Compensation Report

General introduction

The Compensation Report describes the principles underlying the compensation policy and provides information about the steering process and the compensation awarded to the Board of Directors (BoD) and Executive Committee (EC) of dormakaba Holding AG. It meets the requirements of Articles 14 to 16 of the Ordinance Against Excessive Pay at Publicly Listed Companies of 20 November 2013 (VegüV), Article 663c of the Swiss Code of Obligations, the SIX Swiss Exchange's Directive on Information relating to Corporate Governance, and economiesuisse's Swiss Code of Best Practice for Corporate Governance.

Introductory notes from the Compensation Committee

dormakaba finished the 2020/21 financial year with good business results that marked an improvement on the previous year. While profitability was in line with the guidance, organic growth was slightly higher. The main reason for the good results development was a strong performance of dormakaba's European and Asian businesses. Further contributing factors were the cost-saving and restructuring measures the company implemented early in the pandemic, and the focus on cash flow.

The company's performance continued to be impacted by the influences surrounding Covid-19. Overall year-on-year organic sales growth came to 1.3%. While organic sales in the first six months were still down at –6.0%, the second half of the financial year saw double-digit organic sales growth of 10.0%, driven notably by a strong fourth quarter. Overall, net sales came to CHF 2,499.7 million (previous year CHF 2,539.8 million). EBITDA reached CHF 353.1 million (previous year CHF 325.0 million) with an improved EBITDA margin of 14.1% on 12.8% in the previous year. Net profit increased to CHF 193.3 million (previous year CHF 164.1 million), primarily because of the significantly improved operating profit and a better net financial result. The improved net profit allows the Board of Directors to propose – based on an unchanged dividend policy – to the Annual General Meeting a dividend of CHF 12.50 per share, which is 19.0% higher than the previous year's CHF 10.50.

Due to the pandemic, all members of the BoD and the EC agreed to take a voluntary and temporary reduction in their monthly base pay from May 2020 ending after six months in October 2020 impacting four months of the reporting period.

At the Annual General Meeting (AGM) 2020, shareholders approved a proposal to merge the Compensation Committee and the Nomination Committee to a new Nomination and Compensation Committee (NCC) to increase the efficiency of the corresponding committee work.

The Nomination and Compensation Committee (previously: Compensation Committee) performed its regular activities throughout the financial year such as the propositions of compensation for the members of the BoD and EC, as well as the preparation of the Compensation Report and the binding say-on-pay votes at the AGM. In addition, as noted in the 2019/20 Compensation Report, the NCC implemented the following changes in response to shareholder feedback received previous AGMs and during regular engagement with shareholders as well as due to alterations in the CEO and BoD Chair roles:

- As of 1 April 2021, Riet Cadonau stepped down from his role as CEO of dormakaba and assumed responsibility as non-executive BoD Chair only. His compensation for the CEO role was discontinued at this time and he is as of then remunerated in his capacity as BoD Chair (for the time of his dual role as BoD Chair and CEO, he was only remunerated in his capacity as CEO). As of this date, Sabrina Soussan assumed the role of CEO and her compensation as CEO as well as the one associated with her onboarding period is described later in this report.
- The BoD compensation structure was modified to accommodate the new non-executive BoD chair role as well as the new committee structure.
- Net working capital and sales growth elements were added to the short-term incentive formula for the CEO and the EC members with functional responsibilities (CFO and CTO [Chief Technology Officer]). This harmonizes the short-term incentive formula across the entire EC by aligning the CEO and Group function leaders with the Chief Operating Officers (COO) and further strengthens their accountability for an efficient management of the company's financial resources and growth driven value creation.
- The mix between restricted shares and performance share units under the long-term incentive was further shifted and the transition to 100% performance share units will be completed with the upcoming grant in September 2021.
- As of September 2020, dormakaba is no longer part of the Swiss Market Index Mid (SMIM). Considering that the performance peer group for Total Shareholder Return (TSR) under the long-term incentive consisted of SMIM companies, the NCC decided to review the peer group and replaced it with the Swiss Performance Index of Industrial Companies (SPI industrials).

At the upcoming AGM, our shareholders will again be asked to prospectively approve the aggregate maximum amounts of compensation of the BoD for the period until the following AGM and of the EC for the financial year 2022/23. Further, our shareholders will have the opportunity to express their opinion about our compensation system and the compensation awarded to the BoD and to the EC by way of a consultative vote on the Compensation Report 2020/21.

At the AGM 2020, binding votes were conducted on the aggregate maximum compensation amounts for the BoD and for the EC, as well as a consultative vote on the Compensation Report. The shareholders approved the maximum compensation amounts for both the BoD and the EC with approval rates of 94% and 97%, respectively, and the consultative vote on the Compensation Report received an approval rate of 91%. This positive voting outcomes show that the active dialogue engaged with investors was fruitful and that shareholders endorse the compensation system in place at dormakaba. We would like to thank investors for their trust and support.

In the context of the strategic review that was initiated in the second half of the reporting year for the period 2022 to 2027, the NCC will conduct a thorough review of the compensation program in financial year 2021/22, to ensure that it continues to be well aligned with the strategic direction, while continuing to drive performance, motivation, and behaviors that are aligned with the values of dormakaba. The compensation review and its outcome will be described in the 2021/22 Compensation Report.

The NCC trusts that this Compensation Report is informative and would like to thank our shareholders for their valuable feedback on our approach to executive compensation.

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Compensation at a glance

Summary of current compensation system of the BoD

To ensure their independence, BoD members only receive a fixed compensation paid in cash and shares restricted for three years. The amount of compensation depends on the function on the BoD.

Basic compensation

in CHF	BoD Chair*	BoD member
in cash	360,000	100,000
in restricted shares	320,000	90,000
Total	680,000	190,000

* The BoD Chair did not receive any compensation for his function as long as he acted in a dual role as BoD Chair and CEO (until 31 March 2021)

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Additional compensation

in CHF	Committee Chair	Committee member
Audit Committee	60,000	20,000
Nomination and Compensation Committee	60,000 Previously 45,000 per Committee	20,000 Previously 10,000 per Committee
Lead Independent Director	30,000	

Shareholding ownership guideline

The BoD members are required to own at least 500 dormakaba shares within three years of tenure.

Compensation of the BoD in financial year 2020/21

The compensation awarded to the BoD in financial year 2020/21 is within the limits approved by the shareholders at the AGM:

Compensation period	Approved amount (CHF)	Effective amount (CHF)
AGM 2019 – AGM 2020	2,390,000	1,944,500
AGM 2020 – AGM 2021	2,940,000	To be determined*

* The compensation period is not yet completed, a definitive assessment will be provided in the 2021/22 Compensation Report.

Summary of current compensation system of the EC

The compensation system applicable to the EC is designed to engage executives to implement the company's strategy, to achieve the company's short- and long-term business objectives and to create sustainable shareholder value. It consists of the following elements:

	Fixed compensation and benefits		Variable compensation (target of at least 50% of total compensation)	
	Annual base salary	**Benefits**	**Short-term incentive (STI)**	**Long-term incentive (LTI)**
Purpose	Reflects the function (scope, responsibilities), experience and skills of the individual	Establish a level of risk protection for the participants and their dependents	Rewards company and segment performance	Rewards individual and company performance, aligns to shareholders' interests

Shareholding ownership guideline

The members of the EC are required to own a minimum multiple of their annual base salary in dormakaba shares within five years of tenure:

CEO	300% of annual base salary
EC member	200% of annual base salary

Compensation of the EC in financial year 2020/21

The compensation awarded to the EC in financial year 2020/21 is within the limits approved by the shareholders at the 2020 AGM:

Compensation period	Approved amount (CHF)	Effective amount (CHF)*
Financial year 2020/21	18,000,000	13,652,662

* Includes the replacement award for the new CEO in the amount of CHF 1,251,166. Further details can be found in the chapter "Compensation architecture for the EC" under "6. Assessment of actual compensation paid to the EC in the financial year 2020/21".

Performance in financial year 2020/21

dormakaba finished the 2020/21 financial year with good business results that marked an improvement on the previous year. While profitability was in line with the guidance, organic growth was slightly higher. Overall year-on-year organic sales growth came to 1.3%. EBITDA reached CHF 353.1 million (previous year CHF 325.0 million) with an improved EBITDA margin of 14.1% on 12.8% in the previous year. Net profit increased by 17.8% year-on-year to CHF 193.3 million (previous year CHF 164.1 million) primarily because of the significantly improved operating profit and a better financial result. Consequently, the average short-term incentive payout is above prior year's level.

Compensation governance

- The NCC supports the BoD with matters related to the compensation of the BoD and of the EC.
- Shareholders approve the maximum compensation amounts of the BoD and of the EC. Further, they also express their opinion on the compensation system through a consultative vote on the Compensation Report.

Basic principles of compensation

The compensation system of dormakaba reflects the commitment to attract, engage, and retain the best talent within the industry. It is designed to engage executives and employees to implement the company's strategy, to achieve the company's short-term and long-term business objectives, and to create sustainable shareholder value.

The compensation for the **BoD** members consists exclusively of a fixed payment in cash and shares. This ensures that the BoD remains independent in exercising its supervisory duties towards the EC.

The compensation system for the **EC** members is built on the following key principles:

Reward for short-term and long-term performance
An important part of compensation is paid as variable incentives linked mainly to the overall performance of dormakaba. Those incentives are well-balanced between rewarding for short-term results (short-term incentive) and sustainable success of the company (long-term incentive).

Fairness and transparency
Compensation decisions are transparent and fair. The target level of total compensation is determined based on the function. The global grading system based on Korn Ferry Hay Group methodology ensures that functions are evaluated in a consistent manner across the organization.

Alignment to shareholders' interest
The share-based compensation delivered under the long-term incentive plan encourages the sustainable commitment of executives and management members, and aligns their interests to those of the shareholders.

Competitiveness
The structure and levels of compensation take into account the market practice (benchmarks based on Korn Ferry Hay Group data).

Managing compensation

Nomination and Compensation Committee (NCC)

At the AGM 2020, the shareholders approved the BoD's proposal to merge the Nomination Committee and the Compensation Committee to establish a Nomination and Compensation Committee (NCC). This supported the view of the BoD that personnel and compensation decisions are preferably prepared by one and the same committee, especially in connection with members of the BoD and the EC.

In accordance with the Articles of Incorporation and the Organizational Regulations of dormakaba Holding AG, the BoD is responsible for the principles underlying the compensation policy and for the compensation steering process; it is supported in this work by the NCC.

The NCC consists of three BoD members who are elected annually and individually by the AGM for a period of one year. At the AGM 2020, the shareholders elected Hans Hess (Chair), Stephanie Brecht-Bergen, and John Heppner as members of the NCC.

The NCC's main compensation tasks are:

- Propose and periodically review the compensation policy and regulations for the attention of the BoD;
- Propose to the BoD the specific design of the fundamental compensation elements and the determination of the compensation-related performance objectives;
- Propose to the BoD the maximum aggregate compensation amount of the BoD and of the EC to be submitted to the shareholders' vote at the AGM;
- Propose to the BoD the compensation to be paid to its members within the limits approved by the AGM;
- Decide on the terms of appointment, significant changes in existing employment contracts, and compensation for the EC members within the limits approved by the AGM;
- Decide on the share-based compensation to be awarded to the members of the EC and the Senior Management;
- Propose the Compensation Report to the BoD.

The compensation for the EC and for the Senior Management is set as part of an annual process.

Annual process and responsibilities in the compensation matters of the BoD and EC

	Aug	Oct	Dec	Feb	June
Compensation policy review and compensation principles for next financial year				NCC BoD	
Compensation planning and share award plan design				NCC BoD	NCC BoD
Compensation Report	NCC BoD	AGM			NCC
Maximum aggregate compensation amounts of the BoD and EC for next compensation period	NCC BoD	AGM			
Compensation structure and level of BoD for next compensation period	NCC BoD				NCC BoD
Individual target compensation of EC members for next financial year*					CEO NCC
Individual short-term incentive payments of EC members for previous financial year*	CEO NCC				
Individual share awards of EC members and Senior Management*	CEO NCC				CEO NCC
Review of external stakeholder feedback on compensation disclosure and [discussion of] changes for next disclosure		NCC	NCC	NCC	
CC meeting schedule and agenda for next period of office			NCC		

red: recommending body
blue: reviewing body
gray: approving body

* Proposals related to the CEO compensation are prepared by the NCC Chair and approved by the NCC.

The NCC meets as often as business requires but at least once a year. Number of meetings held and attendance details, incl. participation of members of executive management and external advisors, are provided in the Corporate Governance Report.

The NCC Chair reports to the BoD after each meeting on the activities of the committee. The minutes of the committee's meetings are available to the BoD members.

The NCC may decide to consult external advisors on specific compensation matters. Agnès Blust Consulting, a company specialized in executive compensation in Swiss listed companies, has been appointed to provide independent advice on specific compensation and governance matters. This firm does not have any non-Human Resources-related mandates with dormakaba.

Shareholders' involvement

The BoD values the dialogue with shareholders and wants to know and understand their views on executive compensation. In this context, the BoD has held an annual consultative vote on the Compensation Report from financial year 2012/13 onwards. This vote allows shareholders to express their opinion on the compensation policy and systems applicable to the BoD and the EC. Since the AGM 2015, the BoD also seeks an annual prospective binding approval from shareholders of the maximum aggregate amount of compensation of the BoD and the maximum aggregate amounts of fixed and variable compensation of the EC.

The Articles of Incorporation include the principles of compensation applicable to the BoD and to the EC. Those provisions can be found online and include:

- Principles of compensation of the Board of Directors (Article 23);
- Principles of compensation of the Executive Committee (Article 24);
- Binding vote at the AGM (Article 22);
- Additional amount for new members of the Executive Committee (Article 25);
- Credits and loans to members of the Board of Directors and Executive Committee (Article 28).

