

DOVER Corp
Form DEF 14A
March 24, 2016
Table of Contents

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)

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(3) Filing Party:

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Table of Contents

Dover Corporation

3005 Highland Parkway

Downers Grove, Illinois 60515

Notice of 2016 Annual Meeting of Shareholders

May 5, 2016

9:00 a.m. Central Time

Waldorf Astoria Chicago, 11 East Walton Street, Chicago, IL 60611

Dear Fellow Shareholder:

You are cordially invited to attend our Annual Meeting of Shareholders (the Meeting) at the Waldorf Astoria Chicago, 11 East Walton Street, Chicago, IL 60611, on May 5, 2016 at 9:00 a.m., Central Time, to be held for the following purposes:

1. To elect eleven directors;
2. To ratify the appointment of PricewaterhouseCoopers LLP (PwC) as our independent registered public accounting firm for 2016;
3. To approve, on an advisory basis, named executive officer compensation;
4. To approve amendments to Article 16 of our Restated Certificate of Incorporation to allow shareholders to act by written consent;
5. To consider a shareholder proposal regarding proxy access, if properly presented at the Meeting; and
6. To consider such other business as may properly come before the Meeting, including any adjournments or postponements thereof.

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All holders of record at the close of business on March 7, 2016 are entitled to notice of and to vote at the Meeting or any adjournments or postponements thereof. **Whether or not you plan to attend the Meeting, we urge you to vote your shares as soon as possible.**

March 24, 2016

By authority of the Board of Directors,

Ivonne M. Cabrera

Secretary

Table of Contents**Table of Contents**

<u>PROXY SUMMARY</u>	1
<u>GENERAL INFORMATION ABOUT THE MEETING</u>	6
<u>CORPORATE GOVERNANCE</u>	9
<u>Board Leadership Structure</u>	9
<u>Board Oversight of Risk Management</u>	9
<u>Criteria for Director Nominees</u>	10
<u>Director Nomination Process</u>	10
<u>Director Independence</u>	10
<u>Majority Standard for Election of Directors</u>	10
<u>Board, Committee and Individual Director Evaluations</u>	11
<u>Directors Meetings and Attendance</u>	11
<u>Governance Guidelines and Code of Ethics</u>	11
<u>Board Committees</u>	12
<u>Communication with Directors</u>	13
<u>Procedures for Approval of Related Person Transactions</u>	13
<u>Compensation Consultant Independence and Fee Disclosure</u>	14
<u>Proposal 1 Election of Directors</u>	15
<u>Share Ownership Information</u>	21
<u>Directors Compensation</u>	24
<u>AUDITOR INFORMATION</u>	26
<u>Proposal 2 Ratification of Appointment of Independent Registered Public Accounting Firm</u>	26
<u>Audit Committee Report</u>	26
<u>Fees Paid to Independent Registered Public Accounting Firm</u>	27
<u>Pre-Approval of Services Provided by Independent Registered Public Accounting Firm</u>	28
<u>EXECUTIVE COMPENSATION</u>	29
<u>Compensation Discussion and Analysis</u>	29
<u>Compensation Committee Report</u>	50
<u>Summary Compensation Table</u>	50
<u>Grants of Plan-Based Awards in 2015</u>	52
<u>Outstanding Equity Awards at Fiscal Year-End 2015</u>	53
<u>Option Exercises and Stock Vested in 2015</u>	55
<u>Pension Benefits through 2015</u>	56

<u>Nonqualified Deferred Compensation in 2015</u>	58
<u>Potential Payments upon Termination or Change-in-Control</u>	59
<u>Proposal 3 Advisory Resolution to Approve Named Executive Officer Compensation</u>	66

DOVER CORPORATION *2016 Proxy Statement*

Table of Contents

<u>MANAGEMENT PROPOSAL</u>	67
<u>Proposal 4 Approval of Amendments to Article 16 of Our Restated Certificate of Incorporation to Allow Shareholders to Act by Written Consent</u>	67
<u>SHAREHOLDER PROPOSAL</u>	69
<u>Proposal 5 Shareholder Proposal Regarding Proxy Access</u>	69
<u>SHAREHOLDER PROPOSALS FOR 2017 ANNUAL MEETING</u>	71
<u>APPENDIX A PROPOSED AMENDMENT TO ARTICLE 16 OF OUR RESTATED CERTIFICATE OF INCORPORATION TO ALLOW SHAREHOLDERS TO ACT BY WRITTEN CONSENT</u>	A-1

DOVER CORPORATION *2016 Proxy Statement*

Table of Contents**PROXY SUMMARY**

You have received this Proxy Statement because the Board of Directors (the **Board**) is soliciting your proxy to vote your shares at the 2016 Annual Meeting of Shareholders (the **Meeting**). This summary highlights information contained elsewhere in this Proxy Statement. We encourage you to read the entire Proxy Statement before voting. For more complete information regarding the 2015 performance of Dover Corporation (the **Company** or **Dover**), please review Dover's 2015 Annual Report on Form 10-K included with this booklet.

Meeting Information

Date:	May 5, 2016	Location:	Waldorf Astoria Chicago
Time:	9:00 a.m., Central Time		
Record Date:			11 East Walton Street
	March 7, 2016		Chicago, IL 60611

How to Cast Your Vote

Even if you plan to attend the Meeting in person, please cast your vote as soon as possible using one of the following methods:

Via **internet** by visiting www.proxyvote.com;

Via **telephone** by calling 1-800-690-6903; or

Via **mail** by marking, signing and dating your proxy card or voting instruction form (if you received proxy materials by mail) and returning it to the address listed therein.

Items of Business

There are five proposals to be voted on at the Meeting:

		Board Voting	Page
		Recommendation	Reference
1	Item The election of eleven nominees for director	FOR each director nominee	15
2	Item The ratification of the appointment of PwC as our independent registered public accounting firm for 2016	FOR	26
3	Item An advisory resolution to approve named executive officer compensation	FOR	66
		FOR	67

Item 4	The approval of amendments to Article 16 of our Restated Certificate of Incorporation to allow shareholders to act by written consent		
Item 5	A shareholder proposal regarding proxy access, if properly presented	AGAINST	69

Where You Can Find Additional Information

Our website is located at www.dovercorporation.com. Although the information contained on or connected to our website is not part of this Proxy Statement, you can view additional information on our website, such as the charters of our Board committees, our Corporate Governance Guidelines, our Code of Business Conduct & Ethics, our Related Person Transactions Policy, our Standards for Director Independence, other governance documents and reports that we file with the U.S. Securities and Exchange Commission (SEC). Copies of these documents also may be obtained free of charge by writing or calling the Corporate Secretary, Dover Corporation, 3005 Highland Parkway, Downers Grove, Illinois 60515, telephone: (630) 541-1540.

Table of Contents**PROXY SUMMARY****Director Nominees**

The following table provides summary information about each director nominee:

Name	Age	Director Since	Primary Occupation	Committee Memberships	Other Public Company Boards
Peter T. Francis*	63	2007	Former President and CEO of J.M. Huber Corporation; Managing Member of Mukilteo Investment Management Company	C	0
Kristiane C. Graham*	58	1999	Private Investor	C, G	0
Michael F. Johnston*	68	2013	Retired Chief Executive Officer (CEO) of Visteon Corp.	C, G	2
Robert A. Livingston	62	2008	President and CEO of Dover		0
Richard K. Lochridge*	72	1999	Retired President of Lochridge & Company, Inc.	C (Chair)	2
Bernard G. Rethore*	74	2001	Chairman of the Board Emeritus and Retired CEO of Flowserve Corporation	A	2
Michael B. Stubbs*	67	1999	Managing Member of S.O.G. Investors, LLC	A	0
Stephen M. Todd*	67	2010	Former Global Vice Chairman of Assurance Professional Practice of Ernst & Young Global Limited	A	1
Stephen K. Wagner*	68	2010	Former Senior Adviser, Center for Corporate Governance, Deloitte &	A, G (Chair)	0

Touche LLP					
Keith E. Wandell*	66	2015	Former President and CEO of Harley-Davidson, Inc.	A	2
Mary A. Winston*	54	2005	Former Executive Vice President and Chief Financial Officer (CFO) of Family Dollar Stores, Inc.	A (Chair)	1

* *Independent Director*

A= Audit Committee; C= Compensation Committee; G= Governance and Nominating Committee

Director Retirements

Current directors Robert W. Cremin (Chairman of the Board) and Jean-Pierre M. Ergas are not standing for re-election and will retire from the Board effective as of the Meeting. Dover expresses its appreciation to both Messrs. Cremin and Ergas for their guidance and contributions during their years of dedicated service on the Board. The Board has elected Michael F. Johnston as Dover's new independent Chairman effective following the Meeting, subject to his re-election to the Board.

Table of Contents

PROXY SUMMARY

Governance Highlights

The Board is committed to good corporate governance, which promotes the long-term interests of shareholders and strengthens Board and management accountability. Highlights include:

Separate Chairman and CEO roles

All directors are independent, other than CEO

Annual election of directors

Majority voting for directors and director resignation policy in uncontested elections

Proxy access right for shareholders holding 3% of our stock for three years to nominate up to 20% of our Board or two directors, whichever is greater

Annual advisory vote on executive compensation

Shareholder right to call special meetings at 25%

No supermajority vote required for business combinations

Robust succession planning
Average Board attendance of 97% in 2015

Annual Board and committee evaluations

Comprehensive annual individual evaluations of one-third of the directors

Regular executive sessions of independent directors

No shareholders rights plan

Strong share retention guidelines for directors and executive officers

Executive compensation driven by pay-for-performance philosophy

Executive officers not permitted to hedge or pledge company shares

Company Overview

Dover is a diversified global manufacturer delivering innovative equipment and components, specialty systems and support services through four major operating segments: Energy, Engineered Systems, Fluids, and Refrigeration & Food Equipment. Our entrepreneurial business model encourages, promotes, and fosters deep customer engagement and collaboration, which has led to Dover's well-established and valued reputation for providing superior customer service and industry-leading product innovation.

Dover's businesses are aligned in four segments and organized around our key end markets. The segment structure is also designed to provide increased opportunities to leverage our scale and capitalize on productivity initiatives.

Our four segments are as follows:

Our Energy segment, serving the Drilling & Production, Bearings & Compression, and Automation end markets, is a provider of customer-driven solutions and services for safe and efficient production and processing of fuels worldwide and has a strong presence in the bearings and compression and automation markets.

Our Engineered Systems segment serves the Printing & Identification and Industrials markets and is focused on the design, manufacture and service of critical equipment and components serving the fast-moving consumer goods, digital textile printing, vehicle service, environmental solutions and industrial end markets.

Table of Contents

PROXY SUMMARY

Our Fluids segment, serving the Fluid Transfer and Pumps end markets, is focused on the safe handling of critical fluids across the retail fueling, chemical, hygienic, oil and gas and industrial end markets.

Our Refrigeration & Food Equipment segment is a provider of innovative and energy efficient equipment and systems serving the commercial refrigeration and food service end markets.

Our strategy is focused on:

Expanding our businesses in key markets with significant growth potential.

Capitalizing on our expertise and providing products and solutions globally to customers who value our offerings. Innovating to address our customers' needs and help them win in their markets.

Maintaining and emphasizing our entrepreneurial culture with intense customer focus.

2015 Performance Overview

Dover's 2015 results were impacted by tough business conditions, particularly in oil & gas markets.

Full year consolidated revenue from continuing operations was \$7.0 billion, a decrease of 10.3%, as compared to the prior year. This decrease included a decline in organic revenue of 9.8%, an unfavorable impact of 3.9% from foreign currency, and 0.1% decline due to a disposed product line, partially offset by a 3.5% increase in acquisition-related revenue. Diluted earnings per share (EPS) for the year ended December 31, 2015 was \$3.74, compared to \$4.61 EPS in the prior year period, representing a decrease of 19%. EPS from continuing operations for the year ended December 31, 2015 included discrete tax benefits of \$0.11, compared to \$0.07 EPS in the prior year period. Excluding these items, adjusted EPS from continuing operations decreased 20% to \$3.63 from an adjusted EPS of \$4.54 in the prior year period. EPS for the year ended December 31, 2015 and 2014 includes restructuring costs of \$0.25 EPS and \$0.19 EPS, respectively.

