

DOVER Corp
Form DEF 14A
March 21, 2019
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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.

(Name of Registrant as Specified In Its Charter)

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

(3) Filing Party:

(4) Date Filed:

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Notice of 2019 Annual Meeting of Shareholders

May 2, 2019

1:00 p.m. Eastern Time

Conrad Fort Lauderdale Beach

551 North Fort Lauderdale Beach Boulevard

Fort Lauderdale, Florida 33304

Dear Fellow Shareholder:

You are cordially invited to attend our Annual Meeting of Shareholders (the Annual Meeting) at the Conrad Fort Lauderdale Beach hotel on May 2, 2019 at 1:00 p.m., Eastern Time, to be held for the following purposes:

1. To elect nine directors.
2. To ratify the appointment of PricewaterhouseCoopers LLP (PwC) as our independent registered public accounting firm for 2019.
3. To approve, on an advisory basis, named executive officer (NEO) compensation.
4. To approve amendments to Article 15 of our Restated Certificate of Incorporation (our charter) to eliminate the super-majority voting requirement.
5. To approve amendments to Article 16 of our charter to eliminate the super-majority voting requirement.
6. To consider such other business as may properly come before the Annual Meeting, including any adjournments or postponements thereof.

All holders of record at the close of business on March 8, 2019 are entitled to notice of and to vote at the Annual Meeting or any adjournments or postponements thereof. **Whether or not you plan to attend the Annual Meeting, we urge you to vote your shares as soon as possible.**

March 21, 2019

By authority of the Board of Directors,

Ivonne M. Cabrera

Secretary

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Table of Contents**PROXY STATEMENT SUMMARY****Annual Meeting Information****Date:** May 2, 2019**Time:** 1:00 p.m., Eastern Time**Record Date:** March 8, 2019**Location:** Conrad Fort Lauderdale Beach

551 North Fort Lauderdale Beach Boulevard

Fort Lauderdale, Florida 33304

For additional information about our Annual Meeting, please see *General Information About The Annual Meeting***Items of Business**

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

ITEM	Proposal	Board Voting Recommendation	Page Reference
ITEM 1	<u>The election of nine nominees for director</u>	FOR each director nominee	10
ITEM 2	<u>The ratification of the appointment of PwC as our independent registered public accounting firm for 2019</u>	FOR	34
ITEM 3	<u>An advisory resolution to approve NEO compensation</u>	FOR	75
ITEM 4		FOR	78

To approve amendments to Article 15 of our charter to eliminate the super-majority voting requirement

ITEM 5	<u>To approve amendments to Article 16 of our charter to eliminate the super-majority voting requirement</u>	FOR	79
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How to Cast Your Vote

Even if you plan to attend the Annual 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

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

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PROXY STATEMENT SUMMARY

Company Overview

Dover is a diversified global manufacturer delivering innovative equipment and components, specialty systems, consumable supplies, software and digital solutions, and support services through three operating segments: 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.

Our businesses are aligned in three segments structured around our key end markets and designed to support focused growth strategies. Our segment structure also allows us to leverage our scale and channel presence, and capitalize on productivity initiatives.

Management Philosophy

Our leadership team is committed to generating shareholder value through a combination of sustained long-term profitable growth, operational excellence, and superior free cash-flow generation.

Our operating culture fosters high ethical standards that value accountability, rigor, trust, respect, and open communications, designed to allow individual growth and operational effectiveness.

Our businesses seek to be leaders in our end markets as measured by market share, customer satisfaction, growth, and return on invested capital.

Our operating structure of three business segments allows for focused acquisition activity, accelerates opportunities to identify and capture operating synergies, including global sourcing and supply chain integration, shared services, and manufacturing, and advances the development of our executive talent.

Our segment and executive management teams formulate strategy, develop strategic initiatives and goals, and oversee progress by our operating companies on these matters, and with oversight from our Board of

Directors (Board), make capital allocation decisions regarding organic investment initiatives, major capital projects, acquisitions, and the return of capital to our shareholders.

Our businesses are committed to creating value for our customers, employees, and shareholders through sustainable business practices that protect the environment and the development of products that help our customers meet their sustainability goals.

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PROXY STATEMENT SUMMARY

Company Goals

We are committed to driving shareholder return through three key objectives:

First, we are committed to **achieving organic sales growth above gross domestic product growth (or 3% to 5% annually on average) over a long-term business cycle**, absent prolonged adverse economic conditions, complemented by **growth through strategic acquisitions**.

Second, we continue to focus on **improving returns on capital and segment margins** through effective cost management and productivity initiatives, including supply chain activities, targeted restructuring activities, strategic pricing, and portfolio management.

Third, we aim to generate **free cash flow as a percentage of sales of approximately 8-12%** through strong earnings performance, productivity improvements, and active working capital management.

We support these goals through (1) alignment of management compensation with financial objectives, (2) well-defined and actively managed mergers and acquisitions (M&A) processes, and (3) talent development programs.

Our Strategic Priorities to Realize Earnings and Growth Potential

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US GAAP from continuing operations	FY2018	FY2017	D
Revenue (\$M)	6,992	6,821	3%
Earnings (\$M)	591	747	(21%)
Diluted EPS (\$)	3.89	4.73	(18%)
Non-GAAP⁽¹⁾ from continuing operations			
Adjusted Earnings (\$M)	756	655	15%
Adjusted diluted EPS (\$)	4.97	4.15	20%

(1) Definitions and reconciliations of Non-GAAP measures are included at the end of this proxy statement.