Compensation architecture for the BoD

BoD members only receive a fixed compensation based on the responsibilities and time requirement of their function, without any entitlement to performance-related compensation. This ensures that the BoD remains independent while exercising its supervisory duties towards the EC. The amount of compensation for each function of the BoD is determined annually considering the market compensation trends and comparisons with other listed Swiss industrial companies which operate internationally. The last benchmarking analysis was conducted by Agnès Blust Consulting in financial year 2017/18 based on the following peer companies: Autoneum, Bucher Industries, EMS Chemie, Geberit, Georg Fischer, Landis + Gyr, Logitech, Lonza, OC Oerlikon, Sonova, and Sulzer. The results of the analysis had shown that overall, the compensation of the BoD was slightly below market practice.

In view of the evolving requirements on the BoD members' role and considering that the compensation levels of the BoD remained unchanged since 2014 despite being below benchmark, they were increased effective from the AGM 2019 onwards. Aside from the changes described below related to the non-executive BoD Chair function and the new committee constitution, no changes were made to the BoD compensation levels since the AGM 2019.

1. Composition of compensation

Effective 1 April 2021, the BoD Chair stepped down from his dual role and handed over the CEO role to his successor. At this date, the compensation for his CEO role was discontinued and replaced by a compensation for the non-executive BoD Chair role, which consists of an annual fee of CHF 680,000, of which CHF 360,000 is paid in cash and CHF 320,000 in restricted shares (following a similar ratio between cash and share compensation as for the other BoD members). In line with legal requirements, he is insured in the company's pension fund. Both the employee and employer portions of the annual contributions are borne by the BoD Chair himself, therefore no pension cost is paid by the company. The annual fee for the BoD Chair role was determined based on the expected time and effort required to effectively perform this role and with consideration of remuneration levels of defined benchmark companies. The BoD Chair is not eligible to receive any additional committee fees.

The compensation paid to the other members of the BoD comprises a cash payment of CHF 100,000 and an award of CHF 90,000 in restricted shares of dormakaba Holding AG. Additional fees are paid in cash for specific functions such as committee chair and/or committee member of the BoD or for performing special additional tasks assigned by the BoD.

For the term of office from the AGM 2020 until the AGM 2021, the BoD compensation system was modified to accommodate the formation of the Nomination and Compensation Committee (NCC). The Committee Chair fee for the new NCC amounts to CHF 60,000 and the membership fee to CHF 20,000. This structure was determined based on the expected level of time and effort required to effectively run the committee and to be consistent with the existing structure for the Audit Committee. Upon implementation of the NCC, the individual Compensation respectively Nomination Committees and their corresponding fee structures were discontinued.

The compensation system and levels are documented in the BoD compensation directive and are summarized in the table below.

Basic compensation

in CHF	BoD Chair*	BoD member
in cash	360,000	100,000
in restricted shares	320,000	90,000
Total	680,000	190,000

* The BoD Chair did not receive any compensation for his function as long as he acted in a dual role as BoD Chair and CEO (until 31 March 2021)

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Additional compensation

in CHF	Committee Chair	Committee member
Audit Committee	60,000	20,000
Nomination and Compensation Committee	60,000 Previously 45,000 per Committee	20,000 Previously 10,000 per Committee
Lead Independent Director	30,000	

The members of the BoD may decide to receive part of the cash payment in the form of shares of the company. The number of shares awarded is calculated using the average closing share price for the last five trading days of the last month of the relevant compensation period. The awarded shares are restricted for a period of three years; this blocking period remains in place if a member leaves the BoD. In addition, a shareholding ownership guideline is in place, requiring Board members to hold a minimum of 500 shares of dormakaba within three years after their election to the BoD.

Compensation is paid on a pro rata basis to Board members twice a year. For the term of office from the AGM 2020 until the AGM 2021, the first compensation period ended on 30 April 2021, the second will end on 31 October 2021. Actual expenses incurred are only reimbursed for travel and journeys outside Switzerland or as caused by special additional tasks performed on behalf of and assigned by the BoD.

2. Assessment of actual compensation paid to the BoD in the financial year 2020/21

The actual compensation paid to the BoD for the financial year 2020/21 increased compared to the previous year (+9%) mainly because the BoD Chair receives compensation since 1 April 2021 as mentioned above. All members of the BoD voluntarily and temporarily agreed to a 10% reduction of their basic compensation, starting from May 2020 and ending in October 2020. Therefore, four months (July – October 2020) of the reporting period were impacted by this reduction.

At the AGM 2020, the shareholders approved a maximum aggregate amount of CHF 2,940,000 for the BoD for the compensation period from the AGM 2020 until the AGM 2021. The compensation effectively paid for the portion of this term of office included in this Compensation Report (October 2020 – 30 June 2021) is within the limit approved by the shareholders. A conclusive assessment for the entire period will be included in the Compensation Report 2021/22.

At the AGM 2019, the shareholders approved a maximum aggregate amount of CHF 2,390,000 for the BoD for the compensation period from the AGM 2019 until the AGM 2020. The compensation effectively paid was CHF 1,944,500 and is within the limit approved by the shareholders.

As of 30 June 2021, in compliance with the Articles of Incorporation, no loans or credits were granted to current or former BoD members, or parties closely related to them. Investments held by BoD members or related persons (including conversion and option rights) – if any – are listed here.

Compensation architecture for the EC

The compensation awarded to EC members is primarily driven by the success of the company. In addition to a competitive fixed compensation, there is a performance-related component that rewards for performance and allows EC members to participate in the company's long-term value creation. The overall compensation consists of the following elements:

- Annual base salary;
- Benefits (such as retirement benefits);
- Short-term incentive;
- Long-term incentive (share-based compensation).

	Fixed compensation and benefits		Variable compensation (target of at least 50% of total compensation)	
	Annual base salary	**Benefits**	**Short-term incentive (STI)**	**Long-term incentive (LTI)**
Purpose	Reflects the function (scope, responsibilities), experience and skills of the individual	Establish a level of risk protection for the participants and their dependents	Rewards company and segment performance	Rewards individual and company performance, aligns to shareholders' interests

To ensure consistency across the organization, roles within the organization have been evaluated using the job grading methodology of Korn Ferry Hay Group. The grading system is the basis for compensation activities such as benchmarking and determination of compensation structure and levels. For comparative purposes, dormakaba refers to external compensation studies that are conducted regularly by Korn Ferry Hay Group in most countries. Overall, these studies include the compensation data of 2,500 technology and industrial companies, including listed and privately held competitors in the security sector that are comparable with dormakaba in terms of annual revenues, number of employees, and complexity in the relevant national or regional markets. Consequently, there is no predefined peer group of companies that is used globally. Rather, the benchmark companies vary from country to country based on the database of Korn Ferry Hay Group. For the CEO role, the following companies were included in the last benchmark analysis conducted in the financial year 2018/19 covering Swiss listed industrial companies of similar size in terms of market capitalization, revenue, and number of employees: Autoneum, Bucher Industries, EMS Chemie, Geberit, Georg Fischer, Landis+Gyr, Logitech, Lonza, OC Oerlikon, Sonova, and Sulzer.

As a principle, the compensation paid to the EC members must be based on the market median in the relevant national or regional market and must be within a range of –20% to +35% of this figure. The variable component of compensation (= short- and long-term incentives) is targeted to make up for at least 50% of the overall compensation.

1. Annual base salary

EC members receive an annual base salary for fulfilling their role. It is based on the following factors:

- Content, responsibilities and complexity of the function;
- External market value of the respective role: amount paid for comparable positions in the industrial sector in the country where the member works;
- Individual profile in terms of skill set, experience, and seniority.

2. Benefits

As the EC is international in its nature, the members participate in the benefits plans available in their country of employment. Benefits mainly consist of retirement, insurance, and health care plans that are designed to provide a reasonable level of protection for the participants and their dependents in respect to the events of retirement, disability, death, and illness/accident. The EC members with a Swiss employment contract participate in the occupational pension plans offered to all employees in Switzerland, which consist of a basic pension fund and a supplementary plan for management positions. The benefits offered by the pension fund of dormakaba in Switzerland are in line with benefits provided by other Swiss multinational industrial companies.

EC members under foreign employment contracts are insured commensurately with market conditions and with their position. Each plan varies in line with the local competitive and legal environment and is, as a minimum, in accordance with the legal requirements of the respective country.

Further, EC members are also provided with certain executive perquisites such as company car or car allowance, representation allowance, and other benefits in kind according to competitive market practice in their country of employment.

3. Variable compensation

The variable compensation consists of a short-term incentive (STI) and a long-term incentive (LTI).

3.1 Short-term incentive

The short-term incentive is defined annually as a cash payment and aims to motivate the participants to meet and exceed the company's financial objectives, which are defined in line with the Group's strategy. Pursuant to the Articles of Incorporation, the short-term incentive may not exceed 150% of the individual annual base salary for the EC members (cap).

Following the "We are ONE company" principle, the individual short-term incentive paid to the EC members is strictly based on Group and segment financial objectives and not on individual goals. For the CEO and other EC members (CFO and CTO), the incentive formula relates exclusively to Group results. For the COOs, it relates to segment results and Group results as follows:

	Group	Segment	Rationale
Access Solutions (AS)	10%	30% all AS segments, 60% own AS segment	AS segments (AMER, APAC, DACH, EMEA) are interdependent, therefore the weighting strongly encourages collaboration between AS segments and rewards for the AS collective performance and the individual performance of each AS segment in a balanced manner.
Key & Wall Solutions	30%	70%	Key & Wall Solutions is an independent global segment, the 30 – 70% split between Group's and segment's results is well balanced in terms of rewarding the collective performance of the Group and the individual performance of the segment.

The business results are compared to the previous year's results to drive a continuous improvement of the business achievements, year after year.

The incentive formulas for all EC members are built around the principle of paying a predefined share of profit individually determined for each function, which are additionally modified by a set of multipliers. For the financial year 2020/21, the formula for the CEO and other EC members in Group function roles (CFO and CTO) was harmonized with the formula of the COO functions to include sales growth and net working capital (NWC) multipliers aiming to further strengthen the accountability for the efficient use of the company's financial resources and a growth-driven value creation.

The STI formula is illustrated below.

CEO, CFO, CTO

Individual share in Group net income	×	Net income growth multiplier	×	Sales growth multiplier	×	Net working capital (NWC) multiplier	=	Amount of short-term incentive to be paid out
Percentage of Group net income		Factor of up to 1.6 depending on net income growth of dormakaba compared to previous year		Factor of up to 1.5 depending on sales growth of dormakaba compared to previous year		Factor of up to 1.4 depending on NWC results of dormakaba compared to previous year		Maximum 150% of annual base salary

COOs

Individual share in Group net income	+	Individual share in segment EBIT	×	Sales growth multiplier	×	Net working capital (NWC) multiplier	=	Amount of short-term incentive to be paid out
Percentage of Group net income		Percentage of segment EBIT		Factor of up to 1.5 depending on sales growth of the segment compared to previous year		Factor of up to 1.4 depending on segment NWC results		

10–30% of short-term incentive depending on the role

90–70% of short-term incentive depending on the role

Maximum 150% of annual base salary

The predefined share of profit is expressed as a percentage of Group net income or as a percentage of segment EBIT. The growth multiplier depends either on a combination of the company's net income growth and the Group sales growth or on the segment's sales growth compared to previous year and is capped at 1.6 in case of substantial growth. The net working capital (NWC) multiplier depends on the Group or segment's change of net working capital compared to previous year and is capped at 1.4 in case of substantial reduction of net working capital.

This formula is aligned to the business strategy of profitable growth because it rewards for bottom-line (Group net income or segment EBIT) as well as top-line results (sales growth) and an efficient management of the company's financial resources.

The calculation of the short-term incentive is based – just as the audited financial statements of the Group – on the actual figures recorded in the financial reporting system. Effects from acquisitions and divestments as well as other special effects that have a material impact on the financial results, are excluded so that the financial results are comparable to the previous year. There were no significant adjustments made in the reporting year.

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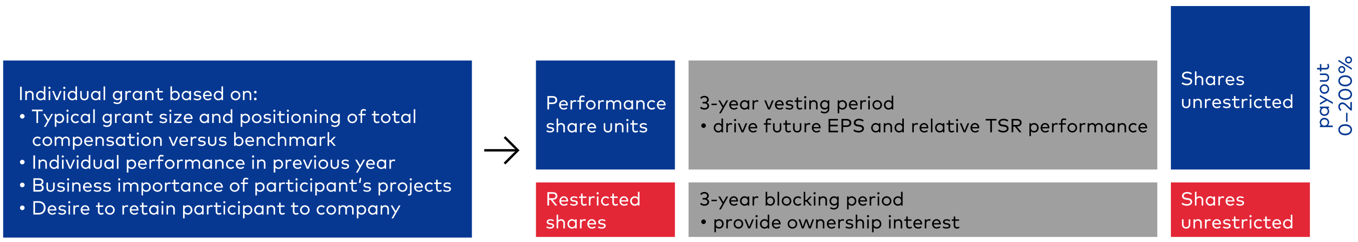
3.2 Long-term incentive

The purpose of the long-term incentive is to give the EC an ownership interest in dormakaba and a participation in the long-term performance of the company and thus to align their interests to those of the shareholders.

