

# dormakaba – Corporate Governance Roadshow – AGM 2022

Riet Cadonau - Member of the Board of Directors -  
Chairman



# Agenda

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# Introduction to dormakaba



# dormakaba – we make access in life smart and secure



Top three position in the worldwide market for access and security solutions



About 2.8 billion Swiss francs in sales. dormakaba is listed at the SIX Swiss Exchange (DOKA)



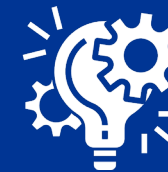
Around 16,000 employees worldwide



With an experience of more than 150 years with a presence in more than 130 countries



Broad offering of products, solutions and services for secure access to buildings and rooms from a single source



Innovation leader in our industry like mobile access and cloud based solutions

# Our offering – smart and secure access solutions from a single source



**Mechanical  
Key Systems**



**Door Hardware**



**Services**



**Entrance Systems**

## Key & Wall Solutions



**Movable Walls**



**Lodging Systems**



**Safe Locks**



**Electronic Access &  
Data**

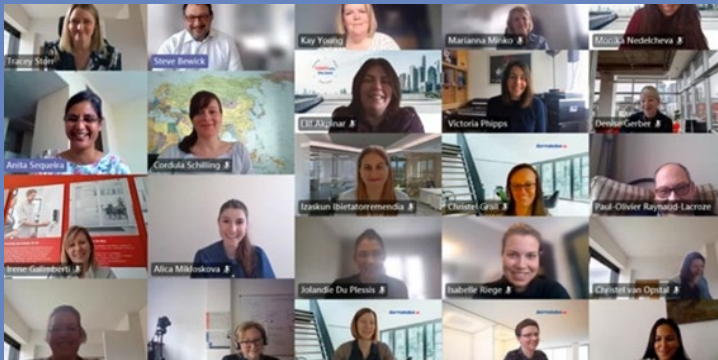


**Key Systems**



# A market driven by global, as well as sector-specific trends

## Megatrends



Urbanization, growing and ageing population

Decarbonization

**New normal (working and living), repurposing of buildings**

Physical and digital security

Digitalization (connectivity, cloud, AI)

## Building technology trends



**Sustainability**

Health and Safety

Smart (home) solutions

Building Information Modeling (BIM)

System integration within buildings

## Access industry-specific trends



Touchless access

**Shift to electromechanical**

Merger of Access and Flow Management

Mobile and biometric authentication

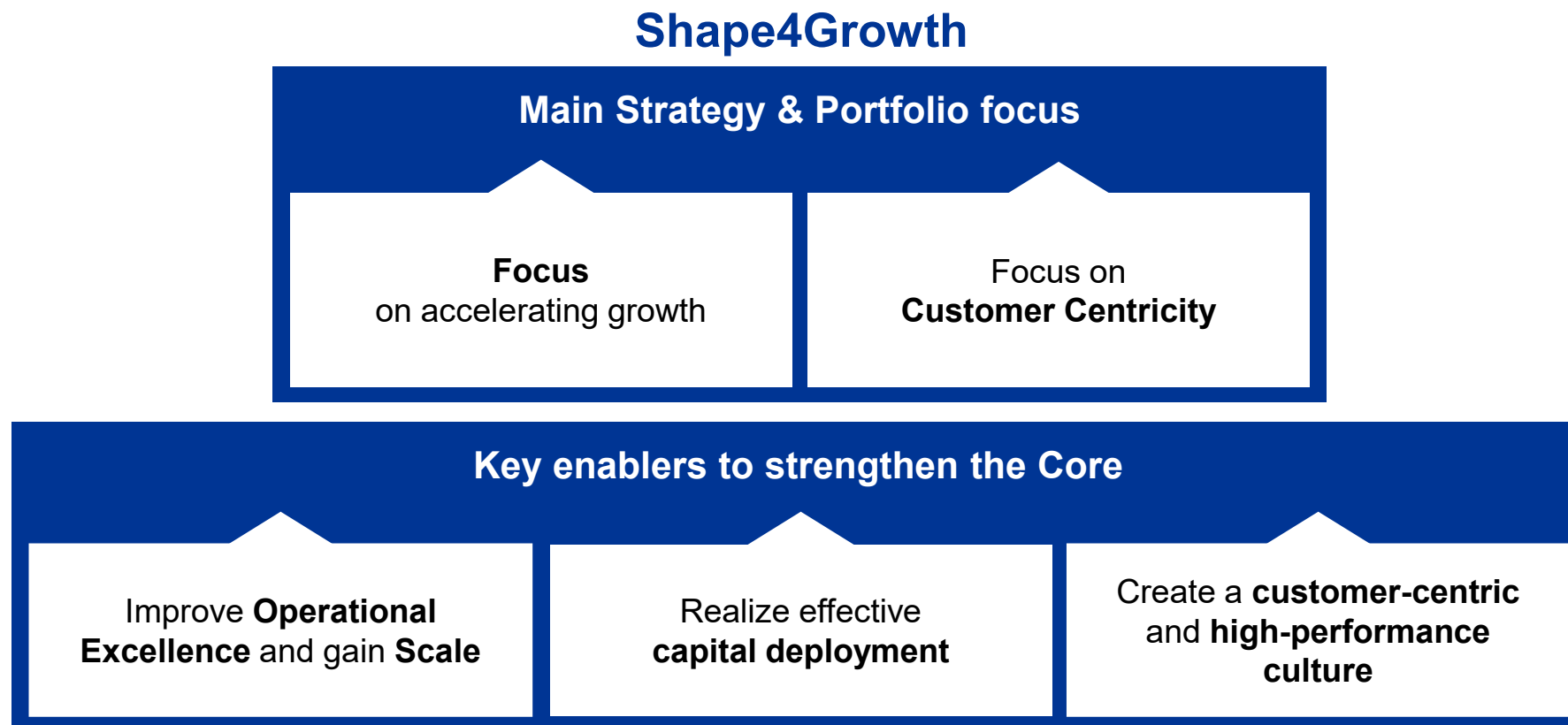
Integrated and connected components

Access as a Service

# From international niche player to global one-stop shop – Merger to dormakaba as game changer

- **Global Top 3 Player** in the Access Solutions industry - thanks to the merger and subsequent M&A activities
- **Stable and healthy platform for profitable growth** - global reach, mechanical, electromechanical, electronical and cloud-based solutions - **significant investments in innovation** (from electronic to cloud based solutions), **digitization, IT and sustainability**, supported by anchor shareholders
- Established a "one dormakaba" culture
- **Created #3 Player in North America** the most attractive market in our industry by significant acquisition growth in North America

# Taking the next step – Shape4Growth strategy - Focus on accelerating profitable growth





# Full year results 2021/22



# Strong organic growth with margins impacted by supply chain constraints and inflationary trends

- Strong organic sales growth above full-year guidance
- Growth driven by double-digit growth in Asia Pacific, strong growth in Americas, and good growth in Europe & Africa and Key & Wall Solutions
- Adjusted EBITDA increased by 2.8% driven by good growth. On top positive effects from currency translation and from acquisitions and divestments
- Lower adjusted EBITDA margin due to higher raw material and freight costs
- Operating cash flow impacted by higher inventories
- Net profit impacted by Mesker divestment and costs for strategy program Shape4Growth (S4G)

**CHF 2,756.9  
million**

Net sales  
(previous year CHF 2,499.7 million)

**7.7%**

Organic sales growth

**CHF 372.3 million**

adjusted EBITDA  
(previous year CHF 362.0 million)

**13.5%**

Adjusted EBITDA margin  
(previous year 14.5%)

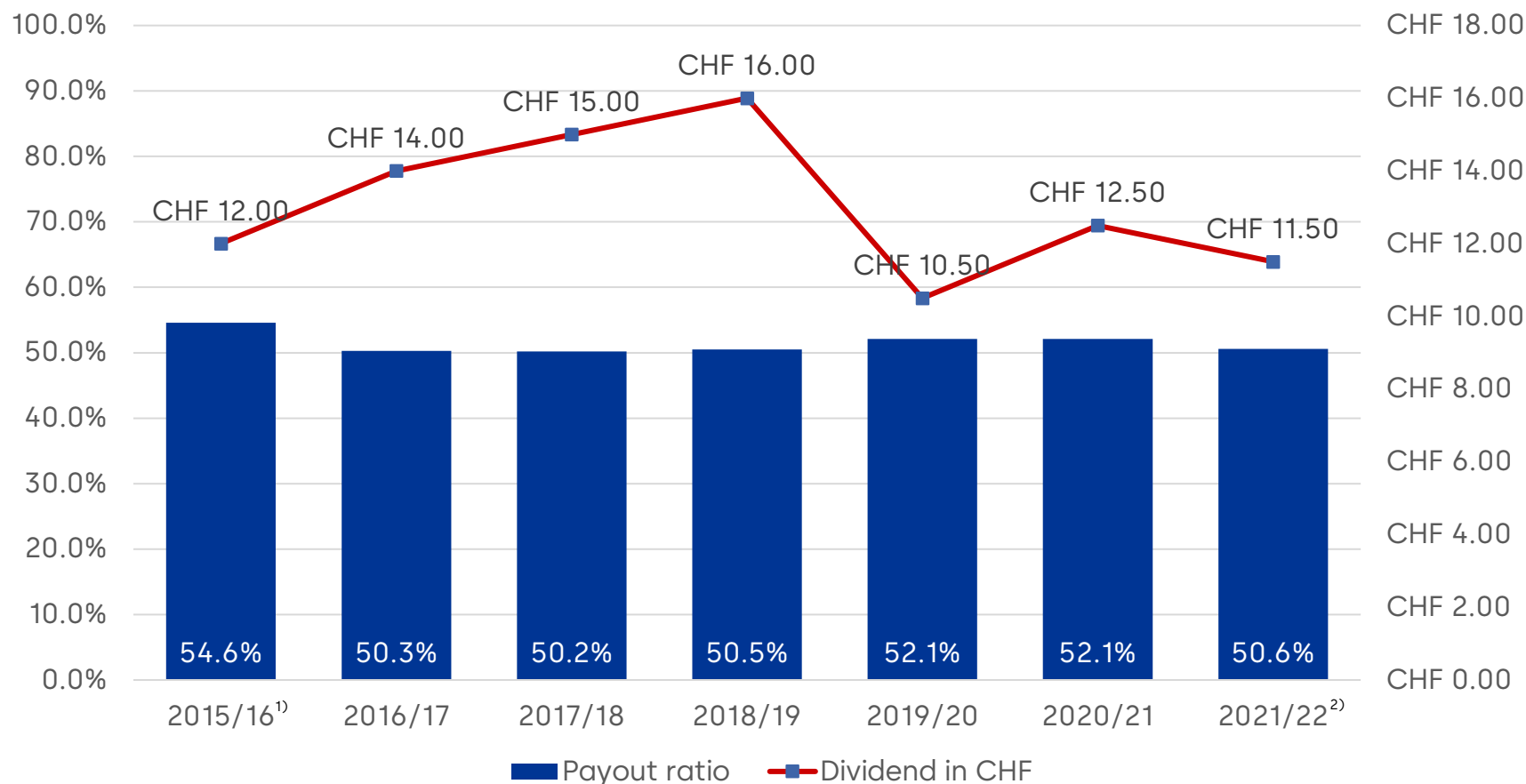
**CHF 122.5 million**

Net profit  
(previous year CHF 193.3 million)