We acquired four businesses in 2015 for total net cash consideration of \$567.8 million. The businesses were acquired to complement and expand upon existing operations within our Fluids and Engineered Systems segments. In addition, during 2015, in conjunction with the regular review of our portfolio and the fit of our businesses, we completed the divestitures of the Sargent Aerospace and Datamax O Neil businesses. We also completed the divestiture of a product line within our Refrigeration and Food Equipment segment.

We continued our history of providing balanced capital returns to shareholders. In 2015, we repurchased approximately 8.2 million shares of our common stock for an aggregate cost of \$600.2 million. In addition, we increased our quarterly dividend 5% in 2015, marking the 60th consecutive year of dividend increases. Dover has the third longest record of consecutive annual dividend increases of all listed companies, as reported by Mergent's Dividend Achievers.

We increased our efforts around operating efficiencies through our Dover Excellence program. One key element of this program focuses on free cash flow generation, which increased in 2015. This program also supports our ongoing investment in product innovation and customer expansion activities. Additionally, during the year we took multiple steps to right-size our businesses to reflect difficult market conditions, especially in our Energy segment.

Table of Contents

PROXY SUMMARY

Key Features of Executive Compensation

Our compensation program for executive officers is designed to emphasize performance-based compensation in alignment with our business strategy. Fixed compensation elements, such as salary, although essential to a competitive compensation program, are not the focal point of our program. The majority of our named executive officers (NEO) compensation is at risk, which means that it varies year to year depending on factors such as earnings per share, earnings before interest and taxes, revenue or the internal total shareholder return (iTSR) of an NEO 's business unit and our actual stock price performance. We believe these financial metrics are clearly linked to the creation of shareholder value.

Highlights of our executive compensation program include:

Pay-for-performance philosophy a substantial majority of NEO pay is performance based and tied to Dover 's stock price performance

Annual say-on-pay vote with 96% approval of shareholders voting on the matter in 2015
Strong share ownership guidelines for NEOs

Equity awards with anti-hedging and anti-pledging provisions

Significant portion of long-term compensation Is performance based

The charts below reflect the target pay mix of our CEO and the average of our other NEOs.

Shareholder Engagement

In 2015, we launched a shareholder engagement initiative at the direction of our Board as a way to ensure that we maintain an ongoing and open dialogue with our shareholders. We engaged with holders of over 20% of our outstanding shares on items including our executive compensation program and overall governance profile, including Board composition and succession planning. These discussions provided our Board with valuable insights into

shareholder views. In this proxy statement, we describe the feedback we received, and acted upon, regarding several matters, including the description of certain features of our executive compensation program, our proposal to allow shareholders to act by written consent and our recent adoption of a proxy access by-law. In addition, given the strong support we received from shareholders with whom we engaged on the issue, our Board recently adopted an exclusive forum by-law provision designating Delaware, our state of incorporation, as the exclusive venue for certain shareholder suits brought against the corporation, its directors and employees, to reduce the potential risks associated with disruptive and costly multi-jurisdictional shareholder litigation. We plan to continue to actively engage with our shareholders on a regular basis to better understand and consider their views.

DOVER CORPORATION *2016 Proxy Statement 5*

Table of Contents

GENERAL INFORMATION ABOUT THE MEETING

We are providing this Proxy Statement to our shareholders in connection with the solicitation of proxies by the Board of Directors (the Board) for use at the Meeting. We are mailing this Notice of Meeting and Proxy Statement beginning on or about March 24, 2016.

Record Date

The record date for determining shareholders eligible to vote at the Meeting is March 7, 2016. As of the close of business on that date, we had outstanding 155,119,311 shares of common stock. Each share of common stock is entitled to one vote on each matter.

Electronic Delivery of Proxy Materials

As permitted under SEC rules, we are making this Proxy Statement and our 2015 Annual Report on Form 10-K (which is our Annual Report) available to shareholders electronically via the internet. We believe electronic delivery expedites receipt of our proxy materials by shareholders, while lowering the costs and reducing the environmental impact of the Meeting. If you receive a notice of internet availability of proxy materials by mail, you will not receive a printed copy of the proxy materials by mail unless you

specifically request them. Instead, the notice of internet availability will provide instructions as to how you may review the proxy materials and submit your voting instructions over the internet. If you receive the Notice by mail and would like to receive a printed copy of the proxy materials, you should follow the instructions in the notice of internet availability for requesting a printed copy. In addition, the proxy card contains instructions for electing to receive proxy materials over the internet or by mail in future years.

