

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)

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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 meeting¹.

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
rights²

Out of Dover's peer group³,
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: