



Hans Hess
Member of the Board of Directors
Lead Independent Director and Vice-Chairman

September 2020

dormakaba - Corporate Governance Roadshow

AGM 2020

dormakaba 

Agenda

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Achievements – Impact of Covid-19 – Changes in the EC

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dormakaba – we make access in life smart and secure



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



About 2.5 billion Swiss francs in sales. dormakaba is listed at the SIX Swiss Exchange (DOKA)



Around 15,000 employees worldwide



With an experience of 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



Interior Glass Systems



Entrance Systems



Lodging Systems



Safe Locks



**Electronic
Access & Data**



Services

Key & Wall Solutions



Movable Walls



Key Systems

dormakaba is part of an attractive industry that is in transformation



Multiple strong growth drivers

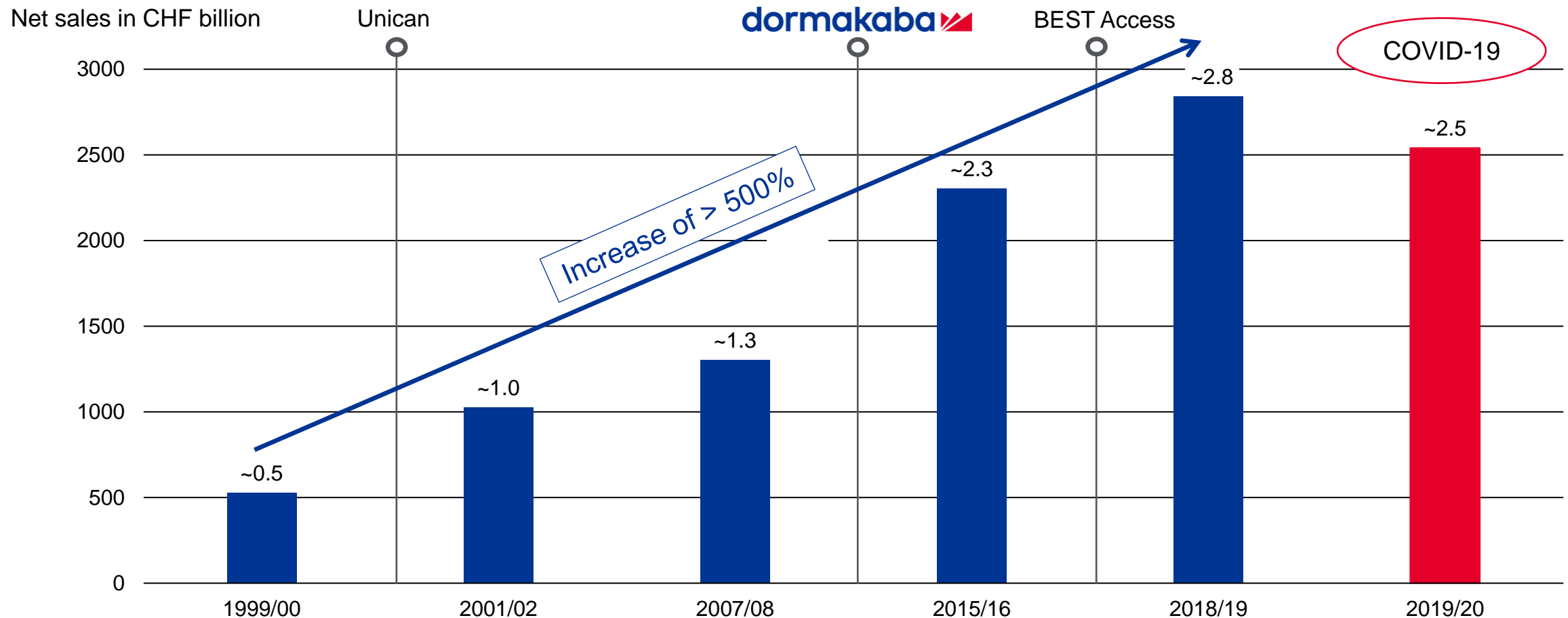
- Urbanization
- Increasing prosperity in emerging markets
- Demographic change
- Increasing need for security
- Technology



Transformation of the industry

- Technology: From mechanical to electronic to cloud-based
- Consolidation: Top 3 players 30% market share (1994: 15%)
- dormakaba invests above average to be one of the leaders in this transformation (digitization, R&D)

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



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**Achievements – Impact of Covid-19 –
Changes in the EC**

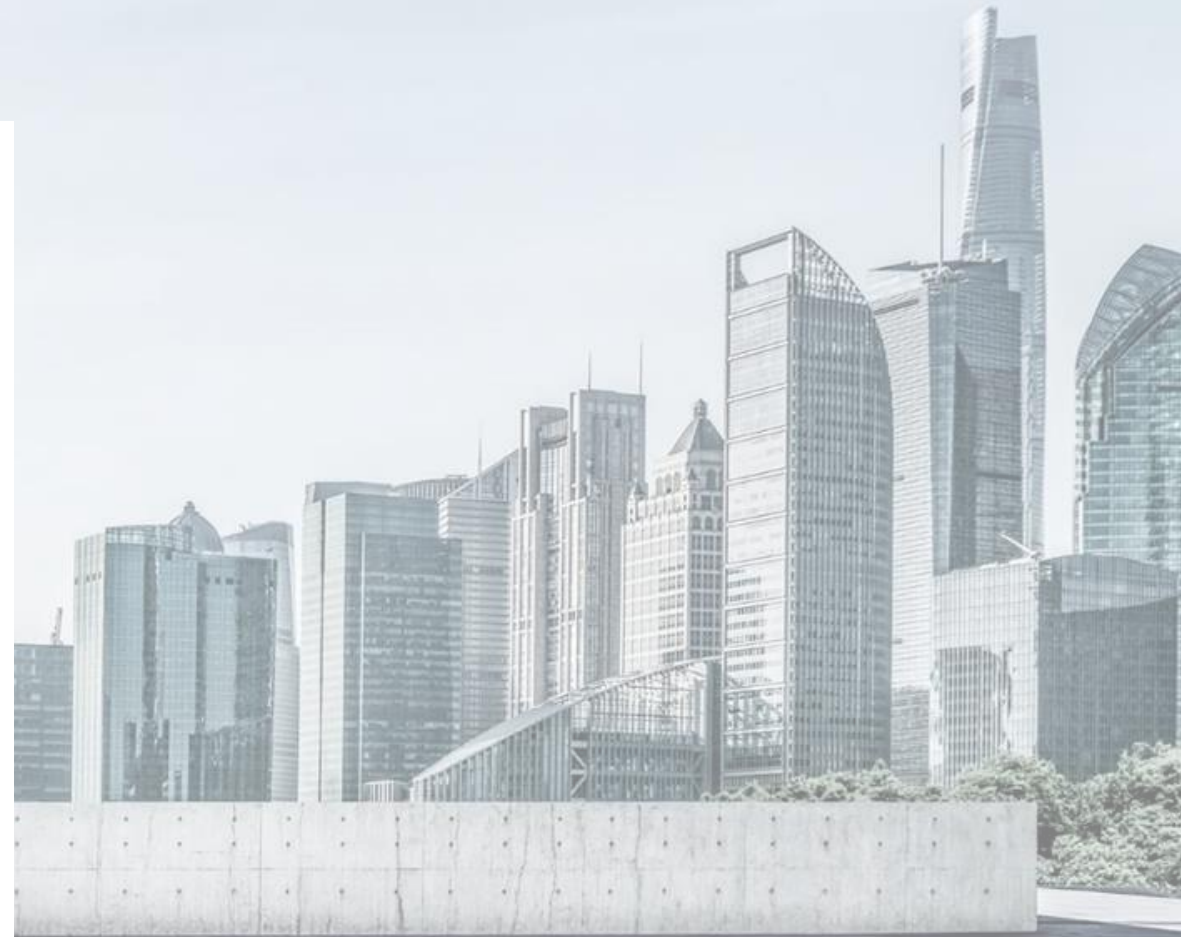
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Crisis management priorities



Health & Safety

- Protect employees
- Support employees, e.g. to adapt to new ways of working
- Transparent continuous internal and external communication



Supply chain

- Ensure business continuity
- Continuous premium services for customers
- Secure flexible and resilient supply chain

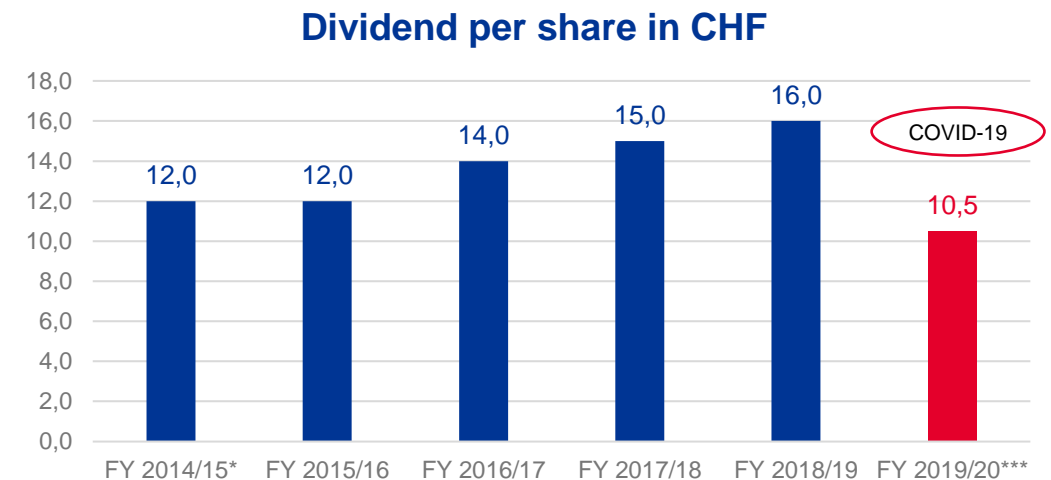
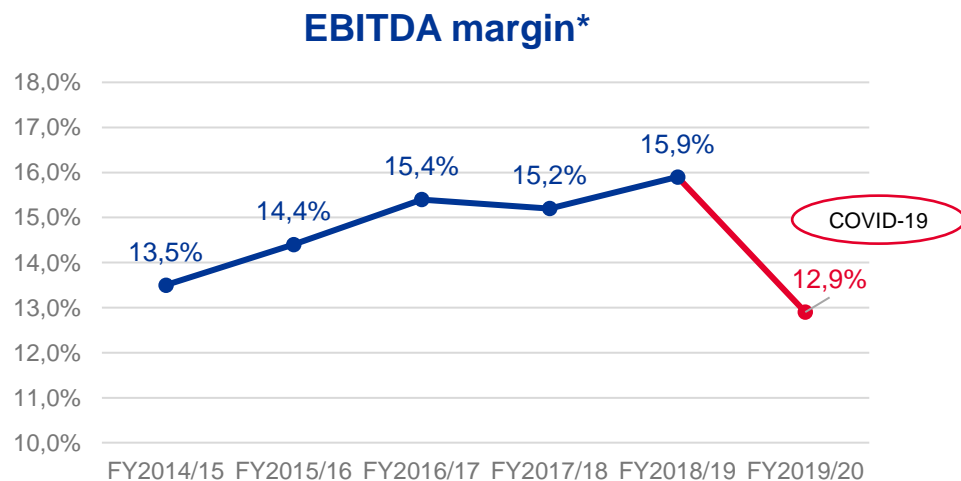