Shareholders of Record; Beneficial Owners

Most holders of our common stock hold their shares beneficially through a broker, bank or other nominee rather than of record directly in their own name. As summarized below, there are some differences in the way to vote shares held of record and those owned beneficially.

If your shares are registered directly in your name with our transfer agent, you are considered the shareholder of record of those shares, and the notice of internet availability or proxy materials are being sent directly to you. As a shareholder of record, you have the right to grant your voting proxy directly to the persons named as proxy holders or to vote in person at the Meeting. If you received or requested printed copies of the proxy materials, Dover has enclosed a proxy card for you to use. You may also submit your proxy on the internet or by telephone as described in the proxy card.

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If your shares are held in a brokerage account or by a bank or other nominee, you are considered the beneficial owner of the shares held in street name, and these proxy materials are being forwarded to you by your broker or nominee who is considered the shareholder of record of those shares. As the beneficial owner, you generally have the right to direct your broker on how to vote and are also invited to attend the Meeting. However, since you are not the shareholder of record, you may not vote those shares in person at the Meeting unless you have a proxy, executed in your favor, from the holder of record of your shares. Your broker or nominee has enclosed a voting instruction card for you to use in directing your broker or nominee as to how to vote your shares. We strongly encourage you to instruct your broker or nominee how you wish to vote.

Vote Required; Abstentions and Broker Non-Votes; Quorum

A majority of the votes cast at the Meeting is required to elect directors (Proposal 1). This means that the number of votes cast FOR a director must exceed the number of votes cast AGAINST that director in

order for that director to be elected. Our organizational documents do not provide for cumulative voting.

DOVER CORPORATION 2016 Proxy Statement 6

Table of Contents

GENERAL INFORMATION ABOUT THE MEETING

Proposals 2 and 5 will require the affirmative vote of at least a majority of shares present in person or by proxy and entitled to vote at the Meeting. Proposal 5 is a shareholder advisory resolution that will not itself affect any amendment to our charter or by-laws.

Proposal 3 is a nonbinding, advisory resolution so its ultimate adoption is at the discretion of the Board. The affirmative vote of a majority of shares present in person or by proxy and entitled to vote at the Meeting will be deemed to be approval by the shareholders of Proposal 3.

Proposal 4 will require the affirmative vote of at least 80% of our outstanding shares of common stock.

If you are a shareholder of record and you sign and return your proxy card or vote electronically without making any specific selection, then your shares will be voted FOR all director nominees listed in Proposal 1, FOR Proposals 2, 3 and 4, and AGAINST Proposal 5.

If you specify that you wish to ABSTAIN from voting on an item, then your shares will not be voted on that particular item. Abstentions will not affect the outcome of the vote on Proposal 1. However, they will have the same effect as a vote against Proposals 2, 3, 4 and 5.

If you are a beneficial owner and hold your shares through a broker or other nominee and do not provide your broker or nominee with voting instructions, the broker or nominee will have discretionary authority to vote your shares on routine matters only and will not vote your shares on non-routine matters. This is generally referred to as a broker non-vote. Only Proposal 2 will be considered a routine matter for the Meeting. Accordingly, broker non-votes will not affect the outcome of the vote on Proposal 1 but will have the same effect as a vote against Proposals 3, 4 and 5 as they will be counted as being present.

For purposes of the Meeting, there will be a quorum if the holders of a majority of the outstanding shares of our common stock are present in person or by proxy. Abstentions and broker non-votes will be counted for purposes of determining if a quorum is present.

Voting Procedures

If you are a shareholder of record, you may vote in person at the Meeting or submit your proxy or voting instruction form over the internet, by telephone or by mail by following the instructions provided in our notice of internet availability, in the proxy materials or

in the voting instruction form. If you hold your shares beneficially in street name through a broker or other nominee, you must follow the instructions provided by your broker or nominee to vote your shares.