**4.6%**

Operating cash flow  
margin (previous year 12.5%)

# Dividend proposal



**Dividend policy:** Envisaged payout ratio of minimum of 50% of consolidated net profit after minority interests

Consolidated net profit after minority interests for FY 2021/22 = CHF 63.2 million, excluding Mesker = CHF 95.4 million

**Proposed dividend payout** CHF 11.50 per share (total CHF 48.1 million)  
→ payout ratio = 50.4% (50.6% incl. treasury shares)

Distribution of an equal share from the reserves from capital contributions (balance today: CHF 45.5 million) and from statutory retained earnings (balance today: CHF 489.1 million)

<sup>1)</sup> FY 2015/16: Adjusted for merger-related integration costs, "extraordinary result"

<sup>2)</sup> FY 2021/22: Dividend proposal, pay-out ratio calculation is based on the total number of shares as at 30 June 2022. The effective ratio depends on the number of shares entitled to dividend as at 13 October 2022.

# Board of Directors





# Highlights – Changes in 2021/22 – Addressing shareholders' concerns

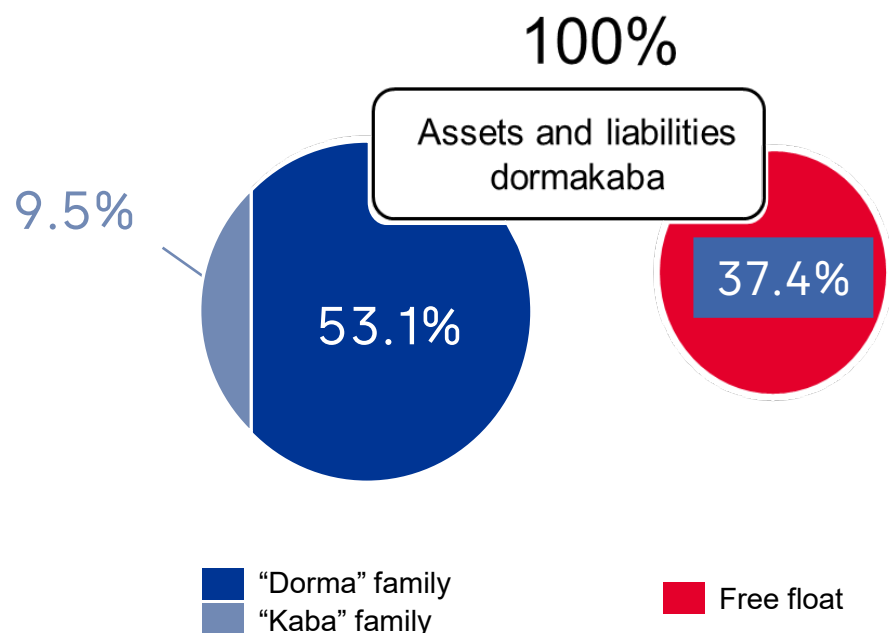
**Strengthening BoD independence and sector specific skills** - With the nomination of Svein Richard Brandtzæg (64), Michael Regelski (59), Kenneth Lochiato (57) dormakaba will increase the percentage of independent BoD members by 10% and the Board will further strengthen its industry expertise particularly in the important US Market and in digital transformation

**Maintaining LID role** - LID role to continue to address potential concerns about missing cooling-off period of former CEO, Svein Richard Brandtzaeg (64) is proposed as the new Lead Independent Director and Vice Chair.

**Independent AC chair** - As further element of the planned transition, the BoD intends to appoint Thomas Aebischer as Chair of the AC. Daniel Daeniker intends to stand for re-election the last time after a BoD tenure of almost 13 years

**Ongoing efforts to increase gender diversity** - The BoD clearly intends to increase the percentage of women again next year.

# Ownership structure supports sustainable development of dormakaba



Pool Shareholders – Long-term commitment (pool agreement signed for 15 years until 2030); support sustainable development of dormakaba

## Annual General Meeting – Voting power



AGM: Protection of shareholder rights: One share – One vote, reflects free float of listed holding

# Organizational structure of the Board of Directors (proposal for AGM 2022)

## Current Board Members standing for re-election



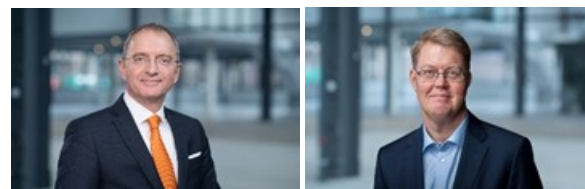
Riet  
Cadonau  
Chairman

Thomas  
Aebischer

Stephanie  
Brecht-Bergen

Hans  
Gummert

John  
Liu



Daniel  
Daeniker

Jens  
Birgersson

## Proposal for the Board of Directors



Svein Richard  
Brandtzaeg

Michael  
Regelski

Kenneth  
Lochiatto

Committees	current	proposal
<b>Audit</b>	Daniel Daeniker (Chair) Thomas Aebischer Jens Birgersson Hans Gummert	Re-election of all members, Thomas Aebischer as the Chair
<b>Nomination &amp; Compensation</b>	Hans Hess (Chair) Stephanie Brecht-Bergen John Heppner	Stephanie Brecht-Bergen Svein Richard Brandtzaeg (Chair) Kenneth Lochiatto

BoD is proposing Kenneth Lochiatto (57 ), Michael Regelski (59) and Svein Richard Brandtzaeg (64) as new independent members of the Board at the upcoming AGM, as, Vice-Chair and Lead Independent Director. Hans Hess (67), John Heppner (70) and Christine Mankel (40) will step down from the Board of Directors and not stand for re-election.

As the replacement for Hans Hess and his roles, Svein Richard Brandtzaeg (64) will be proposed as the new Vice Chair and Lead Independent Director.

# BoD will further strengthen its industry expertise, particularly in the US market



**Michael Regelski (57), US Citizen**  
Senior Vice President Software R&D and Chief Technology Officer of the Electrical Sector of Eaton Corporation. Former leading roles in System & Controls engineering, mainly in the commercial building sector. He has more than 30 years of experience in senior technology leadership roles.



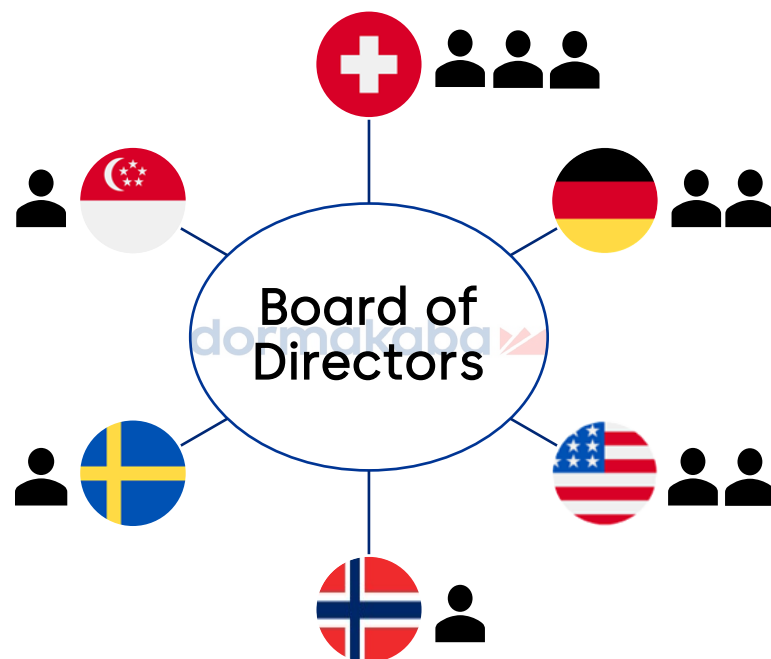
**Kenneth Lochiatto (59), US Citizen**  
President and CEO of Convergent, a global security and life safety systems integrator. He is a proven expert in the access industry with deep knowledge of technology and digital transformation.








**Svein Richard Brandtzaeg (64), NO Citizen**  
Seasoned and reputed senior executive with broad leadership experience in various industries. Currently Vice-Chair of the Board of Swiss Steel AG (CH) as well as Vice-Chair of the Board of Den Norske Bank ASA (NO), which is Norway's largest financial institution. Member of the Board of Mondi Plc (UK). President and CEO of Norsk Hydro ASA from 2009 to 2019.