At the beginning of the long-term incentive plan cycle (grant date), EC members are awarded restricted shares and performance share units of dormakaba based on the following criteria:

- **External benchmark:** typical grant size of long-term incentive for a similar function in the relevant market and positioning of the individual's total direct compensation compared to that benchmark. Total direct compensation includes fixed base salary plus short-term incentive plus allocation under the long-term incentive plan.
- **Individual performance:** measured against predefined priorities in the financial year prior to the grant, as documented within the performance management process. The long-term incentive is the only compensation program that takes into consideration the individual performance of the EC members. For each member, a list of individual strategic priorities is determined before the start of each financial year based on the mid-term plan of the Group, segment or function. At the end of each financial year, the individual performance of the member is measured against those strategic priorities and will be considered for the determination of the grant size of the long-term incentive in the following financial year.
- **Strategic importance:** impact of the EC member's projects on the long-term company's success.
- **Retention:** desire to retain the person to the company and to its overall long-term value creation by offering restricted shares and performance share units subject to a three-year vesting period.



Based on the above criteria, the CEO formulates a proposal for long-term incentive awards of the individual EC members and other members of Senior Management, which is subject to approval by the Nomination and Compensation Committee (NCC). For the CEO, the NCC Chair formulates a proposal that is subject to the approval of the NCC. Pursuant to the Articles of Incorporation, the fair value of the long-term incentive at grant may not exceed 150% of the individual annual base salary for the EC members (cap).

The long-term incentive award is split into two components: one third is granted in form of restricted shares of dormakaba subject to a three-year blocking period. This component of the award is designed to provide participants an ownership interest in the long-term value creation of the company by making them shareholders. The other two-thirds of the award is granted in form of performance share units of dormakaba subject to a three-year performance-based vesting period. This component of the award is designed to reward participants for the future performance of the earnings per share (EPS) and the relative TSR of the company over the three-year performance period. Both performance conditions are equally weighted at 50%. The vesting level may range from 0% to a maximum of 200% of the original number of units granted (maximum two shares for each performance share unit originally granted).

Prior to September 2020, TSR was measured relative to companies of the SMIM – of which dormakaba was part of. Effective 21 September 2020, dormakaba no longer belongs to the SMIM. The NCC subsequently reviewed the performance peer group and concluded that the SPI Industrials is a more appropriate peer group based on the size and relevance of companies in the index. An index was selected as a performance benchmark because of the insufficient number of direct competitors of dormakaba that are publicly listed. Therefore, the SPI Industrials as an index of companies of comparable size listed on the SIX Swiss Exchange was the most appropriate alternative. The long-term incentive award continues to provide for a 100% vesting for performance on median.

The EPS growth target is fully aligned with dormakaba's organic sales growth ambition to outperform weighted GDP growth by 2% points. The vesting formula for both performance indicators is illustrated below, there is no vesting below the threshold levels of performance:

	Threshold performance (25% vesting)	Target (100% vesting)	Cap (200% vesting)
Relative TSR (50%)	25th percentile of peers	Median of peers	83.33th percentile of peers
EPS growth (50%)	70% of target	EPS growth 2% points above GDP growth	140% of target

The vesting formula has been designed in line with market practice for Swiss publicly traded companies to combine pay for performance compensation principles and reach alignment with the long-term shareholder interest. It has both challenging targets and no excessive leverage. To reach the target, the company needs to outperform half of the peers in respect of relative TSR and needs to outperform GDP growth by 2% points on the EPS condition. While there is no payout below the threshold levels of performance, a partial payout is still possible for a performance between the threshold and the target. On the other side, an extraordinary performance is required to reach the cap of 200%.

Restricted shares and performance share units are usually awarded annually in September. In case of voluntary termination by the participant restricted shares remain blocked and the performance share units are forfeited without any compensation. If a participant is terminated for cause, restricted shares that are blocked at the time of termination must be returned to the company and the performance share units are forfeited without any compensation. In case of termination without cause or retirement, restricted shares remain blocked, and the performance share units are subject to a pro rata vesting at the regular vesting date. In case of disability, death or change of control, the blocking period of the shares is lifted, and performance share units are subject to an accelerated pro rata vesting based on a performance assessment by the BoD (see also Corporate Governance Report 'Changes of control and defense measures'). The conditions for the award of shares and performance share units are governed by the stock award plans of dormakaba.

Shares awarded in reporting periods 2020/21 and 2019/20 have come from dormakaba treasury.

The long-term incentive awards are subject to clawback and malus provisions since 2019. In certain circumstances, such as in the case of financial restatement due to material non-compliance with financial reporting requirements or of fraudulent behavior or substantial willful misconduct, the BoD may decide to suspend the vesting or forfeit any granted long-term incentive award (malus provision) or to require the reimbursement of vested shares delivered under the long-term incentive (clawback provision).

The mix between restricted shares and performance share units under long-term incentive will continue to be shifted and the transition to a fully performance based long-term incentive will be completed in the financial year 2021/22. The grant in September 2021 will consist of 100% performance share units and the allocation of restricted shares will be discontinued.

4. Employment contracts

The EC members are employed under employment contracts of unlimited duration that are subject to a notice period of up to twelve months. EC members are not contractually entitled to sign-on awards, termination payments or any change of control provisions other than the accelerated vesting and/or unblocking of share awards mentioned above. The employment contracts of the EC members may include non-competition clauses for a duration of up to a maximum of two years. In cases where the company decides to activate the non-competition provisions, the compensation paid in connection with such non-competition provisions may not exceed the monthly base salary, or half of the total compensation, for a period of twelve months.

5. Shareholding ownership guideline

The EC members are required to own a minimum multiple of their annual base salary in dormakaba shares within five years of hire or promotion to the EC, as set out in the following table.

CEO	300% of annual base salary
EC member	200% of annual base salary

To calculate whether the minimum holding requirement is met, all vested shares are considered regardless of whether they are restricted or not. However, unvested performance share units are excluded from the calculation. The NCC reviews compliance with the share ownership guideline on an annual basis. In the event of a substantial rise or drop in the share price, the BoD may, at its discretion, review the minimum ownership requirement.

6. Assessment of actual compensation paid to the EC in the financial year 2020/21

In comparison to the previous year, total direct compensation (TDC) of the EC increased by 4%. There are several factors that impacted the level of actual compensation paid to the EC in the 2020/21 financial year, which are summarized below.

