

Corporate Governance

General framework

This report on corporate governance sets out the principles of management and control at the highest level of the dormakaba Group in accordance with the SIX Swiss Exchange Directive on Information Relating to Corporate Governance (Directive Corporate Governance, DCG). Unless otherwise stated, the information in this report for the 2016/17 financial year is as of 30 June 2017. dormakaba Group's corporate governance largely follows the guidelines and recommendations set out in the Swiss Code of Best Practice for Corporate Governance of July 2002 and revised editions of 2007 and 2014. dormakaba Group has made some adjustments and simplifications to suit its management and shareholder structure and medium size.

dormakaba Group's principles and rules regarding corporate governance are set out in its Articles of Incorporation¹⁾, its Organizational Regulations and in the regulations of its Board committees.

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

Group structure and shareholders

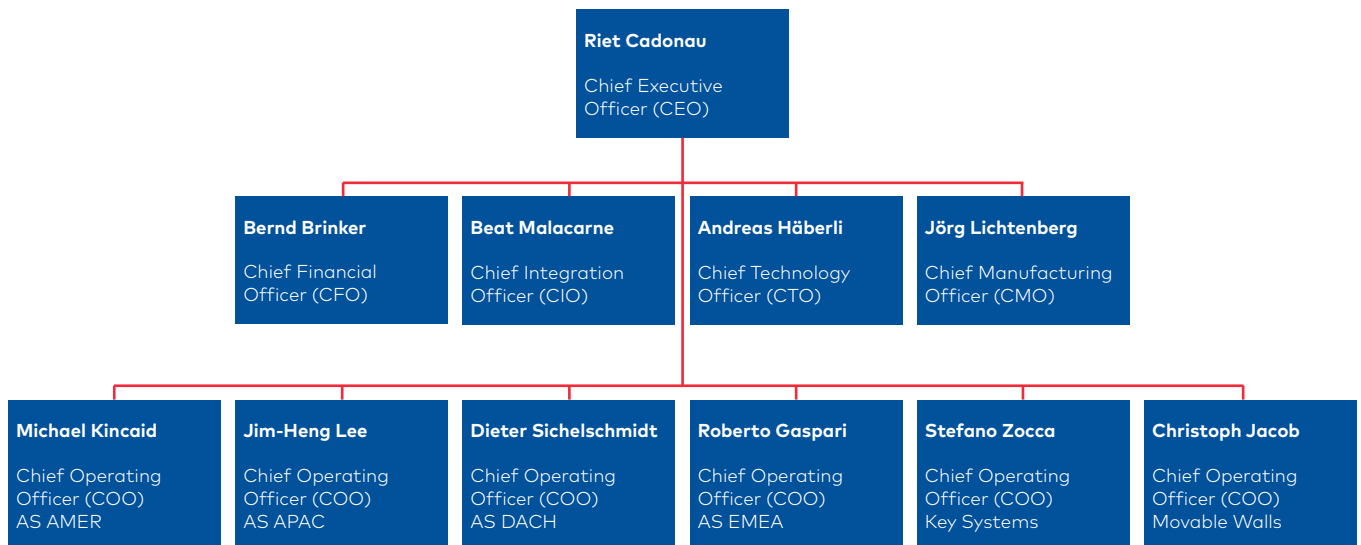
Group structure

dormakaba Group's organizational structure consists of the following six segments:

- The four regional segments within Access Solutions (AS)
 - AS AMER (North and South America)
 - AS APAC (Asia-Pacific)
 - AS DACH (Germany, Austria, Switzerland)
 - AS EMEA (rest of Europe, Middle East, Africa)
- Key Systems and
- Movable Walls

The companies that lie within the Group's scope of consolidation are listed from page 40 of the Financial statements.

Executive Committee dormakaba Group as of 30 June 2017



Shareholders

	As at 30.06.2017		As at 30.06.2016	
	No of shares at CHF 0.10 par value	in %	No of shares at CHF 0.10 par value	in %
Pool shareholders¹⁾	1,153,191	27.5	1,152,885	27.5
Public shareholders				
Other public shareholders	3,021,712	71.9	3,017,962	71.9
Total public shareholders	3,021,712	71.9	3,017,962	71.9
Members of the Board of Directors and members of the Executive Committee				
Members of the Board of Directors (non-executive)	477,192	11.4	431,452	10.3
Members of the Executive Committee	12,528	0.3	9,024	0.2
Total members of the Board of Directors and members of the Executive Committee	489,720	11.7	440,476	10.5
Less double-counting in respect of Pool shareholders who are members of the Board of Directors ²⁾	-464,597	-11.1	-416,297	-9.9
Total shares	4,200,026	100.0	4,195,026	100.0

1) The following persons are party to the pool agreement dated 29 April 2015: Familie Mankel Industriebeteiligungs GmbH + Co. KGaA/Ennepetal, Mankel Family Office GmbH/Ennepetal, KRM Beteiligungs GmbH/Ennepetal, Christine Mankel-Madaus/Ennepetal, Stephanie Brecht-Bergen/Hamburg, Karl-Rudolf Mankel/Ennepetal as well as Martina Bössow/Dubai (UAE), Anja Bremi/Zollikon, Ulrich Bremi/Zollikon, Balz Dubs/Zurich, Karina Dubs-Kuenzle/Zurich, Kevin Dubs/Zurich, Linus Dubs/Zurich, Anja Flückiger/Forch, Christian Forrer/Bern, Karin Forrer/Muri, Anna Katharina Kuenzle/Thalwil, Clive Kuenzle/Zurich, heirs of Creed Kuenzle, Michael Kuenzle/Meilen, Alexandra Sallai/Worb, Christoph Sallai/Worb, Andrea Ullmann/Zollikon, Sascha Ullmann/Zollikon, Adrian Weibel/Meilen and Tonia Weibel/Meilen.