“Cash is king”

- Ensure liquidity at all times
- Focus on cash flow, e.g. trade receivables collection
- Initiate cost savings and restructuring program

Game changer dormakaba merger – what we have achieved since then

- **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, 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
- Performance vs. peers: EMEA in line, ASIA outperforming, underperforming in AMER



* FY 2014/15 and FY 2015/16 are pro forma figures; ***) After closing of dormakaba merger, pay-out of extra dividend of CHF 50.0; *** proposed

dormakaba laid the foundation for successfully shaping its industry

Covid-19 pandemic accelerates trends towards touchless access and automatic doors

- ✓ dormakaba one of the few global players offering all required solutions from a single source
- ✓ 50% of sales in Access Solutions is linked to businesses that can enable touchless access

Increasing security requirements

- ✓ dormakaba a global market leader for physical access systems
- ✓ Seamless integration of biometric in access solutions (launch of ARGUS AIR in 2020)
- ✓ dormakaba meets highest international security standards (ISO/IEC 27001:2013 certification)

Smart Buildings & Energy Efficiency

- ✓ dormakaba digital established in 2017 to drive the technological leap to cloud-based solutions and new business models
- ✓ First access solution player to integrate access management in the SAP cloud
- ✓ Market leader in flexible space (Movable Walls)
- ✓ New energy efficient products (e.g. ST FLEX Green sliding door)

Emerging markets will continue to grow

- ✓ Most profitable global access solutions company in APAC with an attractive growth profile
- ✓ Strong presence in many important emerging countries such as China including local production facilities and strength in automatic doors

dormakaba well-positioned to address demand in a post Covid-19 world

Smart and secure touchless access...



Facial recognition & temperature screening



Sensor & remote opening solutions



Automatic doors



People flow management



Access rights management platform

... In attractive verticals such as healthcare



Hygienic and user-centric access



Tailor-made solutions



Comprehensive portfolio

Changes in the Executive Committee



Steve Bewick – COO AS EMEA

- COO AS EMEA as of 1 January 2020
- 54 years of age, UK citizen
- Joined dormakaba in 2008 and held various management and leadership positions with an impressive performance history at the firm



Alex Houston – COO AS AMER

- COO AS AMER as of 1 July 2020
- 40 years of age, US citizen
- Industry expert with an outstanding track record over more than 15 years in various management and leadership positions at United Technologies Corporation (UTC)



A renewed and more streamlined Executive Committee reduced from eleven to eight members since the merger. The role of CMO will be discontinued as of 1 July 2020 as the operating model is now well-established.

Sabrina Soussan to take over as CEO in April 2021



Co-CEO of Siemens Mobility since 2017
French and German citizen
51 years of age



Master's Degree in Mechanical and Aeronautical engineering. Postgraduate Degree in Business Administration (MBA) Poitiers and Dublin University



Held several leadership positions in Siemens' mobility, building technologies and automotive businesses over the past 20 years



Strong track record in delivering profitable growth and driving innovation, as digitalization has become one of the key elements in developing seamless, secure and sustainable mobility solutions



Member of the Supervisory Board of Schaeffler AG (Germany) and since 2018 member of the Board of Directors of ITT Inc. (USA)



A smooth transition to a new CEO with a strong track record in delivering profitable growth and driving innovation

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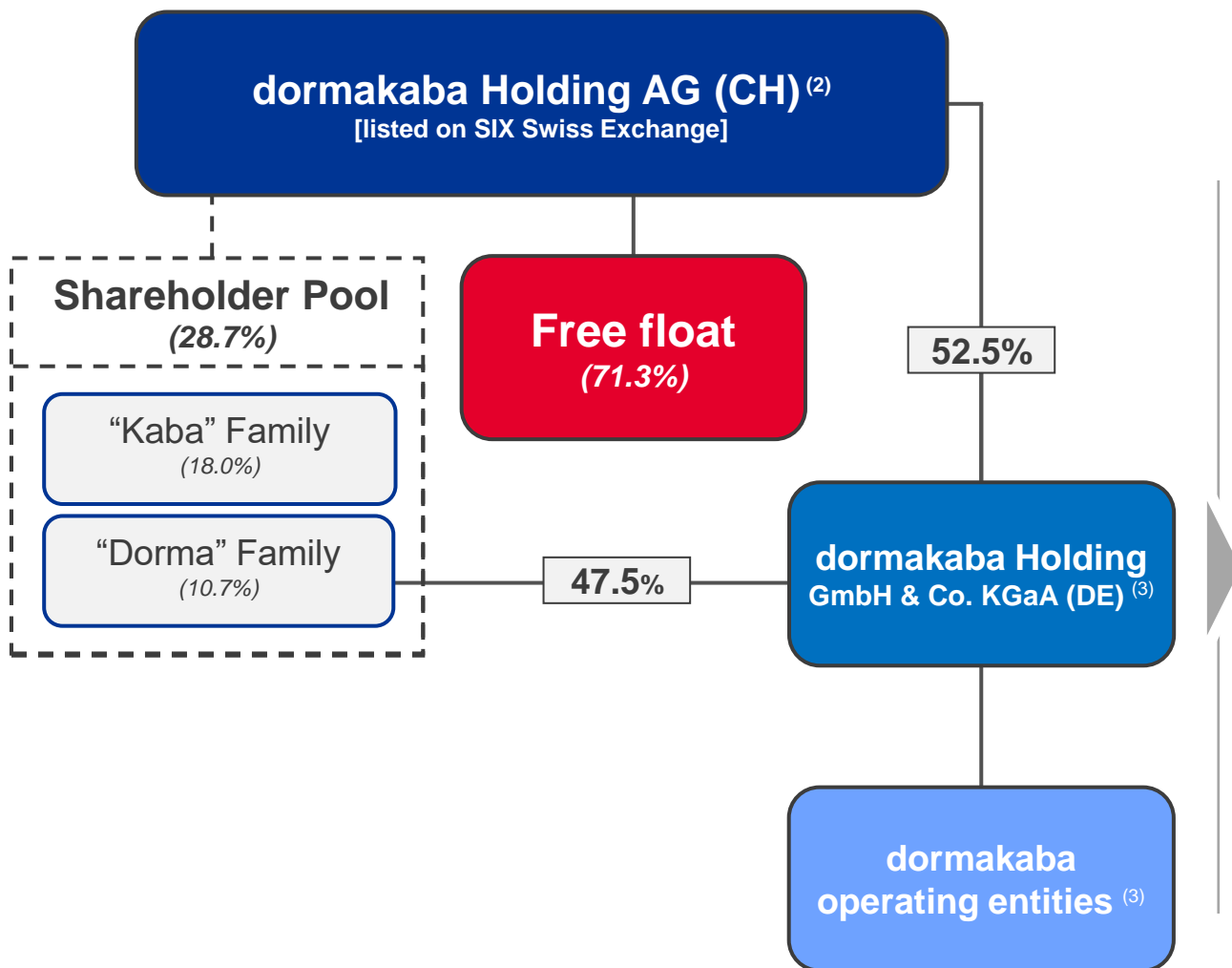
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Highlights – Changes in 2020/21 – Addressing shareholders' concerns

- Discontinuation of dual Chair-CEO role from 1 April 2021, returning to a non-executive-only Board structure; intent to continue LID role after AGM 2021
- Successful CEO succession with onboarding commencing in January 2021
- Board adjustment in line with target Board composition: John Liu as a new independent member will replace Rolf Dörig, Board member since 2004; strengthening of technology and digitization profile as well as Asian footprint
- In connection with the review of the committee responsibilities the BoD will propose at the AGM 2020 to join the Nomination and the Compensation Committees into one Committee and hereby streamline the committee work
- Anchoring of ESG responsibility in Chair's role to establish clear internal and external accountability

Shareholder structure ⁽¹⁾ – supporting sustainable development



Shareholder dormakaba Holding AG	30.06.2019	30.06.2020
Pool Shareholders ⁽⁴⁾	27.2%	28.7%
Free Float	72.8%	71.3%

- Members of the Pool Shareholder Group hold an **economic interest of 62.6%** in dormakaba;
 - 28.7% 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.
- “Dorma” Family has **increased its shareholding** during FY 2019/20 from 9.2% to 10.7%.

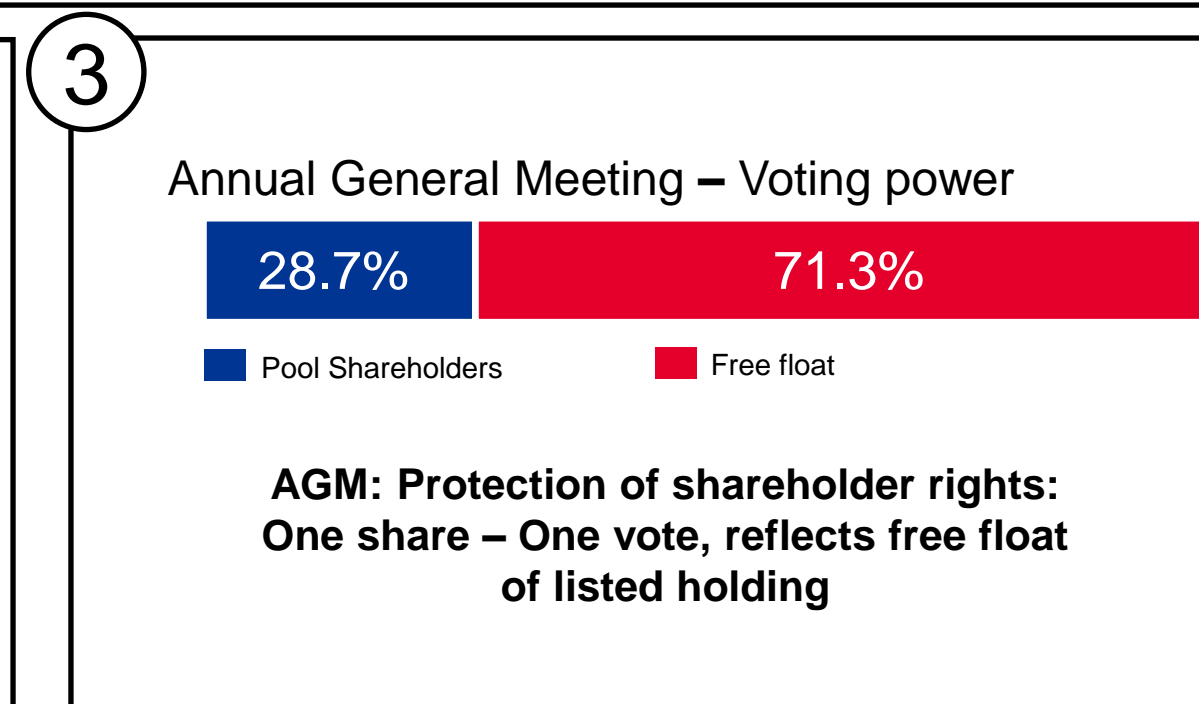
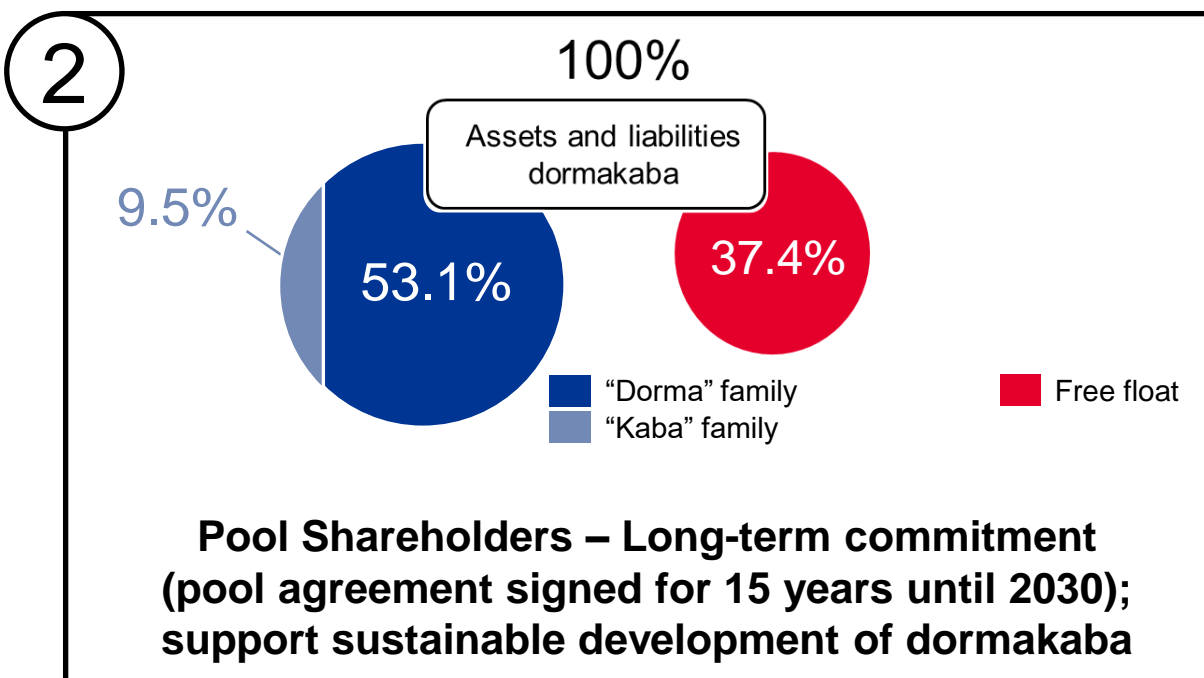
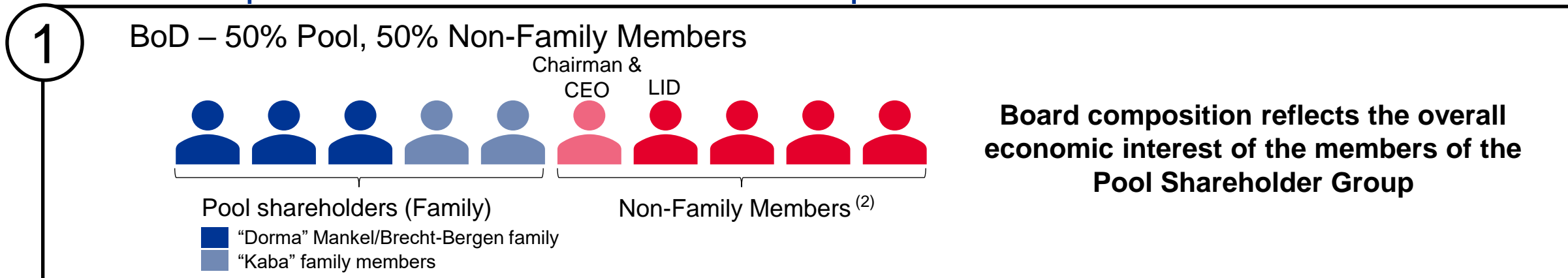
⁽¹⁾ As of 30 June 2020

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

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

⁽⁴⁾ Based on a pool agreement dated 29.04.2015

Board composition reflects overall ownership structure ⁽¹⁾

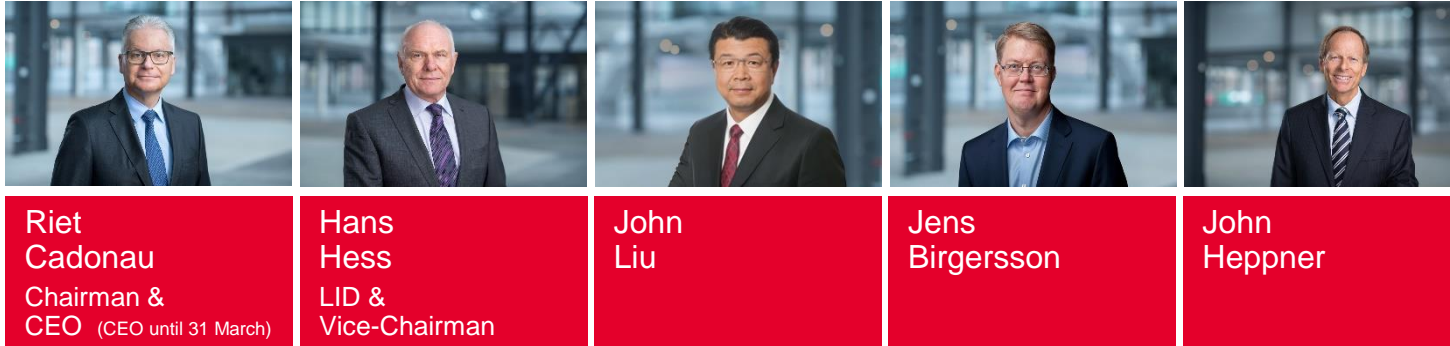


(1) As of 30 June 2020; members of Pool Shareholders hold economic interest of 62.6% of assets and liabilities (= 47.5% (minority stake at intermediate holding) + (52.5% x 28.7%) (listed holding));

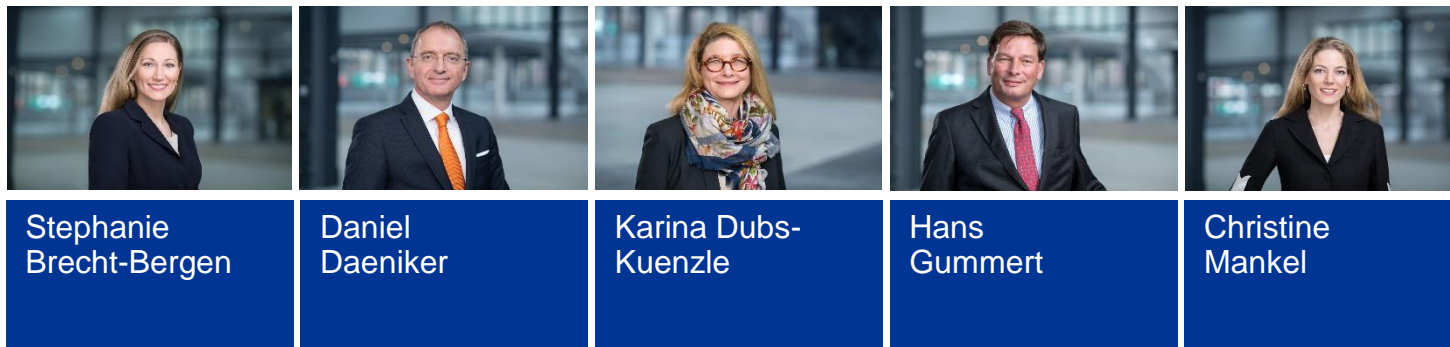
(2) After the AGM 2020, if AGM agrees to the proposal of the BoD; Dark red represents independent members according to Best Practice Proxy Advisors' definition, while light red stands for dependent; discontinuation of dual Chair-CEO role from 1 April 2021

Organizational structure of the Board of Directors (proposal for AGM) – Proposed change in 2020: Combine NC and CC

Non-family members



Pool shareholder (family)



Committees

Audit	Daniel Daeniker (Chair) Hans Hess Hans Gummert Jens Birgersson
Nomination & Compensation	Hans Hess (Chair) Stephanie Brecht-Bergen John Heppner

BoD is proposing John Liu as a new independent member of the Board at the upcoming Annual General Meeting, as Rolf Dörig, Board member since 2004, will not stand for re-election. John Liu is a senior executive (listed tech companies) who adds experience in new business models driven by digitalization, combined with relevant business networks in Asia.