**Apergy
Spin-off
Complete**

On May 9, 2018, we **completed the free spin-off of Apergy Corporation (Apergy)**, which was comprised of the upstream energy businesses previously included in our former Energy segment. The separation concluded our **Board's strategic review of our upstream energy businesses** announced in September 2017, and was the **culmination of a comprehensive process to determine the best separation alternatives to maximize shareholder value**.

Following the spin-off, our remaining portfolio is well-positioned for **long-term sustainable growth and returns with less cyclicality**.

**Capital
Return
Program**

We continued our history of providing regular capital returns to shareholders. We increased our quarterly dividend by 2%, marking our **63rd consecutive year of dividend increases**. We have the **third longest record of consecutive annual dividend increases of all listed companies**, as reported by Mergent's Dividend Achievers.

We **completed the \$1 billion of share repurchases** announced in November 2017, primarily funded with proceeds received from Apergy in connection with the consummation of the spin-off.

Rightsizing & Footprint Consolidation

We pursued several programs in order to further optimize our operations, including (1) **rightsizing to align our cost structure** in preparation for the Apergy separation, (2) **broad-based selling, general and administrative expense reductions**, and (3) initiation of **footprint consolidation actions**.

Other Portfolio & Strategic Actions

We made a total of **two acquisitions** for an aggregate consideration of \$68.6 million, net of cash acquired, including the acquisition of **Ettlinger**, a leading manufacturer of filtering solutions for the plastics recycling industry, which enhances our ability to serve the Process Solutions end market within our Fluids segment.

We opened our **new Digital Labs center** in the greater Boston area which will serve as the **hub for our digital strategy and platform**, and also serve as an **R&D Center** for our Marking & Coding business.

Investment in Sustainable Businesses

Over the past several years, we have accelerated our efforts and processes around **innovation**, focusing on **technologies** which both create **tangible value** for our customers and enhance the **sustainable nature** of our products.

Ø Passive Cooling Unit utilizes existing underground energy	Ø 14 Series fueling nozzle family prevents dripping of excess fuel
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Continued Focus on Cash Flow

Our businesses **generate annual free cash flow** of approximately **8-12% of revenue**. We are focused on the most efficient allocation of our capital to maximize returns on investment. To do this, we prioritize organic reinvestment to grow and strengthen our existing businesses with **average annual investments in capital spending of approximately 2% to 4% of revenue** with a focus on internal projects to expand markets, develop products, and improve productivity.

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CEO Succession

On May 1, 2018, Richard J. Tobin became our new President and Chief Executive Officer (CEO) following Robert A. Livingston's retirement. Mr. Tobin continues to serve on our Board, which he joined in August 2016. Mr. Livingston resigned as a director concurrent with his retirement. Michael F. Johnston, as independent Chair of the Board, provided continuity of oversight of management through the transition.

Mr. Tobin's appointment is the result of our Board's active engagement in a thoughtful and comprehensive succession planning process led by our independent Chair and the independent Chair of our Governance and Nominating Committee, who identified talented external leaders and worked with our former CEO to evaluate and develop internal candidates. Ultimately, our Board determined that Mr. Tobin's extensive experience as a public company CEO leading complex global industrial businesses and his expertise in finance and technology made him the best candidate to lead Dover. Our Board was impressed with Mr. Tobin's contributions as a director and is confident that he is the right leader to guide us through the next phase of our evolution.

Immediately after starting as President and CEO, Mr. Tobin performed an in-depth study of our businesses, making on-site visits, conducting management team reviews, and analyzing the three-year strategic plans for each of our operating companies. As an outgrowth of this review, he identified and began executing on strategic priorities designed to position us to realize our earnings and growth potential, including near-term initiatives to improve our margins through cost rightsizing and footprint consolidation. Mr. Tobin also has articulated our Board's capital allocation priorities and developed a disciplined framework for portfolio enhancement and a balanced operating model for Dover. He has committed to report to shareholders in 2019 on our progress on operational improvements and capital allocation priorities as well as to present a holistic view on portfolio strategy, growth drivers, and areas for reinvestment and to articulate longer term strategic goals for the next evolution of Dover.

Board Refreshment

Our Board welcomed H. John Gilbertson, Jr. as a director in August 2018. As a former Managing Director of Goldman Sachs Group Inc. (Goldman Sachs), Mr. Gilbertson has extensive experience in corporate finance, capital markets, and mergers and acquisitions. The insights he gained as an advisor to clients across a broad range of industries will bring valuable perspective to our Board. Mr. Gilbertson serves on our Audit Committee and Finance Committee.

Current directors Peter T. Francis and Richard K. Lochridge are not standing for re-election and will retire from the Board effective as of the Annual Meeting. Mr. Francis has been a director since 2007, and Mr. Lochridge has been a director since 1999. The Board expresses its deep gratitude to each of Messrs. Francis and Lochridge for their guidance and significant contributions to Dover during their years of dedicated service on the Board.