2) The shareholdings of Pool Shareholders who are also members of the Board of Directors are included under Pool Shareholders and members of the Board of Directors.

Major shareholders

The above table sets out dormakaba Holding AG's shareholder structure on the balance sheet date and lists the names of shareholders who have reported holding a stake of 3% or more of voting rights in dormakaba Holding AG. With regard to the stock exchange reporting obligations that apply on reaching, exceeding or falling below certain thresholds, in financial year 2016/17 the following shareholder made disclosure notifications to dormakaba Holding AG and the SIX Swiss Exchange (more details are available via the search feature provided by the Disclosure Office of the SIX Swiss Exchange at www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html):

- Norges Bank (the Central Bank of Norway), Oslo, Norway: 26 April 2017 3.11%
- Norges Bank (the Central Bank of Norway), Oslo, Norway: 9 May 2017 2.66%
- UBS Fund Management (Switzerland) AG, Basel, Switzerland: 20 May 2017 3.02%
- UBS Fund Management (Switzerland) AG, Basel, Switzerland: 25 May 2017 below 3%

The Mankel/Brecht-Bergen Family and the Kaba Family Shareholders (collectively referred to as the Anchor Shareholder Group) have concluded a pool agreement that governs the mutual rights and obligations of the Kaba Family Shareholders and the Mankel/Brecht-Bergen Family. The pool agreement states that the Anchor Shareholder Group can propose a maximum of five representatives to the General Meeting for election to the Board of Directors.

This Anchor Shareholder Group undertakes to exercise its voting rights in concert when voting on significant Annual 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 dormakaba Holding AG. Finally, if they sell 27% or more of dormakaba Holding AG voting rights, members of the Anchor Shareholder Group undertake to commit the buyer to make a public takeover offer to all dormakaba Holding AG shareholders at the same price as that at which the members of the Anchor Shareholder Group are selling. This is designed to prevent any price discrimination against minority shareholders. The pool agreement lasts until 29 April 2030. As far as dormakaba Holding AG is aware, there are no shareholder agreements or other agreements between the major shareholders mentioned that involve the dormakaba Holding AG shares they own or the exercise of the shareholder rights these shares confer.

Cross-shareholdings

dormakaba Group has not entered into any capital or voting cross-shareholdings with other companies.

Capital structure

Capital

dormakaba Holding AG's share capital as at 30 June 2017 is CHF 420,002.60, divided into 4,200,026 fully paid-up registered shares with a nominal value of CHF 0.10 each. As at 30 June 2017, dormakaba Holding AG has authorized capital of CHF 41,900 (corresponding to 9.98% of the share capital), divided into 419,000 registered shares with a nominal value of CHF 0.10 each, and conditional capital of maximum CHF 42,438.40 (corresponding to 10.10% of the share capital) for issuing bonds or similar instruments (up to a maximum of CHF 36,000, divided into 360,000 registered shares with a nominal value of CHF 0.10 each) and for employee participation programs (maximum CHF 6,438.40, divided into 64,384 registered shares with a nominal value of CHF 0.10 each).

Conditional capital

The share capital of dormakaba 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 nominal 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 dormakaba 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 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 dormakaba Holding AG may be increased by no more than CHF 6,438.40 by issuing to employees and members of the Board of Directors of dormakaba Holding AG and of Group companies no more than 64,384 registered shares with a nominal 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 page 74). 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 restrictions set out in the Articles of Incorporation.

Authorized capital

The Annual General Meeting of 20 October 2015 created authorized capital and authorized the Board of Directors of dormakaba Holding AG to increase the share capital of the company by no more than CHF 41,900 through the issue of a maximum of 419,000 fully paid-up registered shares with a nominal value of CHF 0.10 each by 20 October 2017 at the latest. An increase in installments is allowed. Subscription to and acquisition of new shares and each subsequent transfer shall be subject to the restrictions set out in the Articles of Incorporation. The Board of Directors determines the date of issue of new shares, the issue price, type of payment, conditions of exercising subscription rights and the start date for dividend entitlement. The Board of Directors can issue new shares by having a bank or third party underwrite them all and then making an offer to existing shareholders. The Board of Directors is authorized to set the issue price of new shares as close as possible to the market value of the shares. The Board of Directors is authorized in this case to restrict or exclude trading with subscription rights. The Board of Directors can let unexercised subscription rights lapse or can take these rights, or the shares for which these rights are granted but not exercised, and place them at market conditions or use them in some other way in the interests of dormakaba Holding AG. The Board of Directors is also authorized to restrict or remove and allocate to third parties shareholders' subscription rights if the shares are being used in connection with the acquisition of companies, parts of companies or participations, or if shares are being placed to finance or refinance such transactions.

The Board of Directors will propose to the General Meeting on 17 October 2017 to slightly increase and renew the existing authorized capital, which will expire on 20 October 2017, if not renewed. If the Annual General Meeting agrees to this proposal, the Board of Directors will be authorized until no later than 17 October 2019 to increase the share capital of the company by a maximum of CHF 42,000 through the issuance of not more than 420,000 fully paid-up registered shares with a nominal value of CHF 0.10 each.

Changes in capital in the last four financial years

As a result of an increase from authorized capital, which was renewed by the Annual General Meeting of 28 October 2014, the share capital of dormakaba 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 merger between Kaba Group and Dorma Group and was not dependent on completion of the merger. The 380,000 shares issued from authorized capital were subscribed by Familie Mankel Industriebeteiligungs GmbH + Co. KGaA. Due to the allocation and issue of shares under the (i) Directive regarding the compensation for the members of the Board of Directors of dormakaba Holding AG and (ii) Executive Stock Award Plan, the share capital of dormakaba Holding AG increased as at 30 June 2017 by CHF 500 from CHF 419,502.60 to CHF 420,002.60 through the issue of 5,000 registered shares with a nominal value of CHF 0.10 each; conditional capital declined by CHF 500 from CHF 42,938.40 to CHF 42,438.40 (represented by 424,384 registered shares with a nominal value of CHF 0.10 each) accordingly.

Shares and non-voting shares (Partizipationsscheine)

Each share entitles the holder to one vote at the General Meeting of dormakaba Holding AG. Voting rights can only be exercised if the shareholder is registered with voting rights in dormakaba Holding AG's share register. The shares of dormakaba Holding AG are not physical but are issued purely as security rights. They are registered as book-entry securities. Shares carry full dividend rights. There are no outstanding shares with privileged dividend rights or other preferential rights. dormakaba Holding AG has not issued any non-voting shares (Partizipationsscheine).

Profit-sharing certificates (Genussscheine)

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

Limitations on transferability and nominee registrations

Transfers of shares of dormakaba Holding AG require the approval of the company's Board of Directors. Approval may be refused if the acquirer of the shares does not expressly declare that these were acquired in its own name and for its own account. The Board of Directors will register individual persons who do not expressly declare that they hold the shares for their own account ("nominees") in the share register with the right to vote provided the nominee has entered into an agreement with the Board of Directors with respect to its position and if the nominee is subject to recognized banking or financial market supervision. Otherwise, such shares held by nominees can be registered in the share register without voting rights.

In the year under review the Board of Directors granted no exemptions from the transfer restrictions.

Cancelling or changing the limitations on the transferability of shares requires a resolution by the General Meeting supported by at least two-thirds of the votes represented. Book-entry securities based on dormakaba Holding AG shares cannot be transferred by assignment. Neither can collateral be placed by assignment on these book-entry securities. The transfer of such book-entry securities follows the stipulations of the Federal Intermediated Securities Act.

Convertible bonds and options

Neither dormakaba Holding AG nor any of its Group companies have issued any convertible bonds or warrants that are still outstanding, or any options. This does not include the allocation of shares to employees under the stock award plans, details of which are given in the Compensation Report on page 81.

Board of Directors

The duties and responsibilities of the Board of Directors of dormakaba Holding AG are defined by the Swiss Code of Obligations, the Articles of Incorporation and the Organizational Regulations.

Members of the Board of Directors

The Board of Directors of dormakaba Holding AG has ten non-executive members. No members of the Board of Directors have sat on the Executive Committee of dormakaba Holding AG, Kaba Group or Dorma Group at any time in the last five financial years.

No members of the Board of Directors have significant business relations with dormakaba Holding AG. The maximum number of mandates that members of the Board of Directors are allowed to take on the governing bodies of legal entities outside the dormakaba Group is regulated in section 27 of the Articles of Incorporation (www.dormakaba.com/corporate-governance). The following table lists the name, year of birth and date of joining of the individual members of the Board of Directors.

Members of the Board of Directors as of 30 June 2017

Name/Position	Year of birth	Entry
Ulrich Graf (Chairman)	1945	1989
Rolf Dörig (Vice-Chairman)	1957	2004
Stephanie Brecht-Bergen	1985	2015
Elton SK Chiu	1957	2010
Daniel Daeniker	1963	2010
Karina Dubs-Kuenzle	1963	2001
Hans Gummert	1961	2015
John Heppner	1952	2013
Hans Hess	1955	2012
Christine Mankel-Madaus	1982	2015

Changes of capital of dormakaba Holding AG within the last four financial years

in CHF million	30.06.2017	30.06.2016	30.06.2015	30.06.2014
Equity				
Share capital	0.4	0.4	0.4	0.4
Reserve from capital contribution	280.7	327.5	568.2	433.5
Legal reserves	261.0	261.0	261.0	261.0
Reserves for own shares	17.6	0.0	0.0	0.0
Treasury shares	-1.0	-2.8	-6.0	-7.4
Unappropriated retained earnings	301.9	288.2	288.7	223.7
Total equity	860.6	874.3	1,112.3	911.2

Members of the Board of Directors as of 30 June 2017



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 Group¹⁾ (CH) and President Kaba Holding AG; 1976–1989 various executive positions at Kaba Group¹⁾ (CH)

External activities and interests: Chairman of the Board of Directors of Dätwyler Holding AG¹⁾ (until March 2017); Chairman of the Board of Directors of Griesser Group (CH); member of the Board of Directors Feller AG (CH); Chairman of the Board of Trustees of Rega (Swiss Air Rescue) (CH); member of the Supervisory Board Dekra e.V. (until April 2017)



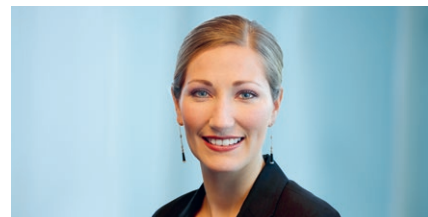
Rolf Dörig, Vice-Chairman
Chair Compensation Committee, Member Nomination Committee

Swiss citizen

Education: Dr. iur., attorney-at-law (CH), Advanced Management Program Harvard Business School (USA)

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 Swiss Life¹⁾ (CH) and Adecco Group¹⁾ (CH); member of the Supervisory Board of Danzer Holding AG (AT), member of the board of Emil Frey Holding AG (CH) and Chairman Swiss Insurance Association (CH)



Stephanie Brecht-Bergen

German citizen

Education: Dr. rer. pol., EBS University (DE); M. Sc. in General Management, EBS University (DE); MBA, Pepperdine University (CA/USA)

Career: Since 2014 Management Board Member of Mankel Family Office GmbH (DE); since 2009 shareholder of dormakaba 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)



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 member of the Board of Advisors of CW, Certified Public Accountants (HK/CN); 1989–2003 various management positions JT International (China) Ltd. (HK/CN) and its predecessor companies, most recently as General Manager; 2006–2017 non-executive member of the Board of the dormakaba affiliate Wah Yuet Group (HK/CN)

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

1) listed company



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 Supervisory Board Rothschild & Co SCA¹⁾ (FR)



Karina Dubs-Kuenzle

Swiss citizen

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

Career: Since 2009 partner Fehba Import Export AG (CH); 1997–2016 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 Fehba Import Export AG (CH)



Hans Gummert

Member Audit, Nomination and Compensation Committees

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 2008 of the law and tax consultancy firm Heuking Kühn Lüer Wojtek (DE/BE/CH)

External activities and interests: Member of the Board ISEO Serrature S.p.A. (IT); Member of the shareholders committee Hoberg & Driesch GmbH (DE); Member of the Board of Directors Chiron-Werke SE (DE); Member of the advisory board Coroplast Fritz Müller GmbH&Co. KG (DE); Chairman of the Supervisory Board of dormakaba 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 Windows&Façade Systems LLC (UAE)



John Heppner

American 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 Sulzer¹⁾ (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)



Christine Mankel-Madaus

German citizen

Education: Diplomkauffrau, EBS University (DE)

Career: Since 2014 Management Board Member of Mankel Family Office GmbH (DE); since 2009 shareholder of dormakaba 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)

Elections and terms of office

The Board of Directors of dormakaba Holding AG is elected by the Annual General Meeting, with each member standing for election individually. The Articles of Incorporation state that the Board of Directors shall have between five and ten members. Prospective members shall be elected for a one-year term of office up to the conclusion of the next Annual General Meeting. Members of the Board of Directors can be re-elected. When they reach 70 years of age, members of the Board of Directors normally resign at the next General Meeting. The Board of Directors has decided not to apply the age limit it voluntarily included in the Organizational Regulations to the Board of Directors member Ulrich Graf because it wants to continue to use his experience (especially his significant integration knowledge with regard to 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 17 October 2017 that all serving members of the Board of Directors be re-elected and that Ulrich Graf be re-elected as Chairman of the Board.

Internal organization

According to the Swiss Code of Obligations and dormakaba Holding AG's Articles of Incorporation and Organizational Regulations, the main responsibilities of the Board of Directors are:

- The strategic direction and management of dormakaba Group;
- Structuring the accounting system, the financial controls and the financial planning;
- Appointing and dismissing members of the Executive Committee;
- Overall supervision of business activities;
- Preparation of the Annual Report, preparation of the General Meeting and implementation of its resolutions;
- Approving the signing authority of dormakaba Holding AG employees;
- Approving the purchase and sale of companies, business areas or other assets worth more than CHF 10 million;
- Approving investments, purchases and disposals of real estate worth more than CHF 5 million.

The relevant decisions are taken by the whole Board of Directors. The CEO and CFO regularly participate in meetings of the Board of Directors in an advisory capacity. Other members of the Executive Committee are brought in to advise on individual items of the agenda. The Board of Directors held eight meetings during the 2016/17 financial year; these lasted between one hour and a whole working day. All members of the Board of Directors attended each meeting except one Director who was excused for one meeting. In addition, the Board's committees met 13 times in total. The agendas for Board meetings are defined by the Chairman at the CEO's request. Each member of the Board of Directors may propose agenda items. Members of the Board of Directors always receive documentation prior to Board meetings so they can prepare for discussion of each item on the agenda. The Board of Directors holds discussions with the company's managers and visits one or more dormakaba Group locations, usually on an annual basis.

Committees

The Board of Directors has formed an Audit Committee, a Compensation Committee and a Nomination Committee. Members of the Compensation Committee are elected at each Annual General Meeting. Each committee has written terms of reference that define its tasks and responsibilities. The chairs of these committees are chosen by the Board of Directors. The committees meet regularly and are obliged to produce minutes as well as recommendations to the regular Board meetings. Committee meeting agendas are defined by the committee chair. Members of the committees receive documentation prior to the meetings so they can prepare for discussion of agenda items.

Audit Committee

The Audit Committee is composed of three non-executive members of the Board of Directors, who have professional or other experience of financing and accounting:

Daniel Daeniker (Chair)

Hans Gummert

Hans Hess

The Board of Directors has specified that members of the Audit Committee must meet certain requirements with regard to independence and skills and that they must not be members of the Executive Committee. The term of office is one year or until the conclusion of the next Annual General Meeting; members may be re-elected. The Audit Committee meets at least twice a year, but will be convened by the chair as often as business requires. During the 2016/17 financial year the Audit Committee met five times, with each meeting lasting at least one hour. All members of the Audit Committee attended each meeting. The CFO takes part in the meetings in an advisory capacity, as do, where necessary, the CEO, representatives of the audit firm, representatives of Internal Audit and of the Accounting Department, and the General Counsel. In the 2016/17 financial year, representatives of the audit firm participated in three meetings, the General Counsel, representatives of Internal Audit and Accounting in five and external consultants in four. The Audit Committee minutes the deliberations and decisions taken during meetings. The principal responsibilities of the Audit Committee are to evaluate risk management and accounting processes, monitor financial reporting and internal auditing, and assess external audits. With regard to external audits, the Audit Committee has the following responsibilities:

- Approval of the audit priorities;
- Acceptance of the audit report and of any recommendations made by the auditors prior to the submission of the annual accounts (individual and consolidated financial statements) to the whole Board of Directors for approval;
- Proposing to the whole Board of Directors which external auditor should be recommended to the General Meeting;
- Assessing the external auditor's performance, pay and independence, and checking that audit activities do not clash with any consultancy mandates.

The Audit Committee's tasks relating to internal audits include:

- Approving the rules on internal audit's organization and responsibilities;
- Approving audit plans;
- Checking the results of the audits and implementing the recommendations of the internal or external auditor;
- Transferring (if necessary) internal auditing activities to third parties or to the external auditor in an expansion of its audit activities;
- Monitoring the existing Internal Control System (ICS). Compliance with Management Information System (MIS) guidelines, compliance with guidelines on limiting legal risk, and optimizing the risk profile through insurance. In individual cases, external specialist auditors may be brought in to help;
- Auditing the compliance report;
- Monitoring outstanding legal proceedings;
- Evaluating and monitoring business and financial risks.