Dual Mandate CEO and Chairman to end as of 1 April 2021

1

No membership of Chairman & CEO to any committee

2

No additional compensation for Chairman & CEO for his mandate as Chairman

3

Role of Lead Independent Director (LID) to ensure good corporate governance during this transition period








As guided strict temporary limitation of dual mandate for two to max. three years:
Dual mandate tenure will last slightly over 2 years – Sabrina Soussan will join dormakaba on 1 January and after an onboarding period will become CEO on 1 April 2021

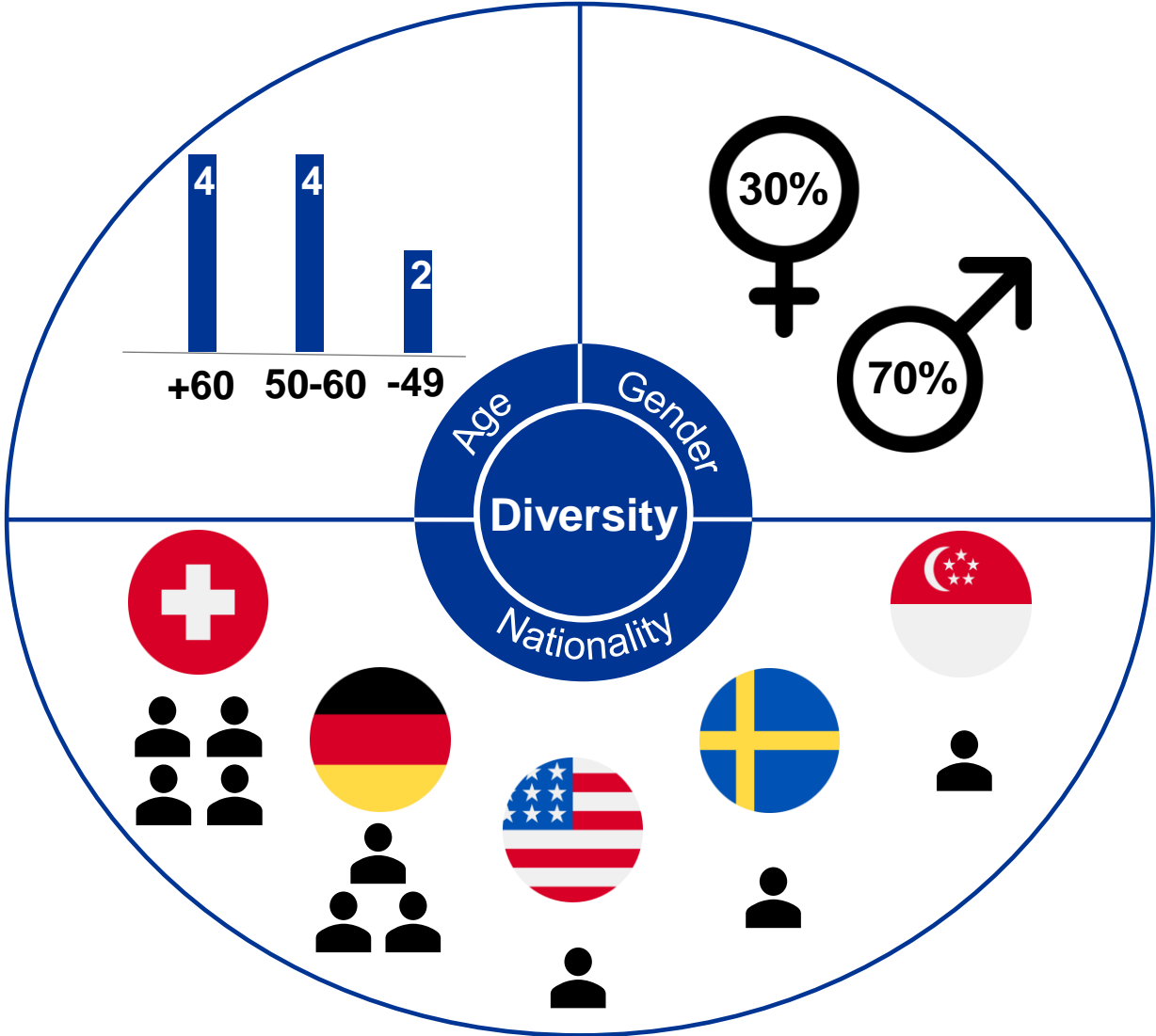
Role of Lead Independent Director (LID) has proven successful: Powers and duties defined by organizational regulations

- The LID, Hans Hess, is an independent non-executive member of the Board of Directors (entry BoD in 2012); for the first time elected in October 2018, in parallel to implementation of dual mandate
- LID acts as a Vice-Chairman of the BoD and Chairman of the proposed Nomination & Compensation Committee
- BoD Meetings
 - Alignment of agenda between Chairman & CEO and LID
 - LID chairs in matters related to Chairman & CEO and in case of potential conflicts of interest of Chairman & CEO
 - LID leads private sessions without participation of the Chairman & CEO at each Board meeting
 - Convocation of Board meetings
- Direct access to Executive Committee members
- Ongoing contact with minority shareholders
- Can mandate independent reviews by external experts

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

Skill Matrix of the Board of Directors – Continuous improvement

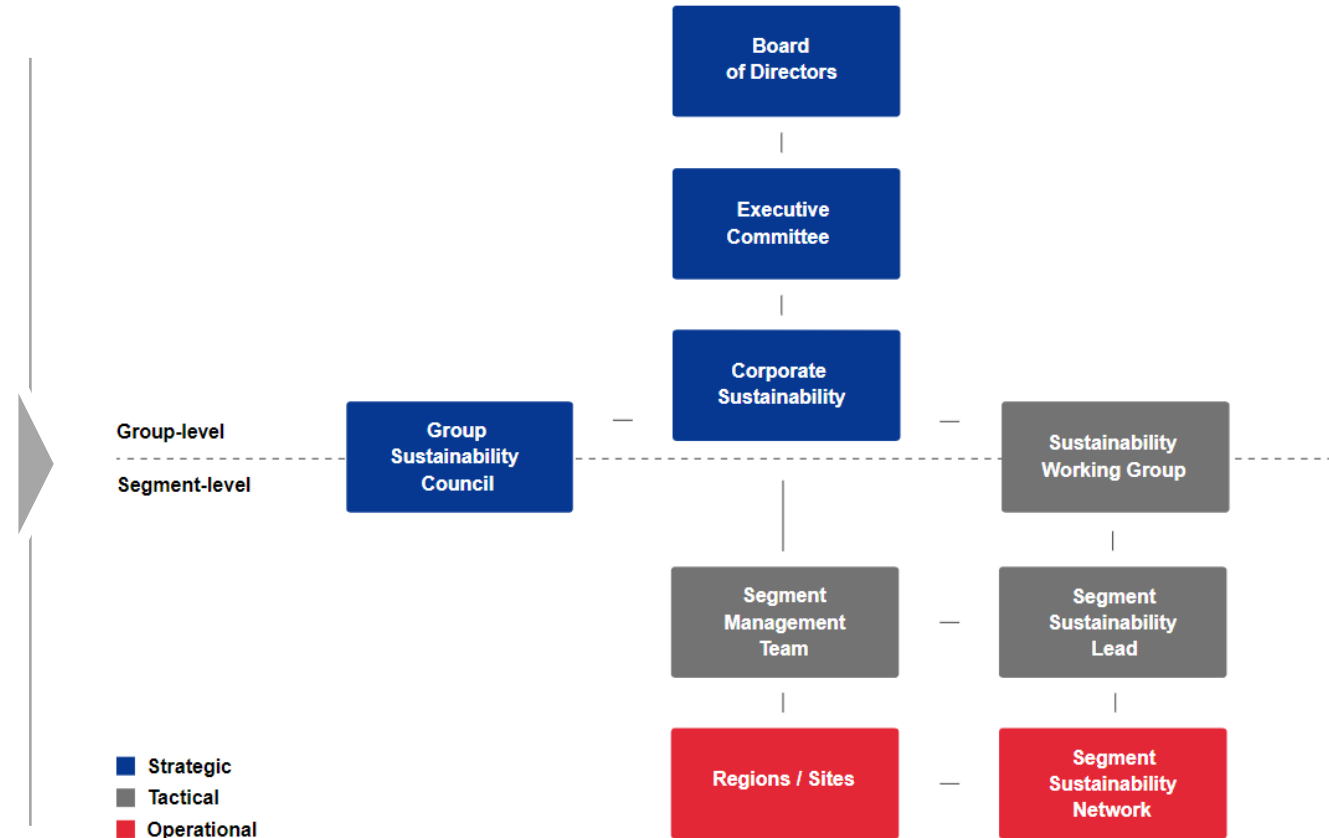
Skills	Occurrence
Executive Leadership experience (2019/20: 60%)	 70%
Strategic Industry and Technology skills (2019/20: 40%)	 50%
Corporate Governance/Compliance skills	 40%
Financial skills	 40%
Digital business model experience (2019/20: 10%)	 20%



Sustainability organization strengthened in financial year 2019/20 – BoD will be formally involved in environmental, social and governance (ESG) matters

Definition of governance and organization in a formal Sustainability Charter, with the aim to improve 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.
- Chairperson 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 Group and segment business functions relevant to the company's material topics and is chaired by the Chief Executive Officer.



A foundation of our business strategy

We are committed to foster a sustainable development along our entire value chain in line with our economic, environmental and social responsibilities toward current and future generations.

- Sustainable development and production of products
- Responsible dealings with employees and business partners
- Transparent reporting through recognized standards:
 - Global Reporting Initiatives Standards
 - Carbon Disclosure Project
- dormakaba is part of the following initiatives:
 - UN Global Compact
 - Responsible Labor Initiative
 - Science Based Targets Initiative
 - US Green Building Council & German Green Building Council



More Information: dormakaba.com/en/about-us/sustainability

dormakaba awarded gold medal for sustainability management from EcoVadis



EcoVadis, a leading provider for monitoring sustainability in global supply chains, has rated dormakaba in the top 30% for sustainability management.

- Third-party assessment covers issues along the themes of environment, labor & human rights, ethics, and sustainable procurement
- dormakaba in top 30% from over 50,000 companies assessed by EcoVadis
- Especially strong in the areas of sustainable procurement (top 21%) and ethics (top 6%) among other companies in the sector

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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

Board of Directors

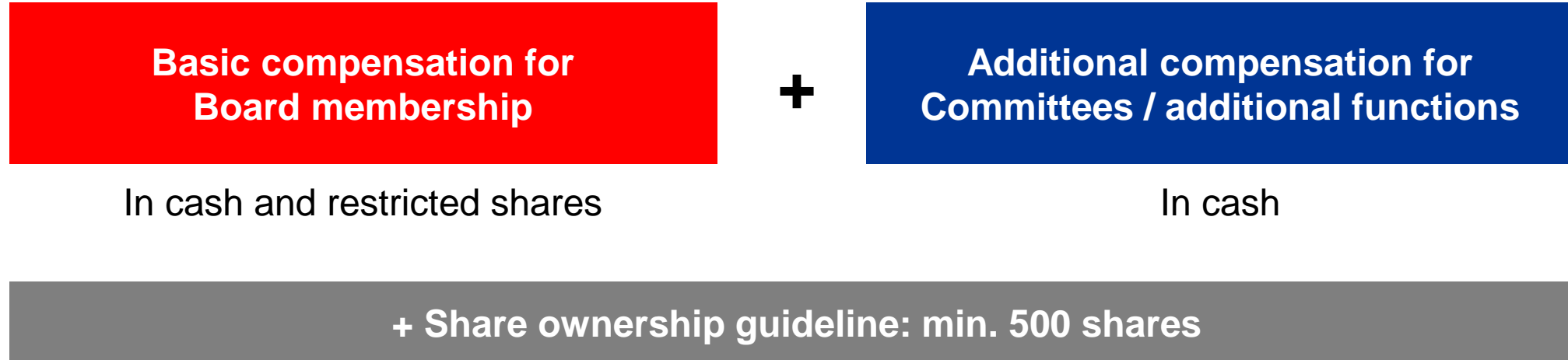
- Introduction of BoD Chair compensation with the discontinuation of the dual mandate as of 1 April 2021
- Adjusting committee fee structure to reflect new NCC (proposal at the AGM 2020) responsibilities and decreasing overall committee costs

Executive Committee

- Alignment of STI performance metrics for the CEO, CFO and CTO with those of the COOs by including net working capital and sales growth to further align remuneration with efficiency and growth goals as well as harmonizing incentive structures throughout the company
- Phasing out of RSU LTI component to 1/3 in 2020 and zero in 2021
- Review of LTI peer group for TSR measurement
- New CEO package aligned with our existing compensation structures

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



- The Board Chair does not receive any compensation for his function as long as he acts in a dual role Board Chairman & CEO (until 31 March 2021)

Board of Directors: compensation levels

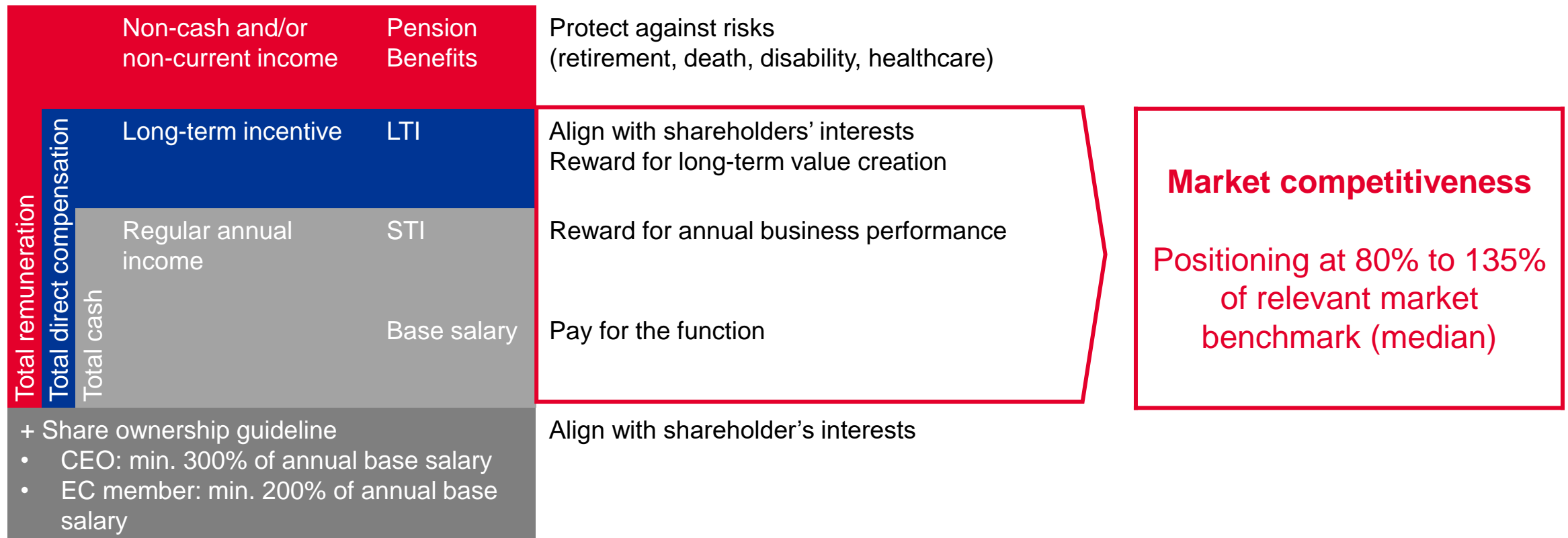
- Implementation of BoD Chair fee as of 1 April 2021 (when the dual mandate Board Chairman & CEO ceases). In accordance with Swiss law, the current BoD Chair will be required to stay in the dormakaba pension fund. Any employee and employer contributions will be paid by him.
- The fee structure for the BoD Chair and NCC is aligned with the principle to position chair fees above market median, in consideration of the relative level of responsibility and workload for the role at dormakaba and given the comparatively complex Group structure
- A maximum compensation amount of **CHF 2,940,000** will be submitted to shareholders' vote for the term of office from the 2020 AGM until the 2021 AGM, versus CHF 2,390,000 for the previous compensation period. The increase is due to the addition of the BoD Chair fees as of April 2021 and an increase in reserve for special tasks which any BoD member could potentially assume throughout the year.

(in CHF)	Basic compensation		(in CHF)	Additional compensation	
	Board chair	Board member		Committee chair	Board member
In cash	360,000	100,000	Audit Committee	60,000	20,000
In restricted shares	320,000	90,000	Nomination and Compensation Committee	60,000 <small>(previously 45,000 per Committee)</small>	20,000 <small>(previously 10,000 per Committee)</small>
Total	680,000*	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. 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 will be deducted from the BoD chair fee of CHF 680,000 p.a.

Executive Committee: compensation system overview (1)

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



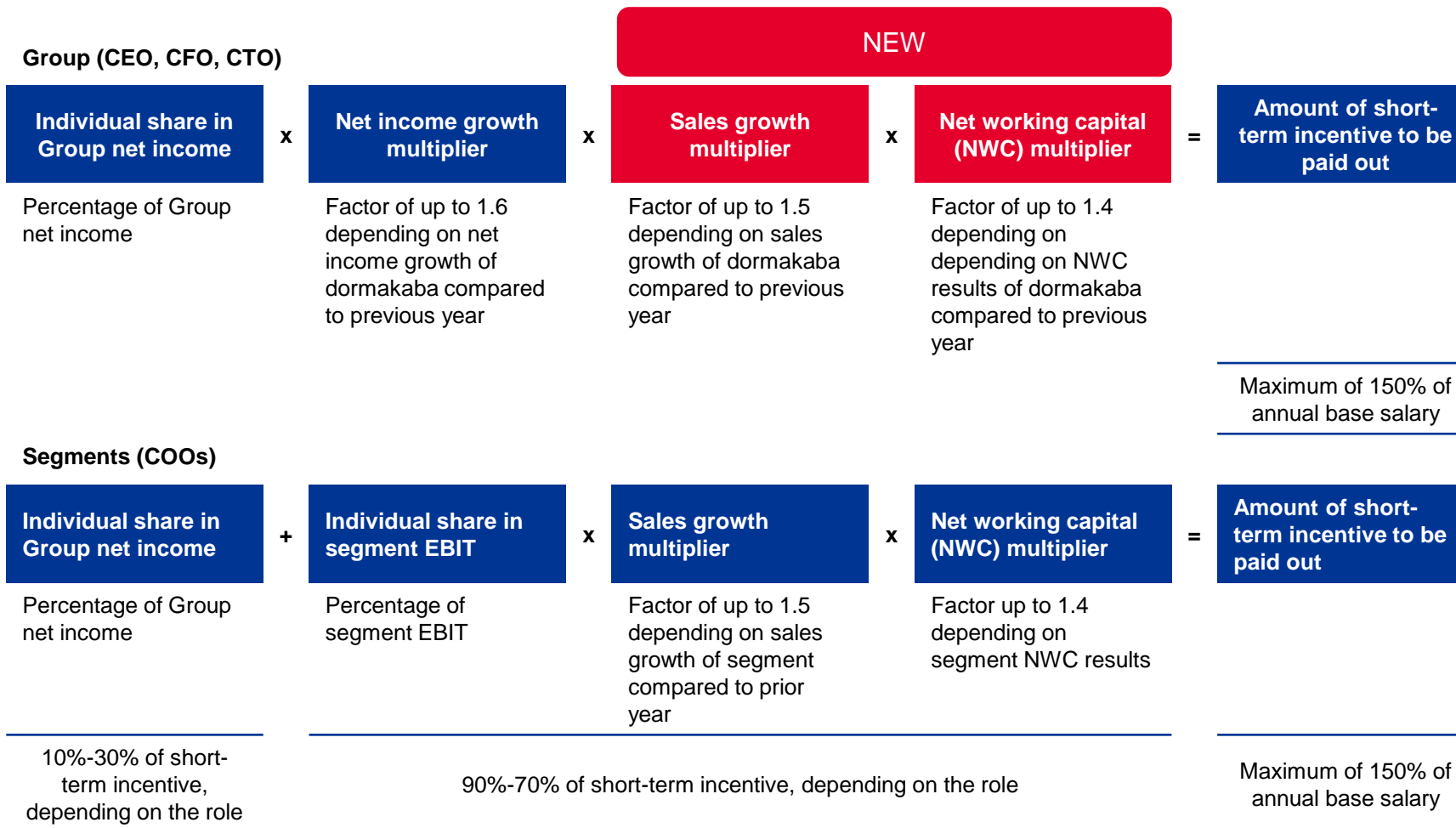
Executive Committee: compensation system overview (2)

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 PSU vesting: 200% of units granted
Pension					Pension		
LTI	RS PSU			Shares (unre- stricted)		Group: Net income Growth Segments: EBIT Growth Working capital	STI payout: 150% of annual base salary
STI	Cash						
Base salary	Cash						
	Year 1	Year 2	Year 3	Year 4	≠ END		

Executive Committee: short-term incentive (STI) valid as of FY 2020/21

Alignment of Group formula to the segment formula to reach pay for performance alignment



- Following the “We are ONE company” principle, the individual short-term incentive paid to the members of the Executive Committee is strictly based on Group and segment financial objectives and not on individual goals.
- For the CEO, CFO, and CTO the incentive formula relates exclusively to Group results. NWC and sales growth added to harmonize the formula across the entire EC.
- 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.