# New Board members strengthen expertise in important US market – further internationalization of the BoD



**Skill Matrix for current BoD (Update for new BoD Composition follows after Annual General Meeting)**

Skills	Occurrence <sup>1)</sup>
Executive Leadership experience	 <b>50%</b>
Strategic Industry and Technology skills	 <b>50%</b>
Corporate Governance/Compliance skills	 <b>50%</b>
Financial skills	 <b>30%</b>
Digital business model experience	 <b>20%</b>

<sup>1)</sup> Assessment done based on the two top skills of each Board of Director member

# Role of Lead Independent Director (LID) has proven successful: Powers and duties defined by organizational regulations

- The former LID, Hans Hess, will step down from his position in the BoD as of 11 November 2022. The BoD proposes Svein Richard Brandtzaeg as a new member of the BoD and as his successor.
- Hence, the role of the LID will be continued. The role was established in October 2018, in parallel to the dual mandate BoD Chair - CEO which was discontinued in April 2021

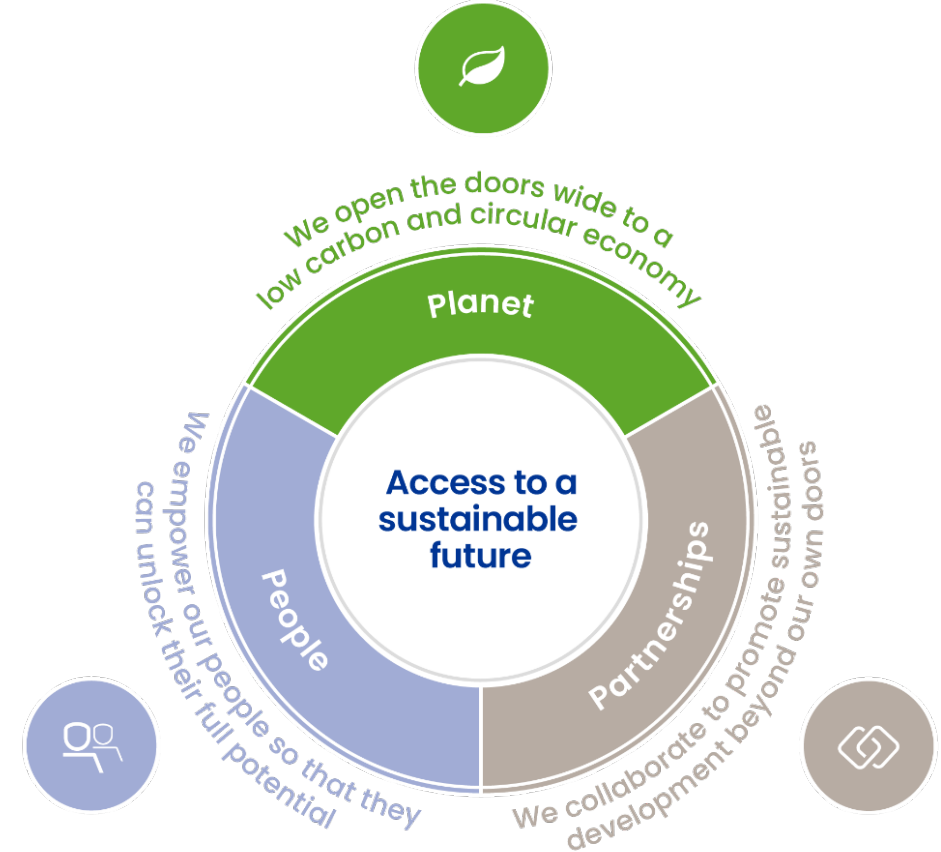
## The LID:

- Focuses on strong corporate governance practices by the BoD; stays in regular contact with the BoD Chair between BoD meetings in case of important business developments
- Chairs the BoD in case of potential conflicts of interest of the BoD Chair, and leads communication content and measures related thereto, following alignment with the BoD
- Calls for information from the CEO if the flow of information from the EC to the BoD does not meet the expectation for forming an independent opinion, or if the flow of information is not transparent
- Is available to respond to stakeholder requests.

**The LID ensures the independence of the Board –  
continuation of the LID role after the return to a non-executive-only Board structure**

# Sustainability as a key differentiator

- Sustainability is vital to our business model, the building industry and our future
- The BoD as a whole is responsible for oversight, in particular:
  - Approving the Group-wide codes of conduct or ethics (incl. supplier codes), the sustainability framework (ESG) and the Group-wide strategic risk management Framework
  - The BoD guides the Group's sustainability strategy and is responsible for its overall governance by reviewing and approving it.
  - The BoD Chair monitors its implementation progress against set targets, and monitors and evaluates the related risks and opportunities on behalf of the BoD.
  - The BoD receives a status update on the ESG strategy implementation from its BoD Chair at least once a year; the BoD Chair is regularly updated by the delegate of the Group Sustainability Council.
- Industry-leading framework, embedded in our Shape4Growth strategy
- More than 30 ESG targets



# ESG Ratings



**MSCI\***  
AA

Improvement from A vs. previous rating



**CDP**  
B

Higher than global average  
Higher than assigned sector average



**Sustainalytics**  
Medium Risk

20 of 133 in Industry Group Building Products

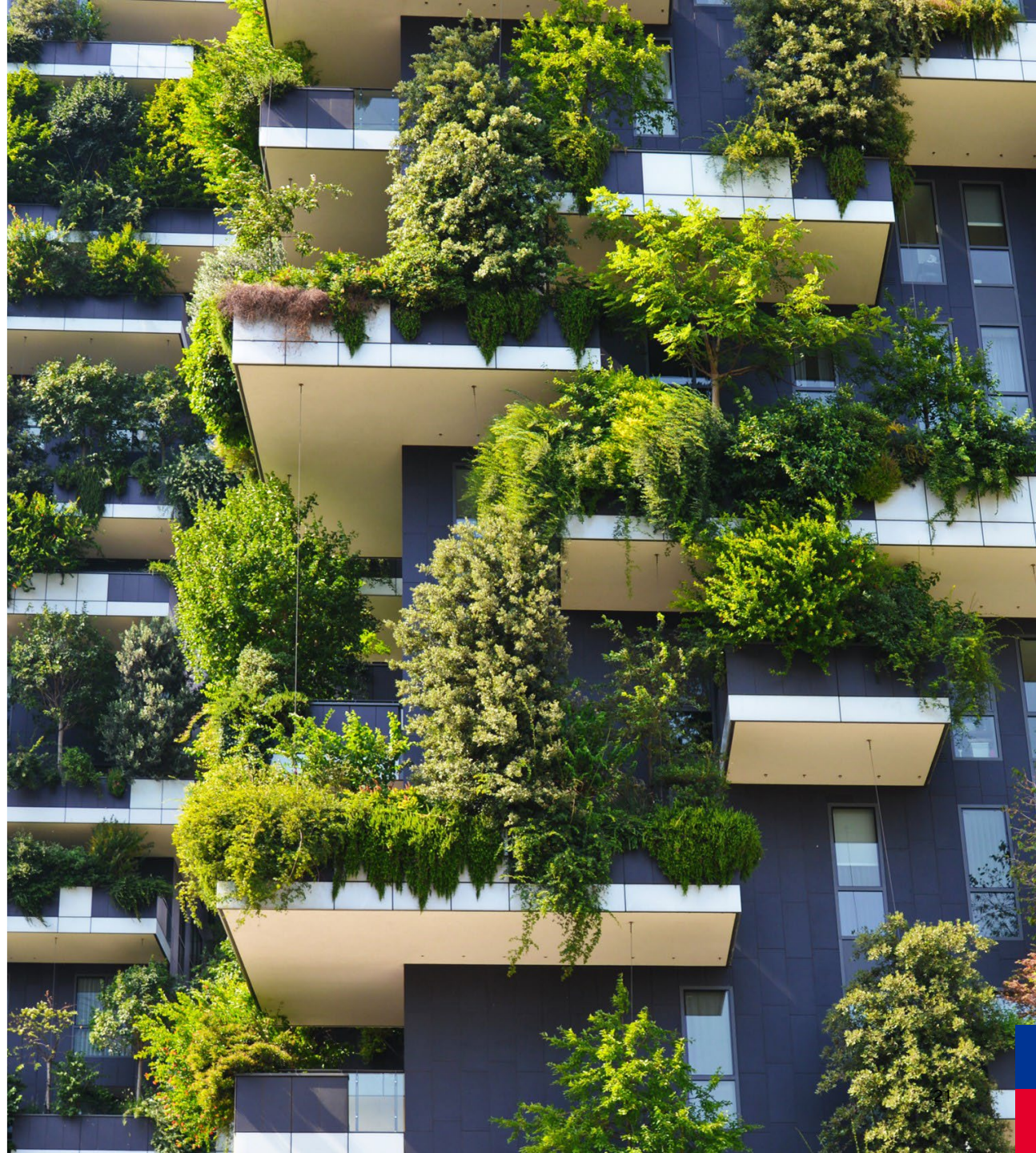


**EcoVadis**  
Silver

65/100  
91<sup>st</sup> percentile of all rated companies



# Compensation System



# Highlights – New developments and addressing shareholder feedback

The following updates reflect our ongoing response to shareholder feedback as well as new developments within our organization

## Compensation Philosophy and Strategy

In the context of the initiated business strategy review for the period 2022 to 2027, the NCC conducted an in-depth review of the compensation program to ensure continued strategic alignment while continuing to drive performance, motivation and behaviors that are well aligned with our values. The outcome is also described in the 2021/22 Compensation Report.

## Outcome of the review for Executive Compensation

- Increase transparency, simplicity and consistency:
  - Introducing target-based approach to STI (previously: profit sharing) with target achievement between 0% and 200%
  - Establishing a pre-defined LTI grant value (previously: determined annually based on following criteria: external benchmark, strategic importance, retention, individual performance)
- Aligning KPI set with Strategy4Growth priorities:
  - STI metric: organic sales growth, EBITDA margin and ROCE (NWC for EC members responsible for a region), as well as clearly measurable functional objectives (for EC members responsible for a function)
  - As previously announced, complete phase out of RS LTI component and shift to 100% PSU effective September 2021 reflected in the 2021/22 compensation report with introduction of ESG metric in LTI in the next two years

## Board of Directors

Non-executive BoD Chair position and associated compensation fully implemented for AGM period 2021/22

# Board of Directors: compensation structure

To ensure their independence, members of the Board of Directors receive a fixed compensation paid in cash and restricted shares



\*To be attained within three years after election to the Board



# Board of Directors: compensation levels

BoD reviewed peer group for BoC compensation benchmark as part of their regular activities and conducted a benchmark analysis with PwC.