Revoking Your Proxy/Changing Your Voting Instructions

If you are a shareholder of record, whether you give your proxy over the internet, by telephone or by mail, you may revoke it at any time before it is exercised. You may enter a new vote by using the internet or the telephone or by mailing a new proxy card bearing a later date so long as it is received before the Meeting. You may also revoke your proxy by attending the

Meeting and voting in person, although attendance at the Meeting will not, by itself, revoke your proxy. If you hold your shares beneficially in street name through a broker or other nominee, you must follow the instructions provided by your broker or nominee as to how you may change your voting instructions.

Shareholders Sharing the Same Address

SEC rules permit us to deliver one copy of the Proxy Statement or a notice of internet availability of the Proxy Statement to multiple shareholders of record who share the same address and have the same last name, unless we have received contrary instructions from one or more of such shareholders. This delivery method, called householding, reduces our printing and mailing costs. Shareholders who participate in householding will continue to receive or have internet access to separate proxy cards.

If you are a shareholder of record subject to householding and wish to receive a separate copy of the Proxy Statement, now or in the future, at the same address or if you are currently receiving multiple copies of the Proxy Statement at the same address and wish to receive only a single copy, please write to or call the Corporate Secretary, Dover Corporation, 3005 Highland Parkway, Downers Grove, Illinois 60515, telephone: (630) 541-1540.

Table of Contents

GENERAL INFORMATION ABOUT THE MEETING

Beneficial owners sharing an address who are currently receiving multiple copies of the proxy materials or notice of internet availability of the proxy materials and wish to receive only a single copy in the future, or who currently receive a single copy and

wish to receive separate copies in the future, should contact their bank, broker or other holder of record to request that only a single copy or separate copies, as the case may be, be delivered to all shareholders at the shared address in the future.

Proxy Solicitation Costs

We will pay the reasonable and actual costs of printing, mailing and soliciting proxies, but we will not pay a fee to any of our officers or employees or to officers or employees of any of our subsidiaries as compensation for soliciting proxies. We have retained

Morrow & Co., LLC to solicit brokerage houses and other custodians, nominees or fiduciaries, and to send proxies and proxy materials to the beneficial owners of such shares, for a fee of approximately \$12,000 plus expenses.

DOVER CORPORATION 2016 Proxy Statement 8

Table of Contents

CORPORATE GOVERNANCE

We are committed to good corporate governance. Our Board annually reviews our corporate governance practices and takes other actions to address changes in regulatory requirements, developments in governance best practices and matters raised by our shareholders. The following describes some of the actions taken to help ensure that our conduct earns the respect and trust of our shareholders, customers, business partners, employees and the communities in which we live and work.

Independent Chair/Directors We have an independent Chairman and all directors are independent, other than our CEO.

Director Elections All of our directors are elected annually by our shareholders.

Our directors must receive a majority of the votes cast in uncontested elections to be elected.

We have a director resignation policy that requires a current director to tender his or her resignation to the Board if he or she does not receive a majority of the votes cast. The Governance and Nominating Committee will recommend to the full Board whether to accept the resignation or whether to take other action.

Proxy Access We amended our by-laws to permit a shareholder or a group of up to 20 shareholders owning 3% or more of our outstanding common stock continuously for at least three years to nominate and include in our proxy materials director candidates constituting up to the greater of two individuals or 20% of the Board, provided that the shareholder(s) and the nominee(s) satisfy the requirements specified in our by-laws.

Special Shareholder Meetings We amended our by-laws to provide that shareholders who hold 25% or more of our outstanding stock may call a special meeting of shareholders.

Elimination of Supermajority Provisions We amended our certificate of incorporation to eliminate the supermajority voting provision applicable to business combinations with related persons.

Shareholder Rights Plans
Board Leadership Structure We do not currently have a shareholder rights plan, also known as a poison pill.

The Chairman of our Board is an independent director. 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 Company's strategy and performance. Our CEO is also a member of the Board as a management representative. We

believe this is important to make information and insight directly available to the directors in their deliberations. In our view, this board leadership structure gives us an appropriate, well-functioning balance between non-management and management directors that combines experience, accountability and effective risk oversight.

Board Oversight of Risk Management

Our Board believes that risk oversight is the responsibility of the Board as a whole and not of any one of its committees. The Board periodically reviews the processes established by management to identify and manage risks and communicates with management about these processes. We have established a risk assessment team consisting of senior executives, which annually, with the assistance

of a consultant, oversees a risk assessment made at the segment and operating company levels and, with that information in mind, performs an assessment of the overall risks our company may face. Each quarter, this team reassesses the risks at the Dover level, the severity of these risks and the status of efforts to mitigate them and reports to the Board on that reassessment.

