

dormakaba Holding AG

Invitation to Annual General Meeting

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

23 October
2018

Admission 2.15 pm
Beginning 3.00 pm
Mövenpick Hotel Zürich Regensdorf

Agenda and motions

1. Reporting on the Financial Year 2017/18

1.1 Approval of the Financial Statements (including Group and Holding financial statements) and the Corporate Governance Report for the Financial Year 2017/18, as well as acknowledgement of the reports of the statutory auditors.

The Board of Directors proposes that the Financial Statements (including Group and Holding financial statements) and the Corporate Governance Report for the financial year 2017/18 be approved.

1.2 Advisory Vote on the Compensation Report 2017/18

The Board of Directors proposes that the Compensation Report 2017/18 be ratified in a non-binding advisory vote.

2. Appropriation of Retained Earnings of dormakaba Holding AG

The Board of Directors proposes that the retained earnings at the Annual General Meeting's disposal, i.e.

	CHF million
Unappropriated retained earnings at the beginning of the period	301.9
Allocation from reserves for own shares	9.0
Net profit for the period	61.1
Unappropriated retained earnings at the end of the period	372.0
Allocation from reserves from capital contribution	63.0
Total at the Annual General Meeting's disposal	435.0

be appropriated as follows:

	CHF million
Distribution from reserve from capital contribution*	63.0
To be carried forward	372.0
Total at the Annual General Meeting's disposal	435.0

* Calculated based on the number of shares as at 30 June 2018. The total amount of the distribution depends on the number of shares entitled to dividend as at 24 October 2018. Treasury shares are not entitled to dividend payout.

The Board of Directors proposes to the Annual General Meeting, instead of a dividend distribution out of retained earnings, a distribution out of reserve from capital contribution of CHF 15.00 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 24 October 2018 will entitle to distribution. Beginning on 25 October 2018, the shares will be traded ex-dividend. Subject to the approval of the proposal by the Annual General Meeting, the distribution will be settled as from 29 October 2018.

3. Discharge of the Board of Directors and of the Management

The Board of Directors proposes that discharge be granted to the members of the Board of Directors and of the Management for their acts in the financial year just ended.

4. Elections to the Board of Directors

The Board of Directors proposes to elect a new chairman of the Board of Directors, a new member of the Board of Directors and the re-election of the following current members of the Board of Directors for a further term of one year each (by way of separate election):

4.1 New election of Riet Cadonau

as a member and as the chairman in the same vote

4.2 New election of Jens Birgersson* as a member

4.3 Re-election of Rolf Dörig 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 Karina Dubs-Kuenzle as a member

4.7 Re-election of Hans Gummert as a member

4.8 Re-election of John Heppner as a member

4.9 Re-election of Hans Hess as a member

4.10 Re-election of Christine Mankel as a member

* Further details are available online at: go.dormakaba.com/agm2018

5. Elections to the Compensation Committee

The Board of Directors proposes to elect the following members of the Compensation Committee for a 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 Board of Directors intends to appoint Rolf Dörig (in case of his re-election) as Chairman of the Compensation Committee.

6. Appointment of PricewaterhouseCoopers AG as Statutory Auditors

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

7. Appointment of Andreas Keller as Independent Proxy

The Board of Directors proposes the election of Andreas Keller, Zurich, as independent proxy for a further term of one year.

8. Approval of the Compensation of the Board of Directors and the Executive Committee

8.1 Approval of the Compensation of the Board of Directors

The Board of Directors requests approval of a maximum total compensation amount for the Board of Directors of CHF 2,190,000 for the period from the 2018 Annual General Meeting until the 2019 Annual General Meeting.

8.2 Approval of the Compensation of the Executive Committee

The Board of Directors requests the approval of a maximum aggregate amount of CHF 5,500,000 for the fixed basic compensation of the Executive Committee and of CHF 12,500,000 for the variable compensation of the Executive Committee, which makes a maximum total compensation amount of CHF 18,000,000 for financial year 2019/20.

Organizational

Documentation

The Annual Report for 2017/18 consisting of

- Financial Statements 2017/18 (including Group and Holding financial statements)
- Corporate Governance Report 2017/18
- Compensation Report 2017/18

as well as the original reports of the statutory auditors are available for review by shareholders at the company's headquarters at Hofwisenstrasse 24, 8153 Rümlang, Switzerland. The information is also published online at www.report.dormakaba.com/2017_18.

Admission Tickets

Shareholders entered in the share register with voting rights until 15 October 2018 will receive the invitation to the Annual General Meeting including the proposals of the Board of Directors by mail. Upon return of the reply form, the shareholders will be sent the admission ticket and voting slips. **No entries will be made in the share register from 16 to 23 October 2018.** Owners of registered shares who sell their shares prior to the Annual General Meeting 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 Annual General Meeting.

Representation/Proxy

Shareholders who cannot personally attend the Annual General Meeting may be represented as follows:

- by another **shareholder** who is entered in the share register: Please order your admission ticket, complete the proxy form on the reverse side of the admission ticket and submit it to the proxy holder together with the voting slips,

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 reply form, signature of the reply form grants general authorization to the independent proxy to vote in favor of the proposals submitted by the Board of Directors.

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 19 October 2018 at 3 p.m. Information to access the online voting platform are included on the reply form. Should you have any questions, please find contact information for support 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 Annual General Meeting in person, but can attend the Annual General Meeting as guests.

Proxy Limitations

We wish to draw the attention of our shareholders 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 Annual General Meeting will be conducted in German, an English translation will be available.

Timing

2:15 p.m. Opening
3:00 p.m. Start of the Annual General Meeting
7:00 p.m. End of the event

How to get there

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

Rümlang, 14 September 2018

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 will submit the maximum total compensation amounts of the Board of Directors and the Executive Committee to shareholders' vote at this year's Annual General Meeting.

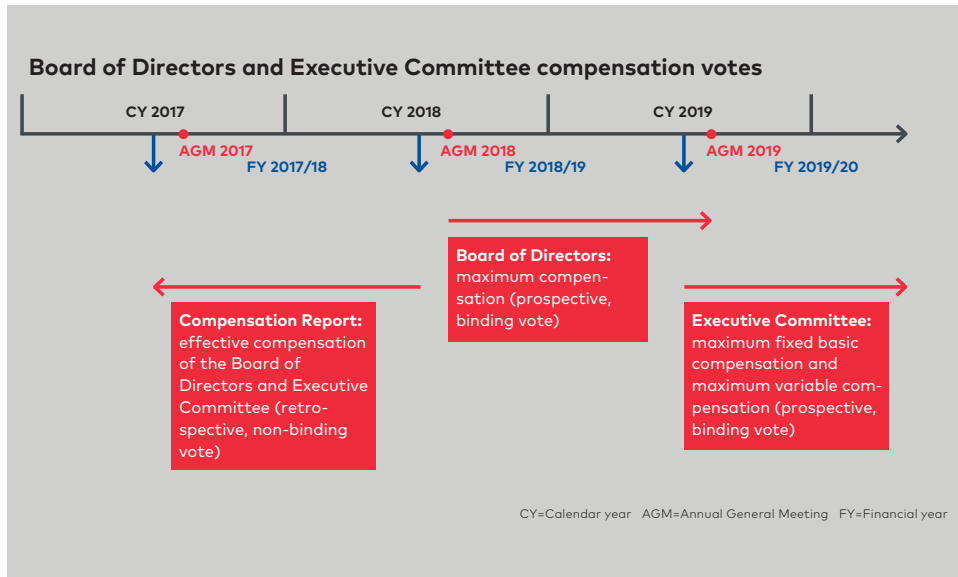
The approval of the maximum total compensation amount of the Board of Directors applies to the compensation period from the 2018 Annual General Meeting until the 2019 Annual General Meeting (agenda item 8.1).

The approval of the maximum total compensation amount of the Executive Committee applies to financial year 2019/20 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 Board of Directors and the Executive Committee.

Further information about the compensation system and about the compensation awarded for the financial year 2017/18 can be found in the Compensation Report 2017/18. 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 2018 Annual General Meeting.



Agenda item 8.1 – Approval of the compensation of the Board of Directors

Request of the Board of Directors

The Board of Directors requests approval of a maximum total compensation amount for the Board of Directors of CHF 2,190,000 for the period from the 2018 Annual General Meeting until the 2019 Annual General Meeting.

The proposal assumes that all proposed Board members (10 members) will be elected by the Annual General Meeting (previous compensation period from 2017 Annual General Meeting until 2018 Annual General Meeting: 10 members).

Explanation of the fundamentals of compensation for the Board of Directors

The compensation policy applicable to the Board of Directors was reviewed and adjusted in financial year 2016/17 based on market data of other Swiss listed industrial companies comparable in size and complexity and is still valid for the upcoming period. To reinforce their independence, members of the Board of Directors 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 or insurance benefits. The amount of compensation is determined annually by the Board of Directors 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 Board of Directors and its committees.

According to the current compensation directive, each member of the Board of Directors receives an annual cash compensation for the work on the Board of Directors and on the Board's committees. Additional fees are paid for performing additional special tasks assigned by the Board of Directors. A portion of the cash compensation can be allocated individually in form of restricted shares of dormakaba Holding AG if the respective Board of Directors member so decides. In addition, the members of the Board of Directors 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 compensation model of the Board of Directors is summarized in the table below and includes an additional compensation component for the function of the Lead Independent Director, which is newly created as of the 2018 AGM.

Basic compensation			Additional compensation		
in CHF	Chairman BoD	Member BoD	in CHF	Committee Chairman	Committee member
In cash	330,000	90,000	Audit Committee	60,000	15,000
In restricted shares	240,000	80,000	Compensation Committee	45,000	10,000
			Nomination Committee	45,000	10,000
			Lead Independent Director	30,000	

The requested maximum total compensation of CHF 2,190,000 includes CHF 1,305,000 for cash compensation (incl. compensation for special tasks), CHF 720,000 for compensation in restricted shares, CHF 97,000 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 2,190,000 is lower than the maximum total compensation amount approved by the shareholders for the previous compensation period from the 2017 Annual General Meeting until the 2018 Annual General Meeting. This is due to the fact that the Chairman of the Board will not receive any compensation for his function on the Board of Directors, as long as he acts in a dual role Chairman and CEO.

The calculation of the total compensation for members of the Board of Directors 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 Executive Committee

Request of the Board of Directors

The Board of Directors requests the approval of a maximum aggregate amount of CHF 5,500,000 for the fixed basic compensation of the Executive Committee and of CHF 12,500,000 for the variable compensation of the Executive Committee, which makes a maximum total compensation amount of CHF 18,000,000 for financial year 2019/20.

The proposal of the Board of Directors has been calculated based on the current Executive Committee composition.

Explanation of the fundamentals of compensation for the Executive Committee

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

- 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).
- 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 Executive Committee 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). The vesting of the performance share units will depend on the consolidated earnings per share growth over the three-year performance period and on the relative total shareholder return compared to the companies of the Swiss Market Index Mid (SMIM).
- 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 Executive Committee:

Financial year/CHF	2017/18 maximum approved	2017/18 effective	2019/20 maximum approved	2019/20 maximum requested
Fixed basic compensation	5,730,000	5,631,551	6,100,000	5,500,000
Variable compensation	12,500,000	9,016,085	13,400,000	12,500,000
Total	18,230,000	14,647,636	19,500,000	18,000,000
Total requested compensation (including 10% reserve)				18,000,000

On this basis, the following is proposed for the Executive Committee:

- Maximum aggregate fixed compensation including social insurance and pension contributions as well as other benefits of CHF 5,500,000.
- Maximum aggregate variable compensation including social insurance and pension plan contributions of CHF 12,500,000.
- Total requested aggregate compensation amount of CHF 18,000,000. Compared with the maximum compensation for financial year 2018/19, the requested amount of total compensation for the Executive Committee is lower due to the reduction of the number of Executive Committee members between the two periods.

The calculation of the total compensation amount for members of the Executive Committee 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

Online Report on:
www.report.dormakaba.com/2017_18