

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 (dormakaba) 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 2018/19 financial year is as of 30 June 2019. dormakaba'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 has made some adjustments and simplifications to suit its management and shareholder structure and medium size.

dormakaba's principles and rules regarding corporate governance are set out in its [Articles of Incorporation](#), its Organizational Regulations and in the regulations of its Board committees. The ultimate parent company of dormakaba, dormakaba Holding AG, is listed on SIX Swiss Exchange and is headquartered in Rümlang (Zurich/Switzerland).

Group structure and shareholders

Group structure

dormakaba's organizational structure consists of the following five 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 & Wall Solutions

The companies that lie within the Group's scope of consolidation are listed in the [financial statements](#).

Shareholders

	As at 30.06.2019		As at 30.06.2018	
	No. of shares at CHF 0.10 par value	%	No. of shares at CHF 0.10 par value	%
Pool Shareholders ¹⁾	1,143,963	27.2	1,143,508	27.2
Public shareholders				
T. Rowe Price Associates, Inc., Baltimore, USA	135,903	3.2	< 3%	
Other public shareholders	2,897,056	69.0	3,029,069	72.1
Total public shareholders	3,032,959	72.2	3,029,069	72.1
BoD and EC members ²⁾				
BoD members	491,484	11.7	492,619	11.8
EC members	16,251	0.4	14,180	0.3
Less double-counting in respect of R. Cadonau as BoD and EC member ³⁾	-4,730	-0.1	-	-
Total BoD and EC members	503,005	12.0	506,799	12.1
Less double-counting in respect of Pool Shareholders who are BoD members ⁴⁾	-479,901	-11.4	-479,350	-11.4
Total shares	4,200,026	100.0	4,200,026	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 / Ennepetal, Stephanie Brecht-Bergen / Hamburg, as well as Martina Bössow / Dubai, heirs of Anja Bremi, 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, Michael Kuenzle / Meilen, Alexandra Sallai / Worb, Christoph Sallai / Worb, Andrea Ullmann / Zollikon, Sascha Ullmann / Zollikon, Adrian Weibel / Meilen and Tonia Weibel / Meilen.

²⁾ Including related parties

³⁾ Shareholdings of Riet Cadonau as a BoD and an EC member are included under BoD members and EC members.

⁴⁾ The shareholdings of Pool Shareholders who are also BoD members are included under Pool Shareholders and BoD members.

Major shareholders

The above table sets out the shareholder structure of dormakaba Holding AG on the balance sheet date 30 June 2019 and lists the names of shareholders who have reported holding a stake of 3% or more of voting rights in dormakaba Holding AG. The announcements related to the disclosure notifications made by shareholders based on stock exchange reporting obligations can be found via the search function on SIX Swiss Exchange Disclosure Office's website at www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html.

The Mankel/Brecht-Bergen Family and the Kaba Family Shareholders (collectively referred to as the Pool Shareholder Group) have concluded a pool agreement that governs the mutual rights and obligations of both parties. The pool agreement states that the Pool Shareholder Group can propose a maximum of five representatives to the General Meeting for election to the Board of Directors (BoD). This proposal right for up to five Board members reflects the majority participation of the Pool Shareholder Group in the operational business of dormakaba. Members of the Pool Shareholder Group hold:

- 27.2% of the 52.5% in dormakaba Holding GmbH + Co. KGaA, which are directly held by the ultimate parent company dormakaba Holding AG; and
- 47.5% in dormakaba Holding GmbH + Co. KGaA (held by the Mankel/Brecht-Bergen Family).

These shareholdings represent an economic interest of 61.8% in dormakaba.

This Pool Shareholder Group undertakes to exercise its voting rights in concert when voting on significant General Meeting resolutions. The members of the Pool 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 Pool 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 Pool 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 further shareholder agreements or other agreements between the major shareholders mentioned that involve the dormakaba Holding AG shares they own or that involve the exercise of the shareholder rights these shares confer.

Cross-shareholdings

dormakaba 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 2019 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 2019, dormakaba Holding AG has authorized capital of CHF 42,000 (corresponding to 10% of the share capital), divided into 420,000 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 BoD 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 BoD members 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 BoD members subject to one or more sets of regulations to be defined by the BoD and taking into account individual performance, function and level of responsibility. The group of beneficiaries and the principles of allocation are disclosed in the [Compensation Report](#). Said registered shares or option rights may be issued to employees or BoD members at a price below the market price. In connection with the issue of option rights to employees and BoD members, 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 (AGM) of 17 October 2017 created authorized capital and authorized the BoD of dormakaba Holding AG to increase the share capital of dormakaba Holding AG by no more than CHF 42,000 through the issue of a maximum of 420,000 fully paid-up registered shares with a nominal value of CHF 0.10 each by 17 October 2019 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 BoD 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 BoD can issue new shares by having a bank or third party underwrite them all and then making an offer to existing shareholders. The BoD is authorized to set the issue price of new shares as close as possible to the market value of the shares. The BoD is authorized in this case to restrict or exclude trading with subscription rights. The BoD 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 BoD 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 BoD will propose to the AGM on 22 October 2019 to renew the existing authorized capital, which will expire on 17 October 2019. If the AGM agrees to this proposal, the BoD will be authorized until no later than 22 October 2021 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

Due to the allocation and issue of shares under (i) the Directive regarding the compensation for the BoD members of dormakaba Holding AG and (ii) the Executive Stock Award Plans, 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; accordingly, 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.

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

CHF million	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Equity				
Share capital	0.4	0.4	0.4	0.4
Reserve from capital contribution	159.9	222.1	280.7	327.5
Legal reserves	261.0	261.0	261.0	261.0
Reserves for treasury shares	38.7	8.6	17.6	0.0
Treasury shares	0.0	-0.2	-1.0	-2.8
Unappropriated retained earnings	404.0	372.0	301.9	288.2
Total equity	864.0	863.9	860.6	874.3

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 the share register of dormakaba Holding AG. 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 BoD of the company. 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 BoD 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 BoD 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 BoD 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](#).

Board of Directors (BoD)

The duties and responsibilities of the BoD of dormakaba Holding AG are defined by the Swiss Code of Obligations, the [Articles of Incorporation](#) and the company's Organizational Regulations.

BoD members

The BoD of dormakaba Holding AG has ten members. Other than Riet Cadonau, all members are non-executive. None of the non-executive BoD members have sat on the Executive Committee (EC) of dormakaba Holding AG, Kaba Group or Dorma Group at any time in the last five financial years. Riet Cadonau has been CEO of dormakaba Group since 2015 (and from 2011 to 2015 CEO of Kaba Group) and was elected as BoD Chair in 2018.

Other than Riet Cadonau, no BoD members have significant business relations with dormakaba Holding AG. The maximum number of mandates that BoD members are allowed to take on the governing bodies of legal entities outside dormakaba is regulated in section 27 of the [Articles of Incorporation](#). The following table lists the name, year of birth, date of joining the BoD, gender and nationality of the individual BoD members.

BoD members as of 30 June 2019

Name/Position	Year of birth	Entry	Gender	Nationality
Riet Cadonau (Chair)	1961	2018 ¹⁾	m	CH
Hans Hess (Lead Independent Director and Vice-Chair)	1955	2012	m	CH
Jens Birgersson	1967	2018	m	SE
Stephanie Brecht-Bergen	1985	2015	f	DE
Daniel Daeniker	1963	2010	m	CH
Rolf Dörig	1957	2004	m	CH
Karina Dubs-Kuenzle	1963	2001	f	CH
Hans Gummert	1961	2015	m	DE
John Heppner	1952	2013	m	US
Christine Mankel	1982	2015	f	DE

¹⁾ Riet Cadonau was already a BoD member from 2006 until 2011 (at which time dormakaba Holding AG operated under the name Kaba Holding AG).

Elections and terms of office

The BoD of dormakaba Holding AG is elected by the General Meeting, with each member standing for election individually. The [Articles of Incorporation](#) state that the BoD 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 AGM. BoD members can be re-elected. The Organizational Regulations provide that when they reach 70 years of age, BoD members shall resign at the next AGM.

Subject to his re-election as Chair of the BoD by the upcoming AGM in October 2019, Riet Cadonau will continue to serve in a dual role as Chair and CEO, remaining CEO for a period of one to maximum two years. During this period, he will not be a member of any Board committees of the company and will not receive any compensation for his role on the BoD. The BoD intends to re-nominate Hans Hess as the Vice-Chair and Lead Independent Director subject to his re-election as BoD member at the upcoming AGM. This measure will continue to ensure that the BoD exercises independent control and supervision.

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 BoD 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 EC;
- 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 representatives;
- 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 10 million.

The relevant decisions are taken by the whole BoD. The CEO and CFO regularly participate in meetings of the BoD in an advisory capacity. Other EC members are brought in to advise on individual items of the agenda. The BoD held seven meetings during the 2018/19 financial year; these lasted around six hours on average. All BoD members attended each meeting except four Directors who were excused for one meeting each and three Directors who were each partly excused for one meeting. In addition, the Board's committees met 14 times in total. The agendas for Board meetings are defined by the Chair following consultation with the Lead Independent Director. Each BoD member may propose agenda items. BoD members always receive documentation prior to Board meetings so they can prepare for discussion of each item on the agenda. The BoD holds discussions with the company's managers and visits one or more dormakaba Group locations, usually on an annual basis.

Committees

The BoD has formed an Audit Committee, a Compensation Committee, and a Nomination Committee. Members of the Compensation Committee are elected at each AGM. Each committee has written terms of reference that define its tasks and responsibilities. The chairs of these committees are elected by the BoD. 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 BoD members, who have professional or other experience of financing and accounting:

- **Daniel Daeniker** (Chair)
- **Hans Gummert**
- **Hans Hess**

The BoD has specified that members of the Audit Committee must meet certain requirements with regard to independence and skills and that they must not be EC members. The term of office is until the conclusion of the next AGM; 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 2018/19 financial year, the Audit Committee held six meetings lasting between one hour to three hours. 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 2018/19 financial year, representatives of the audit firm participated in three meetings, external consultants, representatives of Internal Audit and the General Counsel in four, and representatives of the Accounting Department in six. 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 BoD for approval;
- Proposing to the whole BoD which external auditor should be recommended to the AGM;
- 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 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 BoD as a whole about its activities, and it notifies the BoD immediately about important matters.

Nomination Committee

The Nomination Committee consists of three non-executive BoD members:

- **Hans Hess** (Chair)
- **Rolf Dörig**
- **Hans Gummert**

The term of office for each member is until the conclusion of the next AGM; members may be re-elected. The Nomination Committee meets at least once a year. During the 2018/19 financial year, the Nomination Committee met four times, such meetings lasting approximately one hour each. All members of the Nomination Committee attended each meeting, except one member who was excused for one meeting. The CEO and the Senior Vice President Group Human Resources usually take part in the meetings in an advisory capacity. The Nomination Committee sets out the principles for appointing and re-electing BoD members and submits proposals to the BoD about its composition. The Nomination Committee also recommends the appointment and de-selection of EC members; the final decisions on appointments and de-selections are taken by the BoD as a whole. The Nomination Committee minutes its deliberations and decisions and regularly reports to the whole BoD.

Compensation Committee

The organization and members of the Compensation Committee as well as the details of the compensation policy of dormakaba are set out in the [Compensation Report](#). During the financial year 2018/19, the Compensation Committee held four meetings of approximately one hour to two hours each. All members of the Compensation Committee attended each meeting.

