necessary experience to take on the role of its next Chairman for a continued sustainable development of dormakaba to the benefit of customers, employees and shareholders.

Rümlang/Switzerland, in September 2018

dormakaba Holding Ltd. – Board of Directors