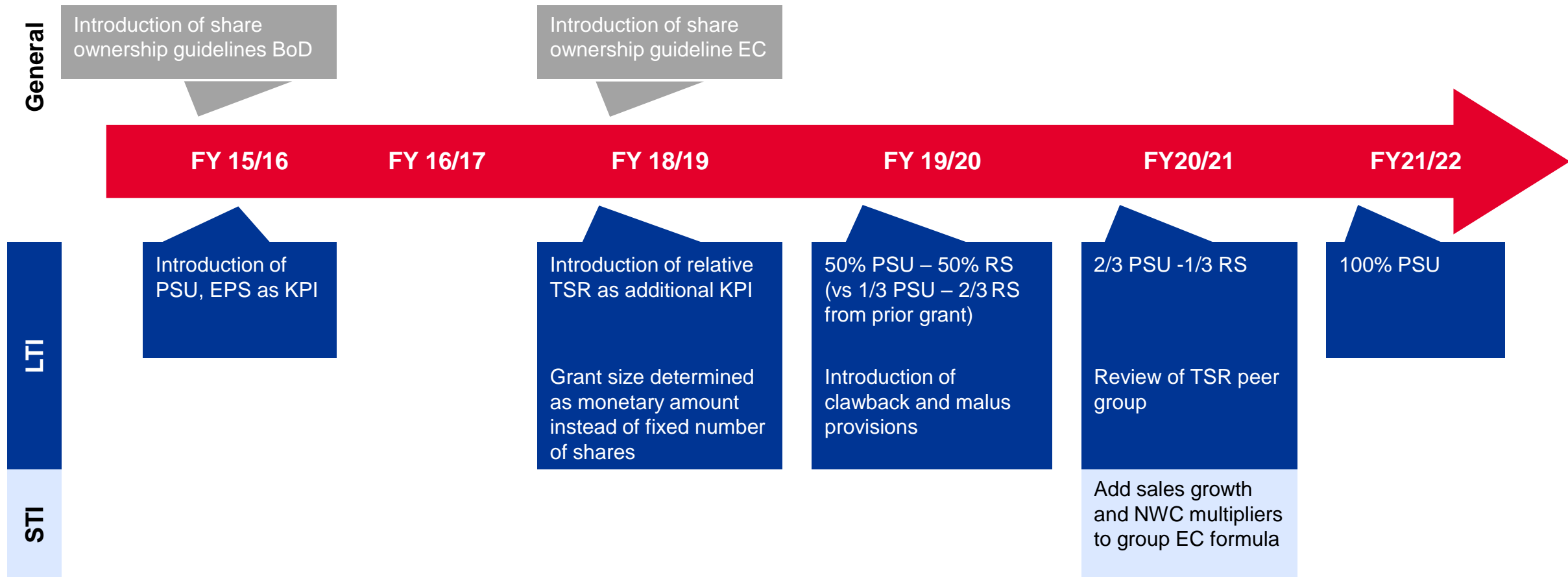
Executive Committee: long-term incentive (LTI)

Review of peer group for relative TSR performance measurement in LTI Plan

- Relative TSR performance is currently compared to the companies of the SMIM.
- The SMIM was selected as a performance benchmark because of the insufficient number of direct competitors of dormakaba that are listed. Therefore, the SMIM as an index of companies of comparable size listed on the SIX stock exchange was the most appropriate alternative.
- In response to shareholders' feedback and to the fact that dormakaba will no longer be included in the SMIM as of September 2020, the performance peer group is currently being reviewed by the Compensation Committee. The results of this review will be provided in the Compensation Report 2020/21.

Executive Committee: compensation system evolvement over time

The compensation system for the EC has **evolved over time**, especially the LTI plan



Executive Committee: compensation levels in FY 2019/20 (1)

While fixed compensation has been stable in recent years, the variable component reflected performance achievements of the company.

- The first half-year was largely in line with expectations, whereas the outbreak and spread of Covid-19 led to an unprecedented sharp slump in business activity from February 2020 onwards.
- Due to the pandemic, all members of the BoD and the EC decided to take a voluntary and temporary reduction in their monthly base pay from May 2020 onwards.
- In addition, and following the reduction in net profit, the average short-term incentive payout for EC members is significantly below previous year's level (70% of annual base salary on average versus previous year 94%).
- The replacement award in the amount of CHF 517,066 granted to the new COO AS AMER relates to forfeited compensation at the previous employer and is hence not included in the compensation table 2019/20. The award was made in cash and equity respecting the "like-for-like" replacement principle.

Executive Committee: compensation levels in FY 2019/20 (2)

EC: total compensation paid in the amount of **CHF 11,925,269 (previous year : CHF 12,915,283)**

	Fixed compensation 2019/20			Variable compensation 2019/20				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	
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
Total EC	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.

	Fixed compensation 2018/19			Variable compensation 2018/19				Total CHF
	Fixed basic payment	Benefits and social / pension contributions ¹⁾	Total aggregate amount	STI ²⁾	LTI ³⁾	Social / pension contributions	Total aggregate amount	
Cadonau Riet	832,008	140,914	972,922	1,275,000	1,184,696	346,350	2,806,046	3,778,968
Other EC	2,819,911	798,191	3,618,102	2,565,392	2,273,293	679,528	5,518,213	9,136,315
Total EC	3,651,919	939,105	4,591,024	3,840,392	3,457,989	1,025,878	8,324,259	12,915,283

Executive Committee: submission to shareholders vote for FY 2021/22

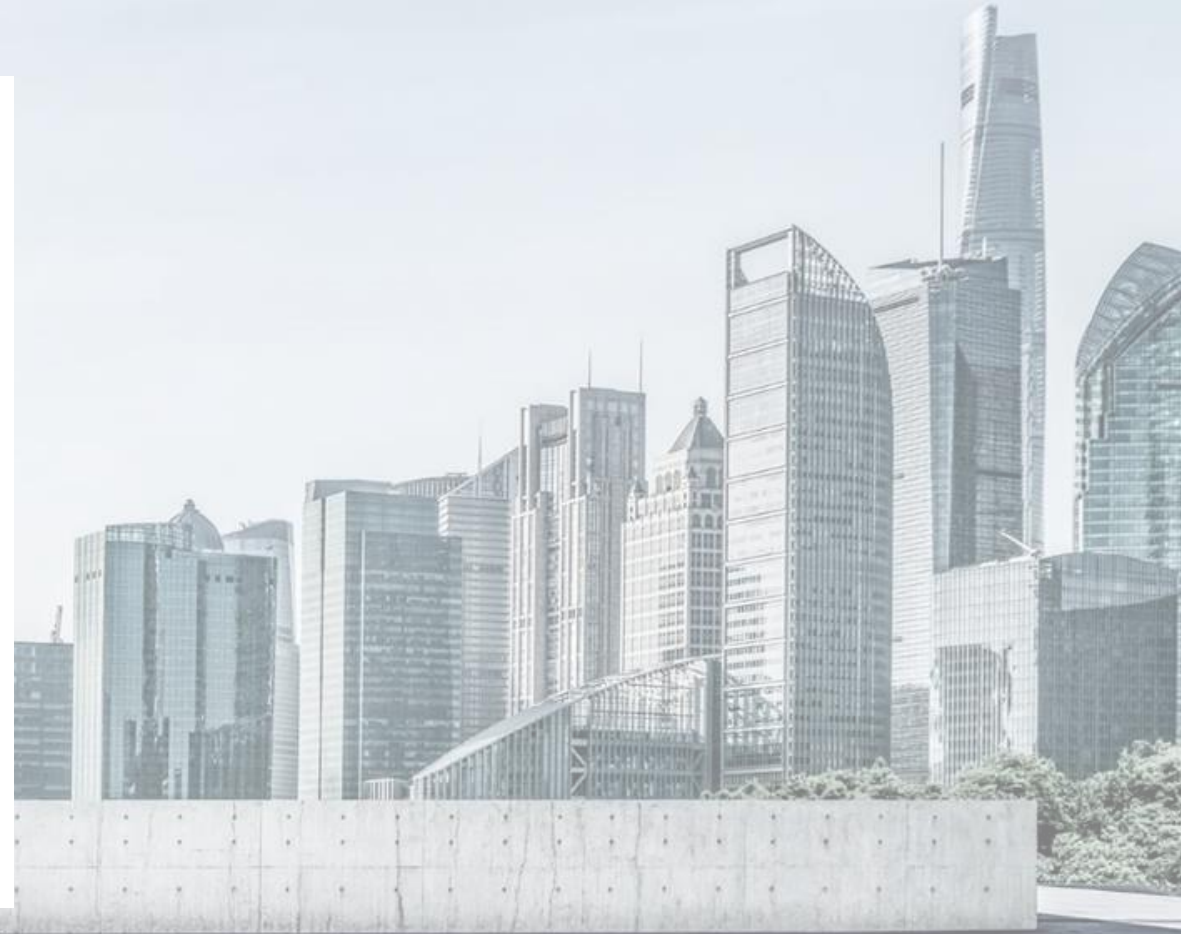
- A maximum compensation amount of **CHF 16.5 million (previous year submission: CHF 18 million)** will be submitted to shareholders' vote for FY 2021/22,
- The total requested amount is CHF 1.5 million lower than the amount approved for the financial year 2020/21. The amount reflects the average total compensation of an EC member (excluding the CEO) and hence reflects the discontinuation of the role of the CMO as of 30 June 2020.
- The maximum compensation amount also includes the anticipated compensation level for the new CEO.

Thank you.

Appendix

Appendix

- Introduction
- Board of Directors / Committees
- Board of Directors / CV Riet Cadonau
- Board of Directors / CVs Board of Directors
- Compensation System / Executive Committee
- Compensation System / STI
- Compensation System / Changes to LTI
- CSR – Integrated Reporting



We make access in life **smart and secure**

dormakaba 

Our Offering

Door Hardware
Entrance Systems
Electronic Access & Data
Interior Glass Systems
Mechanical Key Systems
Lodging Systems
Safe Locks
Key Systems
Movable Walls
Services



Consulting
Planning
Realization
Operation
Maintenance

Our Focused Industries



Our Values

Customer first

We always focus what we do on the needs of our customers, partners and users.

Curiosity

We constantly scout for trends as the inspiration for future-focused solutions.

Performance

We go the extra mile to ensure customer satisfaction and set the bar high in terms of security, quality and reliability.

Courage

We are committed to continuously developing solutions that generate genuine added value for our customers and users.

Trust

Our core corporate value is at the heart of everything we do, so customers can rest assured that they are in good hands.

Our Company

More than

150

years of experience

More than

15,000

employees

130
countries

ISO 9001
Certificate



More than

2,000

patents



Sustainability Report
GRI Standards



stock-listed at
SIX Swiss Exchange (DOKA)

We call it **trusted access**

Committees

Committee	Frequency of Meetings	Main Responsibilities
Audit Committee	At least twice a year, but as often as required 2018/19: six times	<ul style="list-style-type: none"> • Within the scope of external auditing: <ul style="list-style-type: none"> – Approval of auditing program focus points – Acceptance of the audit report and recommendations, if any, by the statutory auditors prior to the approval of the annual accounts by the Board • Within the scope of internal auditing: <ul style="list-style-type: none"> – Approval of guidelines governing the organization and responsibilities of internal auditing – Approval of auditing program Acknowledgement of auditing results and of eventual recommendations by external or internal auditors • Within the scope of financial control: <ul style="list-style-type: none"> – Review and discussion of CFO reports on specific matters relevant for purposes of financial control (networking capital etc.) from time to time • Within the scope of risk control: <ul style="list-style-type: none"> – Review and discussion of Group's risk control framework and risk assessments made from time to time • Reporting: <ul style="list-style-type: none"> – 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
Compensation Committee	At least once a year, but as often as required 2018/19: four times	<ul style="list-style-type: none"> • To propose and periodically review the compensation policy for the approval of the Board • 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 • 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 • To propose the compensation of the members of the Board for the approval of the Board • To propose the terms of employment and the compensation of the members of the Executive Management for the approval of the Board • 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 of the Board
Nomination Committee		<ul style="list-style-type: none"> • 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 • To recommend the appointment and removal of members of the Executive Committee to the Board

Members of Board of Directors

Riet Cadonau, Chairman & CEO

Chairman & CEO



Citizenship: Swiss
Year of birth: 1961
Entry BoD: 2018
End current term of office: 22.10.2020

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 Group¹⁾ (CH); since 2015 CEO and member of the EC dormakaba Group¹⁾ (CH); 2011–2015 CEO and member of the EC Kaba Group¹⁾ (CH); Ascom: 2007–2011 CEO Ascom Group¹⁾ (CH); until 2007 Managing Director ACS Europe + Transport Revenue; 2001–2005 member of the Executive Board Ascom Group, from 2002 Deputy CEO and 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 2016 member of the BoD of Georg Fischer AG¹⁾ (CH) and since 2013 member of the BoD of Zehnder Group¹⁾ (CH); Nominated as member of the BoD of Logitech International¹⁾ (CH) in view of the AGM on 9 September 2020, assumption of the mandate on 1 April 2021; 2006–2011 member of the BoD Kaba Group and Griesser Group (CH)

Hans Hess, Lead Independent Director and Vice-Chairman

Chair Nomination & Compensation Committee, Member Audit Committee



Citizenship: Swiss
Year of birth: 1955
Entry BoD: 2012
End current term of office: 22.10.2020

Education: Master's Degree in Material Science and Engineering ETH Zurich (CH); Master of Business Administration (MBA) from the University of Southern California (USA); Stanford Executive Program at Stanford University (USA)

Career: Since 2006 owner of Hanesco AG (CH); 1996–2005 President and CEO Leica Geosystems AG¹⁾ (CH); 1993–1996 President Leica Optronics Group (CH); 1989–1993 Vice President Leica Microscopy Group (CH); 1983–1988 Head of Polyurethane Business Unit Huber + Suhner AG¹⁾ (CH); 1981–1983 Development Engineer Sulzer¹⁾ (CH)

External activities and interests: Chairman of the BoD Reichle & De-Massari Holding AG (CH); member of the BoD* Burckhardt Compression Holdings AG¹⁾ (CH); President of Swissmem (CH); Vice-President of economiesuisse (CH)

¹⁾ listed company

* resigned on 06 July 2019

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: 22.10.2020

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)

Jens Birgersson

Member Audit Committee



Citizenship: Swedish
Year of birth: 1967
Entry BoD: 2018
End current term of office: 22.10.2020

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

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

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

¹⁾ listed company

Members of Board of Directors

Daniel Daeniker

Chair Audit Committee



Citizenship: Swiss
Year of birth: 1963
Entry BoD: 2010
End current term of office: 22.10.2020

Education: Dr. iur., University of Zurich (CH), Zurich bar; LL.M. at the Law School of the University of Chicago (IL/USA)

Career: Since 2019 Senior Partner at Homburger AG (CH), where he became Partner in 2000 and which he joined in 1991; lecturer in law at the University of Zurich (CH)

External activities and interests: Member of the Supervisory Board Rothschild & Co SCA¹⁾ (FR); Member of the Board of Directors of Hilti AG, Schaan (FL)

Karina Dubs-Kuenzle



Citizenship: Swiss
Year of birth: 1963
Entry BoD: 2001
End current term of office: 22.10.2020

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

Career: Since 2009 partner FEHBA AG (CH); 1997–2016 partner of Dubs Konzepte AG (CH); advertising assistant at Wirz Werbeberatung AG (CH) and at Heiri Scherer Creative Direction (CH)

External activities and interests: Member of the Board of Directors of FEHBA AG (CH)

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: 22.10.2020

Education: Universities of Tübingen and Bonn (DE); attorney-at-law, admitted to the bar in 1990

Career: Partner since 1991 and Managing Partner since 2008 of the law and tax consultancy firm Heuking Kühn Lüer Wojtek (DE/BE/CH)

External activities and interests: Chairman of the Supervisory Board of dormakaba Holding GmbH + Co. KGaA (DE); Chairman of the Supervisory Board of Familie Mankel Industriebeteiligungs GmbH + Co. KGaA (DE); member of the Advisory Board Coroplast Fritz Müller GmbH & Co. KG (DE); Board member of Zaplox AB (SE); Member of the Supervisory Board of ara AG (DE); Member of the Shareholders Committee Hoberg & Driesch Group (DE); member of the Advisory Board of Hoberg & Driesch Röhrenhandel GmbH & Co. KG (DE); member of the BoD Chiron-Werke SE (DE)

John Heppner

Member of Nomination & Compensation Committee



Citizenship: US American
Year of birth: 1952
Entry BoD: 2013
End current term of office: 22.10.2020

Education: Bachelor of Science University of Wisconsin-Milwaukee (WI/USA), MBA University of Wisconsin-Milwaukee (WI/USA)

Career: 2006–2013 President and CEO Fortune Brands Storage and Security (USA) with global responsibility for Master Lock Company LLC and Waterloo Industries; 2000–2006 Chief Operating Officer Master Lock Company LLC (USA); 1998–2000 Executive Vice President Sales + Marketing Master Lock Company LLC (USA); 1996–1998 Marketing + New Business Master Lock Company (USA); 1992–1996 Vice President Logistics and Corporate Controller Master Lock Company LLC (USA)

External activities and interests: Member of the National Association of Corporate Directors (USA); Member of the Advisory Board of University of Wisconsin Milwaukee Business School (USA)

Members of Board of Directors

John Liu



Citizenship: Singaporean
Year of birth: 1964
Entry BoD: 2020 if elected
End current term of office: new nomination

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)

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

1) listed company

Christine Mankel



Citizenship: German
Year of birth: 1982
Entry BoD: 2015
End current term of office: 22.10.2020

Education: Diplomkauffrau, EBS University (DE)

Career: Since 2014 Management Board member of Mankel Family Office GmbH (DE); since 2009 shareholder of dormakaba Holding GmbH + Co. KGaA (DE); 2006–2009 audit assistant, BDO AG Wirtschaftsprüfungsgesellschaft (DE)

External activities and interests: Since 2008 Management Board member of the foundation “Rudolf Mankel Stiftung” (DE)

Compensation: benchmarking peer group

- The compensation benchmarking is based on a **relevant and balanced peer group**

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
dormakaba	Building Products	2,962	2,837	15,801
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):

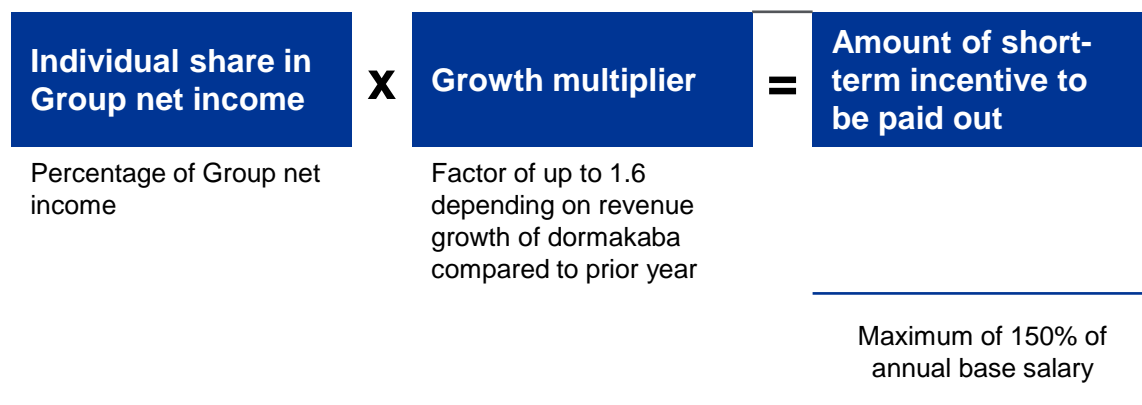
BoD chair fee p.a. in CHF (gross)*	
In cash	360,000
In restricted shares	320,000
Total	680,000
Deduction for pension contributions (employer and employee contributions)**	- 120,000
Paid BoD chair fee	560'000