DOVER CORPORATION *2016 Proxy Statement* 9

Table of Contents

CORPORATE GOVERNANCE

Criteria for Director Nominees

The Board, in part through its delegation to the Governance and Nominating Committee, seeks to recommend qualified individuals to become members of the Board. The Board selects individuals as director nominees who, in the opinion of the Board, demonstrate the highest personal and professional integrity as well as exceptional ability and judgment, who can serve as a sounding board for our CEO on planning and policy, and who will be most effective, in connection with the other nominees to the Board, in collectively serving the long-term interests of all our shareholders. The Board prefers nominees to be independent of the Company, but believes it is desirable to have our CEO on the Board as a representative of current management. In considering diversity in selecting director nominees, the Governance and Nominating Committee gives weight to the extent to which candidates would increase the effectiveness of the Board by broadening the mix of experience, knowledge, backgrounds, skills, ages and tenures represented among its members. The Governance and Nominating Committee also

considers our current Board composition and the projected retirement date of current directors, as well as such other factors it may deem to be in the best interests of Dover and its shareholders, including a director nominee's leadership and operating experience (particularly as a CEO), financial and investment expertise and strategic planning experience. Given the global reach and broad array of the types of businesses operated by Dover, the Governance and Nominating Committee highly values director nominees with multi-industry and multi-geographic experience.

Keith E. Wandell, our newest director, is being nominated to stand for election by shareholders for the first time in 2016. He was appointed to the Board and Audit Committee on November 4, 2015. We believe that Mr. Wandell, as a former CEO with a record focused on growth, profitability, international expansion and innovation, brings both strategic and practical business expertise to the Board.

Director Nomination Process

Whenever the Governance and Nominating Committee concludes that a new nominee to our Board is required or advisable, it will consider recommendations from directors, management, shareholders and, if it deems appropriate, consultants retained for that purpose. In such circumstances, it will evaluate individuals recommended by shareholders in the same manner as nominees recommended from other sources. Shareholders who wish to recommend an individual for nomination

should send that person's name and supporting information to the committee, care of the Corporate Secretary at our principal executive offices, 3005 Highland Parkway, Downers Grove, Illinois, 60515, or through our communications coordinator. Shareholders who wish to directly nominate an individual for election as a director, without going through the Governance and Nominating Committee, must comply with the procedures in our by-laws.

Director Independence

Our Board has determined that each of the current members of the Board, except for Robert A. Livingston who is our CEO, has no material relationship with Dover and satisfies all the criteria for being independent members of our Board. This includes the criteria established by the SEC and the New York Stock Exchange (NYSE) listing standards, as well as our standards for classification as an independent director which are available on our

website at www.dovercorporation.com. Our Board makes an annual determination of the independence of each nominee for director prior to his or her nomination for re-election. No director may be deemed independent unless the Board determines that he or she has no material relationship with Dover, directly or as an officer, shareholder or partner of an organization that has a material relationship with Dover.

Majority Standard for Election of Directors

Under our by-laws and corporate governance guidelines, the voting standard in director elections is a majority of the votes cast. Under the majority standard, a director must receive more votes in favor

DOVER CORPORATION 2016 Proxy Statement 10

Table of Contents

CORPORATE GOVERNANCE

of his or her election than votes against his or her election. Abstentions and broker non-votes do not count as votes cast with respect to a director's election. In contested director elections (where there are more nominees than available seats on the board), the plurality standard will apply.

For an incumbent director to be nominated for re-election, he or she must submit an irrevocable, contingent resignation letter. The resignation will be contingent on the nominee not receiving a majority of the votes cast in an uncontested election and on the

Board's acceptance of the resignation. If an incumbent director fails to receive a majority of the votes cast in an uncontested election, the Governance and Nominating Committee will make a recommendation to our Board concerning the resignation. Our Board will act on the resignation within 90 days following certification of the election results, taking into account the committee's recommendation. The Board will publicly announce its decision and, if the resignation is rejected, the rationale for its decision.

Board, Committee and Individual Director Evaluations