Powers and responsibilities

Management organization

The BoD has the highest responsibility for business strategy and supervises management of dormakaba. It has the highest decision-making authority and sets the strategic, organizational, financial planning, and accounting rules that dormakaba must follow. The BoD has delegated management of ongoing business to the EC under the leadership of the CEO. Therefore, the CEO is responsible for overall management of dormakaba. The powers and functions of the EC are set out in the Organizational Regulations of dormakaba Holding AG. The CFO, 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 alignment between segments and functions. These roles have a seat on the EC.

Lead Independent Director

Together with the dual role of BoD Chair and CEO, the BoD established the role of Lead Independent Director (LID) in year 2018. This role is specifically designed to ensure the independence of the BoD from the BoD Chair and CEO and is equipped with competencies that are defined in the Organizational Regulations. The LID

- has a say in the agenda of the Board meetings
- leads private sessions without the participation of the BoD Chair and CEO at each BoD meeting
- chairs in matters related to the BoD Chair and CEO and in case of potential conflicts of interest of the BoD Chair and CEO
- has direct access to all EC members
- can mandate independent reviews by external experts when required.

Chief Executive Officer (CEO)

The CEO manages dormakaba. 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 EC, the CEO submits the strategy, the long- and medium-term objectives and the management guidelines for dormakaba to the BoD for approval. In response to a proposal by the CEO, the BoD decides on the annual budget and the medium-term plan, which covers a three-year period, individual projects, and the consolidated financial statements of dormakaba. The CEO submits recommendations to the Nomination Committee about personnel issues at the EC level. The CEO also makes proposals to the Compensation Committee regarding the remuneration of EC members (including allocation of shares from the share allocation plans). The CEO regularly reports to the BoD about business performance, anticipated important business issues and risks, as well as about changes in management at the operating segment level. BoD members may request and examine further information. The CEO must inform the LID immediately about any important unexpected developments.

Information from and control over the EC

The Management Information System of dormakaba works as follows: monthly, quarterly, semi-annual, and annual financial statements (balance sheet, income statement and cash flow statement) are prepared based on 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 the medium-term plan for each reporting unit, is assessed against the monthly financial statements and in the form of quarterly forecasts. The CEO and CFO submit monthly written financial reports to the BoD 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 BoD meetings, a summary of these reports is discussed and assessed with the CEO and the CFO.

Skills and expertise of the BoD

In line with the guideline of the Swiss Code of Best Practice for Corporate Governance for a well-balanced representation, the BoD members have a broad spectrum of educational background, professional skills and expertise as well as personal qualities from a range of industries.

In addition to age, gender, geographic and tenure diversity, the BoD assesses its level of diversity based on a skills matrix established by its Nomination Committee:

The skills matrix includes the following professional skills/expertise:

- Executive leadership experience
- Corporate governance/compliance skills
- Strategic industry and technology skills
- Financial skills
- Digital business model experience

as well as several personal attributes.

All required competencies are represented in the BoD with emphasis on executive leadership experience as well as strategic industry and technology skills. The BoD intends to further strengthen its competence in the digital transformation area in the future.

For details on age, gender, geographic and tenure diversity, we refer to the table '[BoD members as of 30 June 2019](#)'. For details on the range of business sectors represented by the Board members, we refer to their [biographies](#).

The Nomination Committee annually reviews the composition of the BoD and the Board committees based on the abovementioned characteristics of its members as well as on dormakaba's strategy, business profile, risks, and opportunities in order to determine the need to propose changes to the AGM.

Events after balance sheet day

On 27 June 2019, dormakaba announced that it had signed an agreement to acquire Alvarado Manufacturing Co. Inc., based in Chino (CA/USA). Alvarado is a leading manufacturer of physical access solutions in North America. The transaction was concluded on 31 July 2019.

BoD members

as of 30 June 2019



Riet Cadonau

BoD Chair & CEO

Swiss citizen

Education

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

Career

dormakaba: since 2018 Chair of the BoD dormakaba Group¹⁾ (CH); since 2015 CEO and member of the EC dormakaba Group¹⁾ (CH); 2011–2015 CEO and member of the EC Kaba Group¹⁾ (CH); Ascom: 2007–2011 CEO Ascom Group¹⁾ (CH); until 2007 Managing Director ACS Europe + Transport Revenue; 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; IBM: 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 BoD of Georg Fischer AG¹⁾ (CH) and since 2013 member of the BoD of Zehnder Group¹⁾ (CH); 2006–2011 member of the BoD of Kaba Group and Griesser Group (CH)



Hans Hess

LID & Vice-Chair

Chair Nomination Committee

Member Audit and Compensation Committee

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 BoD Reichle & De-Massari Holding AG (CH); member of the BoD* Burckhardt Compression Holdings AG¹⁾ (CH); President of Swissmem (CH); Vice-President of Economiesuisse (CH)

* resigned on 06 July 2019



Jens Birgersson

Swedish citizen

Education

Harvard Advanced Management Program, Harvard Business School, Boston (USA); M. Sc. Engineering Physics, Royal Institute of Technology, Stockholm (SE); B. Sc. Economics, University of Stockholm (SE)

Career

Since 2015 President and CEO of ROCKWOOL International¹⁾ (DK); 2008–2015 with ABB¹⁾ as Group Senior Vice President and Head of Business Unit Network Management (CH); 2005–2008 with IMERYS¹⁾ as Executive Vice President and Head of Business Group Performance Minerals & Pigments (BE); 1992–2005 with ABB¹⁾ in different positions (CH, SE, ZA)

External activities and interests

Since 2018 member of the Advisory Board of NREP (DK); since 2017 Chairman of the BoD of Randers Reb (DK); since 2016 member of the Confederation of Danish Industry Council (DK); since 2015 member of the BoD of Flumroc (CH), an affiliate of ROCKWOOL International¹⁾; 2012–2014 member of the BoD of Nanjing SAC Automation Co¹⁾ (CN)

¹⁾ listed company



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 2017 Managing Director KARL München GmbH & Co. KG (DE); since 2014 Executive Board member Mankel Family Office GmbH (DE); 2010–2013 research assistant, EBS University (DE); since 2009 shareholder dormakaba Holding GmbH + Co. KGaA (DE)

External activities and interests

Since 2008 Executive Board member of the foundation "Rudolf Mankel Stiftung" (DE)



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 2019 Senior 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); member of the BoD of Hilti AG, Schaan (FL)



Rolf Dörig

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 BoD Swiss Life Holding AG¹⁾ (CH) and Adecco Group AG¹⁾ (CH); 2000–2002 member of the Executive Board Credit Suisse¹⁾ (CH) and responsible for Swiss Corporate and Retail Banking; 1986–2002 various executive positions at Credit Suisse¹⁾ (CH)

External activities and interests

Chairman of the BoD Swiss Life Holding AG¹⁾ (CH) and Adecco Group AG¹⁾ (CH); member of the Supervisory Board of Danzer Holding AG (AT); member of the Board of Emil Frey Holding AG (CH); Chairman Swiss Insurance Association (CH) and member of the Board Committee economiesuisse

¹⁾ listed company



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 AG (CH); 1997–2016 partner at 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 BoD of FEHBA AG (CH)



Hans Gummert

Member Audit, Nomination and Compensation Committee

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

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); member of the Advisory Board Coroplast Fritz Müller GmbH & Co. KG (DE); Board member of Zaplox AB (SE); member of the Supervisory Board of ara AG (DE); member of the Shareholders Committee Hoberg & Driesch Group (DE); member of the Advisory Board of Hoberg & Driesch Röhrenhandel GmbH & Co. KG (DE); member of the BoD Chiron-Werke SE (DE)



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); Member of the Advisory Board of University of Wisconsin Milwaukee Business School (USA)



Christine Mankel

German citizen

Education

Diplomkauffrau, EBS University (DE)

Carreer

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

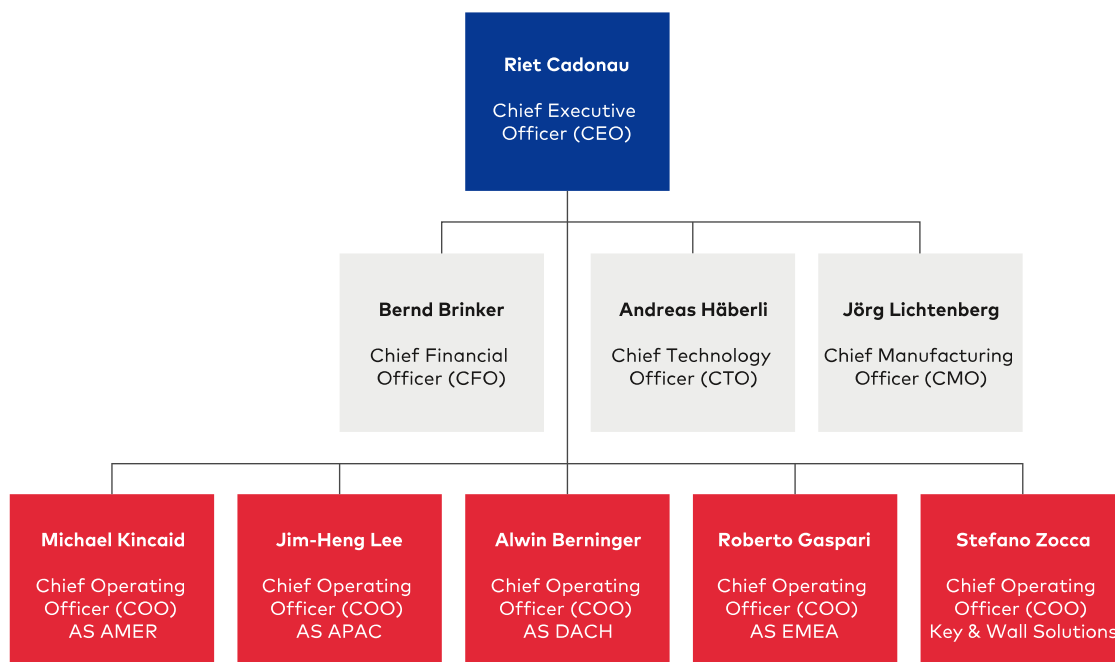
Since 2008 Management Board member of the foundation "Rudolf Mankel Stiftung" (DE)

Executive Committee (EC)

Management philosophy

dormakaba 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, Legal, Tax and Treasury define and monitor Group-wide standards and are responsible for functional, Group-wide projects. The CFO is responsible for the Group's financial affairs. The COOs are responsible for the business activities of their respective segments, including product development, production, sales, and services. Group Innovation Management focuses on digitization as well as Intellectual Property Management and is strategically managed at EC level by the CTO (Chief Technology Officer). The CMO (Chief Manufacturing Officer) is responsible for the global purchasing as well as the supplier management and advises and supports the segments in optimizing the production and supply chain.

EC dormakaba Group as of 30 June 2019



EC members as of 30 June 2019

Name/Position	Year of birth	Entry	Gender	Nationality
Riet Cadonau CEO	1961	2011	m	CH
Bernd Brinker CFO	1965	2015	m	DE
Michael Kincaid COO Access Solutions AMER	1961	2013	m	US
Jim-Heng Lee COO Access Solutions APAC	1962	2014	m	SG
Alwin Berninger COO Access Solutions DACH	1969	2018	m	DE
Roberto Gaspari COO Access Solutions EMEA	1959	2006	m	IT
Stefano Zocca COO Key & Wall Solutions	1963	2011	m	IT
Andreas Häberli Chief Technology Officer	1968	2011	m	CH
Jörg Lichtenberg Chief Manufacturing Officer	1964	2015	m	DE

EC members

The table above gives the name, position, year of birth, date of joining the EC, gender, and nationality of each EC member. The maximum number of mandates that members of the EC are allowed to take on the governing bodies of legal entities outside dormakaba is regulated in section 27 of the [Articles of Incorporation](#).

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](#). 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 [Code of Conduct](#), as well as in the dormakaba rules and regulations such as Group Directives and Directives.

Adherence to these rules is extremely important to dormakaba as a globally active, listed company. Major compliance focus areas include anti-bribery and corruption, antitrust and competition law as well as safeguarding the employees' personal integrity. The Code of Conduct and all dormakaba rules and regulations are available to employees of dormakaba on the Group Intranet. Furthermore, all dormakaba rules and regulations are aligned with its 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 [Code of Conduct](#), which applies Group-wide, contains standards and rules on anti-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 dormakaba 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 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 Human Rights Due Diligence regulations such as the UK Modern Slavery Act 2015. dormakaba highly appreciates this valuable approach to eradicate slavery and respect human rights. 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 Code of Conduct, covering human rights, forced, compulsory and child labor, environmental responsibility, and ethical behavior. The company's full [Modern Slavery Statement](#) and [Statement of Commitment on Human Rights](#) are available online.

Values of the dormakaba Group

The EC and senior management of dormakaba 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 employees work and take and implement decisions; they also serve as guiding principles for conduct and collaboration within the Group and for dormakaba's approach to addressing customer needs.

EC members

as of 30 June 2019



Riet Cadonau

BoD Chair & CEO

Swiss citizen

Education

Master of Arts in economics and Business Administration from the University of Zurich (CH); Advanced Management Program at INSEAD (FR)

Career

dormakaba: since 2018 Chair of the BoD dormakaba Group¹⁾ (CH); since 2015 CEO and member of the EC dormakaba Group¹⁾ (CH); 2011–2015 CEO and member of the EC Kaba Group¹⁾ (CH); Ascom: 2007–2011 CEO Ascom Group¹⁾ (CH); until 2007 Managing Director ACS Europe + Transport Revenue; 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; IBM: 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 BoD of Georg Fischer AG¹⁾ (CH) and since 2013 member of the BoD of Zehnder Group¹⁾ (CH); 2006–2011 member of the BoD of Kaba Group and Griesser Group (CH)

1) listed company



Bernd Brinker

CFO

German citizen

Education

Degree in Business Administration (Diplomkaufmann) from the University of Cologne (DE)

Career

Since 2015 CFO and member of the EC of dormakaba Group¹⁾ (CH); 2014–2015 CFO 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



Michael Kincaid

COO 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 EC of dormakaba Group¹⁾ (CH); 2013–2015 COO Access+Data Systems Americas and member of the EC 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

COO 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 EC of dormakaba Group¹⁾ (CH); 2014–2015 Head of Division Access + Data Systems Asia Pacific and member of the EC of 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)



Alwin Berninger

COO Access Solutions DACH

German citizen

Education

MSc (Diplom-Ingenieur FH) University of Applied Science in Augsburg (DE), MBA Rotterdam School of Management Erasmus University (NL)

Career

Since 2018 COO Access Solutions DACH and member of the EC of dormakaba Group¹⁾ (CH); 1998–2017 various functions at the Kuka Group¹⁾ (DE), i.a. 2015–2017 Chief Executive Officer of Kuka Industries (DE), 2015 Spokesman of the Managing Directors, Managing Director Strategy and Sales (CSO) Kuka Industries (DE), 2014 Managing Director Strategy and Sales (CSO) Reis Robotics (DE), 2010–2014 Executive Vice President Asia/Pacific Kuka Roboter (CN), 2009–2010 Managing Director Operations Kuka Roboter (DE), 2006–2009 Director Global Customer Services Kuka Roboter (DE), 2003–2005 Director Customer Services Kuka Roboter (DE), 2001–2003 Director Development Kuka Roboter (DE)



Roberto Gaspari

COO Access Solutions EMEA

Italian citizen

Education

Economics Degree from the Bocconi University (IT)

Career

Since 2015 COO Access Solutions EMEA and member of the EC of dormakaba Group¹⁾ (CH); 2014–2015 Head of Division Access + Data Systems EMEA and member of the EC of Kaba Group¹⁾ (CH); 2011–2014 Head of Division Access + Data Systems EMEA and APAC and member of the EC of Kaba Group¹⁾ (CH); 2006–2011 Head of Division Key Systems Europa/Asia Pacific and member of the Executive Board of 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)

¹⁾ listed company



Stefano Zocca

COO Key & Wall Solutions

Italian citizen

Education

Economics Degree from the Bocconi University (IT)

Career

Since 2017 COO Key & Wall Solutions and member of the EC of dormakaba Group¹⁾ (CH); 2015–2017 COO Key Systems and member of the EC of dormakaba Group¹⁾ (CH); 2011–2015 member of the EC 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)



Andreas Häberli

CTO

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 CTO and member of the EC dormakaba Group¹⁾ (CH); 2011–2015 CTO and member of the EC of 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 2018 member of the Industrial Advisory Board of the Department of Mechanical and Process Engineering of ETH Zurich (CH); since 2017 member of the BoD of Komax Holding AG¹⁾ (CH); since 2016 member of the Research Committee of Swissmem (CH)



Jörg Lichtenberg

CMO

German citizen

Education

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

Career

Since 2015 CMO and member of the EC 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 EC 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)

¹⁾ listed company

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 the vote 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 BoD members and the process of BoD 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 by law. The BoD 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 at least 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 22 October 2019

Shareholders who are entered in the share register with voting rights by 14 October 2019 will receive a direct invitation to the AGM of 22 October 2019 together with the proposals of the BoD. Once they have sent back the response form, they will receive their entry ticket and voting material. Shareholders who sell their shares before the AGM 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 AGM. No entries will be made in the share register between 15 and 22 October 2019. All information about the AGM can be found [online](#).

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 one member of the senior management (who is not an EC member) a compensation to improve his pension entitlement in the amount of one year's salary (incl. variable salary component) if his employment contract is terminated within a year of the change of control or if he resigns within a year of the change of control.

The rules of the applicable long-term incentive plans state that if there is a change in the control of dormakaba Holding AG (as defined in the regulations) the share blocking period (see Compensation Report [3.2 Long-term incentive](#)) will be lifted if this is permitted by law and the performance share units are subject to an accelerated full vesting at target performance (detailed in the regulations), 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 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 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 fees 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 2.78 million in the 2018/19 financial year. In financial year 2018/19, dormakaba Group also paid expenses in the amount of around CHF 0.46 million for other consultancy services from PricewaterhouseCoopers. Approximately CHF 0.05 million of this was for general advisory services relating to acquisition projects and other consulting projects, and around CHF 0.25 million for taxation services (direct and indirect taxes). Another CHF 0.16 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 Audit Committee of the BoD assesses the performance, fees and independence of the auditor and suggests to the BoD which external auditor should be proposed to the AGM for election. 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 [here](#).

Information policy

This reporting on financial year 2018/19 and the financial statements as at 30 June 2019 include the Annual Report with financial statements, the Corporate Governance Report, and the Compensation Report, as well as the Group Management Report and the Sustainability Report. All reporting is available only digitally at www.report.dormakaba.com/2018_19. The HTML format can be printed in PDF format or ordered as a printed copy if required. The share price development, 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. dormakaba typically holds a Capital Market Day at least every second year at which financial analysts and investors can gain a deeper insight into the Group by meeting EC members 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.report.dormakaba.com. The notifications, reports, and presentations of dormakaba 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.