

DOVER Corp  
Form DEFA14A  
April 18, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE**

**SECURITIES EXCHANGE ACT OF 1934**

(AMENDMENT NO. )

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☐ Definitive Proxy Statement
- ☒ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-2.

**Dover Corporation**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

## Edgar Filing: DOVER Corp - Form DEFA14A

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-12.

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Corporate Governance  
Update  
2016 Proxy Season

2

We are a diversified global manufacturer delivering innovative equipment and components, specialty systems and support services

Nearly

\$7 billion in annual revenue

4

major operating segments

29

operating companies

26,000+

employees

FORTUNE 500 Company

60

years

of entrepreneurial success

Dover Corporation Overview

Business Segments

Energy

Engineered Systems

Fluids

Refrigeration &

Food Equipment

Company Overview

Dover operates across four major segments

organized around our key end markets

This structure allows us to focus on executing  
growth strategies and provides opportunities to

leverage scale and capitalize on productivity

initiatives

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Audit and Corporate Governance, including former advisors to leading companies and their boards on corporate governance matters, audit and financial reporting

Executive Leadership Experience, including former CEOs and CFOs of global public companies

Strategic M&A, including international acquisitions, post-merger integration, and portfolio restructuring

Global Operations and Management, including cross-border transactions, global market entry and expansion, and implementation of operational efficiency

Strategy Development & Execution, including capital allocation and strategic planning

Deep and Diverse Industry Knowledge, including diversified manufacturing in many of the

markets and product areas relevant to Dover's  
businesses

All directors  
other than the  
CEO are

independent  
Independent Chairman  
& Directors

91%

CEO

9%

Our independent directors, led by our Independent Chair, have a diversity  
of experience that enables them to effectively carry out their oversight role  
on behalf of all our shareholders

Chairman of our Board is an independent  
director, because we believe that having a  
Chairman independent of management provides  
strong leadership for the Board and helps ensure  
critical and independent thinking with respect to  
our strategy and performance

Strong Independent Board Leadership and Diverse Expertise

Highly Independent Board

Directors Have Relevant Expertise for Dover

Effective Independent Chairman



Our Board consists of directors with multi-industry and multi-geographic experience whose diverse skills enable us to execute our strategic vision

Michael Johnston  
Board Chair as of 2016 AGM  
Former CEO, President, and  
COO, Visteon

Robert Livingston  
President and CEO of  
Dover

Stephen Wagner  
Governance &  
Nominating Committee  
Chair

Former Senior Advisor,  
Corporate Governance,  
Deloitte & Touche

Stephen Wagner  
Gov. & Nom. Committee Chair  
Center for Corporate Governance  
-  
Senior Advisor (2009-11)  
-  
Managing Partner (2005-09)  
Innovation, Audit and Enterprise Risk  
-  
Deputy Managing Partner (2002-07)  
Assurance Practice  
-  
Managing Partner  
-  
20+ years of experience  
Driving board refreshment effort  
Leading shareholder engagement  
initiative  
Implemented proxy access  
Extensive background in finance &  
audit benefits Audit Committee  
Peter Francis  
Former President/CEO, J.M.  
Huber Corp.;  
Managing Member, Mukilteo  
Investment Mgmt  
Kristiane Graham  
Private investor  
Richard Lochridge  
Compensation  
Committee Chair  
Retired President of  
Lochridge & Co.  
Bernard Rethore  
Former CEO and Pres.,  
Flowserve  
Michael Stubbs  
Managing Member,  
S.O.G. Investors  
Stephen Todd  
Former Global Vice  
Chairman, Ernst & Young  
Global Limited  
Keith Wandell  
Former President and  
CEO, Harley-Davidson  
Mary Winston  
Audit Committee  
Chair  
Former Executive VP and

CFO, Family Dollar Stores

Highly Qualified and Engaged Board

Experience: Deloitte & Touche

Key Board Contributions

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Board's Responsiveness on Written Consent

In light of support for  
shareholder written  
consent proposal,  
Board decided to  
engage with  
shareholders to  
solicit feedback on  
appropriate  
response, including  
a potential threshold  
level