- **Changes in EC composition:** Riet Cadonau stepped down as CEO on 31 March 2021. His successor, Sabrina Soussan, joined the company as designated CEO on 1 January 2021 and took over as CEO as of 1 April 2021, leading to concurrent CEO level compensation payment for a three-month period. As part of her onboarding, Sabrina Soussan received one-time relocation support as well as a replacement award in lieu of the forfeited compensation at the previous employer. Further details can be found below.
- **Base salary changes:** considering the pandemic none of the EC members' target base salaries were adjusted at the beginning of the reporting period as part of the regular compensation review. In the context of the pandemic and as a sign of solidarity with the global workforce, the EC members voluntarily agreed to a reduction in monthly base salary of 10%, starting from May 2020 and ending in October 2020, hence affecting four months of the reporting period. Overall, the annual basic compensation paid out decreased by 6%.
- **STI payout:** the STI payout formula is based on performance improvements versus previous year (and not on the achievement of budgeted targets). The STI payout of the EC members reflects the underlying financial performance in the reporting year, especially the increase in the Group net income which is the main driver of the STI payout for the CEO and EC members with global responsibility (CFO, CTO). All segments (COOs) contributed to the organic growth and an improved profitability compared to the previous year (improved EBITDA margin) except for AS AMER. In the reporting year, the STI payout of EC members is 96% of the annual base salary on average (previous year 70%). A payout of 78% of annual base salary (on average) for the EC members corresponds to the level of originally expected performance for the financial year 2020/21. For the former CEO, the STI payout is capped to 150% of annual base salary (pro-rated for the time spent in the role), as foreseen by the Article of Incorporation 24. For the new CEO, a pre-determined STI amount was paid out for

the period of her onboarding as designated CEO (1 January to 31 March 2021) as per her employment contract. As of 1 April, the regular STI calculation methodology applied.

- **LTI grant in September 2020:** to determine the individual grant size (nominal value), the allocation criteria in place for several years (described under section 3.2) such as individual performance in the previous year, strategic importance of the projects under responsibility, position against benchmark and retention need were considered. Based on those factors, the LTI grant size of two EC members was slightly increased compared to previous year. For the departing CEO and the other EC members, the LTI grant size remained unchanged compared to previous year. The strategic priorities of the CEO for financial year 2019/20 (considered for determining the grant size in the reporting year) are detailed below and have been implemented successfully.

Strategic priorities of the CEO (financial year 2019/20)*

Business performance	Achieve business performance in line with guidance.
Business development	Selectively establish further acquisitions/divestments in accordance with the defined strategic priorities.
Group innovation	Drive the digitization initiatives (cloud-based solutions) and implement Information Security Management System (ISMS).
Supply chain management	Deliver the defined procurement savings and execute the agreed Industry 4.0 initiatives.
Organization	Ensure succession plans for key positions, strengthen leadership teams and develop/retain key talents. Sustainability: prepare for Science Based Targets initiative (SBTi). IT: continue to implement the defined IT strategy.

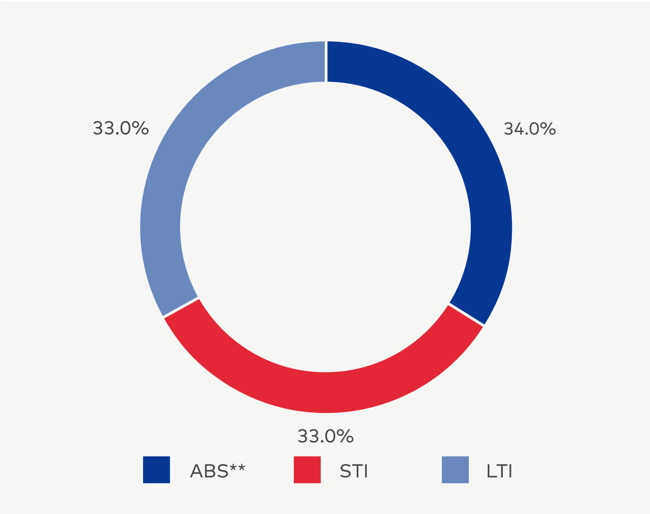
* This information is disclosed in summarized form for confidentiality reasons.

The replacement award for the new CEO relates to the forfeited equity compensation at the previous employer and was fully granted in the form of equity. The replacement award amounts to CHF 619,583 in restricted shares and CHF 631,583 in PSU granted at the hiring date on 1 January 2021. The shares are subject to a blocking period of 8 months, 1 year and 8 months, and 2 years and 8 months, respectively. The PSU are subject to a vesting period of 8 months, 1 year and 8 months, and 2 years and 8 months, respectively, based on the EPS and rTSR performance conditions used in the dormakaba LTI plan. The blocking period of the shares and the vesting period of the PSU mirror the restriction periods of the outstanding plans at dormakaba (LTI grants 2018, 2019 and 2020, vesting in 2021, 2022 and 2023 respectively) and broadly reflect those of the forfeited awards at the previous employer.

The performance share units granted under the long-term incentive in September 2017 vested in September 2020 based on the EPS growth over the three-year vesting period at a vesting level of 96.1%. The share price at vesting amounted to CHF 527.00 compared to CHF 975.00 at grant.

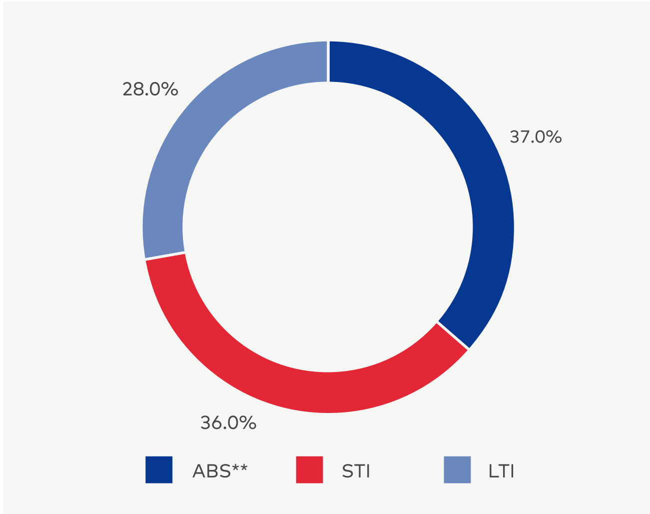
Variable compensation forms a major part of total direct compensation (TDC). The percentage of overall compensation paid to the EC as variable compensation in the reporting year was 67% (excluding benefits and social security contributions) and increased (previous year 62%) due to increase predominantly in STI payout. Variable compensation paid out in shares accounted for 30% of the TDC (previous year 33%), which is in line with the compensation strategy to award 30% or more of total compensation in equity-based compensation by applying increases primarily on the long-term incentive component rather than on the other compensation elements.

CEO*



* Based on new CEO annual target compensation mix
** Annual Base Salary

EC*



* EC excl. CEO
** Annual Base Salary

At the AGM 2019, the shareholders approved a maximum aggregate amount of CHF 18,000,000 for the EC for the financial year 2020/21. The compensation effectively awarded of CHF 13,652,662 is within the limit approved by the shareholders. This includes the replacement award for the new CEO in the amount of CHF 1,251,166. Further details can be found above.

As of 30 June 2021, in compliance with the Articles of Incorporation, no loans or credits were granted by dormakaba to current or former EC members, or parties closely related to them. Investments held by EC members or related persons (including conversion and option rights) – if any – are listed here.