Based on the outcome of the analysis, the NCC proposed to the BoD to reduce the BoD Chair compensation effective AGM 2022/23 by CHF 45,000 and bring it within the benchmark range of the revised peer group aligned with the principle to position board and committee chair fees somewhat above the market median, considering the above average level of responsibility and workload for these role at dormakaba. The distribution between cash and shares follows the same ratio as for other BoD members.

A maximum compensation amount of CHF 3,200,000 will be submitted to shareholders' vote for the term of office from the

Basic compensation p. a.			Additional compensation p. a.		
(in CHF)	Board chair	Board member	(in CHF)	Committee chair	Board member
In cash	335,000 <i>Previously 360,000</i>	100,000	Audit Committee	60,000	20,000
In restricted shares	300'000 <i>Previously 320,000</i>	90,000	Nomination and Compensation Committee	60'000	20,000
Total	635'000* <i>Previously 680,000</i>	190,000	Lead Independent Director	30,000	

\* By Swiss law, Swiss BoD members who have not reached retirement age and are not insured by another employer must be insured in the pension plan if the board mandate is their main activity. The policy of dormakaba is that in such case, the BoD member bears the entire cost of the insurance. Consequently, both the employer and employee pension contributions are deducted from the BoD chair fee of CHF 680,000 p.a. and are therefore paid by the Board Chair.



# Compensation: benchmarking peer group

The compensation benchmarking is based on a relevant and balanced peer group determined in FY 2021/22

Company	Industry	Market cap* (mCHF)	Annual Sales for most recent FYE (mCHF)	Headcount 2020/21
Bucher Industries	Machinery	3,664	3,176	13,562
Clariant	Chemicals	5,629	4,372	11,537
<b>dormakaba</b>	<b>Building Products</b>	<b>3,775</b>	<b>2,500</b>	<b>15,304</b>
Forbo	Household Durables	2,032	1,254	5,532
Georg Fischer	Machinery	4,370	3,744	15,111
Landis + Gyr	Electronic Equipment, Instruments and Components	1,602	1,427	6,500
OC Oerlikon	Machinery	2,345	2,649	11,808
SFS	Machinery	4,519	1,917	10,509
SIG Combibloc	Containers and Packaging	7,466	2,138	5,255
Stadler Rail	Machinery	3,537	3,635	12,174
Sulzer	Machinery	2,447	3,155	13,816
Tecan	Life Sciences Tools and Services	4,054	947	3,291
Upper quartile		4,445	3,406	12,868
Median		3,664	2,649	11,537
Lower quartile		2,396	1,672	6,016

This peer group is used for benchmarking compensation for the **BoD of Directors and of the CEO**

Peer companies are comparable to dormakaba in terms of:

- Market capitalization
- Revenue
- Headcount

For the **other positions**, the benchmark is based on the relevant market data of compensation studies conducted by Korn Ferry Hay Group in the relevant country of employment. Overall, those studies include the compensation data of 2,500 technology and industrial companies that are comparable with dormakaba in terms of revenues, headcount and complexity in the relevant market

Compensation at dormakaba is compared to the **median of the market**

# Executive Committee: Compensation System Overview (1)

The compensation of Executive Committee members (EC) consists of the following elements



# Executive Committee: Compensation System Overview (2)

The compensation system for the EC is **well balanced** in terms of mix between cash versus equity, performance conditions and maximum payout opportunities

Timeline of payment						Performance indicators		Cap
Benefits	In kind					PSU: Relative TSR Earnings per share (EPS)	Grant size: 150% of annual base salary	
Pension					Pension			
LTI	PSU*			Shares (unre- stricted)			PSU vesting: 200% of units granted	
STI	Cash					Group: Net income Growth	Segments: EBIT Growth Working capital	STI payout: 150% of annual base salary
Base salary	Cash							
	Year 1	Year 2	Year 3	Year 4	END			

\*RS component discontinued as of September 2021

# Executive Committee: Short-term Incentive (STI) FY 2021/22

Alignment of formula in support of Shape4growth strategy in FY 2021/22

Group (CEO, CFO, CTO, COO)

<b>Individual share in Group net income</b>	x	<b>Net income growth multiplier</b>	x	<b>Sales growth multiplier</b>	x	<b>Net working capital (NWC) multiplier</b>	=	<b>Amount of short-term incentive to be paid out</b>
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 of 150% of annual base salary

Regional Presidents / President KWS / CMPO (former COOs)

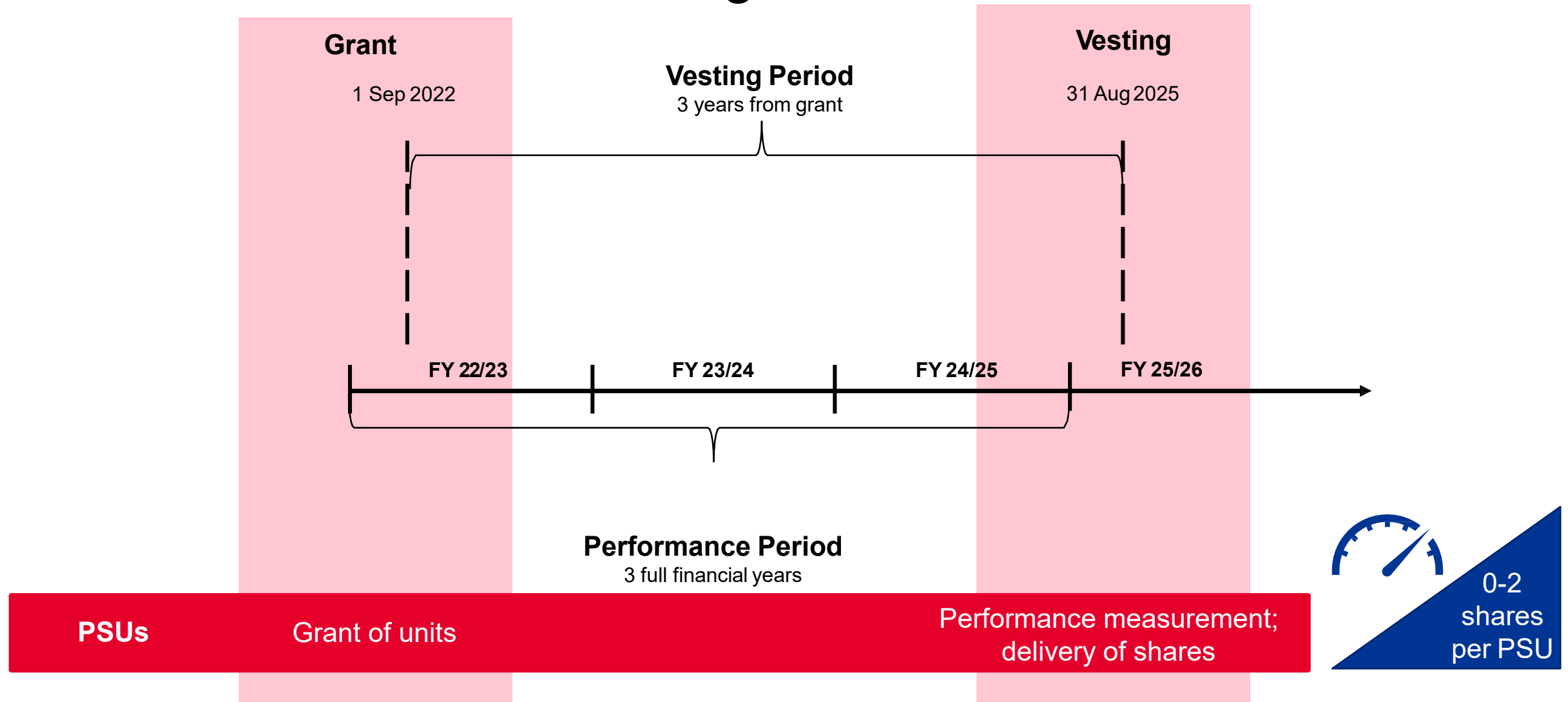
<b>Individual share in Group net income</b>	+	<b>Sales growth multiplier</b>	x	<b>Net working capital (NWC) multiplier</b>	x	<b>Sales Booster</b>	=	<b>Amount of short-term incentive to be paid out</b>
Percentage of Group net income		Factor of up to 1.5 depending on sales growth of dormakaba compared to prior year		Factor up to 1.4 depending on NWC results of dormakaba compared to previous year		Factor up to 1.1 depending on achievement of sales growth target		Maximum of 150% of annual base salary

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

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

- In support of the S4G strategy which requires all parts of our company to follow the same direction and to show ownership for the transformation individual short-term incentive paid to the members of the Executive Committee is strictly based on Group objectives and not on individual goals.
- Introduction of a sales booster for market functions to focus on top-line growth
- The business results are compared to the previous year's results (and not to budget) to drive a continuous improvement of the business achievements, year after year.
- This formula is aligned to the business strategy and strengthens the accountability for an efficient management of the company's financial resources and growth driven value creation.

# Executive Committee: Long-term Incentive (LTI)





# LTI Performance Measurement For PSUs

## MEASUREMENT

absolute EPS  
(50%)

dormakaba EPS growth / (GDP growth\* +2ppt)

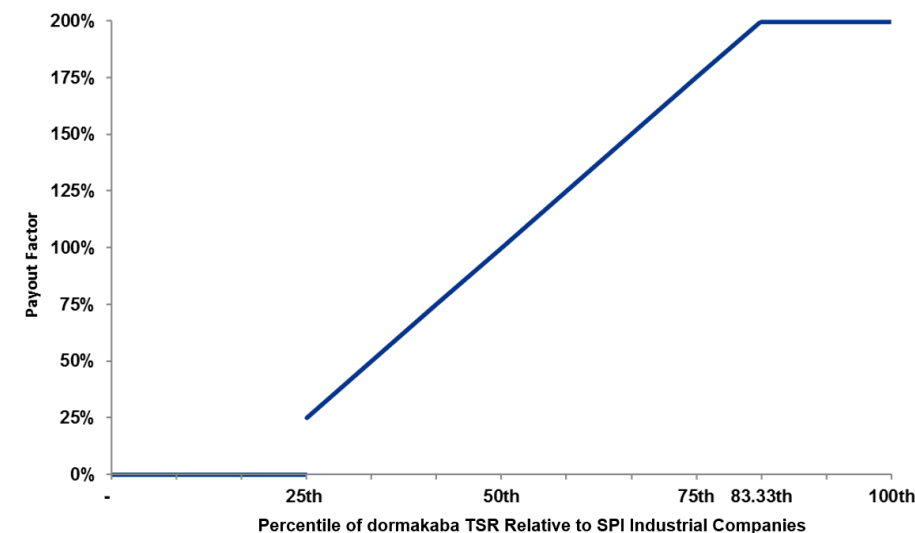
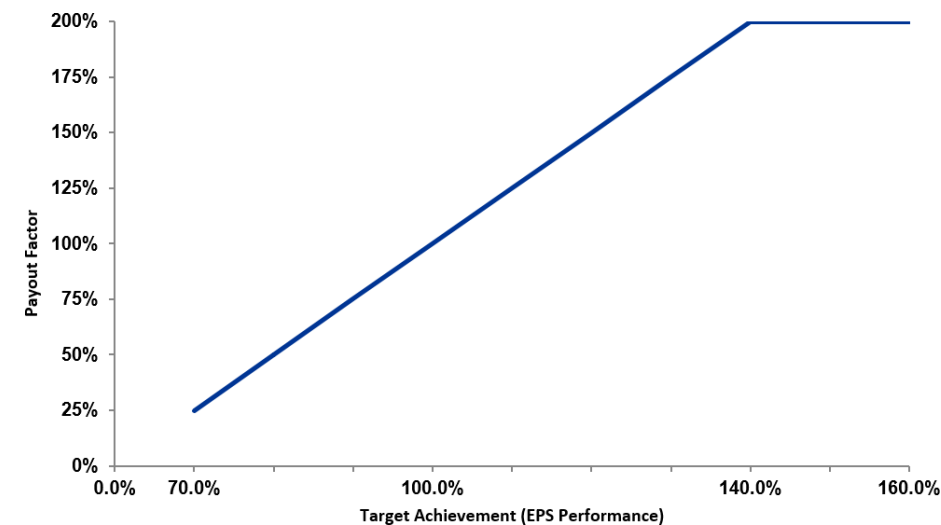
Threshold: Ratio 70% = 25% vesting  
Target: Ratio 100% = 100% vesting  
Cap: Ratio 140% = 200% vesting

Relative TSR  
(50%)

Ranking of dormakaba within companies  
of the Swiss Performance Index for  
Industrial companies (SPI Industrials):

Threshold: 25<sup>th</sup> percentile = 25% vesting  
Target: 50<sup>th</sup> percentile = 100% vesting  
Cap: 83.33<sup>th</sup> percentile = 200% vesting

## VESTING CURVE



# New compensation architecture as of FY 2022/23

- NCC conducted in depth review of compensation system in FY 2021/22 to ensure continued alignment with the strategic direction of the company in the context of new strategy Shape4Growth



## Revised philosophy and design

## Impact

### **New short-term incentive model**

replacing profit sharing model with target-based approach

- Simplified approach
- Target based
- Transparent
- Equal structure for everyone

### **Enhancements to long-term incentive**

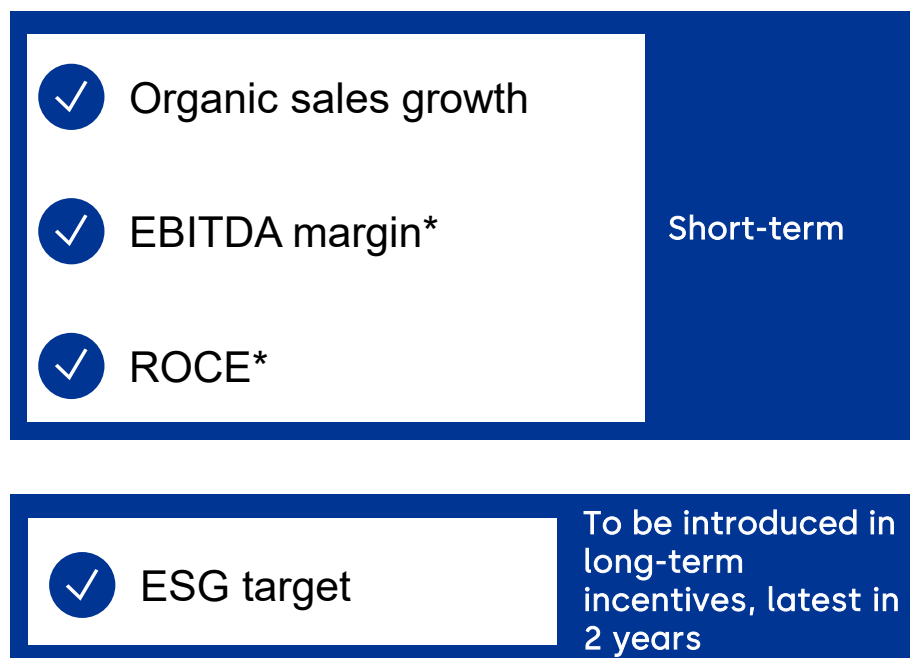
**program**, annual grant determined by organizational level of the role based on market data; remove link to prior fiscal year individual performance

- Clearer distinction between STI and LTI
- Consistent with market practice
- Increased transparency

# "Pay for performance" was a significant message to investors at the capital market day in November 2021

Transparent new incentive plan	1:1 link to financial performance and commitments	Impact
Designed to be...	Linked to KPIs and budget	Material change compared to the current plan:

- ✓ Simple
- ✓ Target-based
- ✓ Transparent
- ✓ Equal structure for everyone



- Focus on performance relative to the market
- Balanced approach between short- and long-term value creation
- Increased accountability for own & Group-wide targets

\*Not adjusted for IAC

ESG target: Environmental Social Governance factors when measuring sustainability and ethical impact of an investment in a company.

# New mechanics for the short-term incentive effective FY 2022/23

## Target-based design replaces profit-share scheme

STI target amount

×

Payout factor =  
achievement against  
pre-determined  
objectives

=

STI  
payout

- STI payout is determined by multiplying a target STI amount by a payout factor
- The payout factor results from achievement of pre-determined objectives ("target") which are, for example, based on budget

## Intended outcomes...



- Global harmonization



- Promote collaboration and alignment with S4G



- Stronger link to financial performance



- Improved accountability and line-of-sight



- Simplified and transparent payout calculations

# Closer look at payout factor components

## Two general categories of KPIs\*

### 1. Financial

- Growth
- Profitability
- Return

### 2. Strategic

- Measurable\*\*
- Driven by strategy
- Relate to the function of the role

- May be collective or unit-specific
- Composition and weighting of applicable KPI is based on position

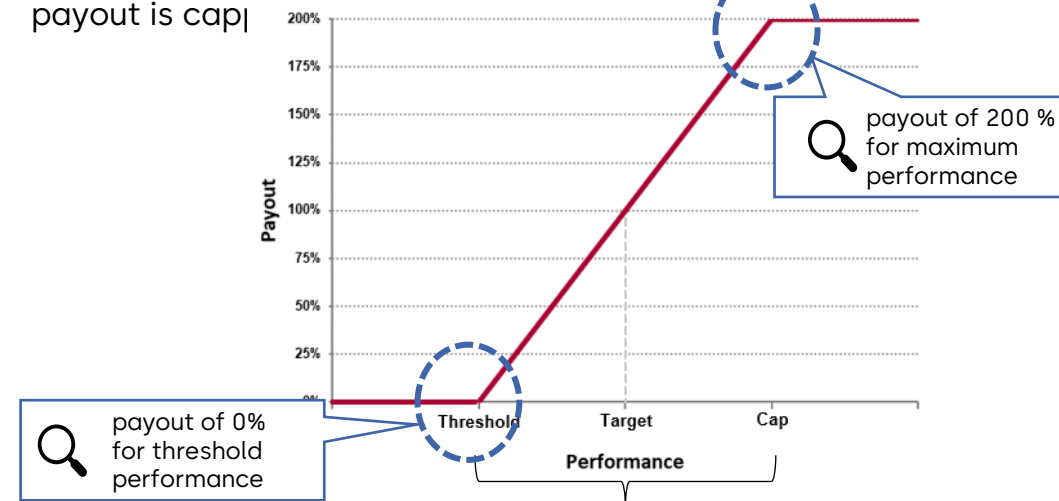
\*Measurable: quantifiable, can be described in specific terms as of size, amount, duration or mass

\*\*KPIs for global level benchmarked against main competitors

## Measurement of KPI achievement vs. objectives (payout curve)

### Balanced payout corridor based on three performance levels

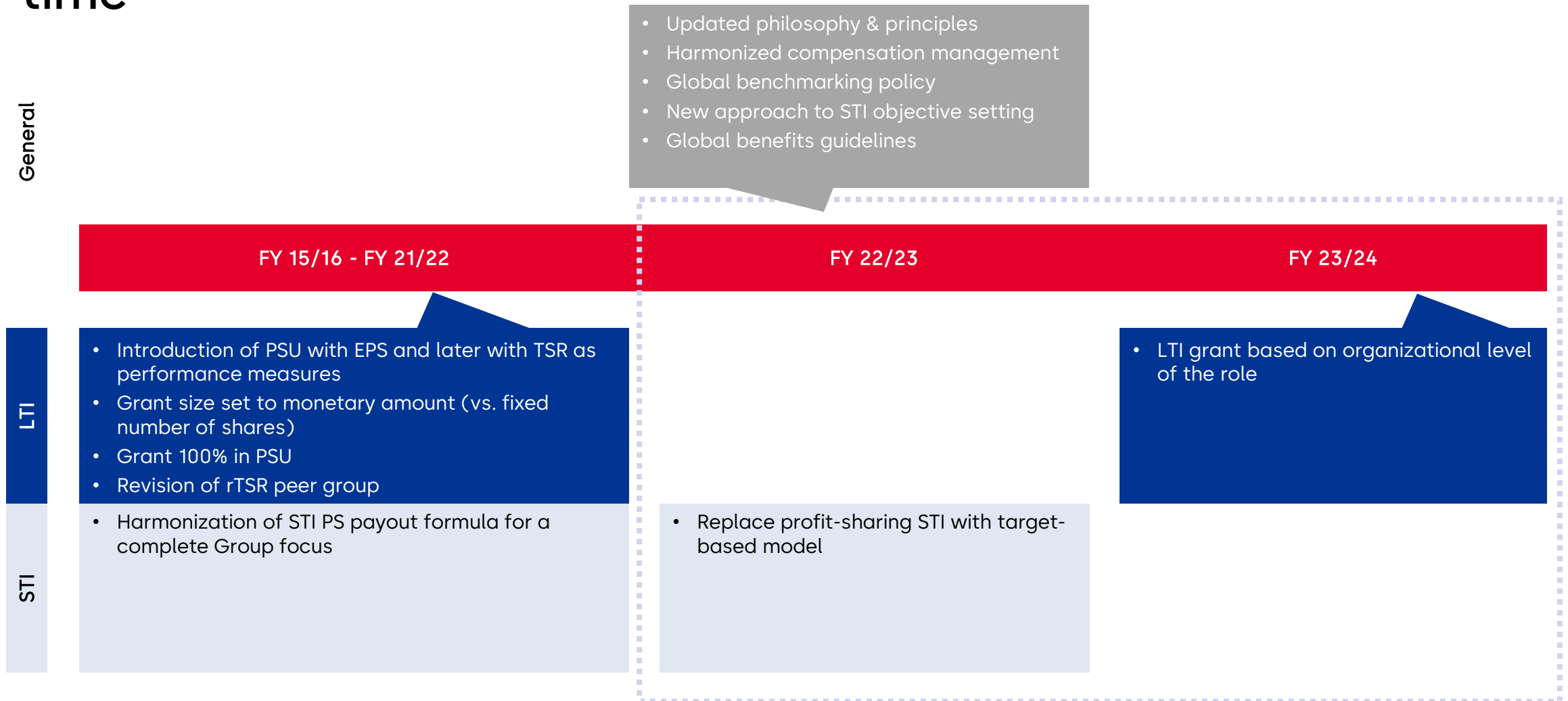
- **Threshold:** minimum level of performance expected for the payout to initiate; **must be achievable**
- **Target:** expected level of performance; **must be ambitious**
- **Maximum (cap):** extraordinary level of performance above which the payout is cap



For each KPI, set the appropriate corridor of minimum, target and maximum achievement levels (annual target-setting decision)



# Executive Committee: compensation system evolvement over time



# Executive Committee: compensation levels in FY 2021/22 (2)

EC: total compensation in the amount of CHF 11,162,842 (previous year : CHF 12,401,497) paid in FY 2020/21

	Fixed compensation 2020/21			Variable compensation 2020/21				Total CHF
	Fixed basic payment	Benefits and social / pension contributions <sup>1)</sup>	Total aggregate amount	STI <sup>2)</sup>	LTI <sup>3)</sup>	Social / pension contributions	Total aggregate amount	
Jim-Heng Lee	639,979	369,716	1,009,695	526,529	349,963	98,909	975,401	1,985,096
Other EC	3,288,160	781,121	4,069,281	2,135,726	2,172,357	800,382	5,108,465	9,177,746
<b>Total EC</b>	<b>3,928,139</b>	<b>1,150,837</b>	<b>5,078,976</b>	<b>2,662,255</b>	<b>2,522,320</b>	<b>899,291</b>	<b>6,083,866</b>	<b>11,162,842</b>

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. Includes the fees for the interim CFO, who does not receive any variable compensation. The short-term incentive reported will be paid after the end of the reporting year.

2) 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.

3) The LTI grant consists of PSUs only. 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.

A maximum compensation amount of **CHF 19.3 million (previous year submission: CHF 17 million)** will be submitted to shareholders' vote for FY 2023/23 mainly due to the following factors:

- an increase in the number of EC members from eight to nine, the budgeted average annual compensation per EC member is CHF 1,600,000;
- the remaining portion of the increase is mainly a result of the revised methodology to calculate the maximum requested short-term variable compensation amount under the new short-term incentive scheme

# Thank you

dormakaba Holding AG

- Hofwisenstrasse 24, 8153 Rümlang
- Switzerland

T: +41 44 818 90 11

[www.dormakabagroup.com](http://www.dormakabagroup.com)

#### Disclaimer

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For definition of alternative performance measures, please refer to the chapter 5.1 of the notes to the consolidated financial statements of the Annual Report 2021/22 of dormakaba.

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# Appendix



# Agenda

**Board of Directors / Committees**

**Board of Directors / CV Riet Cadonau**

**Board of Directors / CVs Board of Directors**

**Board of Directors / CVs Proposal for Board of Directors**

**Shareholder Structure**

**Compensation System / Peer Group**

**Compensation System / BoD**

**Compensation System / EC**

**Sustainability**



# Committees

Committee	Frequency of Meetings	Main Responsibilities
<b>Audit Committee</b>	At least twice a year, but as often as required 2021/22: four meetings	<ul style="list-style-type: none"> <li>• Within the scope of external auditing: <ul style="list-style-type: none"> <li>– Approval of auditing program focus points</li> <li>– Acceptance of the audit report and recommendations, if any, by the statutory auditors prior to the approval of the annual accounts by the Board</li> </ul> </li> <li>• Within the scope of internal auditing: <ul style="list-style-type: none"> <li>– Approval of guidelines governing the organization and responsibilities of internal auditing</li> <li>– Approval of auditing program</li> <li>– Acknowledgement of auditing results and of eventual recommendations by external or internal auditors</li> </ul> </li> <li>• Within the scope of financial control: <ul style="list-style-type: none"> <li>– Review and discussion of CFO reports on specific matters relevant for purposes of financial control (networking capital etc.) from time to time</li> </ul> </li> <li>• Within the scope of risk control: <ul style="list-style-type: none"> <li>– Review and discussion of Group's risk control framework and risk assessments made from time to time</li> </ul> </li> <li>• Reporting: <ul style="list-style-type: none"> <li>– With respect to any matters within the purview of the Audit Committee, the Chief Financial Officer, the Group General Counsel, the Group Compliance Officer and the Head of Internal Audit can report directly to the chairperson of the Audit Committee</li> </ul> </li> </ul>
<b>Nomination and Compensation Committee</b>	At least three times a year, but as often as required 2021/22: ten meetings	<p>Compensation tasks</p> <ul style="list-style-type: none"> <li>• To propose and periodically review the compensation policy for the approval of the Board</li> <li>• To propose the specific design of the fundamental compensation elements and the determination of the general, compensation-related performance objectives pursuant to § 24 of the Articles of Incorporation for the approval of the Board</li> <li>• To propose the maximum aggregate amounts of compensation of the Board and the Executive Management pursuant to §§ 23 and 24 of the Articles of Incorporation for the approval of the Board</li> <li>• To propose the compensation of the members of the Board for the approval by the Board</li> <li>• To propose the terms of employment and the compensation of the members of the Executive Management for the approval by the Board</li> <li>• To propose the grant of shares and option rights to members of the Executive Management and further employees in line with the compensation policy and regulations for the approval by the Board</li> </ul> <p>Nomination tasks</p> <ul style="list-style-type: none"> <li>• Conduct and regularly review succession planning for the BoD and the EC;</li> <li>• To lay down the principles for the selection of candidates for election or re-election to the Board and to prepare a selection of candidates in accordance with these criteria</li> <li>• To recommend the appointment and removal of members of the Executive Committee to the Board</li> </ul>

# Members of Board of Directors, Chairman

Riet Cadonau, Chairman & CEO  
Chairman & CEO



Citizenship: Swiss  
Year of birth: 1961  
Entry BoD: 2018  
End current term of office: 11.10.2022

**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 Chairman of the BoD dormakaba Group<sup>1)</sup> (CH); since 2015 CEO and member of the EC dormakaba Group<sup>1)</sup> (CH); 2011–2015 CEO and member of the EC Kaba Group<sup>1)</sup> (CH); Ascom: 2007–2011 CEO Ascom Group<sup>1)</sup> (CH); until 2007 Managing Director ACS Europe + Transport Revenue; 2001–2005 member of the Executive Board Ascom Group, from 2002 Deputy CEO and GM of the Transport Revenue Division, which was acquired by ACS, Inc. 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 2021 (until September 2022) member of the BoD of Logitech International S.A.<sup>1)</sup> (CH); since 2016 member of the BoD of Georg Fischer AG<sup>1)</sup> (CH); since 2013 member of the BoD of Zehnder Group<sup>1)</sup> (CH); 2006–2011 member of the BoD of Kaba Group<sup>1)</sup> and Griesser Group (CH)

<sup>1)</sup> listed company

# Members of Board of Directors

## Thomas Aebischer



Citizenship: Swiss  
Year of birth: 1961  
Entry BoD: 2021  
End current term of office: 11.10.2022

**Education:** Senior Leadership and Senior Management Program (SLP, SMP) at IMD Business School, Lausanne (CH); Advanced Management Program at Harvard Business School (USA); Swiss Certified Accountant, Zurich (CH)

**Career:** Since 2021 CFO of RWDC Industries Limited (Singapore); LyondellBasell Industries (NL, USA) 2016 – 2019: Executive Vice President and CFO; Holcim/LafargeHolcim 2011 – 2015: Group CFO and member of the Executive Committee; Holcim 1996 – 2010: Several senior management positions within Holcim, including CFO Holcim US from 2003 – 2010, PriceWaterhouse: 1988 – 1996 Senior Manager (Hong Kong and Zurich)

## Jens Birgersson

Member Audit Committee



Citizenship: Swedish  
Year of birth: 1967  
Entry BoD: 2018  
End current term of office: 11.10.2022

**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 International<sup>1)</sup> (DK); 2008-2015 with ABB<sup>1)</sup> as Group Senior Vice President and Head of Business Unit Network Management (CH); 2005-2008 with IMERYS<sup>1)</sup> as Executive Vice President and Head of Business Group Performance Minerals & Pigments (BE); 1992-2005 with ABB<sup>1)</sup> 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 International<sup>1)</sup>

1) listed company

# Members of Board of Directors

## Stephanie Brecht-Bergen

Member Nomination & Compensation Committee



**Citizenship:** German  
**Year of birth:** 1985  
**Entry BoD:** 2015  
**End current term of office:** 11.10.2022

**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); since 2009 shareholder dormakaba Holding GmbH + Co. KGaA (DE); 2010–2013 research assistant, EBS University (DE)

**External activities and interests:** Since 2008 Executive Board member of the foundation "Rudolf Mankel Stiftung" (DE)

## Daniel Daeniker

Chair Audit Committee



**Citizenship:** Swiss  
**Year of birth:** 1963  
**Entry BoD:** 2010  
**End current term of office:** 11.10.2022

**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 SCA<sup>1)</sup> (FR); Member of the Board of Directors of Hilti AG, Schaan (FL); Chairman of the Donor Foundation of Avenir Suisse

1) listed company

1) listed company



# Members of Board of Directors

**Hans Gummert**  
Member of Audit Committee



**Citizenship:** German  
**Year of birth:** 1961  
**Entry BoD:** 2015  
**End current term of office:** 11.10.2022

**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 Liu**



**Citizenship:** Singaporean  
**Year of birth:** 1964  
**Entry BoD:** 2020  
**End current term of office:** 11.10.2022

**Education:** Dr. phil., University of Denmark (DK); MA Operation Research, University of Denmark; B.Sc. Mathematics, University of Beijing (CN)

**Career:** 1994-1997 Country Director Greater China at Singapore Telecommunications (SG), 1999-2000 General Manager China of SITA Communications (CH), 2000-2001 General Manager China of FreeMarkets (USA), 2002-2007 CEO China for SK Telecom (KR), 2008-2013 Corporate VP and President of Greater China at Google, 2016-2018 COO at Wanda Internet Technology Group, 2020 Interim CEO of Voss (USA), Since October 2020 CEO China of Afiniti

**External activities and interests:** Independent Non-Executive Director and Chairman of the Remuneration Committee of the Board of Digital China Holdings (CN)<sup>1)</sup>, Member of the Board of Trustees of Beijing's Normal University of Education Fund (CN), Independent Non-Executive Director of China Eastern Airlines

<sup>1)</sup> listed company

# Proposal for Board of Directors

## Kenneth Lochiatto



**Citizenship:** US American  
**Year of birth:** 1963  
**Entry BoD:** 2022, if elected  
**End current term of office:** new nomination

**Education:** Carnegie Mellon University, M.S., Industrial Administration (USA); Rensselaer Polytechnic Institute, B.S., Mechanical Engineering (USA)

**Career:** Since 2015 President & CEO of Convergent (USA); 2014-2015 President and COO of Convergent; 2006-2013 with WMS Gaming, Inc.(USA) in various Positions within WMS including President & COO from 2012-2013; 1985 -2006 with General Electric Company <sup>(1)</sup>(USA): various positions within GE,

**External activities and interests:** Since 2014 member of the Board of Convergent (USA)

## Michael Regelski



**Citizenship:** US American  
**Year of birth:** 1965  
**Entry BoD:** 2022, if elected  
**End current term of office:** new nomination

**Education:** Rochester Institute of Technology, M.S., Software Development & Management (USA); B.S., Computer Engineering (USA)

**Career:** Since 2020 SVP Software R&D & CTO Electrical Sector of Eaton Corporation PLC <sup>(1)</sup> and since 2015 SVP; 2005-2015 with United Technologies Corporation <sup>(1)</sup> (USA): several VP Positions and 2007-2011 CTO, Global Security Products at UTC Fire & Security Corporation (USA); 1991-2007 with Lenel Systems International Inc (USA). (acquired by UTC in 2005): Several positions including CTO.; 1988-1991 with Eastman Kodak <sup>(1)</sup> (USA) in various positions

**External activities and interests:** -

<sup>1)</sup> listed company

<sup>1)</sup> listed company

# Proposal for Board of Directors

**Svein Richard Brandtzaeg**

*Proposed as Vice Chair and Lead Independent Director*



**Citizenship:** NO

**Year of birth:** 1957

**Entry BoD:** 2022, if elected

**End current term of office:** new nomination

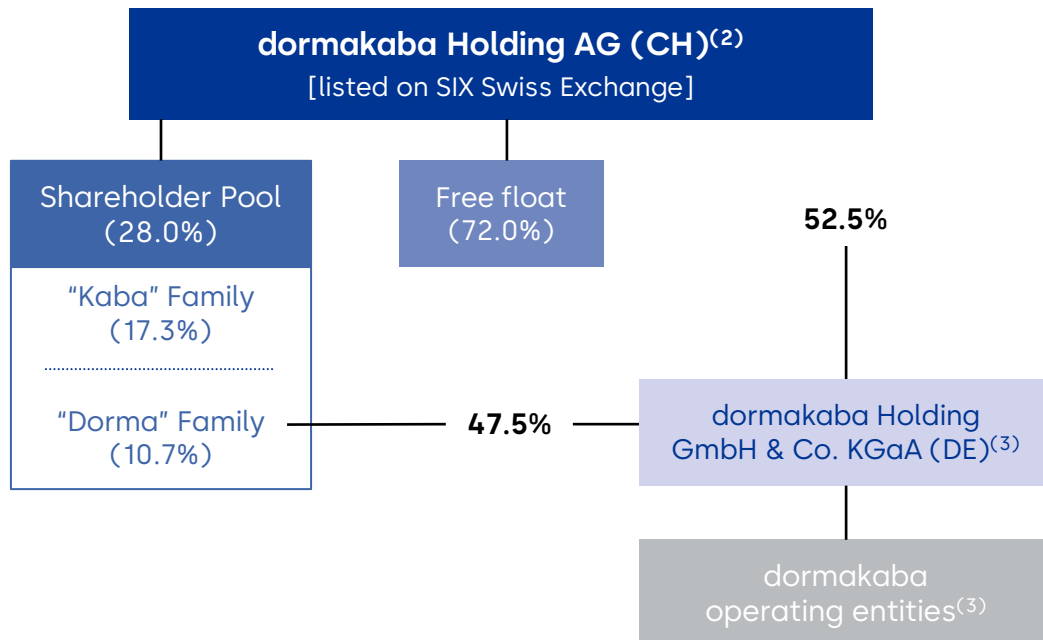
**Education:** Post Doc., University of Auckland, Institute of Chemical and Materials Engineering (NZ); PhD, Norwegian University of Science and Technology, Institute of Inorganic Chemistry (NO); Foundation Program in Business Administration, Norwegian School of Management (NO); M.Sc., Norwegian University of Science and Technology, Materials and Chemical Engineering (NO)

**Career:** 2009-2019 President & CEO of Norsk Hydro ASA <sup>(1)</sup> (NO); 2006-2007 Executive Vice President, Norsk Hydro ASA <sup>(1)</sup>, Member of Corporate Management Board, President of Aluminium Products Business Area (NO); 2000-2006 President of various Segments within Norsk Hydro ASA (NO); 1985-2000 R&D , commercial and operational management positions in Norsk Hydro ASA (NO)

**External activities and interests:** 2021-pres. Member BoD Mondi Plc <sup>(1)</sup> (UK); Vice Chair of Council of Ethics, Norges Bank Investment Management (NO); 2020-pres. Vice Chair BoD of DnB ASA <sup>(1)</sup> (NO); Vice Chair BoD of Swiss Steel Holding <sup>(1)</sup> (CH); 2019-2022 Chair BoD Veidekke ASA (NO)

<sup>1)</sup> listed company

# Shareholder structure<sup>(1)</sup> – supporting sustainable development



Shareholder dormakaba Holding AG	30.06.2022	30.06.2021
Pool Shareholders <sup>(4)</sup>	28.0%	28.3%
Free Float	72.0%	71.7%



Members of the Pool Shareholder Group hold an **economic interest of 62.2% in dormakaba:**

- 28.0% 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

<sup>(1)</sup> As of 30 Juni 2022

<sup>(2)</sup> Strategic, financial and operational decisions are made at level of listed holding entity

<sup>(3)</sup> Execution of M&A as well as financing take place at level of dormakaba Holding GmbH + Co. KGaA (intermediate holding entity) and below

<sup>(4)</sup> Based on a pool agreement dated 7 December 2021 (supersedes earlier version dated 29 April 2015)

# Compensation: benchmarking peer group until FY 2021/22

- The compensation benchmarking was based on a peer group below until FY 2021/22

Company	Industry	Market cap 2019 (CHF m)	Revenue 2018 (CHF m)	Headcount 2018
Autoneum	Auto Parts and Equipment	654	2,282	12,946
Bucher	Construction Machinery and Heavy Trucks	3,435	3,065	13,054
<b>dormakaba</b>	<b>Building Products</b>	<b>2,962</b>	<b>2,837</b>	<b>15,801</b>
EMS Chemie	Specialty Chemicals	14,817	2,350	2,939
Geberit	Building Products	16,435	3,081	11,351
Georg Fischer	Industrial Machinery	3,819	4,599	15,027
Landis+Gyr	Electronic Equipment and Instruments	2,279	1,717	5,611
Logitech	Technology Hardware, Storage and Peripherals	6,499	2,712	6,100
Lonza	Life Sciences Tools and Services	24,457	5,542	15,375
OC Oerlikon	Industrial Machinery	4,039	2,609	10,727
Sonova	Health Care Equipment	14,276	2,730	14,242
Sulzer	Industrial Machinery	3,623	3,365	15,572
3rd quartile		14,547	3,223	14,635
Median		4,039	2,730	12,946
1st quartile		3,529	2,480	8,414

Source: IQ capital data

This peer group is used for benchmarking compensation for the **BoD of Directors and of the CEO**

Peer companies are comparable to dormakaba in terms of:

- Market capitalization
- Revenue
- Headcount

For the **other positions**, the benchmark is based on the relevant market data of compensation studies conducted by Korn Ferry Hay Group in the relevant country of employment. Overall those studies include the compensation data of 2,500 technology and industrial companies that are comparable with dormakaba in terms of revenues, headcount and complexity in the relevant market

Compensation at dormakaba is compared to the **median of the market**



# Compensation BoD: pension insurance

- By Swiss law, companies are obliged to insure any BoD member in their pension plan if the BoD member is subject to Swiss social security, has not reached retirement age and has no possibility of insurance coverage at another employer (for example because the BoD mandate is the main occupation).
- However, shareholders and proxy advisors are concerned that pension benefits for BoD members may jeopardize their independence towards executive management.
- In response to this concern, the policy of dormakaba is to provide access to the pension insurance where legally required but to deduct the entire cost of insurance (that means employer and employee contributions) from the regular BoD fee.
- For the BoD chair, the mechanism is as follows (as of 1 April 2021):

BoD chair fee p.a. in CHF (gross)*	
In cash	360,000
In restricted shares	320,000
Total	680,000
Deduction for pension contributions (employer and employee contributions)**	- 120,000
Paid BoD chair fee	560'000

\* BoD compensation is subject to regular Swiss social security. For simplicity, employer and employee deductions are not shown here

\*\* Illustrative amount, of which 50% are employer contributions and 50% are employee contributions

# Compensation EC: historic incentive payouts

	STI payout			LTI vesting		
	FY 2019/20	FY 2020/21	FY 2021/22	LTI 2017– 20	LTI 2018– 21	LTI 2019– 22
CEO	n. a.	124%	86% (average of base salary)	n. a.	79.5%	30.88%
EC	70% (average of base salary)	86% (average of base salary)	71% (average of base salary)	96.1%	79.5%	30.88%

# Compensation EC: evolvement of LTI in recent years

LTI Plan Evolvement	Vehicle mix	<b>OLD</b> 2/3 <sup>rd</sup> restricted shares – 1/3 <sup>rd</sup> PSUs (2018) 50% restricted shares – 50% PSUs (2019)	<b>INTRODUCTION WITH GRANT 2021</b> 100% PSUs (2021)
	Grant size	<b>OLD</b> Fixed number of shares	<b>INTRODUCTION WITH GRANT 2018</b> Monetary amount (market practice)
	Number of KPIs	<b>OLD</b> Absolute EPS	<b>INTRODUCTION WITH GRANT 2018</b> Absolute EPS and relative TSR (market practice; shareholder view)
	Clawback/malus	<b>OLD</b> None	<b>INTRODUCTION WITH GRANT 2019</b> In case of financial restatement or willful fraudulent behavior

# Executive Committee: compensation levels in FY 2020/21

EC: total compensation in the amount of CHF 12,401,497 (previous year : CHF 11,925,269) plus the replacement award in the amount of CHF 1,251,166 to the new CEO paid in FY 2020/21

	Fixed compensation 2020/21			Variable compensation 2020/21				Total CHF
	Fixed basic payment	Benefits and social / pension contributions <sup>1)</sup>	Total aggregate amount	STI <sup>2)</sup>	LTI <sup>3)</sup>	Social / pension contributions	Total aggregate amount	
Cadonau Riet <sup>4) 5)</sup>	596,274	133,753	730,027	956,250	1,280,281	269,821	2,506,352	3,236,379
Sabrina Soussan <sup>6)</sup>	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
<b>Total EC</b>	<b>3,437,144</b>	<b>1,008,475</b>	<b>4,445,619</b>	<b>3,836,278</b>	<b>3,101,468</b>	<b>1,018,131</b>	<b>7,955,877</b>	<b>12,401,496</b>

- 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 foresees 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.

# Sustainability Highlights Financial Year 2021/22



## People

We empower our people so that they can unlock their full potential

**20%**

Of managers are female

**87%**

Of employees covered by a health and safety management system

**12,429**

Of employees have participated in at least 1 training



## Planet

We open the doors wide to a low carbon and circular economy

**-8.2%**

Reduction in CO<sub>2</sub> in our operations (Scope 1+2) vs. baseline FY 2019/20

**-8.7%**

Year-on-year energy intensity (MWh/mCHF net sales)

**200**

Sustainability-related product declarations and certifications, based on lifecycle assessments



## Partnerships

We collaborate to promote sustainable development beyond our own doors

**18.7%**

Of our high-risk suppliers assessed for sustainability by a third-party

**52%**

Of high-priority corrective actions closed by suppliers

**>700**

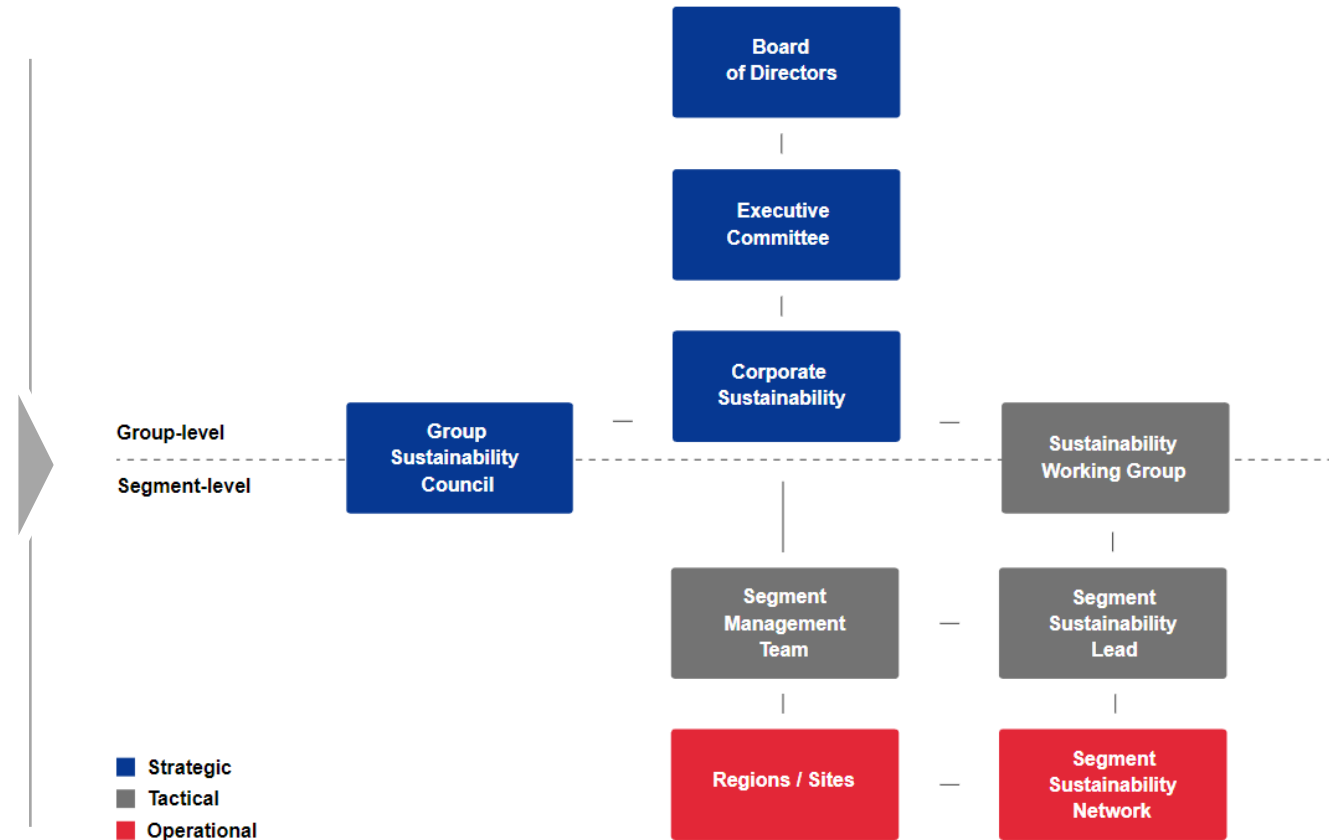
Suppliers provided Conflict Minerals Reports



# Sustainability organization with BoD oversight on environmental, social and governance (ESG) matters

Definition of governance and organization in a formal Sustainability Charter, with the aim to ensure strategic progress, resource planning, and accountability across all levels of the company.

- Board of Directors is responsible for reviewing and approving the overall sustainability governance framework.
- Chair of the Board is responsible for monitoring sustainability strategy implementation progress against targets and for evaluating and monitoring sustainability risks and opportunities.
- Executive Committee approves material topics and strategy, monitors strategy implementation and ensures appropriate resource allocation.
- A newly formed Group Sustainability Council is a cross-functional body of senior management representatives of the Group and segment business functions relevant to the company's material topics and is chaired by the Chief Executive Officer.



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dormakaba Holding AG  
Hofwisenstrasse 24  
8153 Rümlang  
Switzerland  
[www.dormakaba.com](http://www.dormakaba.com)

**dormakaba** 