Board could not act  
unilaterally to  
implement written

consent  
charter  
amendment to  
implement written  
consent requires  
shareholder  
approval  
Sept. 2015  
Jan. 2016  
Precatory  
shareholder proposal  
requesting that Board  
allow shareholders to  
act by written consent  
received support from  
51.9% of votes cast,  
which constituted  
40.7% of outstanding  
shares  
The shareholder  
proposal did not  
propose a specified  
threshold level  
to act  
by written consent  
2015 Annual  
Meeting  
Internal Board  
Deliberations  
June  
Aug. 2015  
Conducted off-season  
engagement with  
shareholders owning  
>20% of outstanding  
shares  
Shareholders told us:

Written consent not  
needed  
duplicative of  
existing special  
meeting right

If implemented, should  
not have low threshold

Comfortable with 25%  
threshold  
matches

special meeting

threshold

In light of support for  
shareholder proposal at  
2015 AGM, Board acted to  
propose written consent  
charter amendment at 2016  
AGM

After deliberation, Board  
determined it would be in  
best interests of all  
shareholders to include  
threshold

In consideration of feedback  
received from shareholders  
and review of market  
standards, Board  
determined that 25%  
threshold would be most  
appropriate

25% threshold for written  
consent is same threshold  
used in Dover's existing  
special meeting right

We

ask

that

you

vote

FOR

All

Directors

as

the

Board

has

been

thoughtful in responding to shareholder feedback

Shareholder

Engagement

Board Response

Nov. 2015

Feb. 2016

Dover's Board conducted a thoughtful analysis and diligent approach to  
understanding our shareholders' views on written consent

May 2015

March 2016

Management

proposal to

adopt written

consent at  
25%  
threshold on  
ballot for 2016  
AGM  
2016 Proxy  
Filed  
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The Board conducted a thoughtful, proactive process in response to the 2015 majority-supported shareholder proposal. We engaged with shareholders collectively owning over 20% of outstanding shares to solicit feedback on the appropriate threshold.

The 25% threshold is consistent with direct shareholder feedback and aligned with market best practices.

The shareholder proposal did not specify any threshold to utilize written consent.

Management proposal is in line with our shareholders' views. During off-season engagement, shareholders supported our proposal to establish written consent at a 25% threshold.

Requiring at least a quarter of shareholders to agree before written consent can be utilized limits the risk of subjecting all Dover shareholders to numerous written consent solicitations that may only be applicable to a relatively small number of shareholders, including those with special interests.

Considering concentrated shareholder base, a 25% threshold is appropriate.

An ownership threshold of 20-25% is most common and in most cases conforms to the threshold required to call a special meeting<sup>1</sup>.

**Rationale for 25% Ownership Threshold**

The 25% ownership threshold is reasonable and



consistent with shareholder feedback

Market Statistics

30% of S&P500 companies  
have adopted written consent  
rights<sup>2</sup>

Out of Dover's peer group<sup>3</sup>,  
we

would be the first to adopt  
written consent

1

Sullivan & Cromwell's 2015 Proxy Season Review

2

Shark Repellent, referenced 4/12/16

3

Dover-disclosed peer group, 2016 proxy statement (pg. 40)

Board Reasoning for Structure of Responsive Written Consent Right

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Board is Committed to Shareholder Friendly Governance Practices

Separate Chairman and CEO roles

All directors are independent, other than CEO

Majority voting for directors

Right to call special meeting at 25%

Robust succession planning

Annual Board and committee self-evaluations

Comprehensive individual director evaluations

Regular executive sessions of independent  
directors

No shareholder rights plan

Our Board believes in sound corporate governance practices and  
maintaining an open dialogue with shareholders

Governance Best Practices

Adopted proxy access following proactive shareholder engagement

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Dover Values Your Support at our 2016 Annual Meeting

On February 11, 2016, our Board

amended Dover's bylaws to implement a

proxy

access

right

for

our

shareholders

Adoption followed active consultation

with our shareholders and careful

consideration by the Board of the

appropriate bylaw terms. Bylaw

provisions reflect the emerging

market standard:

3% holding for at least 3 years

Ability to nominate the greater of two  
individuals or 20% of the board

Aggregation of up to 20 shareholders

Dover believes this bylaw reflects  
shareholder feedback, follows market

best practices, and creates a robust  
proxy access right that is in the best  
interests of Dover and its shareholders

Dover Has Implemented Proxy Access  
Election

of

All

Dover

Directors

Ratification of Independent

Accounting Firm

Approval of Executive Officer

Compensation

Approval of Written Consent Right

VOTE AGAINST

Shareholder

Proposal on Proxy Access

2016 Dover management

recommendations: