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Corporate Governance

The Corporate Governance report contains the information required by the Directive Relating to Information on Corporate Governance of the SIX Swiss Exchange that was valid on December 31, 2009, and follows the Directive's structure. The Corporate Governance report also contains the legally required disclosure of compensation and participation rights of the highest corporate level.

1 Structure of the Group and shareholders

1.1 Group structure

Board of Directors of Schindler Holding Ltd.

as at 31.12.2009

Alfred N. Schindler	Chairman, executive member ¹
Luc Bonnard	Vice Chairman, executive member ¹
Prof. Dr. Karl Hofstetter	Executive member
Prof. Dr. Pius Baschera	Non-executive member
Dr. Hubertus von Grünberg	Non-executive member
Lord Charles Powell	Non-executive member
Dr. Alexander Schaub	Non-executive member
Rolf Schweiger	Non-executive member
Dr. Jenö C. A. Staehelin	Non-executive member
Dr. Klaus W. Wellershoff	Non-executive member

¹ Member of the Executive Committee of the Board

Management Committees

as at 31.12.2009

Elevators & Escalators

Jürgen Tinggren	President
Miguel A. Rodríguez	Deputy President, Europe
Erich Ammann	Chief Financial Officer (CFO)
Dr. Rudolf W. Fischer	Corporate Human Resources
Michael Fülleemann	Global Business
Dr. Christoph Lindenmeyer	East, Middle East, India, and Africa (EMIA)
Silvio Napoli	Asia/Pacific
Jakob Züger	North, Central, and South America

ALSO

Thomas C. Weissmann	President, Chairman and executive member of the Board of Directors of ALSO Holding AG
Laisvunas Butkus	Managing Director GNT Baltic States
Michael Dressen	Managing Director ALSO Deutschland GmbH
Lucas Kuttler	Chief Operating Officer
Marc Schnyder	Managing Director ALSO Schweiz AG
Maija Strandberg	Managing Director GNT Finland
Urs Windler	Chief Financial Officer
Peter Zurbrugg	Chief Information Officer

The operational structure of the Group corresponds to the segment reporting presented on page 74 of the Financial Statements.

Main Group companies are listed on pages 106 to 109 of the Financial Statements.

ALSO Holding AG, Hergiswil, Switzerland, 64% of whose shares were held by Schindler Holding Ltd. at the end of 2009, has been listed on the SIX Swiss Exchange (securities number 2 459 027) since 1986. ALSO Holding AG publishes its own annual report which also fulfills the requirements of the International Financial Reporting Standards (IFRS). As at December 31, 2009, the market capitalization of ALSO was CHF 248 million. In view of the extent of the required information, this report does not contain ALSO's report on Corporate Governance, or disclosure of its compensation (Swiss Code of Obligations Art. 663b^{bis}) and participations (Swiss Code of Obligations Art. 663c), for which reference should be made to the ALSO annual report and the permanent source of information at: www.also.com

1.2 Significant shareholders

As at the end of 2009, the Schindler and Bonnard families, together with parties related to these families, held within the scope of a shareholders' agreement 51 026 502 registered shares of Schindler Holding Ltd., corresponding to 71.1% of the voting rights of the share capital registered in the Commercial Register.

1.3 Cross-shareholdings

Schindler Holding Ltd. has no cross-shareholding of more than 5% in a company outside the Schindler Group.

2 Capital structure

2.1 Capital

As at December 31, 2009, the ordinary share capital of Schindler Holding Ltd. was CHF 7 177 670 and the participation capital CHF 4 860 940.

2.2 Authorized and conditional capital

As at December 31, 2009, Schindler Holding Ltd. had no authorized or conditional capital.

2.3 Changes in capital in the last three years

Information about changes in the capital of Schindler Holding Ltd. in the last three reporting years is presented on pages 91 and 92 of the Financial Statements.

2.4 Shares and participation certificates

As at December 31, 2009, the share capital was CHF 7 177 670. This is divided into 71 776 700 fully paid-in registered shares, each with a nominal value of CHF 0.10. Subject to Article 13 of the Articles of Association, each share carries the right to one vote, as well as the right to a share in the profits contained in the balance sheet, and in the proceeds of liquidation, corresponding to its nominal value.

As at December 31, 2009, the participation capital was CHF 4 860 940 which is divided into 48 609 400 fully paid-in participation certificates, each with a nominal value of CHF 0.10. Each participation certificate carries the right to a share in the profits contained in the balance sheet, and in the proceeds of liquidation, corresponding to its nominal value. It does not, however, carry any voting rights, nor any other rights of membership, such as participation at General Meetings of Shareholders.

2.5 Profit sharing certificates

Schindler Holding Ltd. has not issued any profit sharing certificates.

2.6 Limitations on share transferability and nominee registrations

2.6.1 Limitation on share transferability

According to Article 13 of the Articles of Association, the Board of Directors shall refuse registration of an acquirer as a full shareholder in the share register if:

- the acquirer has not acquired the share(s) in his/her own name and on his/her own account, or
- registration would result in the acquirer holding more than 3% of the voting rights.

The voting rights of related shareholders shall be counted together. This does not apply to proxies to representatives of corporate bodies, or deposit agreements with banks.

In accordance with Swiss federal law requiring demonstration of Swiss control of the company, the registration of foreign acquirers can be refused if, as a result of their registration, all foreign shareholders together would hold more than 10% of the voting rights.

The statutory restrictions on registration do not apply if:

- on June 15, 1992, the applicant was already recorded in the share register as holding 3% of the voting rights or is the applicant's spouse, child, descendant, brother or sister, or
- the voting rights were acquired directly by inheritance, division of estate, or matrimonial property law.

Details and further exceptions are contained in Article 13 of the Articles of Association of Schindler Holding Ltd.

The General Meeting of Shareholders can determine exceptions to the percentage limits by relative majority, a legally binding decision requiring at least half of the shares registered in the Commercial Register. Applicants have the right to have their application presented at the General Meeting of Shareholders. The General Meeting of Shareholders was not required to rule on any applications for exceptions in the financial year 2009.

2.6.2 Nominee registrations

The Articles of Association do not contain any special regulations regarding the registration of nominees in the share register.

2.7 Convertible bonds and options

2.7.1 Convertible bonds

Schindler Holding Ltd. has no outstanding convertible bonds.

2.7.2 Employee options

All values after 10:1 share/participation certificate split of March 27, 2006

Allocation year		Options allocated (number)	Exercise price in CHF	Blocked period ends	Exercise period ends	Number as at 31.12.2009		
						Forfeited	Exercised	Outstanding
2003	A	645 360 ¹	25.50	30.04.06	30.04.09	-39 480	-605 880	-
2004	A	279 670 ²	28.70	30.04.07	30.04.10	-9 740	-223 556	46 374
2005	A	263 060 ²	32.90	30.04.08	30.04.11	-7 630	-143 424	112 006
2006	A	138 376 ¹	48.80	30.04.09	30.04.15 ³	-1 990	-46 305	90 081
2007	A	160 711 ¹	56.20	30.04.10	30.04.16 ³	-3 029	-8 381	149 301
2008	A	357 092 ¹	80.90	30.04.11	30.04.17 ³	-11 357	-1 978	343 757
2008	B	155 311 ¹	78.90	30.04.11	30.04.17 ³	-	-	155 311
2009	A	464 175 ¹	56.40	30.04.12	30.04.18	-	-1 741	462 434
2009	B	314 783 ¹	56.40	30.04.12	30.04.18	-	-	314 783

A Options Capital Participation Plan 2000

B Options Long Term Incentive Plan

¹ One option gives entitlement to purchase one share

² One option gives entitlement to purchase one participation certificate

³ Retrospectively extended for three years (see note 5.3.3.1 and 5.3.3.2)

3 Board of Directors, Executive Committee of the Board, and other committees

3.1 Members of the Board of Directors of Schindler Holding Ltd.

The Board of Directors, which according to its Articles of Association comprises between five and ten members, currently has ten members. Three members are executive members of the Board of Directors, two of these executive members form the Executive Committee of the Board. The remaining seven members are non-executive members of the Board of Directors.

Members

as at 31.12.2009	Domicile	Nationality	Function	In office since ¹	Term of office expires ¹
Alfred N. Schindler (1949)	Hergiswil, Switzerland	Switzerland	Chairman, executive member ²	1977	2011
Luc Bonnard (1946)	Hergiswil, Switzerland	Switzerland	Vice Chairman, executive member ²	1984	2011
Prof. Dr. Karl Hofstetter (1956)	Zug, Switzerland	Switzerland	Executive member	2006	2012
Prof. Dr. Pius Baschera (1950)	Zurich, Switzerland	Switzerland, Italy	Non-executive member	2005	2011
Dr. Hubertus von Grünberg (1942)	Hanover, Germany	Germany	Non-executive member	1999	2011
Charles Powell (Lord Powell of Bayswater KCMG) (1941)	London, UK	UK	Non-executive member	2003	2012
Dr. Alexander Schaub (1941)	Brussels, Belgium	Germany	Non-executive member	2007	2010
Rolf Schweiger (1945)	Baar, Switzerland	Switzerland	Non-executive member	2009	2012
Dr. Jenö C. A. Staehelin (1940)	Basel, Switzerland	Switzerland	Non-executive member	1980	2011
Dr. Klaus W. Wellershoff (1964)	Zurich, Switzerland	Germany	Non-executive member	2009	2012

¹ At the Annual General Meeting of Shareholders in the year shown

² Member of the Executive Committee of the Board

3.2 Other activities and vested interests

Alfred N. Schindler

joined the Board of Directors in July 1977 and has been Chairman of the Board of Directors since 1995. Since 1985 Alfred N. Schindler has been CEO of the Schindler Group and a member of the Executive Committee of the Board. Before joining the Schindler Group he was employed by Neutra Treuhand AG in Berne, later becoming CFO of Notz AG in Biel. In order to focus entirely on Schindler, Alfred N. Schindler resigned from his board memberships of the following companies: Bank Julius Bär, UBS, Jacobs Suchard (all Switzerland), and Deutsche Post AG. He is still a member of the European Advisory Board of the Wharton School. Alfred N. Schindler holds a degree in law from the University of Basel, Switzerland, and an MBA from the Wharton School of Finance of the University of Pennsylvania, USA.

Luc Bonnard

has been a member of the Board of Directors since August 1984, and a member of the Executive Committee of the Board since 1991. Since 1996 he has been Vice Chairman of the Board of Directors. Luc Bonnard joined Schindler in 1972, and from 1983 was a member of the Management Committee with responsibility for northern Europe. From 1986 until 1990 he was head of the Group’s elevators and escalators business. Luc Bonnard holds a master’s degree in electrical engineering from the Swiss Federal Institute of Technology, Zurich.

Prof. Dr. Karl Hofstetter

was elected to the Board of Directors in March 2006 with executive responsibility as Group General Counsel. Karl Hofstetter has worked for Schindler since 1990. Until the General Meeting of Shareholders of 2006 he was a member of the Management Committee Elevators & Escalators. Karl Hofstetter is a member of the Board of Directors of ALSO Holding AG, Hergiswil, Switzerland, and of Venture Incubator AG, Zug, Switzerland. He is a member of the University Council of the University of Lucerne, Switzerland, of the Commission of Experts on Disclosure of the SIX Swiss Exchange, and of the Arbitration Commission of the Central Swiss Chamber of Commerce. As from 2010 he will be a board member of the Kuoni and Hugentobler Foundation, Switzerland. Karl Hofstetter studied law and economics at the universities of Zurich, Stanford, UCLA, and Harvard. He is a licensed attorney in Zurich and New York, as well as a professor of private and commercial law at the University of Zurich. During the spring term of 2009 he lectured at Harvard Law School, USA, as a visiting professor.

Prof. Dr. Pius Baschera

was elected to the Board of Directors in March 2005. He joined Hilti AG, Schaan, Liechtenstein, as head of production controlling in 1979, transferring in 1982 to Hilti Inc., Tulsa, USA, as head of corporate development. In 1985, Pius Baschera became head of Hilti (Switzerland) AG, followed by Hilti Germany GmbH, and in 1989 became responsible for the Europe 1 market region. In 1990, as chief financial officer, he was made a member of the executive board of Hilti AG and from January 1994 until the end of 2006 was its chairman. On January 1, 2007, he became chairman of the board of directors of Hilti AG. He is also a member of the board of directors of F. Hoffmann-La Roche Ltd., Basel, Switzerland, of the advisory board of Vorwerk & Co, Wuppertal, and of Ardex, Witten, both in Germany, as well as chairman of the board of directors of Venture Incubator AG, Zug, Switzerland, and a professor of business administration at the Swiss Federal Institute of Technology, Zurich. On completion of his studies in mechanical engineering and management science at the Swiss Federal Institute of Technology in Zurich, Pius Baschera gained a degree of Dr. sc. techn. ETH.

Dr. Hubertus von Grünberg

has been a member of the Board of Directors since May 1999. On completing his studies, he first worked for Teves GmbH, a subsidiary of ITT, in Frankfurt. In 1989 he became president and CEO of ITT Automotive Inc., Auburn Hills, Michigan, USA, and a senior vice president of ITT Corporation. From 1991 to 1999 he was president of the executive management committee of Continental AG, Hanover, Germany. From June 1999 to March 2009 he was chairman of the supervisory board of Continental AG. He is also a member of the supervisory boards of Allianz Versicherungs AG, Munich, and Deutsche Telekom AG, Bonn, both in Germany. He resigned from his board membership of MAN AG in March 2007, and of Deutsche Post AG in July 2007, as well as from his position as an advisor to BHF Bank AG. Since May 3, 2007, Dr. Hubertus von Grünberg has been chairman of the board of directors of ABB Ltd., Zurich. He holds a doctorate in physics from the University of Cologne, Germany.

Lord Powell of Bayswater

Charles Powell was elected to the Board of Directors in March 2003. From 1963 to 1982 he was a member of the British Diplomatic Service. From 1983 to 1991 he was private secretary and advisor on foreign affairs and defense to prime ministers Margaret Thatcher and John Major. Since 1992, Lord Powell has been an international businessman. He is chairman of the board of directors of Magna Holdings International Ltd., Bermuda, and serves on the boards of Caterpillar Inc., Peroria, Illinois; Textron Corporation, Providence, USA; LVMH (Louis Vuitton Moët Hennessy), Paris; Mandarin Oriental International Ltd., Bermuda; Hong Kong Land Holdings Ltd., Bermuda; Matheson & Co Ltd., London; Financière Agache, Paris; Singapore Millennium Foundation, Singapore; Falgos Investments, London; Northern Trust Global Services, Chicago/London, and Capital Generation Partners Ltd., London. He is a member of several company advisory boards including Rolls-Royce, Derby; Barrick Gold, Toronto; Thales, UK; GEMS, Hong Kong; and ACE, Bermuda. He is also chairman of the trustees of the Oxford University Business School Foundation, chairman of the UK Asia Task Force, chairman of the Atlantic Partnership, London, as well as a trustee of the British Museum, London, and of the Aspen Institute, USA. Lord Powell is an independent member of the House of Lords. He gained a master of arts degree with first-class honors in history at Oxford University.

Dr. Alexander Schaub

was elected to the Board of Directors in March 2007. He has been a member of the Audit Committee of the Schindler Group since March 2007 and has been its Chairman since July 2008. In addition, since September 2006 he has been a member of the Audit Expert Group, and since July 2008 its chairman. Since 2007, Alexander Schaub has also been of counsel with the international law firm Freshfields Bruckhaus Deringer LLP at its Brussels office, as well as a lecturer at the University of St. Gallen. Alexander Schaub began his career at the European Commission in Brussels in 1973 in the office of Ralf Dahrendorf and subsequently worked for Commissioners Guido Brunner, Etienne Davignon, and Willy De Clercq, and for Commission President Gaston Thorn. From 1995 to 2002, he was director general for competition with commission members Karel van Miert and Mario Monti. During this period he oversaw the preparations for major reforms (modernization) of European policy on competition. He subsequently worked as director general internal market and services until he retired in mid-2006. Alexander Schaub studied law and economics at the universities of Freiburg im Breisgau and Bonn, Germany; Lausanne, Switzerland; and the College of Europe, Bruges, Belgium.

Rolf Schweiger

has been a member of the Board of Directors since March 2009. In 1969 Rolf Schweiger was elected to the parliament of the Canton of Zug, of which he remained a member for 22 years, 14 of them as leader of the Liberal Democratic Party section. Since 1999, he has represented the Canton of Zug in the Swiss Council of States. In 2004 he was chairman of the Liberal Democratic Party in Switzerland. Rolf Schweiger is a member of the following committees of the Swiss Council of States: the Finance Committee and chairman of Subcommittee 2 (EDA/EVD); the Economics and Taxes Committee; the Environment, Spatial Planning and Energy Committee (as Chairman); the Law Committee; the Courts Committee and chairman of its subcommittees. Rolf Schweiger is active in various political organizations including membership of the governing board of *economiesuisse*, president of Action for a Sensible Energy Policy in Switzerland (AVES), and president of the Federation of Swiss Food Industries (fial). He is also a member of various boards of directors in the property and building construction industries (including Hammer Retex Holding AG, Cham, Switzerland), in the food segment (Hochdorf Holding AG, Hochdorf, Switzerland) and in the pharmaceuticals segment as chairman of the board of directors of Roche Diagnostics AG, Risch, Switzerland. In addition, Rolf Schweiger is involved in various not-for-profit institutions including chairmanship of the foundation "Ombudsman of Private Insurance and SUVA," Zurich. Rolf Schweiger studied law at Zurich University where he completed his academic education in 1969, graduating with the licentiate degree. In 1971 he gained his attorney's license in Zug and began his career as attorney and notary. Since 1976 he has been a partner in the legal firm of Schweiger Attorney and Notary, Zug, Switzerland.

Dr. Jenö C. A. Staehelin

was elected to the Board of Directors in June 1980. In 1969 he entered the Swiss Federal Department of Foreign Affairs (FDFA) where he worked as a legal consultant before being appointed vice chairman of the European Patent Organization in Munich in 1977. In 1984 he returned to the FDFA where in 1987 he was appointed an ambassador, and head of the Department for Europe and North America. At the same time as holding this office, from 1991 to 1993 he was also a special ambassador to the Vatican. In April 1993, he was made Swiss Ambassador to Japan, following which, in June 1997, he was appointed permanent Swiss observer at the United Nations in New York. Subsequent to Switzerland's entry to the United Nations, from 2002 to 2004 he became the first permanent representative of Switzerland at the United Nations in New York. Starting January 2003, Jenö Staehelin was president of the executive board of UNICEF for one year. In the following year, he began a two-year term as chairman of the United Nations Mine Action Support Group. He was also Swiss commissioner for the World Exhibition 2005 in Aichi, Japan. He is currently a member of the International Committee of the Red Cross, the Kofi Annan Foundation, and the Centre for Humanitarian Dialogue, Geneva. He holds a doctorate in law from the University of Berne, a master of law degree from Harvard Law School, USA, and is a licensed attorney in Zurich.

Dr. Klaus W. Wellershoff

was elected to membership of the Board of Directors in March 2009. From June 1995 until spring 2009 Dr. Wellershoff worked for UBS. From 1997 to 1998 he was chief economist of the then Swiss Bank Corporation. From 2003 until fall 2008 he held the function of global head wealth management research as well as chairman of the investment committee of the UBS Global Wealth Management & Business Banking Division. Before 2003 he held the position of chief economist and head of research of UBS-Investment Bank Switzerland. Since September 1, 2009, he has been CEO of Wellershoff & Partners Ltd., an international independent management consultancy in Zurich. Dr. Wellershoff is a member of the management committee of the Institute of Economics at the University of St. Gallen, and a Council Member of the World Demographic Association. On completion of his banking apprenticeship with private bankers Sal. Oppenheim jr. & Cie., Klaus W. Wellershoff studied economics and business administration at the University of St. Gallen. While studying for his doctorate he was appointed visiting fellow in the Department of Economics at Harvard University, USA. Klaus W. Wellershoff holds a doctorate in economics from the University of St. Gallen, Switzerland.