The risk management system periodically records legal, operational, financial and business risks. Legal risks include current or potential legal disputes; operational risks include scenarios such as operational failures and natural disasters; whereas business risks include for instance payment defaults or general negative market developments. 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 review. Risks are recorded if they have a potential financial impact of CHF 2.5 million or more. The Audit Committee regularly reports to the Board of Directors as a whole about its activities, and it notifies the Board of Directors immediately about important matters.

Nomination Committee

The Nomination Committee consists of four members, the majority of Committee members must be non-executive members of the Board of Directors:

Ulrich Graf (Chair)

Rolf Dörig

Hans Gummert

Hans Hess

The term of office for each member is one year or until the conclusion of the next Annual General Meeting; members may be re-elected. The Nomination Committee meets at least once a year. During the 2016/17 financial year the Nomination Committee met three times, with each meeting lasting at least two hours. All members of the Nomination Committee attended each meeting. The CEO also usually takes part in the meetings in an advisory capacity, the only member of the Executive Committee to do so. The Nomination Committee sets out the principles for appointing and re-electing members of the Board of Directors and submits proposals to the Board of Directors about its composition. The Nomination Committee also recommends the appointment and de-selection of members of the Executive Committee; the final decisions on appointments and de-selections are taken by the Board of Directors as a whole. The Nomination Committee minutes its deliberations and decisions and regularly reports to the whole Board of Directors.

Compensation Committee

The organization and members of the Compensation Committee as well as the details of dormakaba Group's compensation policy are set out on pages 76 et seq. of the Compensation Report. All members of the Compensation Committee attended each meeting. In the financial year 2016/17, the Compensation Committee held four meetings and one telephone conference of approximately one to two hours each.

Powers and responsibilities

Management organization

The Board of Directors has the highest responsibility for business strategy and supervises management of the dormakaba Group. It has the highest decision-making authority and sets the strategic, organizational, financial planning and accounting rules that dormakaba Group must follow. The Board of Directors has delegated management of ongoing business to the Executive Committee under the leadership of the CEO. Therefore, the CEO is responsible for overall management of the dormakaba Group. The powers and functions of the Executive Committee are set out in the Organizational Regulations of dormakaba Holding AG. The CFO, the CIO (Chief Integration Officer), the COOs, the CTO (Chief Technology Officer) and the CMO (Chief Manufacturing Officer) report to the CEO, who is responsible for overall management and for cooperation across segments and functions. These roles have a seat on the Executive Committee.

Chief Executive Officer (CEO)

The CEO manages dormakaba Group. He is responsible for all the things that are not allocated to other company bodies by law, by the Articles of Incorporation or by the Organizational Regulations. After consulting with the Executive Committee, the CEO submits the strategy, the long- and medium-term objectives and the management guidelines for the dormakaba Group to the Board of Directors for approval. In response to a proposal by the CEO, the whole Board of Directors decides on the annual budget (consolidated), individual projects, the consolidated financial statements and the financial statements of dormakaba Holding AG. The CEO submits recommendations to the Nomination Committee about personnel issues at the Executive Committee level. The CEO also makes proposals to the Compensation Committee regarding the remuneration of members of the Executive Committee (including allocation of shares from the share allocation plans). The CEO regularly reports to the whole Board of Directors about business performance, anticipated important business issues and risks, as well as about changes in management at the operating segment level. Members of the Board of Directors may request and examine further information. The CEO must inform the Chairman of the Board of Directors immediately about any important unexpected developments.

Information from and control over the Executive Committee

dormakaba Group's Management Information System (MIS) works as follows: monthly, quarterly, semi-annual and annual financial statements (balance sheet, income statement and cash flow statement) are prepared of the Group's individual reporting units. These figures are consolidated for each segment and for the Group as a whole. The financial figures are compared with the prior year and the budget. The achievability of the budget, which shows the first year of a three-year medium-term plan for each reporting unit, is assessed against the quarterly statements and in the form of a forecast. The CEO and CFO submit monthly written reports to the Board of Directors about progress against the budget and comparisons with the prior year. At monthly meetings (monthly performance reviews) the segment heads (COOs) inform the CEO and the CFO about business performance and notable events based on written reports about e.g. achievement of budget targets. At Board of Directors meetings, a summary of these reports is discussed and assessed with the CEO and the CFO.

Executive Committee

Management philosophy

The dormakaba Group delegates entrepreneurial responsibility for operational business to segment level. The corresponding management organization is based on decentralized responsibility where appropriate and therefore rapid decision-making structures situated close to local markets. This helps to keep activities focused on the customer. Group functions like Accounting, Communications, Controlling, Human Resources, IT and Legal define and monitor Group-wide standards and are responsible for functional, Group-wide projects. The CFO is responsible for the Group's financial affairs. All the integration tasks associated with the merger to dormakaba are controlled by the CIO (Chief Integration Officer). The COOs are responsible for the business activities of their respective segments, including development, production, sales and services. The Group Innovation Management area focuses on digitization as well as Intellectual Property Management and Quality Management and is strategically managed at Executive Committee level by the CTO (Chief Technology Officer). The CMO (Chief Manufacturing Officer) is responsible for the global purchasing as well as the supplier control and advises and supports the operating segments optimize the production and supply chain.

Members of the Executive Committee as of 30 June 2017

Name/Position	Year of birth	Entry Executive Committee
Riet Cadonau CEO	1961	2011
Bernd Brinker CFO	1965	2015
Beat Malacarne Chief Integration Officer	1962	2011
Michael Kincaid COO Access Solutions AMER	1961	2013
Jim-Heng Lee COO Access Solutions APAC	1962	2014
Dieter Sichelschmidt COO Access Solutions DACH	1951	2015
Roberto Gaspari COO Access Solutions EMEA	1959	2006
Stefano Zocca COO Key Systems	1963	2011
Christoph Jacob COO Movable Walls	1962	2015
Andreas Häberli Chief Technology Officer	1968	2011
Jörg Lichtenberg Chief Manufacturing Officer	1964	2015

Members of the Executive Committee

The table above gives the name, year of birth, position and date of joining of each Executive Committee member. The maximum number of mandates that members of the Executive Committee are allowed to take on the governing bodies of legal entities outside the dormakaba Group is regulated in section 27 of the Articles of Incorporation.

Members of the Executive Committee as of 30 June 2017



Riet Cadonau
Chief Executive Officer

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 2015 CEO and member of the Executive Committee of dormakaba Group¹⁾ (CH); 2011–2015 CEO and member of the Executive Committee Kaba Group¹⁾ (CH); 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 Group, 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 2016 member of the Board of Directors of Georg Fischer AG¹⁾ (CH) and 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)



Bernd Brinker
Chief Financial Officer

German citizen

Education: Degree in Business Administration (Diplom-Kaufmann) from the University Cologne (DE)

Career: Since 2015 CFO and member of the Executive Committee of dormakaba Group¹⁾ (CH); 2014–2015 Chief Financial Officer of Dorma Group (DE); 2006–2014 Evonik Industries¹⁾ (DE); 2009–2014 Head of Corporate Portfolio Management and M&A, 2006–2008 Head of Investor Relations; 2001–2006 Head of Finance and Investor Relations Degussa AG¹⁾ (DE); 1991–2001 various management positions at VIAG AG¹⁾ (today E.ON, DE) and its subsidiary SKW Trostberg AG¹⁾ (DE), lastly as Head of Finance



Beat Malacarne
Chief Integration Officer

Swiss citizen

Education: Swiss certified accountant

Career:

Since 2015 Chief Integration Officer and member of the Executive Committee of dormakaba Group¹⁾ (CH); 2011–2015 Chief Financial Officer and member of the Executive Committee of Kaba Group¹⁾ (CH); 2009–2011 Chief Financial Officer, member of the Executive Board SBB Cargo AG (CH); 2006–2009 Project Manager Internal Control System (ICS) and Deputy Manager 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
Chief Operating Officer
Access Solutions EMEA

Italian citizen

Education: Economics Degree from the Bocconi University (IT)

Career: Since 2015 COO Access Solutions EMEA and member of the Executive Committee of dormakaba Group¹⁾ (CH); 2014–2015 Head of Division Access + Data Systems EMEA and member of the Executive Committee Kaba Group¹⁾ (CH); 2011–2014 Head of Division Access + Data Systems EMEA and APAC and member of the Executive Committee Kaba Group¹⁾ (CH); 2006–2011 Head of Division Key Systems Europa/Asia Pacific and member of the Executive Board Kaba Group¹⁾ (CH); 2002–2011 General Manager Silca S.p.A. (IT); 1997–2002 Managing Director Italy and France Watts Industries Inc. (USA); 1988–1997 Managing Director Cisa S.p.A. (IT)



Stefano Zocca
Chief Operating Officer
Key Systems

Italian citizen

Education: Economics Degree from the Bocconi University (IT)

Career: Since 2015 COO Key Systems and member of the Executive Committee of dormakaba Group¹⁾ (CH); 2011–2015 member of the Executive Committee of Kaba Group¹⁾ (CH), 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, since 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)



Michael Kincaid

Chief Operating Officer
Access Solutions AMER

US citizen

Education: Bachelor of Mechanical Engineering, Master of Business Administration

Career: Since 2015 COO Access Solutions AMER and member of the Executive Committee of dormakaba Group¹⁾ (CH); 2013–2015 COO Access+Data Systems Americas and member of the Executive Committee of Kaba Group¹⁾ (CH); 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

Chief Operating Officer
Access Solutions APAC

Singaporean citizen

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

Career: Since 2015 COO Access Solutions APAC and member of the Executive Committee of dormakaba Group¹⁾ (CH); 2014–2015 Head of Division Access+Data Systems Asia Pacific and member of the Executive Committee Kaba Group¹⁾ (CH); 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)



Dieter Sichelschmidt

Chief Operating Officer
Access Solutions DACH

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 2015 COO Access Solutions DACH and member of the Executive Committee of dormakaba Group¹⁾ (CH); 2011–2015 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)



Christoph Jacob

Chief Operating Officer
Movable Walls

German citizen

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

Career: Since 2015 COO Movable Walls and member of the Executive Committee dormakaba Group¹⁾ (CH); 2011–2015 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)



Andreas Häberli

Chief Technology Officer

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 (CH)

Career: Since 2015 Chief Technology Officer and member of the Executive Committee dormakaba Group¹⁾ (CH); 2011–2015 Chief Technology Officer and member of the Executive Committee Kaba Group¹⁾ (CH); 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)

External activities and interests: Since May 2017 member of the Board of Directors of Komax Holding AG¹⁾ (CH)



Jörg Lichtenberg

Chief Manufacturing Officer

German citizen

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

Career: Since 2015 Chief Manufacturing Officer and member of the Executive Committee of dormakaba Group¹⁾ (CH); 2014–2015 Vice President Global Operations Industrials 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)

Events after the balance sheet date

Dieter Sichelschmidt, COO of the Access Solutions DACH segment and member of the Executive Committee, is retiring on 31 December 2017. The Board of Directors of dormakaba Holding AG has designated Alwin Berninger as his successor.



Alwin Berninger

designated COO Access Solutions DACH as of 1 January 2018

German citizen

Education: Mechanical Apprenticeship Osram GmbH in Augsburg (DE), MSc (Diplom-Ingenieur FH) University of Applied Science in Augsburg (DE), MBA Rotterdam School of Management Erasmus University (NL)

Career: Since 2016 Chief Executive Officer Kuka Industries (DE), 2015 Spokesman of the Managing Directors/CSO Strategy and Sales Kuka Industries, 2014 Managing Director Reis Maschinenfabrik (DE), 2010–2014 Managing Director Asia/Pacific Kuka Robotics China (CN), 2009–2010 Managing Director Operations Kuka Roboter (DE), 2006–2009 Director Global Customer Services Kuka Roboter (DE), 2003–2005 Director Customer Support Germany Kuka Roboter (DE), 2001–2003 Director Development Kuka Roboter (DE), 1999–2001 Manager Mechanical Development Kuka Roboter (DE), 1998–1999 Team Leader Function Packaging Kuka Roboter (DE), 1998 Design Engineer Kuka Roboter (DE) 1996–1998 Design Engineer IMA Engineering Services (DE)

Management contracts

Neither dormakaba Holding AG nor its Group companies have entered into any management contracts with third parties.

Compensation

The compensation policy and all the information relating to the compensation paid to the company's management bodies are shown in the Compensation Report (page 74 et seq). Sections 22–25 and 28 of the Articles of Incorporation contain rules relating to compensation principles, loans to governing bodies and General Meeting votes on compensation.

Compliance

Compliance principles are set out in the dormakaba Group Code of Conduct, as well as in the dormakaba Group rules and regulations such as Group Directives and Directives. Adherence to these rules is extremely important to dormakaba Group as a globally active, listed company. Major compliance focus areas include bribery and corruption, antitrust and competition law as well as safeguarding the employees' personal integrity. The Code of Conduct and all dormakaba Group rules and regulations are available to dormakaba

Group's employees on the Group Intranet. Furthermore, all dormakaba Group rules and regulations are aligned with the Compliance Strategy.

The Compliance Strategy is based on both prevention and detection. Preventive measures include the three main elements "Awareness", "Consultation" and "Solution", and include a structured roll-out of rules and regulations, training, helpdesk, etc.

The company's compliance mechanisms are reviewed regularly and are adjusted where necessary to the changing business environment.

Code of Conduct and Supplier Code of Conduct

The dormakaba Group Code of Conduct, which applies Group-wide, contains standards and rules on bribery and corruption, equal employment opportunities, workplace harassment, conflicts of interest, antitrust and competition law and procedures for reporting misconduct; it also refers to the company's values. The Code of Conduct is available to employees of the dormakaba Group in various languages and in electronic and printed form. When employees join the company they confirm in writing that they have received and taken note of the Code of Conduct. Senior managers, general managers of local companies and so called Compliance Ambassadors are responsible for implementation and enforcement of the Code of Conduct and are trained in dealing with the Code. The Compliance Officer within the Group Legal Department monitors these processes and, alongside line managers, is one of the defined contacts for reporting infringements of the Code of Conduct.

dormakaba Group also implemented a Supplier Code of Conduct in order to extend the company's expectations and values into the supply chain. The company's aim is to ensure its own ethical and environmental standards are maintained in the production and preparation of the raw materials and components it purchases and uses to make the products.

Further, dormakaba is fully aware of the importance of the UK Modern Slavery Act 2015 and highly appreciates this valuable approach to eradicate slavery and human trafficking from all areas of life. dormakaba is fully committed to uphold the principles of and adherence to international conventions, laws and its internal rules and regulations. Its core values and principles are defined in the aforementioned dormakaba Group Code of Conduct, covering human rights, forced, compulsory and child labor, environmental responsibility and ethical behavior. The company's full Modern Slavery Act Statement is available online: www.dormakaba.com/sustainability-reporting

Values of the dormakaba Group

The Executive Committee and senior management of dormakaba Group have clearly defined the corporate values. Under the name "dormakaba values" these corporate values have been implemented from 1 July 2016 and rolled out across the whole Group. These are: Customer First, Curiosity, Courage, Performance and Trust. These values are the foundations on which dormakaba Group employees work and take and implement decisions; they also serve as guiding principles for conduct and collaboration within the Group and for dormakaba Group's approach to addressing customer needs.

Shareholders' participation rights

Voting-rights and proxy voting

At dormakaba Holding AG's General Meetings, each registered share entitles the owner to one vote. A shareholder may arrange for another shareholder to represent him or her with a written power of proxy or may be represented by the independent proxy.

Majorities required by the Articles of Incorporation

For resolutions covering the following, a majority of at least two-thirds of the votes represented is required:

- The conversion of registered shares into bearer shares,
- The dissolution of the company (including as a result of a merger),
- Changes to the Articles of Incorporation provisions on opting out, decision-making by the General Meeting and applicable quora, the number and terms of office of members of the Board of Directors and the process of Board of Directors decision-making,
- The introduction of voting right restrictions and
- Capital increases.

Otherwise the General Meeting of dormakaba Holding AG passes its resolutions and decides its elections by a majority of votes cast, irrespective of the number of shareholders present or votes represented. These rules are subject to overriding statutory provisions and section 36 paragraph 4 of the Articles of Incorporation.

Convocation of the General Meeting of Shareholders and agenda

General Meetings are convened as stipulated in law. The Board of Directors of dormakaba Holding AG is obliged to include items on the agenda of the General Meeting if these items are requested by shareholders who together represent 0.5% of the share capital, and if the request is made in writing at least four weeks before the General Meeting. Items must be included in writing with details of the matter concerned and the proposals.

Entries in the share register/invitation to the General Meeting of 17 October 2017

Shareholders who are entered in the share register with voting rights by 9 October 2017 will receive a direct invitation to the Annual General Meeting of 17 October 2017 together with the proposals of the Board of Directors. Once they have sent back the response form they will receive their entry ticket and voting material. Shareholders who sell their shares before the General Meeting are no longer entitled to vote. If they sell some of their shares, or buy more, they should swap their entry ticket at the information desk on the day of the General Meeting. No entries will be made in the share register between 10 and 17 October 2017. All the information about the General Meeting can be found at www.dormakaba.com/agm.

Changes of control and defense measures

Compulsory offer

Section 5a of the Articles of Incorporation of dormakaba Holding AG includes a formal selective opting-out. The text of the formal selective opting-out is as follows (translation of the German version):

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 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 paragraph 1 of the Swiss Federal Act on Stock Exchanges and Securities Trading of 24 March 1995 (Article 135 paragraph 1 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015):

(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 33⅓% 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.

Clauses on changes of control

If control of dormakaba Holding AG changes hands, dormakaba International Holding AG (joint liability with dormakaba Holding AG) is obliged to pay two members of the senior management (who are not members of the Executive Committee) a compensation to improve their pension entitlement in the amount of one year's salary (incl. variable salary component) 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.

The rules of the ESAP 1, ESAP Plus, ESAP Plus 3 and ESAP 5 stock award plans state that if there is a change in the control of dormakaba Holding AG (as defined in the regulations) the share blocking period will be lifted if this is permitted by law. If there is a change in the control of dormakaba Holding AG (as defined in the regulations), under the ESAP Plus, ESAP Plus 3 and ESAP 5 rules participants have the right to a cash payment in compensation for their right (detailed in the regulations) to a (loyalty-based) allocation of additional shares ("matching shares"), provided the plan participants concerned still have an employment contract (that is not under notice) with dormakaba Group when the change of control occurs.

Section 36 of the Articles of Incorporation of dormakaba Holding AG states that according to the transfer agreement (called transfer agreement), which was concluded on 29 April 2015 related to the merger of Kaba Group and Dorma Group, if there is a change of control of dormakaba

Holding AG, the Mankel/Brecht-Bergen Family has the right to buy back a 2.6% stake in dormakaba Holding GmbH + Co. KGaA and dormakaba Beteiligungs-GmbH in order to regain control (50.1%) of these companies. A change of control of dormakaba Holding AG happens if a third party (i) holds 33⅓% or more of voting rights in dormakaba Holding AG in shares, (ii) holds 33⅓% or more of voting rights in dormakaba 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 33⅓% of the voting rights of dormakaba Holding AG. The Mankel/Brecht-Bergen Family can only exercise the rights pursuant to the transfer agreement if dormakaba 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 dormakaba Holding GmbH + Co. KGaA and dormakaba 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 period of time, dormakaba Holding AG has the right to buy back the said 2.6% stakes. The transfer agreement is annulled if the Mankel/Brecht-Bergen Family's stake in dormakaba Group falls below 25%. Approval of the transfer agreement can be cancelled by resolution of the General Meeting. Such a decision to cancel must be taken (i) following the publication of a public takeover offer to acquire all of the outstanding shares of dormakaba Holding AG and before the end of the offer period and (ii) with the following majority requirements: up to 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 dormakaba Holding AG's head office.

Auditors

Duration of mandate and term of office of Head Auditor

PricewaterhouseCoopers AG, Zurich, has been the auditor for dormakaba Holding AG since 1907, and Group auditor of the dormakaba Group since 1982. The responsible lead auditor took on this function in the 2016/17 financial year. In accordance with the rules on terms of office pursuant to the Swiss Code of Obligations, latest from financial year 2023/24 a new lead auditor will be responsible for auditing the annual and consolidated accounts of dormakaba Holding AG.

Auditing fees and additional fees

The fee paid to audit firm PricewaterhouseCoopers for services relating to the audit of the annual financial statements of dormakaba Holding AG and Group companies and the consolidated financial statements of dormakaba Group came to around CHF 3.27 million in the 2016/17 financial year. In financial year 2016/17 dormakaba Group also paid expenses in the amount of around CHF 1.31 million for other consultancy services from PricewaterhouseCoopers. Approximately CHF 1.11 million of this was for general advisory services

relating to acquisition projects and other consulting projects, and around CHF 0.10 million for taxation services (direct and indirect taxes). Another CHF 0.10 million was spent on support for subsidiaries relating to changes and/or implementation of new accounting practice rules or accounting questions and other projects.

Information pertaining to external auditors

Each year, the Board of Directors' Audit Committee assesses the performance, fees and independence of the auditor and suggests to the Board of Directors which external auditor should be proposed to the Annual General Meeting for selection. Each year the Audit Committee also assesses the scope of external auditing, the audit plans and the relevant processes and discusses the results of the audit with the external auditors. You can find more information about the Audit Committee from page 65 et seq.

Information policy

This reporting on financial year 2016/17 and the financial statements as at 30 June 2017 include the Executive Report, the Annual Report with Financial Statements, the Corporate Governance Report, the Compensation Report, the Group Management Report and the Sustainability Report. The Executive Report is sent to shareholders before the Annual General Meeting; the other publications can be ordered using the order form enclosed in the invitation to the Annual General meeting or online at www.dormakaba.com/news-service. The share price, business publications, media releases and presentations may also be downloaded from www.dormakaba.com. Media and analyst conferences take place at least once a year, but usually twice a year. The dormakaba Group typically holds a Capital Market Day once a year at which financial analysts and investors can gain a deeper insight into the Group by meeting members of the Executive Committee and management as well as seeing product presentations. In addition, the CEO, the CFO and the Head of Investor Relations regularly take part in various external investor meetings. dormakaba 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). dormakaba Holding AG informs its shareholders in writing about the course of its business every half year. The information on how the business is performing is available at www.dormakaba.com/media-releases and www.dormakaba.com/publications. The notifications, reports and presentations of dormakaba 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, dormakaba 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.