New Finance Committee

The Board established a new Finance Committee comprised of independent directors in 2018. The Finance Committee assists the Board in overseeing policies, practices, strategies, and risks relating to our financial affairs, including with respect to capital allocation matters such as share repurchases, dividend policy, capital expenditures and M&A, as well as global treasury activities, insured risk management, and tax planning.

Shareholder Engagement

In 2018, we continued our focus on regularly engaging with our shareholders. We reached out to holders of over 51% of our shares outstanding, and engaged with governance professionals and/or portfolio managers at investors holding 32% of our shares outstanding. During these discussions, we discussed many topics, including our recent CEO transition, executive compensation program, and Board refreshment practices. Investors continued to express broad support for our governance structures and shared their views on matters related to shareholder rights and our

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PROXY STATEMENT SUMMARY

independent, well-qualified Board. Further, investors highlighted the importance of engaging with them in the future on long-term corporate strategy and sustainability initiatives. For more detailed information regarding these discussions, please see *Shareholder Engagement* .

These discussions provide our Board with valuable insights into our shareholders' views. In this proxy statement, we describe the feedback we received, and acted upon, regarding several matters, including our Board's proposals to remove super-majority voting provisions from our charter. We plan to continue to actively engage with our shareholders on a regular basis to better understand and consider their views.

Management Proposals to Remove Super-Majority Voting Provisions

Proposals 4 and 5 of this proxy statement request that shareholders approve the removal of the remaining super-majority provisions in our charter. The super-majority voting provisions are limited to (1) amendments to Article 15 of our charter relating to certain share repurchases from "interested stockholders" (defined in our charter as a beneficial holder of 5% or more of our shares, unless held for more than four years) at a per share price in excess of the applicable market price or the ability for shareholders to use cumulative voting in the election of directors once there is a "substantial stockholder" (defined in our charter as a beneficial holder of 40% or more of our shares) (Proposal 4), and (2) amendments to the provision of Article 16 of our charter that prohibits action by written consent of shareholders (Proposal 5). These provisions were originally designed to ensure that the interests of all shareholders were adequately represented in the event any of the actions contemplated by these provisions were to occur. However, the Board is aware that some shareholders oppose super-majority provisions, arguing that super-majority voting provisions may limit the ability of a majority of common shareholders to effect changes they desire.

Informed in part by engagement with our shareholders, we presented these proposals at our 2017 and 2018 Annual Meetings. The proposals were supported by holders of just over 79% of our outstanding common stock in both 2017 and 2018, a level of support below the required affirmative vote of the holders of at least 80% of our outstanding shares of common stock.

Following the 2018 meeting, we sought further shareholder input as our Board considered next steps regarding the remaining super-majority provisions. Shareholders expressed appreciation for our continued efforts to remove the provisions and acknowledged our continued responsiveness to shareholder feedback while facing the high hurdle presented by the current 80% voting requirement in our charter to approve amendments to remove the super-majority provisions. Given our proactive and continued efforts to remove the remaining super-majority provisions over the past several years, a number of investors stated that they would have been supportive if our Board did not present a management proposal to eliminate supermajority provisions in 2018. However, several shareholders continued to express a preference for simple majority voting requirements and encouraged us to put forth another management proposal to remove the remaining super-majority voting provisions in our charter. Shareholder feedback was a factor in the Board's decision to again present these two proposals at the 2019 Annual Meeting in order to continue evolving our governance practices to ensure we operate with a best-in-class governance structure.

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PROXY STATEMENT SUMMARY

Executive Compensation

Our compensation program for executive officers is designed to emphasize performance-based compensation in alignment with our business strategy.

New CEO Employment Agreement

In connection with Mr. Tobin's appointment as President and CEO and to ensure a smooth executive transition, our independent directors, after considering market data, advice from our independent compensation consultant, and other factors, including Mr. Tobin's position as a sitting CEO, approved Dover's entry into a three-year employment agreement with Mr. Tobin. In order to offset forfeited compensation and pension benefit from his prior company, Mr. Tobin received a one-time award when he joined Dover, subject to termination and claw-back provisions, comprised of restricted stock units (RSUs) and internal Total Shareholder Return (iTSR) performance share units and a make-whole cash payment.

We sought shareholder feedback on Mr. Tobin's compensation arrangements after his appointment, including his one-time award. Our shareholders indicated they were supportive of the structure because it ensured a smooth transition and the Board's ability to hire a highly qualified candidate.

2018 Executive Compensation

The following table summarizes pay mix for our CEO and other NEOs, which is highly performance based.

Executive Compensation Program Highlights

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

Significant portion of long-term compensation is performance based, with long-term incentives vesting over three years subject to rigorous three-year performance period

Strong share ownership guidelines for NEOs

Equity awards with anti-hedging and anti-pledging provisions

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Our Governance and Nominating Committee maintains an active and engaged Board through a robust refreshment process, which focuses on ensuring our Board has a diverse skill set that benefits from both the industry- and company-specific knowledge of our longer-tenured directors, as well as the fresh perspectives brought by our newer directors.

NAME	OCCUPATION	INDEPENDENT	OTHER PUBLIC	
			COMMITTEES MEMBERSHIPS*	COMPANY BOARDS
H. John Gilbertson, Jr.				
Age: 62	Retired Managing Director at Goldman Sachs	Yes	A, F	0
Director Since: 2018				
Kristiane C. Graham				
Age: 61	Private Investor	Yes	C, G	0
Director Since: 1999				
Michael F. Johnston				
<i>Chair of the Board</i>				
Age: 71	Retired CEO of Visteon Corporation	Yes	C, G	2
Director Since: 2013				
Eric A. Spiegel				
Age: 61	Former President and CEO of Siemens USA; Special Advisor at General Atlantic	Yes	A, F (Chair)	0
Director Since: 2017				
Richard J. Tobin				
Age: 55	President and CEO of Dover	No		0
(CEO of Dover)				

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Director Since: 2016				
Stephen M. Todd	Former Global Vice Chairman of Assurance Professional Practice of Ernst & Young Global Limited	Yes	A (Chair)	2
Age: 70				
Director Since: 2010				
Stephen K. Wagner	Former Senior Adviser, Center for Corporate Governance, Deloitte & Touche LLP	Yes	A, G (Chair)	1
Age: 71				
Director Since: 2010				
Keith E. Wandell	Former President and CEO of Harley-Davidson, Inc.	Yes	C (Chair), F	2
Age: 69				
Director Since: 2015				
Mary A. Winston	President of WinsCo Enterprises Inc.; Former Executive Vice President and Chief Financial Officer (CFO) of Family Dollar Stores, Inc.	Yes	C, F	2
Age: 57				
Director Since: 2005				

*A = Audit Committee; C = Compensation Committee; G = Governance and Nominating Committee; F = Finance Committee

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PROXY STATEMENT SUMMARY

Board Composition

Upon the retirement of Messrs. Francis and Lochridge, the Board will have the following composition:

Governance Highlights

Our Board is committed to sound governance practices designed to promote the long-term interests of shareholders and strengthen Board and management accountability. Highlights include:

BOARD OF DIRECTORS	GOVERNANCE HIGHLIGHTS
Separate independent Chair and CEO roles	New Finance Committee established in 2018
All directors are independent, other than CEO	Proxy access right at 3%/3 years/2 or 20% of Board/20 shareholder aggregation allowance
Annual election of directors	Strong share retention guidelines for directors and executive officers
Majority voting for directors and director resignation policy in uncontested elections	Executive compensation driven by pay-for-performance philosophy
Comprehensive annual individual evaluations of one-third of the directors	Executive officers not permitted to hedge or pledge company shares

Regular executive sessions of independent directors

Shareholder right to call special meetings at 25%

Robust succession planning

No super-majority vote required for business combinations

COMMITTEES & ATTENDANCE

SHAREHOLDER ENGAGEMENT

Average Board attendance of over 95% in 2018

In 2018, reached out to holders of over 51% of outstanding shares

Annual Board and committee evaluations

Engaged with holders of 32% of outstanding shares

Topics included Board oversight of our long-term business strategy, our CEO transition, key governance and compensation practices, sustainability, and our Board refreshment practices

Shareholder feedback informs Board decision-making, including re-inclusion of management proposals to eliminate super-majority vote provisions

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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.

Key areas of expertise for director nominees, which are reflected in our current director nominees, include:

Strategic M&A	Experience with international acquisitions, post-merger integration, and portfolio restructuring
Global Operations and Management	Experience with cross-border transactions, global market entry and expansion, and implementation of operational efficiency
Strategy Development and Execution	Capital allocation and strategic planning expertise
Capital Markets Expertise	Experience with capital markets and complex financing transactions
Deep and Diverse Industry Knowledge	Experience with diversified manufacturing in many of the markets and product areas relevant to Dover's businesses
Risk Management Expertise	Experience evaluating risk management policies and procedures
Audit and Corporate Governance Matters	Experience with assurance and audit, regulation, and financial reporting
Human Capital Management	Experience attracting, developing and retaining talent and building strong cultures
Executive Leadership Experience	Leadership experience as former CEOs and CFOs of global public companies

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.

The Board prefers nominees to be independent, but believes it is desirable to have our CEO on the Board as a representative of current management. 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.

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,

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PROPOSAL 1 ELECTION OF DIRECTORS

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.

Shareholder Nominations for Director

Shareholders who wish to recommend an individual for nomination should send that person's name and supporting information to the Governance and Nominating 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. Please see *General Information About the Annual Meeting* for nomination deadlines.

Proxy Access Shareholder Right

Following extensive engagement with our shareholders, our Board determined to adopt proxy access in February 2016, permitting a shareholder or group of up to 20 shareholders holding 3% of our outstanding shares of common stock for at least three years to nominate a number of directors constituting the greater of two directors or 20% of the number of directors on our Board, as set forth in detail in our by-laws.

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PROPOSAL 1 ELECTION OF DIRECTORS

2019 Director Nominees

There are nine nominees for election to our Board at this Annual Meeting, each to serve until the next annual meeting of shareholders or his or her earlier removal, resignation or retirement. All of the nominees currently serve on our Board and are being proposed for re-election by our Board.

Current directors Peter T. Francis and Richard K. Lochridge are not standing for re-election and will retire from the Board effective as of the Annual Meeting.

If any nominee for election becomes unavailable or unwilling for good cause to serve as a director before the Annual Meeting, an event which we do not anticipate, the persons named as proxies will vote for a substitute nominee or nominees as may be designated by our Board, or the Board may reduce the number of directors. Directors will be elected by a majority of the votes cast in connection with their election.

H. John Gilbertson, Jr.

Independent Director Nominee

Age: 62

Director since 2018

Committees Served: Audit, Finance

Business Experience: Retired Managing Director (1997 to 2012) at Goldman Sachs, a global investment banking, securities and investment management firm; also served as Advisory Director (2013 to 2015), and Partner-in-Charge, Midwest Region Investment Banking Services (2001 to 2010); prior thereto, various positions within Goldman Sachs (since 1987, except where noted). Mr. Gilbertson previously served as Managing Director at Travelers Group Inc. (1995), a financial services company; Associate, Mergers and Acquisitions at Morgan Stanley & Co. Incorporated (1985 to 1987), a financial services firm; Consultant, Corporate Strategy at Bain & Company (1982 to 1985), a management consulting firm; Assistant Treasurer, Corporate Banking at Chase Manhattan Bank (1979 to 1981), a commercial bank; and News Reporter at The Providence Journal Company (1978), a metropolitan daily newspaper.

Other Board Experience: Director and Chair of Audit Committee of Meijer, Inc. (Meijer)

Skills and Qualifications:

Mr. Gilbertson has extensive experience in corporate finance, capital markets, and mergers and acquisitions, and the insights he gained as an advisor to clients across a broad range of industries bring valuable perspective to our Board.

Throughout his career, Mr. Gilbertson has served as a strategic and financial advisor to his clients, forming deep relationships with companies in a range of industries including Baxter International, Walgreens, The Boeing Company, W.W. Grainger, Inc. and Exelon Corporation.

He has nearly four decades of experience in the professional and financial services industry, starting his career with Chase Manhattan Bank, then working at Bain & Company, where he lived abroad and served in a corporate strategy consulting role, next joining Morgan Stanley in mergers and acquisitions, and finally at Goldman Sachs, where he helped expand the Midwestern practice.

His deep expertise in financial management, coupled with his analytical and collaborative mindset, allow him to make invaluable contributions to our Board as it focuses on delivering greater returns from our businesses, funding investments to drive profitable growth, and enhancing shareholder value.

Mr. Gilbertson has a strong background in senior leadership development, succession planning, and organizational culture development, gained from his time at Goldman Sachs and his service as a director at Meijer, and has first-hand experience assisting in onboarding new CEOs.

He also brings to the Board considerable expertise in financial risk oversight and capital allocation.

He earned a bachelor's degree in political economy from Dartmouth College and an MBA from Harvard University.

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PROPOSAL 1 ELECTION OF DIRECTORS

Kristiane C. Graham

Independent Director Nominee

Age: 61

Director since 1999

Committees Served: Compensation, Governance and Nominating

Business Experience: Private Investor.

Skills and Qualifications:

Ms. Graham's experience as a private investor with substantial holdings of Dover stock and her shared interests in Dover, including interests through charitable organizations of which she is a director, makes her a good surrogate for our individual and retail investors.

Ms. Graham also has past experience with a commercial bank, primarily as a loan officer. She founded and operated an advisory company and a publication regarding international thoroughbred racing and now co-manages her family's investments.

During her time on the Board, she has devoted substantial time to monitoring the development of Dover operating company leaders, enabling her to provide the Board valuable insights regarding management succession.

As a member of one of the founding families of Dover, Ms. Graham also brings to the Board a sense of Dover's historical values, culture and strategic vision which the Board believes is beneficial as it considers various strategic planning alternatives for shaping Dover's future.

Michael F. Johnston

Independent Board Chair; Independent Director Nominee

Age: 71

Director since 2013

Committees Served: Compensation, Governance and Nominating

Business Experience: Former CEO (from 2004 to 2008) and President and Chief Operating Officer (from 2000 to 2004) of Visteon Corporation, an automotive components supplier; former President of North America/Asia Pacific, Automotive Systems Group (from 1999 to 2000), President of Americas Automotive Group (from 1997 to 1999), and other senior management positions at Johnson Controls, Inc., an automotive and building services company. In May 2009, Visteon filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code.

Other Board Experience: Director of Armstrong Flooring, Inc. and Whirlpool Corporation. Former Chairman and Director of Visteon Corporation. Former Director of Armstrong World Industries and Flowserve Corporation.

Skills and Qualifications:

Mr. Johnston brings to the Board industry insight, financial expertise and leadership experience garnered from his 17 years on the boards of global companies.

During his career, he has served as CEO of an \$18 billion global manufacturer, and has been a lead Director and Chair of other major public companies.

Mr. Johnston also brings valuable corporate governance perspectives from his prior board service, while his operations experience has helped him gain knowledge and a deep understanding in manufacturing, design, innovation, engineering, accounting and finance and capital structure.

In addition, he has nearly 20 years of experience in building businesses in emerging economies.

Mr. Johnston holds a bachelor's degree in industrial management from the University of Massachusetts and an MBA from Michigan State University.

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PROPOSAL 1 ELECTION OF DIRECTORS

Eric A. Spiegel

Independent Director Nominee

Age: 61

Director since 2017

Committees Served: Audit, Finance (Chair)

Business Experience: Special Advisor at General Atlantic, a private equity firm, where he supports the firm's sector investment teams and portfolio companies by providing strategic counsel on industry trends and growth strategies. Former President and CEO (from 2010 to 2016) of Siemens USA, a global business focusing on the areas of electrification, automation and digitalization; former Managing Partner, Global Energy, Chemicals, and Power, and Managing Partner, Washington, D.C. office, and other roles at Booz & Company, Inc. (now known as Strategy&) and Booz Allen Hamilton, Inc., global consulting firms (1986 to 2010); former Associate, Energy and Industrials Practice, at Temple, Barker & Sloane, Inc., a management consulting firm (now known as Oliver Wyman) (1984 to 1985; 1980 to 1982); former Marketing and Strategy Manager at Brown Boveri & Cie (now known as ABB), a Swiss group of electrical engineering companies (1982 to 1984). In connection with his position at General Atlantic, Mr. Spiegel serves as Chair of the Board of CLEAResult, a privately held portfolio company that provides energy efficiency programs and services in North America.

Other Board Experience: Director and Audit Committee Chair of Liberty Mutual Holding Company, Inc.

Skills and Qualifications:

Mr. Spiegel is an experienced business leader with diversified, global experience who brings deep and valuable expertise in strategy development, corporate restructuring, portfolio management and M&A to our Board.

He has over 35 years of experience working with large, global companies in the energy and industrial markets, mostly recently as President and CEO of Siemens USA. At Siemens, he led strategic reviews across a portfolio of ~45 businesses in the company's largest market with over \$22 billion in revenue, 50,000 employees and over 60 manufacturing facilities. During that time, he led the acquisition, divestiture, joint venture and carve-out of over 30 business units and segments. He also executed Siemens' Vision 2020 initiative to optimize growth and margins in the U.S., across all sectors.

Prior to Siemens, Mr. Spiegel was a global consultant at Booz Allen Hamilton focused on complex organizations in the energy, power, chemical, water, industrial and automotive fields. At Booz, he lived, and worked with major energy clients, in Asia, the Middle East, Europe, and Latin America on projects around corporate strategy, M&A, major capital projects, cost restructuring, margin enhancement and supply chain re-design and was also closely involved with the government sector.

An expert on the global energy industry, Mr. Spiegel co-authored the book *Energy Shift: Game-changing Options for Fueling the Future*.

He holds a bachelor's degree in economics from Harvard University and an MBA from the Tuck School of Business at Dartmouth College.

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PROPOSAL 1 ELECTION OF DIRECTORS

Richard J. Tobin

Chief Executive Officer

Age: 55

Director since 2016

Committee Served: None

Business Experience: President and CEO of Dover (since 2018); former CEO (2013 to 2018) of CNH Industrial NV (CNH Industrial), a global manufacturer of agricultural and construction equipment, trucks, commercial vehicles, buses, specialty vehicles and powertrain applications; former Group Chief Operating Officer of Fiat Industrial S.p.A., a global capital goods manufacturer, and President and CEO (each from 2012 to 2013) of CNH Global NV, a multinational manufacturer of agricultural and construction equipment; former CFO of CNH Global NV (2010 to 2012); former Chief Finance Officer & Head of Information Technology (2004 to 2010) of SGS Group, a multinational provider of inspection, verification, testing and certification services; and former Chief Operating Officer for North America (2002 to 2004) of SGS Group.

Skills and Qualifications:

Mr. Tobin is Dover's current CEO. The Board believes it is desirable to have one active management representative on the Board to facilitate its access to timely and relevant information and its oversight of management's long-term strategy, planning, and performance.

He has a broad range of industry and functional experiences acquired through regional and global leadership positions of significant responsibility and scope.

He is the former CEO of CNH Industrial, a complex international industrial company, where he led efforts to increase efficiencies, innovate through new technologies, expand geographically, and maximize the company's portfolio of businesses.

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Mr. Tobin gained extensive experience in international finance, operations, management, and information technology in his prior roles as CFO of CNH Global NV and Chief Finance Officer & Head of Information Technology at SGS Group.

He has developed deep expertise with global capital markets through his international finance leadership roles.

Prior to beginning his business career, Mr. Tobin was an officer in the United States Army.

He is a member of the Board of Trustees of the John G. Shedd Aquarium in Chicago. He formerly served on the U.S. Chamber of Commerce Board of Directors, and is a former member of the Business Roundtable. Mr. Tobin holds a bachelor of arts from Norwich University and an MBA from Drexel University.

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PROPOSAL 1 ELECTION OF DIRECTORS

Stephen M. Todd

Independent Director Nominee

Age: 70

Director since 2010

Committee Served: Audit (Chair)

Business Experience: Former Global Vice Chairman (from 2003 to 2010) of Assurance Professional Practice of Ernst & Young Global Limited, London, UK, an assurance, tax, transaction and advisory services firm; and prior thereto, various positions with Ernst & Young (since 1971).

Other Board Experience: Director and Audit Committee member of Apergy Corporation and Member of the Board of Trustees of PNC Funds (registered management investment company).

Skills and Qualifications:

Mr. Todd's experience in the accounting profession makes him a valuable resource for the Board and Audit Committee.

Mr. Todd brings to the Board significant financial experience in both domestic and international business following a 40-year career at Ernst & Young where he specialized in assurance and audit.

Mr. Todd developed and directed Ernst & Young's Global Capital Markets Centers, which provide accounting, regulatory, internal control and financial reporting services to multinational companies in connection with cross-border debt and equity securities transactions and acquisitions, making him well suited to advise the Board on capital allocation decisions, financing alternatives, and acquisition activities.

His experience, especially his years as Global Vice Chairman of Ernst & Young Global Limited's Assurance Professional Practice and as audit partner for several multinational companies, gives him unique insights into accounting and financial issues relevant to multinational companies like Dover, and he brings the perspective of an

outside auditor to the Audit Committee.

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PROPOSAL 1 ELECTION OF DIRECTORS

Stephen K. Wagner

Independent Director Nominee

Age: 71

Director since 2010

Committees Served: Audit, Governance and Nominating (*Chair*)

Business Experience: Former Senior Advisor, Center for Corporate Governance, of Deloitte & Touche LLP, an audit, financial advisory, tax and consulting firm (from 2009 to 2011); Managing Partner, Center for Corporate Governance, of Deloitte (from 2005 to 2009); Deputy Managing Partner, Innovation, Audit and Enterprise Risk, United States, of Deloitte (from 2002 to 2007); and Co-Leader, Sarbanes-Oxley Services, of Deloitte (from 2002 to 2005).

Other Board Experience: Director and Audit Committee member of Apergy Corporation

Skills and Qualifications:

Mr. Wagner's over 30 years of experience in accounting make him a valuable resource for the Board and the Audit Committee.

His work with Sarbanes-Oxley and other corporate governance regulations, including his years as Managing Partner at Deloitte & Touche's Center for Corporate Governance, makes him well suited to advise the Board on financial, auditing and finance-related corporate governance matters as well as risk management.

Mr. Wagner is an expert in risk oversight and co-authored a book on risk management entitled *Surviving and Thriving in Uncertainty: Creating the Risk Intelligent Enterprise*.

He brings to the Board an outside auditor's perspective on matters involving audit committee procedures, internal control and accounting and financial reporting matters.

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PROPOSAL 1 ELECTION OF DIRECTORS

Keith E. Wandell

Independent Director Nominee

Age: 69

Director since 2015

Committees Served: Compensation (*Chair*), Finance

Business Experience: Former President and CEO (from 2009 to 2015) of Harley-Davidson, Inc., a global motorcycle manufacturer; and former President and Chief Operating Officer (from 2006 to 2009), former Executive Vice President (from 2005 to 2006), former Corporate Vice President (from 1997 to 2005), former President of the Automotive Experience business (from 2003 to 2006) and President of the Power Solutions business (from 1997 to 2003) of Johnson Controls, Inc., a global manufacturer of automotive, power and building solutions.

Other Board Experience: Director of Dana Incorporated and Constellation Brands, Inc. Former Chairman of Harley Davidson, Inc. and former Director of Clarcor, Inc.

Skills and Qualifications:

Mr. Wandell brings to the Board the valuable perspective of a strategic, experienced leader with a strong record focused on growth, profitability, international expansion and innovation.

He has over 30 years of experience in diversified manufacturing businesses, most recently as the former Chairman and CEO of Harley-Davidson, Inc., where he led transformation efforts across the company's product development, manufacturing and retail functions, focused on international expansion and implemented a restructuring plan.

Prior to joining Harley-Davidson, Inc., Mr. Wandell served as President and Chief Operating Officer of Johnson Controls, Inc. and helped manage the company's entry into the Chinese car-battery market as well as its subsequent joint venture with China's largest battery manufacturer.

Mr. Wandell has gained valuable insights into the effective development of executive leadership capabilities and strong corporate cultures through his experience as a senior leader at companies such as Harley-Davidson and Johnson Controls.

In addition to his significant operating, financial and leadership experience in both domestic and international business, Mr. Wandell has served on the boards of four other public companies, including the two on which he currently serves.

He holds a bachelor's degree in business administration from Ohio University and an MBA from the University of Dayton.

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PROPOSAL 1 ELECTION OF DIRECTORS

Mary A. Winston

Independent Director Nominee

Age: 57

Director since 2005

Committees Served: Compensation, Finance

Business Experience: President of WinsCo Enterprises Inc., a consulting firm providing financial and board governance advisory services (since 2016); former Executive Vice President and CFO of Family Dollar Stores, Inc., a general merchandise retailer (from 2012 to 2015); former Senior Vice President and CFO of Giant Eagle, Inc., a grocery and fuel retailer (from 2008 to 2012); former President of WinsCo Financial LLC, a financial and strategic consulting firm (from 2007 to 2008); and former Executive Vice President and CFO of Scholastic Corporation, a children's publishing and media company (from 2004 to 2007).

Other Board Experience: Director of Domtar Corporation and Acuity Brands, Inc.; Former Director of SUPERVALU INC. and Plexus Corporation.

Skills and Qualifications:

Ms. Winston brings to the Board valuable experience and expertise based on her years of broad financial management and leadership experience.

Ms. Winston, who started her career as a CPA with Arthur Andersen & Co, has extensive experience with financial, accounting and internal control matters for large public companies.

Ms. Winston served as CFO of three large companies: Family Dollar Stores, Inc., Giant Eagle, Inc. and Scholastic, Inc., as well as prior global finance leadership roles at Visteon Corporation and Pfizer, Inc. Through these experiences, she developed deep expertise in capital markets, M&A, capital structure matters, capital allocation, financial risk management, real estate financing transactions, dividend and stock repurchase programs, and investor relations.

Ms. Winston's background and experience make her a valuable contributor to the Board on matters involving risk oversight and capital allocation, as well as executive compensation and general corporate governance matters.

She holds a bachelor's degree in accounting from the University of Wisconsin and an MBA from Northwestern University's Kellogg School of Management. She has been designated as a Board Leadership Fellow by the NACD and serves as Chair of the NACD Carolinas chapter.

THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF EACH

OF THE NOMINEES NAMED ABOVE.

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PROPOSAL 1 ELECTION OF DIRECTORS

Board Oversight and Governance Practices

Our Board is responsible for, and committed to, overseeing our long-term strategic development as well as managing the principal and most significant risks that we face. In carrying out this duty, our Board advises senior management to help drive long-term value creation for our shareholders. The following summarizes our Board’s key areas of oversight responsibility.

Board Oversight

KEY AREAS OF BOARD OVERSIGHT

**Long-Term
Business Strategy**

One of the primary responsibilities of our Board is the **oversight of management’s long-term strategy and planning**. Accordingly, our Board maintains a deep level of engagement with management in setting and overseeing Dover’s long-term business strategy.

The Apergy spin-off in May 2018 was the **culmination of a comprehensive process** publicly announced in September 2017 **to determine the best separation alternatives to maximize shareholder value**.

Following the spin-off, our remaining portfolio is well-positioned for **long-term sustainable growth and returns with less cyclicality**.

Capital Allocation

Our Board is focused on the **efficient allocation of capital to drive growth and provide returns to our shareholders**. Our capital allocation priorities are organic investments, strategic acquisitions, and the return of capital to our shareholders.

We consistently **return cash to shareholders** by paying **dividends**, which **have increased annually over each of the last 63 years**.

We also undertake **share repurchases** as part of our capital allocation strategy, including **\$1 billion of share repurchases completed in 2018**.

We employ a **prudent financial policy** to support our capital allocation strategy, which includes maintaining an **investment grade credit rating**.

**Portfolio
Management**

Businesses in our portfolio are continually evaluated for **strategic fit** and our acquisitions are **targeted in our key growth markets** which include printing and identification, refrigeration and food equipment, pumps, fueling and transport, hygienic and pharma and select energy markets.

Risk Management

Our Board has established a **comprehensive enterprise risk management process to identify and manage risks**, and 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.

Sustainability

As part of its oversight of risk management, **our Board reviews any material risks related to environmental and social issues**.

Our Board receives periodic updates on **company-wide energy and carbon performance against targets**, and is regularly briefed on each segment's **productivity and safety metrics**.

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PROPOSAL 1 ELECTION OF DIRECTORS

KEY AREAS OF BOARD OVERSIGHT

Culture

We foster **an operating culture with high ethical standards** that values accountability, rigor, trust, respect, and open communication and is designed to encourage individual growth and operational effectiveness. We continue to make significant investments in talent development, especially in the area of operational management, and **recognize that the growth and development of our employees is essential for our continued success.**

As part of our commitment to strong corporate governance practices, **we maintain an active and robust ethics program.** Our Code of Conduct & Business Ethics applies to all employees and directors of Dover and its subsidiaries. We enforce our Code fairly and consistently, regardless of one's position in Dover, and **will not tolerate retaliation** against those who report suspected misconduct in good faith.

Succession Planning


Another of the Board's primary responsibilities is **overseeing a sound Board and management succession process.** The Board has developed a **comprehensive plan** to address management succession both over the long term and for emergency purposes. The framework for the long-term plan includes thoughtful, deliberate monitoring of management beyond our top executives to ensure Dover continues to build a deep internal bench of talent.

The **recent appointment of Mr. Tobin as our new President and CEO in May 2018** was the result of our **Board's active engagement in a thoughtful and comprehensive succession planning process.**

Our Board is also focused on its **own succession plan**, which drives not only our director selection efforts, but also how we approach Board and committee leadership structure and membership, with a **focus on critical board skills, diversity, and independence.**

Cybersecurity

The full Board is briefed on enterprise-wide **cybersecurity risk management** and the overall cybersecurity risk environment, and oversees major tasks related to cybersecurity risk management, periodically reviews our response capabilities, and meets with the Chief



Information Officer on at least an annual basis.

Dover employs the National Institute of Standards & Technology Framework for Improving Critical Infrastructure Cybersecurity (**The NIST Framework**). This voluntary guidance developed with much private sector input provides a framework and a toolkit for organizations to manage cybersecurity risk.

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PROPOSAL 1 ELECTION OF DIRECTORS

Corporate Governance

Our Board is committed to sound governance practices and regularly reviews and refines our profile to reflect evolving best practices and matters raised by our shareholders. The following summarizes key aspects of our governance framework.

GOVERNANCE HIGHLIGHTS