3.3 Elections and terms of office

The members of the Board of Directors of Schindler Holding Ltd. are elected by the General Meeting of Shareholders for a term of three years, on completion of which they can be reelected for a further period of the same duration (individual election on first appointment, collective election for renewal). The renewal of the Board of Directors takes place on a staggered basis.

According to the Articles of Association, the Chairman of the Board of Directors is elected by the General Meeting of Shareholders.

Members of the Board of Directors are required to retire as of the date of the Ordinary General Meeting of Shareholders in the year in which they attain the age of 70. In exceptional cases, the Board of Directors may depart from this rule.

3.4 Internal organizational structure

3.4.1 Allocation of tasks within the Board of Directors

The Chairman of the Board of Directors convenes the meetings of the Board of Directors, prepares them, and leads them. He decides from case to case on the inclusion of further persons in the discussions of the Board of Directors. The Chairman of the Board of Directors determines the agenda. Every member of the Board of Directors can request convocation of a meeting of the Board of Directors stating the item to be discussed and giving a brief justification.

The Chairman of the Board of Directors serves as the link to the Board of Directors regarding fulfillment of the responsibilities of the Executive Committee of the Board.

One or more Vice Chairmen is/are elected by the Board of Directors from among its members for a term of three years. A Vice Chairman represents the Chairman.

3.4.2 Committees

The Board of Directors can delegate the preparation and execution of its decisions, the supervision of business, and the clarification or investigation of important events, to committees formed of its own members or to individual members. The Board of Directors has appointed four standing committees: the Executive Committee of the Board, the Nominations Committee, the Compensation Committee, and the Audit Committee. For each committee, the Board of Directors appoints a chairman.

3.4.2.1 Executive Committee of the Board

The Board of Directors appoints from among its members a standing Executive Committee of the Board for a term of three years. The Chairman and Vice Chairman of the Board of Directors are members of the Executive Committee of the Board. Members of the Executive Committee of the Board are not members of the Management Committees.

Members

as at 31.12.2009

Alfred N. Schindler	Chairman
Luc Bonnard	Vice Chairman

The Executive Committee of the Board manages and supervises the business of the entire Group and exercises its interests vis-à-vis third parties, in particular vis-à-vis business organizations and associations, as well as vis-à-vis authorities and the public. In addition, the Executive Committee of the Board (at ALSO, subject to legal stipulations and the Articles of Association of ALSO Holding AG) has the following specific tasks:

- Exercising the rights of Schindler Holding Ltd. as shareholder
- Preparing all business to be handled by the Board of Directors, and submitting proposals
- Creating the prerequisites for ultimate direction by the Board of Directors
- Ensuring that the Board of Directors is informed
- In close collaboration with the two Management Committees, formulating and submitting to the Board of Directors the goals and strategies of the Group as a whole, and of its two business segments, and allocating the financial and human resources
- Ensuring the execution of decisions of the Board of Directors and implementation of the Group strategy by the Management Committees
- Evaluating the performance and results of the two Management Committees Elevators & Escalators and ALSO
- Approving the quarterly financial statements
- Defining the goals and structures of the Finance and Human Resources areas
- Continuous monitoring of the managerial qualifications of the members of the two Management Committees and of further holders of important staff and line functions
- Determining the information and investor relations policies
- Deciding on the publication of ad hoc information and other disclosure obligations under stock exchange regulations.

3.4.2.2 Nomination Committee

The Executive Committee of the Board acts as Nomination Committee in selecting candidates for election to the Board of Directors, each member of the Board of Directors having the right to make proposals of their own to the Chairman of the Board. With regard to the composition of the Board of Directors, attention is paid not only to competence, but also to professional and cultural diversity.

The Board of Directors makes the final decision regarding nominations to be proposed to the General Meeting of Shareholders.

The Nomination Committee also supervises on behalf of the Board of Directors the succession planning and nominations for the top management of the Group.

3.4.2.3 Compensation Committee

The Board of Directors appoints a Compensation Committee composed of two independent members of the Board of Directors who are not members of the Executive Committee of the Board.

Members

as at 31.12.2009

Dr. Hubertus von Grünberg	Independent member of the Board of Directors	Chairman
Prof. Dr. Pius Baschera	Independent member of the Board of Directors	Member

The responsibilities of the Compensation Committee are described in note 5.2.

3.4.2.4 Audit Committee

The Board of Directors appoints an Audit Committee whose chairman must be an independent member of the Board of Directors. The Audit Committee has a total of two to three members, who possess the necessary financial, legal, and technical know-how.

Members

as at 31.12.2009

Dr. Alexander Schaub	Independent member of the Board of Directors	Chairman
Luc Bonnard	Vice Chairman, executive member of the Board of Directors	Member

The Audit Committee reports to the Board of Directors. The Chairman of the Audit Committee informs the Board of Directors about the work of the Audit Committee at every meeting of the Board of Directors. A full report is given once per year.

The Audit Committee is particularly responsible for the following:

- Approval of the annual and semiannual financial statements for submission to the Board of Directors
- Review and determination of audit programs
- Reviewing the performance, fees, and independence of the auditing body
- Discussion of all reports issued by the auditing bodies as well as status reports on implementation
- Issuance of recommendations and instructions regarding organization, human resources, and activities in the Audit and Compliance areas within the Schindler Group
- Review of the appropriateness of sanctions that are proposed in consequence of detected misconduct or infringements of internal guidelines
- Enactment of new guidelines, instructions, clarifications, or other instructions in connection with the Code of Conduct.

The Audit Committee maintains contact with the external auditors. It is also assisted by an Audit Expert Group.

Audit Expert Group

as at 31.12.2009

Dr. Alexander Schaub	Independent member of the Board of Directors	Chairman
Alfred Spörri	Not a member of the Board of Directors ¹	Vice Chairman
Peter Bühler	External, not a member of the Board of Directors	Member
Prof. Dr. Oliver Gassmann	External, not a member of the Board of Directors	Member
Prof. Dr. Karl Hofstetter	Executive member of the Board of Directors	Member

¹Executive member of the Board of Directors until March 26, 2008

The Audit Expert Group supports the Audit Committee and the Executive Committee of the Board in fulfilling their supervisory functions.

The Audit Expert Group applies the following supervisory instruments of the Audit Committee:

- Internal audits, for the purpose of verifying compliance with rules and processes in the business and financial area
- Code of Conduct Compliance Audits, for the purpose of verifying and enforcing the Code of Conduct enacted by the Board of Directors in 1997, which is binding for all employees worldwide
- Technical Compliance Audits, for the purpose of verifying compliance with safety-relevant standards and processes in the Elevators & Escalators business
- Information Security Audits, for the purpose of ensuring appropriate and constant protection of vital business data against internal and external hazards.

Application of the supervisory instruments is coordinated by Corporate Group Assurance.

The Audit Expert Group possesses the necessary financial and technical knowledge for it to provide substantial support to the Audit Committee. It holds whole-day meetings four to six times per year. At the meetings, a total of approximately 120 audit reports from the specialist areas listed above are discussed.

3.4.3 Frequency of meetings of the Board of Directors and its committees

The Board of Directors holds six regular half- or whole-day meetings per year, and ad hoc meetings as necessary. Each year in September, a joint two-day meeting of the Board of Directors takes place with the members of both Management Committees. In the reporting year, six meetings were held.

The Executive Committee of the Board normally meets for a whole day every two weeks. In the reporting year, 37 meetings were held.

The other committees meet for half or whole days according to need. In the reporting year, the Audit Committee held four meetings. The Compensation Committee met four times, and the Nomination Committee 15 times. No external consultants attended the meetings.

The agendas of the meetings are set by the respective chairmen. Minutes are taken of all discussions and resolutions at the meetings.

The President of the Management Committee Escalators & Elevators attends all meetings of the Board of Directors. Other members of the Management Committees, or other persons, may be invited to the meetings of the Board of Directors or its committees by the respective chairmen.

3.5 Definition of areas of responsibility

According to law, the Board of Directors exercises ultimate direction and ultimate supervision of the entire Group, i.e. of the Management Committees Escalators & Elevators and ALSO (in the case of ALSO, subject to the legal stipulations and the Articles of Association of ALSO Holding AG). The non-transferable and inalienable responsibilities of the Swiss Code of Obligations, Article 716a, Paragraph 1, are incumbent on the Board of Directors. In addition, the Board of Directors can resolve all matters which are not defined by the laws or Articles of Association as being the responsibility of any other governing body.

It is also incumbent on the Board of Directors to approve, or decide on, the following:

- The objectives and strategies of the Group as a whole, and of its two business segments
- The essential prerequisites for business activity
- The main risks and the catalog of measures for preventing and minimizing potential damage
- The budget, the plans, and the forecasts of Schindler Holding Ltd. and the entire Group
- The consolidated annual and semiannual financial statements of the entire Group
- The annual financial statements of Schindler Holding Ltd. for submission to the General Meeting of Shareholders
- Setting up and changing the essential financing structures of Schindler Holding Ltd.
- The initiation and structuring of repurchase programs
- Guidelines and limits for financial management (cash management, financial investments, foreign currency market operations, and credit issues)
- Material M&A transactions, joint ventures, etc.
- Election of the Vice Chairman of the Board of Directors and of the chairman and members of the Executive Committee of the Board

- Proposing candidates to the General Meeting of Shareholders for election to the Board of Directors
- The fees of the members of the Board of Directors
- The structure and content of the participation programs and their beneficiaries.

In all other matters, the Board of Directors has delegated the management of the overall Group to the Executive Committee of the Board and the two Management Committees.

The main responsibilities of the Management Committee Elevators & Escalators are as follows:

- In close collaboration with the Executive Committee of the Board, formulation of the strategic goals for submission to the Board of Directors
- Accomplishment of the strategic and operational goals approved by the Board of Directors
- Definition of the goals for the areas of the operationally active members of the Management Committees, and determination of the organizational structure
- Handling of issues of cross-area significance
- Definition of the market strategy and of the communication policy in the marketing area
- Approval of the budgets, plans, and forecasts of the Group companies
- Preparation of budgets, plans, and forecasts for submission to the Executive Committee of the Board or Board of Directors as the case may be
- Appointment of the responsible persons to the supervisory, directive, and management bodies of the Elevators & Escalators Group companies and decisions regarding their signing authorities
- Enactment of binding rules for the Elevators & Escalators business segment
- Decisions regarding material corrective actions and major restructurings (partial plant closures, expansions, etc.).

3.6 Information and control instruments vis-à-vis the Management Committees

The Board of Directors controls the Management Committees and supervises their work. The Schindler Group has at its disposal a comprehensive electronic management information system (MIS) for both business segments of the Group. The Board of Directors receives a written report each quarter. The Executive Committee of the Board is informed monthly in detail about the financial and operational development of the Elevators & Escalators and ALSO business segments. In the presence of the responsible persons, the reports are discussed in detail at the respective meetings of the Board of Directors and the Executive Committee of the Board.

Once yearly, a joint two-day meeting of the Board of Directors takes place with the members of both Management Committees.

- Schindler defines and evaluates the most important risks of the Elevators & Escalators business segment in a four-phase process based on a detailed risk catalog (information regarding ALSO is contained in the annual report of ALSO Holding AG). These risks are divided into the categories of product, market and business risks, financial, operational and organizational risks, as well as safety, health, and environment risks. In all risk categories, the legal aspects are also evaluated. The four phases of the process are as follows:
- Each Group company creates a risk matrix as part of its budget process.
 - The risks are consolidated into a Group matrix and evaluated in detail by an interdisciplinary risk committee comprising the responsible heads of the product groups and Group staff offices. Based on the evaluation, a detailed catalog of measures for the most important risks is presented to the Management Committee.
 - The Management Committee evaluates the risk matrix and the proposed catalog of measures and proposes additions.
 - The most important risks, along with possible measures to prevent and minimize potential damage, are presented to the Board of Directors for decision.

Internal Audit, the auditing body, and the compliance departments support the Board of Directors in exercising its supervisory and control function.

3.7 Board of Directors of ALSO Holding AG

as at 31.12.2009

Thomas C. Weissmann	Chairman of the Board of Directors and President of the Management Committee ALSO	Executive member
Prof. Dr. Karl Hofstetter		Non-executive member
Prof. Dr. Rudolf Marty		Non-executive member

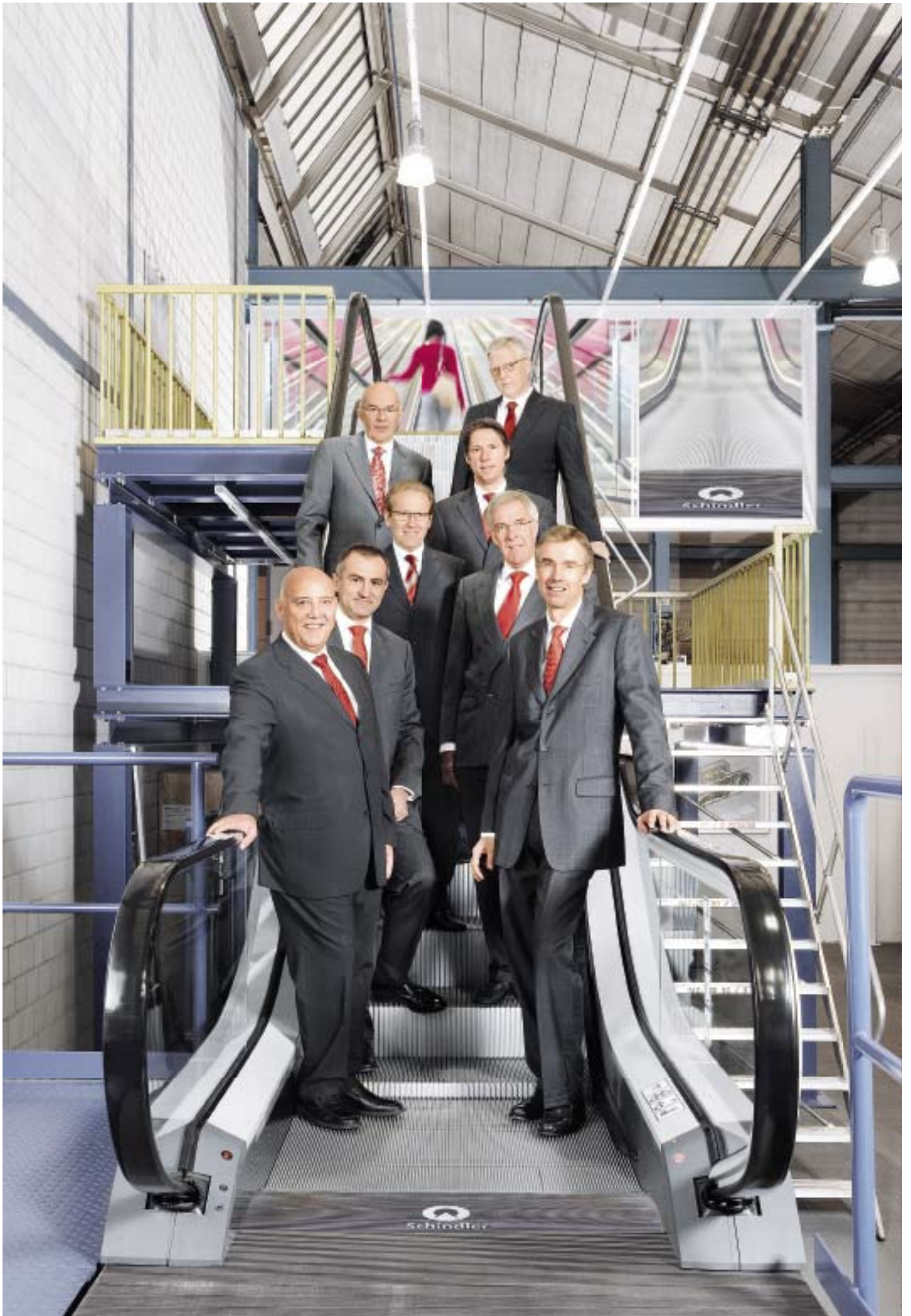
Further information is contained in the ALSO Holding AG annual report.

4 Management Committees

4.1 Members of the Management Committee Elevators & Escalators

as at 31.12.2009	Nationality	Function
Jürgen Tinggren (1958)	Sweden	President
Miguel A. Rodríguez (1953)	Spain	Deputy President, Europe
Erich Ammann (1957)	Switzerland	Chief Financial Officer (CFO)
Dr. Rudolf W. Fischer (1952)	Switzerland	Corporate Human Resources
Michael Füllemann (1967)	Switzerland	Global Business
Dr. Christoph Lindenmeyer (1953)	Switzerland	East, Middle East, India, and Africa (EMIA)
Silvio Napoli (1965)	Italy	Asia/Pacific
Jakob Züger (1952)	Switzerland	North, Central, and South America

Left, from bottom: Miguel A. Rodríguez, Silvio Napoli, Erich Ammann, Dr. Rudolf W. Fischer
 Right, from bottom: Jürgen Tinggren, Dr. Christoph Lindenmeyer, Michael Füllemann, Jakob Züger



Jürgen Tinggren

has been President of the Management Committee since August 1, 2007. He joined the Management Committee on April 1, 1997, initially with responsibility for Europe 1. In 1999 he took over responsibility for the Asia/Pacific region. On May 1, 2005, Jürgen Tinggren was appointed Deputy President of the Management Committee and took over responsibility for Technology and Strategic Procurement. From 1985 to 1997 he worked for the Sika Group, ultimately as a member of the management committee with responsibility for North America. Jürgen Tinggren holds a joint MBA from the Stockholm School of Economics and New York University Business School.

Miguel A. Rodríguez

has been a member of the Management Committee since December 1, 1998, with responsibility initially for Europe South West, and since November 1, 2001, for all of Europe. From 1991 to 1998 he managed the Schindler subsidiaries in Spain and Portugal. From 1981 to 1991 he was a member of the corporate management of the Armstrong Group, holding the position of general manager at various subsidiaries in Spain. Miguel A. Rodríguez studied at the Advanced School of Industrial Engineering of the University of Bilbao, Spain, where he graduated as an industrial engineer.

Erich Ammann

has been a member of the Management Committee, and Chief Financial Officer of the Schindler Group, since November 1, 2001. From 1997 he was Head of Group Controlling, and from 1992 to 1997 CFO of Schindler USA. Erich Ammann joined the Schindler Group in 1988 as Area Controller for North America. Prior to that, he was treasurer of Intershop Holding, Zurich, Switzerland, and before that an auditor with Schweizerische Treuhandgesellschaft (STG) in Geneva. He obtained a degree in economics and business administration from St. Gallen University of Applied Sciences, Switzerland, and in 1994 gained an executive MBA from the Wharton School, University of Pennsylvania, Philadelphia, USA.

Dr. Rudolf W. Fischer

has been a member of the Management Committee with responsibility for Human Resources, Training, and Corporate Safety & Health since January 1, 1996. From 1994 to 1995 he was a partner in Dr. Björn Johansson Associates, an executive search company in Zurich. From 1991 to 1994 he was CEO of Jockey/Vollmöller AG in Uster, and subsequently of Hanro AG in Liestal, both in Switzerland. Previously, for almost nine years, he held various managerial positions in human resources and trade marketing with Jacobs Suchard in Switzerland and Belgium. From 1980 to 1982 he worked for Zürcher Kantonalbank and First National Bank of Boston. He is a member of the board of directors of Vetropack Holding AG, Bülach, Switzerland. Rudolf W. Fischer completed his studies in 1979 with a doctorate in economics at the University of Zurich.

Michael Füllemann

joined the Management Committee on August 1, 2007, and took over responsibility for the newly created Global Business function. From 1993 until 2007 Michael Füllemann worked for the Boston Consulting Group (BCG) in Germany, the United States, and finally as senior partner and managing director in Switzerland. At BCG he was responsible for the Global Competence Center Industrial After Sales and the Swiss business with industrial goods companies. Michael Füllemann graduated from St. Gallen University with a master's degree in economics in 1992.

Dr. Christoph Lindenmeyer

has been a member of the Management Committee since March 1, 2003, with responsibility for the EMIA area (East, Middle East, India, and Africa). He joined the Schindler Group in 1983 as Deputy Head of Corporate Planning. Since then he has held various managerial positions within the Group including CFO North America, Head of Field Operations Germany, and CEO of Schindler Elevator Ltd., Switzerland. He is also a board member of the Ammann Group, Langenthal, Switzerland, and a member of the executive committee of Swissmem, Zurich. Christoph Lindenmeyer is a licensed attorney and holds a doctor of law degree from Berne University as well as an MBA from INSEAD, Fontainebleau, France.

Silvio Napoli

has been a member of the Management Committee with responsibility for the Asia/Pacific region since March 1, 2008. For three years prior to that date he was head of the Jardine Schindler Group. From 2003 to 2005 he was General Manager of Schindler Lifts (Hong Kong) Ltd. From 2001 to 2003 he was Director of Corporate Development (M&A) for ALSO Holding AG. Silvio Napoli joined the Schindler Group in 1994 and has held various positions, including Vice President South Asia, President and CEO Schindler India, and Head of Corporate Planning. For three years prior to joining Schindler, Silvio Napoli held various positions with The Dow Chemical Company in Germany. He holds an MBA from Harvard Graduate School of Business Administration and a degree in materials science from the Swiss Federal Institute of Technology (EPFL), Lausanne.

Jakob Züger

has been a member of the Management Committee since July 1, 2006, with responsibility for North, Central, and South America. He joined Schindler Elevator Ltd. in March 1995. In 2003 he became Chief Executive Officer of Schindler Elevator Ltd., Switzerland. From 1990 to 1995, Jakob Züger was chief executive officer of Saurer Embroidery Systems Ltd., a subsidiary of the Saurer Group. Before that, he worked for several tool and textile machinery manufacturers. Jakob Züger studied at the Swiss Federal Institute of Technology (ETH) in Zurich, where he graduated with a master's degree in mechanical engineering in 1978 and additional studies in management science.

Changes in the Management Committee Elevators & Escalators

As from January 1, 2010, the existing area responsibilities will be restructured. Europe will be divided into two areas: Europe North and Europe South. The EMIA area will cease to exist. Thomas Oetterli, formerly CEO of Schindler Elevator Ltd., Switzerland, will become Area Head of Europe North and Didier Gaudoux, formerly Vice President of Europe South Air Liquide, will become Area Head of Europe South. Miguel A. Rodríguez, former Area Head Europe, will in the future be Area Head Global Business. Dr. Christoph Lindenmeyer and Michael Füllemann will leave the Management Committee Elevators & Escalators.

As of January 1, 2010, the structure of the Management Committee will therefore be as follows: Jürgen Tinggren, President of the Management Committee, Miguel A. Rodríguez, Deputy President, Erich Ammann, Rudolf W. Fischer, Didier Gaudoux, Silvio Napoli, Thomas Oetterli, Jakob Züger.

4.2 Management Committee ALSO

as at 31.12.2009	Nationality	Function
Thomas C. Weissmann	Switzerland	President, Chairman and executive member of the Board of Directors of ALSO Holding AG
Laisvunas Butkus	Latvia	Managing Director GNT Baltic
Michael Dressen	Germany	Managing Director ALSO Deutschland GmbH
Lucas Kuttler	Switzerland	Chief Operating Officer
Marc Schnyder	Switzerland	CEO, ALSO Switzerland AG
Maija Strandberg	Finland	Managing Director GNT Finland
Urs Windler	Switzerland	Chief Financial Officer
Peter Zurbrügg ¹	Switzerland	Chief Information Officer

¹ In September 2009 ALSO Holding AG announced that Peter Zurbrügg will leave the Group in the next 12 months. A successor has not yet been announced.

Further information is contained in the annual report of ALSO Holding AG.

4.3 Management contracts

Schindler Holding Ltd. has not entered into any management contracts with third parties outside the Group.

5 Compensation report

5.1 Principles

The success of the Schindler Group depends on the quality and commitment of its employees. The objective of the compensation policy is to attract qualified employees, motivate them, and bind them to the company. Performance-related compensation has the further objective of promoting entrepreneurial thought and action.

The most important principles are:

- Performance-related compensation consistent with the market
- Participation in the company's success
- Fairness and transparency in compensation decisions
- A balance between short-term and long-term compensation.

5.2 Responsibility and determination process

The Board of Directors appoints a Compensation Committee composed of two independent members of the Board of Directors who are not members of the Executive Committee of the Board.

Members of the Compensation Committee

as at 31.12.2009

Dr. Hubertus von Grünberg	Independent member of the Board of Directors	Chairman
Prof. Dr. Pius Baschera	Independent member of the Board of Directors	Member

The Compensation Committee

- definitively determines the compensation of the Chairman of the Board of Directors,
- approves upon proposal of the Chairman of the Board of Directors all compensation of the other executive members of the Board of Directors, and
- approves upon proposal of the Chairman of the Board of Directors the compensation of the President of the Management Committee Escalators & Elevators.

It is also informed of all compensation of members of the Management Committee Elevators & Escalators.

The Compensation Committee exercises its responsibilities in consultation with Corporate Human Resources but without the involvement of external consultants.

The Board of Directors

- approves all compensation of the non-executive members of the Board of Directors, based on proposals submitted by the Chairman of the Board,
- determines the variable compensation under the Long Term Incentive Plan for the members of the Management Committee Elevators & Escalators (except for the President of the Management Committee), and
- approves the compensation and bonus regulations.

The Chairman of the Board of Directors

- determines the compensation of the members of the Management Committee for Corporate Human Resources and of the members of the Management Committee for Corporate Finance (except for the variable compensation under the Long Term Incentive Plan), and
- approves the proposals of the President of the Management Committee Elevators & Escalators for the compensation of the remaining members of the Management Committee (except the variable compensation under the Long Term Incentive Plan).

In addition, once yearly the Board of Directors reviews and discusses the compensation of the executive members of the Board of Directors and of the Management Committee Elevators & Escalators which is presented to the Board of Directors by the Compensation Committee.

Each year since the reporting year 2007, the entire compensation system for the executive members of the Board of Directors and of the Management Committee has been presented to the General Meeting of Shareholders for its consultative vote. The compensation of the Chairman of the Board of Directors and of the other executive members of the Board of Directors are presented in detail each year.

5.3 Compensation system

5.3.1 Board of Directors

5.3.1.1 Non-executive members of the Board of Directors

For their activities, the non-executive members of the Board of Directors receive a fixed fee and a flat-rate reimbursement of expenses, but no performance-related compensation. In accordance with their own wish, they are not included in the capital participation plans. The Chairman of the Audit Committee receives an additional fee for performing this function.

5.3.1.2 Executive members of the Board of Directors

In addition to their fee as members of the Board of Directors, the executive members of the Board of Directors receive further compensation, which comprises fixed and performance-related (variable) components.

The fixed compensation comprises a monthly salary, a year-end salary, and flat-rate reimbursement of representation and car expenses. Also, a fixed payment is made into the Schindler Foundation (retirement plan for managerial employees). In addition, the compensation includes fringe benefits, which are disclosed if they exceed CHF 500 per case and a total of CHF 20 000 in the reporting year.

The variable compensation of members of the Executive Committee of the Board is allocated under the Capital Participation Plan 2000 and comprises a bonus (cash bonus plus shares or participation certificates of Schindler Holding Ltd.) and options on shares or participation certificates of Schindler Holding Ltd.

The variable compensation of the Chairman of the Board of Directors depends on the consolidated cash flow from operating activities (cash flow from business activities excluding the change in remaining net working capital). A rate per thousand applies which is contractually fixed and has not been changed since 1997. The variable compensation of the second member of the Executive Committee of the Board also depends on the consolidated cash flow, but with consideration also being given to the achievement of strategic goals, as well as individual goals set by the Chairman of the Board of Directors.

At the level of the Executive Committee of the Board, the cash flow from operating activities is used as the measurement parameter because this promotes long-term growth in the value of the Group rather than short-term profit maximization. This system of compensation ensures that impending restructuring projects as well as the associated depreciation/amortization and provisions are recognized as early as possible.

The variable compensation of the further executive member of the Board of Directors is composed of a bonus as well as Performance Share Units and options on shares or participation certificates of Schindler Holding Ltd. which are allocated under the Long Term Incentive Plan (see note 5.3.3.2).

The target bonus for the respective reporting year is determined at the beginning of that year. The actual bonus can be between 0 and 150% of the target bonus. It is paid in April of the following year, and depends 100% on the personal, qualitative, and quantitative goals.

The percentage makeup from fixed and variable components is the same as for the members of the Management Committee Elevators & Escalators (see note 5.3.2).

5.3.2 Management Committee Elevators & Escalators

The members of the Management Committee Elevators & Escalators receive compensation which consists of fixed and performance-related (variable) components.

The fixed compensation comprises a monthly salary, a year-end salary, and flat-rate reimbursement of representation and car expenses. In addition, a fixed payment is made into the Schindler Foundation (retirement plan for managerial employees). The compensation also includes fringe benefits, which are reported if they exceed CHF 500 per case and a total of CHF 20 000 in the reporting year.

The variable compensation comprises a bonus as well as Performance Share Units and options on shares or participation certificates of Schindler Holding Ltd. which, on achievement of the goals, amount to approximately 50% of the total compensation.

- The target bonus, which on achievement of the goals amounts to approximately 20% of the total compensation, is determined for the respective reporting year at the beginning of that year. The actual bonus can be between 0 and 150% of the target bonus and is paid out in April of the following year.

For members of the Management Committee with responsibility for results, the actual bonus depends 50% on achievement of the budget goals of the business unit for which the member of the Management Committee is responsible, and 50% on the personal qualitative and quantitative goals. For members of the Management Committee who have no responsibility for results (Dr. R. W. Fischer, E. Ammann, and M. Füllemann), the personal qualitative and quantitative goals have a weighting of 100%.

- The Performance Share Units, as well as the options on shares or participation certificates of Schindler Holding Ltd. are allocated to the members of the Management Committee under the Long Term Incentive Plan (see note 5.3.3.2). If the goals are achieved, the variable compensation under the Long Term Incentive Plan amounts to approximately 30% of total compensation.

5.3.3 Capital participation plans

The capital participation plans contribute to aligning the medium- and long-term interests of the top level of management with those of the shareholders.

A capital participation plan for the top level management of the Group has been in existence since 2000. It comprises a share plan and an options plan. The duration of the plan was initially six years, but was extended for a further six years in 2006. The specific features of the plan, and the beneficiaries, are decided each year by the Board of Directors.

In 2008 the Board of Directors decided to offer to the members of the Management Committee Elevators & Escalators, as well as to other employees, the possibility of participating in the newly established Long Term Incentive Plan instead of in the existing Capital Participation Plan 2000. All members of the Management Committee Elevators & Escalators as well as one executive member of the Board of Directors have decided to participate in this plan (see note 5.3.3.2).

5.3.3.1 Capital Participation Plan 2000

- Under the *Share Plan* (Deferred Compensation Plan), the beneficiaries are paid 30% of their actual bonus up to a limit of CHF 135 000 in the form of shares or participation certificates of Schindler Holding Ltd. The allocation value of one share or one participation certificate is determined each year in December of the reporting year by the Board of Directors, normally from the average market value of the shares or participation certificates in December of the previous year, less a discount that is defined by the Board of Directors. The number of shares and participation certificates to be allocated to each beneficiary is also determined in December and their ownership transferred in April of the following year. The shares and participation certificates carry all associated rights, but are subject to a blocked period of three years during which they may not be sold.
- Under the *Options Plan*, a beneficiary can be allocated options on shares or participation certificates of Schindler Holding Ltd. for a maximum of CHF 90 000. Each year in December, the Board of Directors or the Compensation Committee, as the case may be, determines the value for which the recipient should receive options. The number of options to be allocated is calculated by dividing the value to be allocated by the economic value of one option (Black-Scholes formula) as at the date on which the exercise price is determined. The Board of Directors determines the exercise price for the options in March of each reporting year. The exercise price is normally based on the average market value of the shares in December of the previous year plus a premium that is defined by the Board of Directors. The blocked period is three years, the subsequent exercise period six years (retrospectively changed as from allocation year 2006).

5.3.3.2 Long Term Incentive Plan

The Long Term Incentive Plan consists of a Performance Share Plan and an Options Plan.

- Under the *Performance Share Plan*, the Board of Directors or the Compensation Committee, as the case may be, at its own discretion allocates to the beneficiary a certain number of Performance Share Units. Each Performance Share Unit gives the beneficiary the right to a still-to-be-determined number of shares or participation certificates of Schindler Holding Ltd. The number of shares or participation certificates depends on the achievement of certain growth and profitability figures (Key Performance Figures) which are defined each year by the Board of Directors.

Key Performance Figures that have been defined as relevant for 2009 are:

- a. the difference between (1) the average EBIT of the Schindler Elevators & Escalators business from 2009 to 2011, and (2) the average growth in EBIT of a group of companies in the elevators and escalators market over the same years, and
- b. the difference between (1) the growth in turnover of the Schindler Elevators & Escalators business from 2008 to 2011 and (2) the growth in turnover of a group of companies in the elevators and escalators market in the same period.

Key Performance Figures defined for 2008 were:

- a. the average EBIT margin of the Elevators & Escalators business for the years 2008, 2009, and 2010, and
- b. the difference between (1) the growth in turnover of the Schindler Elevators & Escalators business from 2007 to 2010 and (2) the growth in turnover of a group of companies in the elevators and escalators market in the same period.

The Performance Share Units 2009 are Performance Share Units on the shares of Schindler Holding Ltd. Allocation of the shares for the Performance Share Units 2009 will only take place in April 2012 on expiration of the three-year performance period. Before allocating the shares, the extent of achievement of the Key Performance Figures and the resulting multiplier (conversion rate) are calculated. The conversion rate can have a value between 0 and 3. The number of shares to be allocated is calculated by multiplying the Performance Share Units by the conversion rate. The shares are then transferred into ownership of the beneficiary, who may freely dispose of them as from this date.

- Under the *Options Plan*, the Board of Directors or the Compensation Committee, as the case may be, at its own discretion allocates to the beneficiaries a certain number of options on shares or participation certificates of Schindler Holding Ltd. The allocation for the reporting year takes place in April of the reporting year. The blocking period is three years, the subsequent exercise period six years (retrospectively changed as from allocation year 2008).

The exercise price for the options is determined by the Board of Directors in the respective reporting year and is normally based on the average market value of the shares or participation certificates in December of the previous year plus a premium that is defined by the Board of Directors.

5.3.4 Employment contracts and special agreements

Employment contracts, each with a renewable duration of three years, exist for Alfred N. Schindler, executive member and Chairman of the Board of Directors, and Luc Bonnard, executive member and Vice Chairman of the Board of Directors. There are no other employment contracts with notice periods of more than twelve months.

The employment contracts with the executive members of the Board of Directors and members of the Management Committee Elevators & Escalators do not contain any severance payments.

No severance payments were made in the reporting year.

5.4 Compensation for the reporting year

By decision of the Board of Directors, under the Capital Participation Plan 2000 participation certificates and options on participation certificates of Schindler Holding Ltd. are allocated for the reporting year. At its meeting in December 2009, for the allocation of participation certificates and options for the financial year 2009, the Board of Directors decided to use the average market price of the participation certificates of December 2008. On this basis, the following values were determined:

- Allocation value for the participation certificates CHF 48.70
- Exercise price for the options on participation certificates CHF 53.60 (average market price of the participation certificates plus the premium of 10% defined by the Board of Directors)
- Option value according to the Black-Scholes formula CHF 20.65

In March 2009 the Board of Directors decided to allocate options on shares of Schindler Holding Ltd. under the Long Term Incentive Plan with an exercise price of CHF 56.40. The basis for the option price was the average market value from January 6 to 19, 2009, plus a premium defined by the Board of Directors of 10%.

The compensation of the Board of Directors and Management Committee Elevators & Escalators that is disclosed below contains the respective compensation for the entire reporting year with the following additions and limitations:

- The disclosed variable compensation elements relate to the completed reporting year. The allocation and payment of the variable compensation under the Capital Participation Plan 2000 only takes place in April of the following year.
- The compensation of new members of the Board of Directors or Management Committee Elevators & Escalators is reported as from the date on which they take over the respective function. For transfers between the Board of Directors and the Management Committee Elevators & Escalators (e.g. transfer from the Management Committee Elevators & Escalators to the Board of Directors) the entire compensation for the reporting year is included and reported under the new function.

- In case a member resigns from the Board of Directors or Management Committee Elevators & Escalators, the compensation up to the date of resignation plus any other compensation paid in the reporting year in connection with the member's former activities in a governing body of the company is reported.
- In individual cases, depending on the country in which the member of the Management Committee lives, a company car is provided to a member of the Management Committee, and in this case no flat-rate car expenses are paid. Additional compensation is paid for assignments abroad (expatriates). These payments are reported under fringe benefits.
- All contributions to retirement benefit plans, premiums for managerial insurances, or benefits in the form of reduced premiums for insurances, are reported under expenses for post-employment benefits.
- Some members of the Board of Directors of Schindler Holding Ltd. and the Management Committee Elevators & Escalators are also members of the boards of directors of companies within the Group. If the respective Group companies pay a board of director's fee for this function, the compensation is not paid to the individual board member but to the company by which the member is normally compensated.
- In the reporting year, no securities or guarantees were granted to members of the Board of Directors or of the Management Committee Elevators & Escalators. Neither Schindler Holding Ltd. nor any other Group company has waived any liabilities due from members of the Board of Directors or of the Management Committee Elevators & Escalators.
- In the reporting year, no members of the Board of Directors or Management Committee Elevators & Escalators received fees or other compensation for additional work for Schindler Holding Ltd. or any other Group company.

5.4.1 Members of the Board of Directors of Schindler Holding Ltd.

Total compensation 2009 – Board of Directors

in 1000 CHF	Fixed compensation		Variable compensation			Fringe benefits	Expenses for post-employment benefits	Total
	Cash (gross)	Cash bonus (gross)	Participation certificates ³	Performance Share Units ⁵	Options			
Alfred N. Schindler, Chairman ^{1,2}	3 265	3 297	221	–	90 ⁶	–	545	7 418⁸
Luc Bonnard, Vice Chairman ^{1,2}	1 500	1 877	221	–	90 ⁶	–	419	4 107⁹
Prof. Dr. Karl Hofstetter ²	805	580	–	400	400 ⁷	–	337	2 522
Prof. Dr. Pius Baschera ³	185	–	–	–	–	–	11	196
Dr. Hubertus von Grünberg ³	185	–	–	–	–	–	8	193
Lord Charles Powell ³	185	–	–	–	–	–	8	193
Dr. Alexander Schaub ^{3,4}	350	–	–	–	–	–	–	350
Rolf Schweiger ^{3,11}	146	–	–	–	–	–	8	154
Dr. Jenö C. A. Staehelin ³	185	–	–	–	–	–	–	185
Robert Studer ^{3,10}	39	–	–	–	–	–	2	41
Dr. Klaus W. Wellershoff ^{3,11}	146	–	–	–	–	–	8	154
Total compensation	6 991	5 754	442	400	580	–	1 346	15 513

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Including compensation as Chairman of the Audit Committee

⁵ For the purpose of inclusion in the total compensation, the participation certificates of Schindler Holding Ltd. are valued at the stock exchange price at the end of December 2009 of CHF 79.65. The Performance Share Units were included in the total compensation with CHF 46.20 (average share price ten trading days before the date of the allocation on January 20, 2009, less a deduction of 10%).

⁶ The options allocated under the Capital Participation Plan 2000 are valued according to the Black-Scholes formula at CHF 20.65 per option.

⁷ The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 8.97 per option.

⁸ After voluntarily waiving a total of CHF 978 000. Payments by Alfred N. Schindler to charitable organizations CHF 740 000.

⁹ After voluntarily waiving CHF 523 000

¹⁰ Compensation up to March 16, 2009 (General Meeting of Shareholders 2009)

¹¹ Compensation from March 16, 2009 (General Meeting of Shareholders 2009)

The total compensation includes the following Board of Directors' fees (including flat-rate expense reimbursement): Chairman CHF 370 000 (previous year: CHF 370 000), Vice Chairman CHF 278 000 (previous year: CHF 278 000), other members CHF 185 000 (previous year: CHF 185 000).

Number of participation certificates, Performance Share Units and options allocated 2009 – Board of Directors

	Participation certificates ²	Performance Share Units	Options
Alfred N. Schindler, Chairman ¹	2 772	–	4 358 ³
Luc Bonnard, Vice Chairman ¹	2 772	–	4 358 ³
Prof. Dr. Karl Hofstetter ¹	–	8 658	44 593 ⁴

¹ Executive member

² This number is based on the allocation value of CHF 48.70

³ Options from the Capital Participation Plan 2000 (participation certificates)

⁴ Options from the Long Term Incentive Plan (registered shares)

In the reporting year 2009, the variable part of the compensation for the executive members of the Board of Directors was on average 51% (previous year: 54%) of the total compensation: 41% cash (previous year: 47%), 6% in the form of shares/participation certificates/Performance Share Units (previous year: 4%), and 4% in the form of options (previous year: 3%).

Total compensation 2008 – Board of Directors

in 1000 CHF	Fixed compensation		Variable compensation			Fringe benefits	Expenses for post-employment benefits	Total
	Cash (gross)	Cash bonus (gross)	Registered shares ⁵	Performance Share Units ⁵	Options ⁶			
Alfred N. Schindler, Chairman ^{1,2}	3 265	3 475	137	–	90	–	451	7 418 ⁷
Luc Bonnard, Vice Chairman ^{1,2}	1 478	2 031	137	–	90	–	371	4 107
Alfred Spörri ⁸	1 154	2 248	137	–	90	–	215	3 844
Prof. Dr. Karl Hofstetter ²	885	560	–	291	210	–	232	2 178
Prof. Dr. Pius Baschera ³	185	–	–	–	–	–	11	196
Dr. Hubertus von Grünberg ³	185	–	–	–	–	–	8	193
Lord Charles Powell ³	185	–	–	–	–	–	8	193
Dr. Alexander Schaub ^{3,4}	323	–	–	–	–	–	–	323
Dr. Jenö C. A. Staehelin ³	185	–	–	–	–	–	–	185
Robert Studer ³	185	–	–	–	–	–	8	193
Total compensation	8 030	8 314	411	291	480	–	1 304	18 830

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Incl. compensation as member/Chairman of the Audit Committee

⁵ For the purpose of inclusion in the total compensation, the shares of Schindler Holding Ltd. were valued at the stock exchange price at the end of December 2008 of CHF 47.05.

For inclusion in the total compensation, the Performance Share Units were valued as follows: stock exchange price of one share of Schindler Holding Ltd. as at December 31, 2008, (CHF 47.05) multiplied by a conversion rate of 1.

⁶ The options allocated under the Capital Participation Plan 2000 are valued according to the Black-Scholes formula at CHF 8.97 per option.

⁷ After voluntarily waiving CHF 185 000 of fixed compensation. Taxes paid by Alfred N. Schindler in Switzerland of CHF 12 475 000 and donations to charities of CHF 600 000.

⁸ Compensation for the full reporting year. Until March 26, 2008, for his activities as executive member, thereafter for his consulting activities for the Executive Committee of the Board.

Number of registered shares, Performance Share Units and options on registered shares allocated 2008 – Board of Directors

	Registered shares ³	Performance Share Units	Options
Alfred N. Schindler, Chairman ¹	2 922	–	10 033 ⁴
Luc Bonnard, Vice Chairman ¹	2 922	–	10 033 ⁴
Alfred Spörri ²	2 922	–	10 033 ⁴
Prof. Dr. Karl Hofstetter ¹	–	6 192	23 392 ⁵

¹ Executive member

² Executive member until March 26, 2008

³ This number is based on the allocation value of CHF 46.20

⁴ Options from the Capital Participation Plan 2000

⁵ Options from the Long Term Incentive Plan

5.4.2 Members of the Management Committee Elevators & Escalators

Total compensation 2009 – Management Committee Elevators & Escalators

In 1000 CHF	Fixed compensation		Variable compensation		Fringe benefits	Expenses for post-employment benefits	Total
	Cash (gross)	Cash bonus (gross)	Performance Share Units ¹	Options ²			
Total Management Committee Elevators & Escalators ³	5 047	5 302	1 775	1 775	446	1 817	16 162
Highest single compensation: Jürgen Tinggren	860	1 320	500	500	–	323	3 503

¹ The Performance Share Units were included in the total compensation with CHF 46.20 (average share price ten trading days before the date of the allocation on January 20, 2009, less a deduction of 10%).

² The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 8.97 per option.

³ The compensation of the executive members of the Board of Directors is reported only under the compensation of the members of the Board of Directors and not under the Management Committee.

Number of Performance Share Units and options on registered shares allocated 2009 – Management Committee Elevators & Escalators

	Performance Share Units	Options
Total Management Committee Elevators & Escalators	38 421	197 880
Jürgen Tinggren	10 823	55 741

In the reporting year 2009, the variable component of the compensation for the members of the Management Committee Elevators & Escalators was on average 55% (previous year: 39%) of the total compensation: 33% cash (previous year: 25%), 11% in the form of Performance Share Units (previous year: 8%) and 11% in the form of options (previous year: 6%). The calculation was based on a conversion rate of 1.

Total compensation 2008 – Management Committee Elevators & Escalators

In 1000 CHF	Fixed compensation	Variable compensation		Fringe benefits/ others	Expenses for post-employment benefits	Total
	Cash (gross)	Cash bonus (gross)	Performance Share Units ¹			
Total Management Committee Elevators & Escalators ³	5 452	4 021	1 283	921	2 334 ⁴	15 783
Highest single compensation: Jürgen Tinggren	900	1 185	364	262	–	2 955

¹ For inclusion in the total compensation, the Performance Share Units were valued as follows: stock exchange price of one share of Schindler Holding Ltd. as at December 31, 2008, (CHF 47.05) multiplied by a conversion rate of 1.

² The options allocated under the Long Term Incentive Plan are valued according to the Black-Scholes formula at CHF 8.97 per option.

³ The compensation of the executive members of the Board of Directors is reported only under the compensation of the members of the Board of Directors and not under the Management Committee.

⁴ Contains termination compensation for a former member of the Executive Committee of CHF 1.9 million.

Number of Performance Share Units and options on registered shares allocated 2008 – Management Committee Elevators & Escalators

	Performance Share Units	Options
Total Management Committee Elevators & Escalators	27 180	102 510
Jürgen Tinggren	7 740	29 240

5.4.3 Former members of governing bodies

Alfred Spörri, until March 26, 2008, a member of the Executive Committee of the Board, received total compensation in the reporting year 2009 of CHF 1.2 million.

Roland W. Hess, President of the Management Committee Elevators & Escalators until July 31, 2007, received total compensation of CHF 1.1 million (previous year: CHF 1.2 million).

5.4.4 Related parties

Schindler Holding Ltd. pays pensions to three widows of former executive members of the Board of Directors. In the reporting year, these amounted to CHF 259 200. The actuarially determined cash value is recalculated annually, and on December 31, 2009, amounted to CHF 1.7 million. This amount is reported by Schindler Holding Ltd. as a provision.

5.5 Loans

5.5.1 Present and former members of governing bodies

No loans were granted by Schindler Holding Ltd. or any other Group company to any present or former members of the governing bodies, and no such loans were outstanding as at December 31, 2009.

The Chairman of the Board of Directors has been granted borrowing rights. As of December 31, 2009, the unutilized credit limit was CHF 25 million, which was secured by shares of Schindler Holding Ltd. owned by the Chairman with a value of more than CHF 200 million.

5.5.2 Related parties

Schindler Holding Ltd. has not made any loans to related parties of present or former members of governing bodies.

5.6 Participations, option rights, and conversion rights

The participations and option rights of the members of the Board of Directors of Schindler Holding Ltd. and of the Management Committee Elevators & Escalators and of their related parties are as follows (there are no outstanding conversion rights):

Participations, option rights, and conversion rights 2009 – Board of Directors

	Registered shares	Number of		Number of vested options	
		Participation certificates	on participation certificates allocated under the options plan 2004	on participation certificates allocated under the options plan 2005	on registered shares allocated under the options plan 2006
as at 31. 12. 2009					
Alfred N. Schindler, Chairman ^{1,2}	4	24 540	–	–	3 153
Luc Bonnard, Vice Chairman ^{1,2}	4	–	–	–	–
Prof. Dr. Karl Hofstetter ²	47 623	–	7 560	6 220	3 153
Prof. Dr. Pius Baschera ³	3 000	–	–	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–	–	–
Lord Charles Powell ³	5 000	–	–	–	–
Dr. Alexander Schaub ³	3 000	–	–	–	–
Rolf Schweiger ³	3 375	–	–	–	–
Dr. Jenö C. A. Staehelin ³	4	–	–	–	–
Dr. Klaus W. Wellershoff ³	3 000	–	–	–	–

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler, Luc Bonnard, Dr. Jenö C. A. Staehelin, and parties related to these persons hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. As at 31. 12. 2009, these comprised 51 026 502 shares, corresponding to 71.1% of the voting rights of the share capital entered in the Commercial Register.

Participations, option rights, and conversion rights 2008 – Board of Directors

as at 31.12.2008	Number of		Number of vested options		
	Registered shares	Participation certificates	on registered shares allocated under the option plan 2003	on participation certificates allocated under the option plan 2004	on participation certificates allocated under the option plan 2005
Alfred N. Schindler, Chairman ^{1,2}	⁴	18 320	–	–	6 220
Luc Bonnard, Vice Chairman ^{1,2}	⁴	–	–	–	–
Prof. Dr. Karl Hofstetter ²	24 623	10 760	23 000	7 560	6 220
Prof. Dr. Pius Baschera ³	3 000	–	–	–	–
Dr. Hubertus von Grünberg ³	5 000	–	–	–	–
Lord Charles Powell ³	5 000	–	–	–	–
Dr. Alexander Schaub ³	3 000	–	–	–	–
Dr. Jenö C. A. Staehelin ³	⁴	–	–	–	–
Robert Studer ³	5 000	5 000	–	–	–

¹ Member of the Executive Committee of the Board

² Executive member

³ Non-executive member

⁴ Alfred N. Schindler, Luc Bonnard, Dr. Jenö C. A. Staehelin, and parties related to these persons hold their registered shares of Schindler Holding Ltd. under a shareholders' agreement. As at December 31, 2008, these comprised 51 082 480 shares, corresponding to 70.5% of the voting rights of the share capital entered in the Commercial Register.

Participations, option rights, and conversion rights 2009 – Management Committee Elevators & Escalators

as at 31.12.2009	Number of		Number of vested options		
	Registered shares	Participation certificates	on participation certificates allocated under the option plan 2004	on participation certificates allocated under the option plan 2005	on registered shares allocated under the option plan 2006
Jürgen Tinggren, President	20 097	8 410	–	4 680	2 901
Miguel A. Rodríguez, Deputy President	19 841	10 120	–	6 220	2 565
Erich Ammann	7 879	4 450	–	5 530	2 883
Dr. Rudolf W. Fischer	24 413	–	–	–	2 733
Michael Füllemann	715	–	–	–	–
Dr. Christoph Lindenmeyer	11 300	3 340	–	4 150	2 179
Silvio Napoli	1 811	725	3	460	325
Jakob Züger	13 828	5 030	–	3 320	1 507

Participations, option rights, and conversion rights 2008 – Management Committee Elevators & Escalators

	Number of		Number of vested options		
	Registered shares	Participation certificates	on registered shares allocated under the options plan 2003	on participation certificates allocated under the options plan 2004	on participation certificates allocated under the options plan 2005
as at 31.12.2008					
Jürgen Tinggren, President	20 097	8 410	18 760	6 090	4 680
Miguel A. Rodríguez, Deputy President	15 672	10 120	21 010	–	6 220
Erich Ammann	7 879	4 450	–	–	5 530
Dr. Rudolf W. Fischer	27 338	4 450	–	–	5 530
Michael Füllemann	715	–	–	–	–
Dr. Christoph Lindenmeyer	11 300	3 340	–	–	4 150
Silvio Napoli ¹	1 811	725	–	3	460
Jakob Züger	13 828 ²	5 030	–	460	3 320

¹ Member since March 1, 2008

² Retrospectively corrected from 14 828 to 13 828 (typographical error)

Regarding option conditions, see note 35 to the Consolidated Financial Statements, pages 76 to 81.

6 Shareholders' participation

6.1 Restrictions on voting rights and representation

Provided that the share is recorded in the share register as a share with voting rights, each share carries the right to one vote. Subject to the registration of shares, the Articles of Association do not impose any restrictions on the voting rights of shareholders (see note 2.6.1).

Shareholders' rights of participation at General Meetings of Shareholders are in accordance with the law and the Articles of Association. Each shareholder can personally participate at the General Meeting of Shareholders and cast their vote, or be represented by a person with written power of attorney who is also a shareholder. Representation is also possible by institutional representatives, by the independent proxy, or by depositary representatives.

6.2 Statutory quorums

6.2.1 Quorum

Article 19 of the Articles of Association stipulates that for the resolutions of the General Meeting of Shareholders stated below, the presence of shareholders representing at least half of the share capital recorded in the Commercial Register is required:

- Election and discharge of members of the Board of Directors
- Conversion of registered shares into bearer shares and vice versa, and, subject to the individual voting rights of the shareholders, conversion of shares into participation certificates
- Issuance of profit sharing certificates, or conversion of participation certificates into profit sharing certificates
- Exceptions from the restrictions on registration as full shareholders when the percentage limit is exceeded
- Resolutions for which there is a legal or statutory requirement for a qualified decision-making quorum.

6.2.2 Decision-making majority

Resolutions by the General Meeting of Shareholders are normally determined by the relative majority of the votes cast.

According to the Articles of Association, the following resolutions require the agreement of at least two-thirds of the voting rights represented at the meeting, and of the absolute majority of the nominal value of shares represented at the meeting:

- All resolutions according to Article 704 of the Swiss Code of Obligations
- Resolutions regarding changes to the company name, issuance of profit sharing certificates, and any change in the share capital or participation capital.

6.3 Convocation of the General Meeting of Shareholders

General Meetings of Shareholders are convened by the Board of Directors or, if necessary, by the auditing body or other bodies in accordance with the stipulations of Articles 699 and 700 of the Swiss Code of Obligations. Notification of General Meetings of Shareholders is given by non-registered letter to the address of registered shareholders recorded in the share register, and by publication once only in the Swiss Official Gazette of Commerce. Although not required by statute, it is also customary to publish notification in selected Swiss daily newspapers. The period of notification is 20 days.

6.4 Inclusion of items on the agenda

The Board of Directors prepares the agenda of the items to be discussed. According to Article 17 of the Articles of Association, shareholders who represent 5% of the share capital can request an item to be placed on the agenda. The request, with details of the item to be discussed, must be submitted in writing by the deadline announced and published once only by the Board of Directors.

6.5 Entries in the share register

Only those shareholders with voting rights and whose names were recorded in the company's register of shareholders on the respective closing date may attend the General Meeting of Shareholders and exercise their voting rights. The Board of Directors endeavors to set the closing date for registration as close as possible to the date of the General Meeting of Shareholders, i.e. not more than five to ten days before the respective General Meeting of Shareholders. There are no exceptions to this rule regarding the closing date. The closing date is published together with the invitation to the General Meeting of Shareholders in the Swiss Official Gazette of Commerce and in various newspapers.

7 Change of control and defensive measures

7.1 Duty to make an offer

According to Art. 33 of the Articles of Association, the obligation to submit a public takeover bid pursuant to Articles 32 and 52 of the Swiss Securities Exchanges and Securities Trading Act has been foregone (opting out).

7.2 Clauses on changes of control

There are no clauses (e.g. golden parachutes) in favor of members of the Board of Directors or the Executive Committee of the Board, or other members of management, in case of a change of control.

8 Auditing body

8.1 Duration of mandate and term of office of the auditor in charge

Ernst & Young AG, Berne, have been the auditing body of Schindler Holding Ltd., as well as Group auditors, since 1999.

The auditor in charge has held this function since 2003, both for the audit of the individual financial statements of Schindler Holding Ltd. and for the consolidated financial statements of the Schindler Group. As required by law, the auditor in charge is changed every seven years.

8.2 Audit and additional fees

The audit fees of Ernst & Young as auditors of the Group's consolidated financial statements, and as auditing body of both Schindler Holding Ltd. and the majority of Group companies in Switzerland and abroad, as well as the fees for additional services, were as follows:

In 1000 CHF	2009	2008
Audit fees (audit of the consolidated financial statements, the financial statements of Schindler Holding Ltd., and the financial statements of the Group companies in Switzerland and abroad)	4 861	5 312
Additional fees:		
Additional audit-related services	358	
Tax advice	1 044	
Transaction advice	95	
Total additional fees	1 497	1 537

8.3 Informational instruments pertaining to an external audit

The Audit Committee evaluates the performance, fees, and independence of the auditors each year according to the following criteria:

- Quality of the Management Letter
- Global coverage and coordination of the audit instructions
- Meeting the deadlines required to allow the annual results media and analysts conference to be held on the scheduled date
- The quality of the guidance provided on the effects of changes in the accounting standards on internal guidelines and processes
- Benchmark analysis of the audit fees
- Independence as defined by relevant rules of the Swiss Audit Law (RAG).

The Audit Committee discusses and reviews the scope of the audits, and the feedback resulting therefrom. Based on this information, it determines changes and improvements as necessary.

Material non-audit-related services (e.g. tax services) that are provided by the auditors must be approved in advance by the Audit Committee.

In 2009 the Auditing Body had regular contacts with members of the Executive Committee of the Board and the Chief Financial Officer.

In the reporting year, one meeting took place with the Audit Committee.

Group Assurance reports 4–6 times to the Audit Expert Group, twice yearly to the Audit Committee of the Board of Directors, and once yearly to the Board of Directors.

9 Information policy

The Schindler Group pursues an information policy that is based on truthfulness, timeliness, and continuity. Matters affecting the share price are published immediately in accordance with the ad hoc publicity rules of the SIX Swiss Exchange. The ad hoc announcements can be called up as from the time when they are communicated to the SIX Swiss Exchange and for two years thereafter at www.schindler.com (http://www.schindler.com/group_index/group_media/group_news.htm).

It is also possible to receive potentially price-relevant information immediately at no cost directly from Schindler by e-mail. This service is offered at www.schindler.com under Media – News Subscription (http://www.schindler.com/group_index/group_media/group_kg_mr_sub.htm).

Schindler provides information about the half-year results and annual results in the form of interim and annual reports in printed and electronic form. The quarterly reports as at March 31 and September 30 are only made available in electronic form. Schindler also presents its annual financial statements each year at its annual results media and analysts conference and at the General Meeting of Shareholders.

Key dates are:

Closing of the financial year	as at December 31
Annual results media and analysts conference	Mid-February
Publication of the Annual Report	Mid-February
General Meeting of Shareholders	Mid-March
Interim Reports	as at March 31, June 30, September 30
Publication of the Interim Reports	April, August, October

The exact dates for the current year and the subsequent year can be called up at www.schindler.com – Investor Relations – Financial Calendar (http://www.schindler.com/group_index/group_kg_ir/group_kg_ir_fincal.htm).

Also available at www.schindler.com are the annual reports, press releases, and current share price, as well as general information about the Group.

Interested persons may also communicate with the Group directly through the following contacts:

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The Annual Report of the Schindler Group for 2009 consists of the Group Review and the Financial Statements and Corporate Governance.

The original German language version is binding. English, French, Spanish and Chinese translations of the Group Review are also available. The Financial Statements and Corporate Governance are published in German and English only.

**Overall responsibility,
concept, and text**

Schindler Management Ltd.
Corporate Communications
Ebikon, Switzerland

Concept and graphic design

Interbrand Zurich, Switzerland

**Typesetting, prepress,
and printing**

NZZ Fretz AG
Schlieren, Switzerland

Photography

Image photography:
OnRequest Images

Management Committee (page 131):
Julian Salinas