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

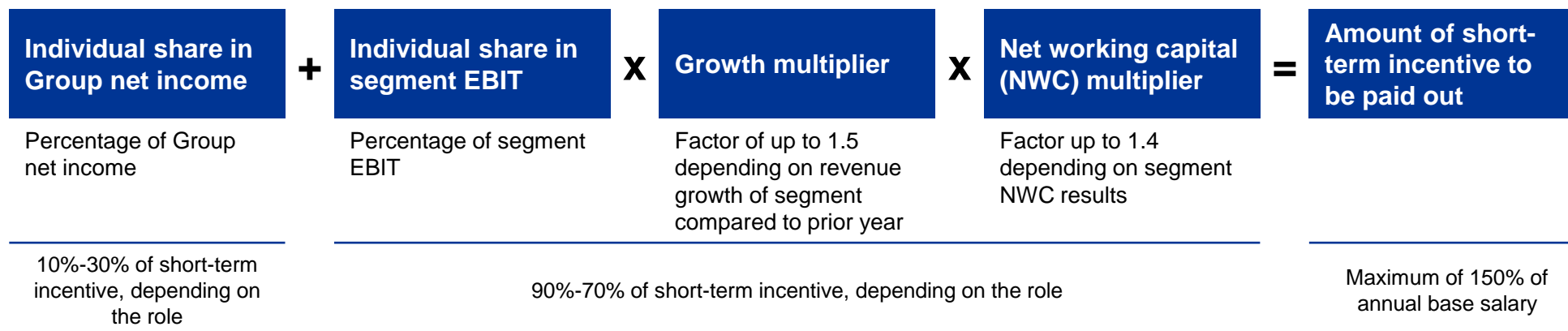
** Estimated amount, of which 50% are employer contributions and 50% are employee contributions

Compensation EC: short-term incentive (STI) – STI in previous year / 2019/20

CEO, CFO, CTO



COOs



- Following the “We are ONE company” principle, the individual short-term incentive paid to the members of the Executive Committee is strictly based on Group and segment financial objectives and not on individual goals. For the CEO and other Executive Committee members (CFO, CTO, CMO), the incentive formula relates exclusively to Group results.v
- The business results are compared to the previous year’s results to drive a continuous improvement of the business achievements, year after year.
- This formula is aligned to the business strategy of profitable growth because it rewards for bottom-line (Group net income or segment EBIT) and top-line results (sales growth). Further, for the COOs responsible for a segment, the formula also includes a NWC multiplier, which reflects the focus on efficient management of the company’s financial resources.

Compensation EC: historic incentive payouts

	STI payout			LTI vesting		
	FY 2017/18	FY 2018/19	FY 2019/20	LTI 2015-18	LTI 2016–19	LTI 2017–20
CEO	150%* (of annual base salary)	150%* (of annual base salary)	101% (of annual base salary)	102%	200%	96.1%
EC	84% (of annual base salary)	94% (of annual base salary)	70% (of annual base salary)	102%	200%	96.1%

* As per Article of Incorporation 24 an EC member's STI may not exceed 150% of the respective annual base salary (cap)

** Performance period not yet completed

Compensation EC: performance measurement for PSUs

MEASUREMENT

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

**absolute EPS
(50%)**

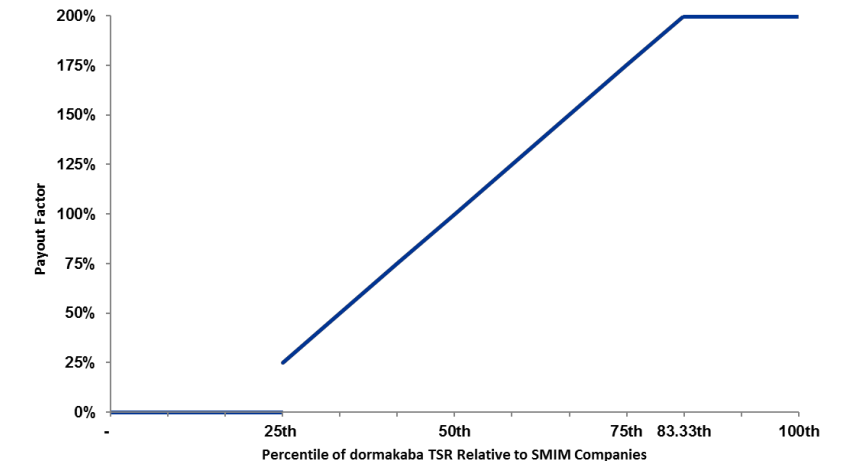
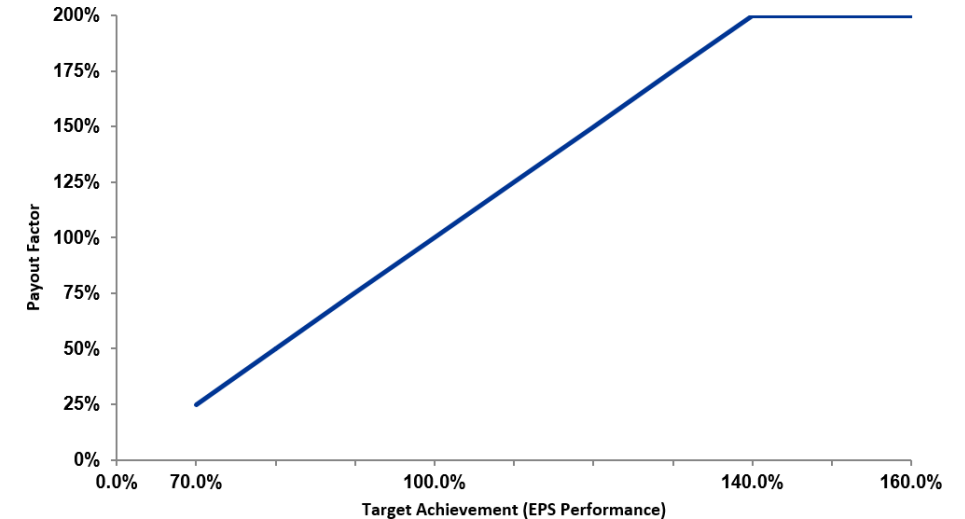
Threshold: Ratio 70% = 25% vesting
Target: Ratio 100% = 100% vesting
Cap: Ratio 140% = 200% vesting

**Ranking of dormakaba within companies of
the Swiss Market Index Mid (SMIM):**

**Relative TSR
(50%)**

Threshold: 25th percentile = 25% vesting
Target: 50th percentile = 100% vesting
Cap: 83.33th percentile = 200% vesting

VESTING CURVE



Compensation EC: evolvement of LTI in recent years

LTI Plan Evolvement	Vehicle mix	OLD 2/3 rd restricted shares – 1/3 rd PSUs (2018) 50% restricted shares – 50% PSUs (2019)	ONGOING 1/3 restricted shares – 2/3% PSUs (2020) 100% PSUs (2021)
	Grant size	OLD Fixed number of shares	INTRODUCTION WITH GRANT 2018 Monetary amount (market practice)
	Number of KPIs	OLD Absolute EPS	INTRODUCTION WITH GRANT 2018 Absolute EPS and relative TSR (market practice; shareholder view)
	Clawback/malus	OLD None	INTRODUCTION WITH GRANT 2019 In case of financial restatement or willful fraudulent behavior

Compensation EC: compensation levels in previous year / FY 2019/20

- While fixed compensation has been stable in recent years, the variable component reflected performance achievements of the company
- A maximum compensation amount of **CHF 18 million** had been approved at the AGM 2019

	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	
Cadonau Riet	832,008	140,914	972,922	1,275,000	1,184,696	346,350	2,806,046	3,778,968
Other Executive Committee	2,819,911	798,191	3,618,102	2,565,392	2,273,293	679,528	5,518,213	9,136,315
Total Executive Committee	3,651,919	939,105	4,591,024	3,840,392	3,457,989	1,025,878	8,324,259	12,915,283

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 that were effectively paid out in the reporting year. Fringe benefits include elements such as private use of company car, service anniversary or housing contributions. Fringe benefits amount to CHF 23,759 for the CEO and CHF 413,302 for the other members of the Executive Committee.

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

3) The CEO receives a guaranteed allocation of 550 shares (worth CHF 391,254) which are blocked for three years. These shares are not yet included in the shares held as of 30.06.2019 as listed here. However, they have been included in the long-term incentive compensation figure with a share price of CHF 711.37 (average closing price May/June 2019).

Sustainability progress in the financial year 2019/20 in strategic focus areas



Emissions avoided through green electricity purchase and energy efficiency

16,400
tonnes CO2



Environmental Product Declarations published

13



ISO 14001 certified manufacturing sites

36%
of baseline
FY 2017/18

50%
target



Products with environmental and/or health product declarations

19%
of revenue share

30%
target



Manufacturing sites with health & safety management systems

73%

100%
target



Suppliers invited for sustainability assessment

475



Participation rate in employee survey dormakaba dialogue

80%
of full-time equivalent employees



Statement of Commitment on Human Rights published



Process & Production



Products



People



Transparency

Disclaimer

This communication contains certain forward-looking statements including, but not limited to, those using the words “believes”, “assumes”, “expects” or formulations of a similar kind. Such forward-looking statements are made on the basis of assumptions and expectations that the company believes to be reasonable at this time, but may prove to be erroneous. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks, uncertainties and other factors which could lead to substantial differences between the actual future results, the financial situation, the development or performance of the company or the Group and those either expressed or implied by such statements. Such factors include, but are not limited to:

the general economic conditions / impacts of the Covid-19 pandemic / competition from other companies / the effects and risks of new technologies / the company’s continuing capital requirements / financing costs / delays in the integration of mergers or acquisitions / changes in the operating expenses / currency and raw material price fluctuations / the company’s ability to recruit and retain qualified employees / political risks in countries where the company operates / changes in applicable law / and other factors identified in this communication.

Should one or more of these risks, uncertainties or other factors materialize, or should any underlying assumption or expectation prove incorrect, actual outcomes may vary substantially from those indicated. In view of these risks, uncertainties or other factors, readers are cautioned not to place undue reliance on such forward-looking statements. Except as required by applicable law or regulation, the company accepts no obligation to continue to report or update such forward-looking statements or adjust them to future events or developments. It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of the full-year results. Persons requiring advice should consult an independent adviser.

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 2019/20 of dormakaba.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

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