Compensation to the BoD and EC

Financial year 2020/21

	Compensation 1)				
	Basic compensation	Additional compensation (committees, special tasks)	Social benefits 2)	Total (CHF)	of which in shares (CHF) 3)
BoD					
Birgersson Jens	183,667	13,333	–	197,000	110,578
Member Audit Comittee (since AGM 2020)					
Brecht-Bergen Stephanie	183,667	16,667	–	200,333	86,537
Member Nomination Committee (until AGM 2020)					
Member Nomination and Compensation Committee (since AGM 2020)					
Cadonau Riet	170,000	–	12,942	182,942	79,390
Chair of the Board					
Daeniker Daniel	183,667	60,000	17,167	260,834	86,537
Chair Audit Committee					
Dörig Rolf (BoD member until AGM 2020)	57,000	25,000	5,736	87,736	26,869
Chair Compensation Committee (until AGM 2020)					
Member Nomination Committee (until AGM 2020)					
Dubs-Kuenzle Karina	183,667	20,000	14,305	217,972	86,537
Gummert Hans	183,667	88,452	–	272,119	86,537
Member Audit Committee					
Member Compensation Committee (until AGM 2020)					
Heppner John	183,667	26,667	–	210,333	95,305
Member Nomination and Compensation Commitee (since AGM 2020)					
Hess Hans	183,667	108,333	21,103	313,103	86,537
Vice-Chair of the Board					
Lead Independent Director					
Chair Nomination and Compensation Committee (since AGM 2020)					
Chair Nomination Committee (until AGM 2020)					
Member Audit Committee					
Member Compensation Committee (until AGM 2020)					
Mankel Christine	183,667	–	–	183,667	110,578
Liu John Y. (BoD member since AGM 2020)	126,667	–	8,839	135,506	59,669
Total BoD	**1,823,000**	**358,452**	**80,093**	**2,261,545**	**915,074**

1) The Chair of the Board receives compensation in his role since April 2021, covering three months of the reporting period. For as long as he was in his dual capacity as the CEO and Chair of the Board, he did not receive any compensation for his role as the Chair of the Board. Compensation for the employer representative on the Swiss pension fund (Karina Dubs-Kuenzle) of CHF 20,000 p.a. and compensation for the membership of the Supervisory Board of dormakaba Holding GmbH + Co. KGaA (Hans Gummert) of CHF 65,119 are included in the compensation (additional compensation). Business expenses are not included. For Hans Gummert the additional compensation is paid in EUR and remains stable vis-à-vis the previous year, however, fluctuates in CHF due to currency exchange.

2) In line with the Swiss legal requirements under the respective law (BVG), the Chair of the Board is insured in the company pension fund. The employer cost of the pension benefits are deducted from the cash board fee disclosed above. The Chair of the Board is hence financing both the employee and employer contributions to the pension fund via a deduction on the cash board fee so that the insurance in the pension fund is cost-neutral to the company.

3) The compensation for the reporting period is paid out in three installments (November 2020, May 2021, and November 2021). Shares are awarded based on a fixed monetary amount of CHF 90,000 for the Board members. The average of the closing share prices of the last five trading days in the month prior to the payment is used to determine the number of shares allocated (CHF 424.24 for the shares transferred in November 2020 and CHF 620.40 for the shares transferred in May 2021).

	Fixed compensation			Variable compensation				Total CHF
	Fixed basic payment	Benefits and social / pension contributions 1)	Total aggregate amount	STI 2)	LTI 3)	Social / pension contributions	Total aggregate amount	
EC members								
Cadonau Riet 4) 5)	596,274	133,753	730,027	956,250	1,280,281	269,821	2,506,352	3,236,379
Sabrina Soussan 6)	425,004	107,869	532,873	525,000	-	95,646	620,646	1,153,519
Other EC	2,415,866	766,853	3,182,719	2,355,028	1,821,187	652,664	4,828,879	8,011,598
Subtotal	**3,437,144**	**1,008,475**	**4,445,619**	**3,836,278**	**3,101,468**	**1,018,131**	**7,955,877**	**12,401,496**

1) Includes contributions to social security and occupational pension plans as well as fringe benefits. Contributions to social security and occupational pension plans are the contributions effectively paid in the reporting year and relate to the fixed and variable compensation effectively paid out in the reporting year. Fringe benefits include elements such as private use of company car, company car allowance, service anniversary, housing contributions, and one-time relocation allowances for two new EC members to facilitate their relocation following their appointment to the EC role. Fringe benefits amount to CHF 61,817 for the former CEO, to CHF 30,440 for the new CEO and CHF 436,069 for the other EC members.

2) The short-term incentive reported will be paid after the end of the reporting year.

3) The total grant value of the LTI includes CHF 751,608 in restricted shares and CHF 2,012,114 in performance share units (PSU). The fair value on the grant date is CHF 584 per restricted share. The value of the PSUs is based on their fair value on the grant date which includes adjustments for lost dividends during the vesting period and the TSR performance conditions..

4) In accordance with his employment contract from 2011, the former CEO receives a guaranteed allocation of 550 shares (worth CHF 337,750) which are blocked for three years. These shares are not yet included in the shares held as of 30 June 2021 as listed in the table 'Shares held by BoD and EC' as they were not yet allocated by the end of the financial year (grant date of 1 September 2021). However, they have been included in the long-term incentive compensation figure with a share price of CHF 614.09 (average closing price of May/June 2021).

5) In line with the contractual agreement in place which foresee a partial forfeiture of PSU, CHF 527,086 of the award granted to the CEO in September 2020 forfeits.

6) The replacement award in equity relating to the forfeited compensation at the previous employer for the new CEO is not included in the compensation table. The replacement award amounts to CHF 619,583 in restricted shares and CHF 631,583 in PSU granted at the hiring date on 1 January 2021. The shares are subject to a blocking period of 8 months, 1 year and 8 months, and 2 years and 8 months, respectively. The PSU are subject to a vesting period of 8 months, 1 year and 8 months, and 2 years and 8 months, respectively, based on the EPS and rTSR performance conditions used in the dormakaba LTI plan. The blocking period of the shares and the vesting period of the PSU mirror the restriction periods of the outstanding plans at dormakaba (LTI grants 2018, 2019 and 2020, vesting in 2021, 2022 and 2023, respectively) and broadly reflect those of the forfeited awards at the previous employer.

Compensation paid to former members of the EC

In the reporting period compensation in the amount of CHF 487,381 was paid to two former members of the EC which is not included in the compensation table. The amount includes the fixed salary, benefits as well as the pro rata STI payment which are contractually due during the notice period. It also includes an LTI grant to one former member of the EC who has not left the company.

Financial year 2019/20

	Compensation [1]				
	Basic compensation	Additional compensation (committees, special tasks)	Social benefits	Total (CHF)	of which in shares (CHF) [2]
BoD					
Birgersson Jens	180,167	–	–	180,167	148,785
Brecht-Bergen Stephanie Member Nomination Committee (since AGM 2019)	180,167	6,667	–	186,833	128,486
Cadonau Riet Chair of the Board	–	–	–	–	–
Daeniker Daniel Chair Audit Committee	180,167	60,000	16,835	257,001	84,613
Dörig Rolf Chair Compensation Committee Member Nomination Committee	180,167	75,000	17,902	273,069	84,613
Dubs-Kuenzle Karina	180,167	20,000	13,988	214,154	84,613
Gummert Hans Member Audit Committee Member Compensation Committee Member Nomination Committee (until AGM 2019)	180,167	96,487	–	276,654	84,613
Heppner John	180,167	–	–	180,167	94,737
Hess Hans Vice-Chair of the Board Lead Independent Director Chair Nomination Committee Member Audit Committee Member Compensation Committee	180,167	103,333	20,294	303,794	84,613
Mankel Christine	180,167	–	–	180,167	148,785
Total BoD	**1,621,500**	**361,487**	**69,019**	**2,052,006**	**943,857**

1) Compensation for the employer representatives on the Swiss pension fund (Rolf Dörig, Karina Dubs-Kuenzle) of CHF 20,000 p.a. each and compensation for the membership of the Supervisory Board of dormakaba Holding GmbH + Co. KGaA (Hans Gummert) of CHF 64,153.04 are included in the compensation (additional compensation). Business expenses are not included. For Hans Gummert the additional compensation is paid in EUR and is lower compared to the previous period due to him leaving the Supervisory Board of ISEO.

2) The compensation for the reporting period is paid out in three installments (November 2019, May 2020, and November 2020). Shares are awarded based on a fixed monetary amount of CHF 90,000 for the Board members. The average of the closing share prices of the last five trading days in the month prior to the payment is used to determine the number of shares allocated (CHF 635.70 for the shares transferred in November 2019 and CHF 482.12 for the shares transferred in May 2020).

	Fixed compensation			Variable compensation				Total CHF
	Fixed basic payment	Benefits and social / pension contributions 1)	Total aggregate amount	STI 2)	LTI 3) 4)	Social / pension contributions	Total aggregate amount	
EC members								
Cadonau Riet	818,142	175,249	993,391	859,294	1,016,401	328,687	2,204,381	3,197,772
Other EC 5)	2,856,665	1,113,745	3,970,410	1,909,994	2,129,375	717,718	4,757,087	8,727,497
Subtotal	**3,674,807**	**1,288,994**	**4,963,801**	**2,769,288**	**3,145,776**	**1,046,405**	**6,961,468**	**11,925,269**

1) Includes contributions to social security and occupational pension plans as well as fringe benefits. Contributions to social security and occupational pension plans are the contributions effectively paid in the reporting year and relate to the fixed and variable compensation effectively paid out in the reporting year. Fringe benefits include elements such as private use of company car, company car allowance, service anniversary, housing contributions, and one-time relocation allowances for two new EC members to facilitate their relocation following their appointment to the EC role. Fringe benefits amount to CHF 31,882 for the CEO and CHF 625,174 for the other EC members.

2) The short-term incentive reported will be paid after the end of the reporting year.

3) The grant value of the LTI includes CHF 1,606,294 in restricted shares and CHF 1,539,481 in performance share units (PSU). The fair value on the grant date is CHF 667.50 per restricted share. The value of the PSUs is based on their fair value on the grant date which includes adjustments for lost dividends during the vesting period and the TSR performance conditions.

4) In accordance with his employment contract from 2011, the CEO receives a guaranteed allocation of 550 shares (worth CHF 285,979) which are blocked for three years. These shares are not yet included in the shares held as of 30 June 2020 as listed in the table 'Shares held by BoD and EC' as they were not yet allocated by the end of the financial year (grant date of 1 September 2020). However, they have been included in the long-term incentive compensation figure with a share price of CHF 519.96 (average closing price of May/June 2020).

5) Includes the compensation for the (designated) COO AS AMER, who joined the company on 1 April 2020 as designated COO and assumes COO and EC responsibility as of 1 July 2020. His compensation for the period from 1 April to 30 June 2020 comprises base salary, pro rata STI and LTI, and a one-time relocation allowance. The replacement awards in cash and equity relating to the forfeited compensation at the previous employer are not included. The replacement award in cash for forfeited cash compensation at the previous employer amounts to CHF 109,422. The replacement award in equity amounts to CHF 246,581 in restricted shares and CHF 161,063 in PSU to compensate for part of the forfeited LTI at the previous employer. The shares and PSU have been granted at the hiring date on 1 April 2020. The shares are subject to a blocking period of 1 year and 5 months and 2 years and 5 months, respectively. The PSU are subject to a vesting period of 1 year and 5 months and 2 years and 5 months respectively, based on the EPS and rTSR performance conditions used in the dormakaba LTI plan. The blocking period of the shares and the vesting period of the PSU mirror the restriction periods of the outstanding plans at dormakaba (LTI grants 2018 and 2019, vesting in 2021 and 2022, respectively) and broadly reflect those of the forfeited awards at the previous employer.

Shares held by BoD and EC

As at the respective call date, the individual BoD and EC members (including related parties) held the following number of shares in dormakaba Holding AG.

Number of shares	Financial year ended 30.06.2021	Financial year ended 30.06.2020
BoD		
Birgersson Jens	1,919	347
Brecht-Bergen Stephanie	220,323	220,156
Cadonau Riet [1)]	7,015	5,840
Daeniker Daniel	1,854	1,687
Dörig Rolf [2)]	2,721	2,626
Dubs-Kuenzle Karina	99,913	99,746
Gummert Hans	929	762
Heppner John	1,117	919
Hess Hans	1,790	1,623
Liu John Y. [3)]	72	
Mankel Christine	220,533	220,281
Total BoD	**558,186**	**553,987**
EC		
Berninger Alwin	339	210
Bewick Stephen [4)]	312	199
Brinker Bernd	1,964	1,549
Cadonau Riet [1)]		5,840
Häberli Andreas	2,530	2,265
Housten Alex	617	564
Kincaid Michael [5)]		1,543
Lee Jim-Heng	2,725	2,329
Lichtenberg Jörg [5)]		853
Soussan Sabrina [6)]	1,233	
Zocca Stefano	2,368	2,145
Total EC	**12,088**	**17,497**

1) BoD and EC member until 31 March 2021. Effective as of 1 April 2021, he stepped down from his position as EC member and continued his role as BoD Chair. Therefore, he is displayed in both groups for the years of membership.
2) BoD member until 20 October 2020.
3) BoD member as of 20 October 2020.
4) EC member as of 1 January 2020.
5) EC member until 30 June 2020.
6) EC Member as of 1 January 2021 and CEO as of 1 April 2021.

Report of the statutory auditor

to the General Meeting of dormakaba Holding AG

Rümlang

We have audited the Compensation Report of dormakaba Holding AG for the year ended 30 June 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables on pages 146 to 150 of the Compensation Report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the Compensation Report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Compensation Report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the Compensation Report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the Compensation Report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the Compensation Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Compensation Report of dormakaba Holding AG for the year ended 30 June 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Beat Inauen	Sandra Burgstaller
Audit expert Auditor in charge	Audit expert

Zürich, 26 August 2021

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch