



Invitation to General Meeting of Shareholders

21 October 2008 at 3.00 pm, admission starts at 2.15 pm
Mövenpick Hotel - Zurich Regensdorf

AGENDA

1. Approval of the Annual Report for 2007/2008

as well as presentation of the reports of the statutory and group auditors

The Board of Directors proposes that the Annual Report for 2007/2008, consisting of the Corporate Reporting, the Corporate Governance and the Financial Statements (with company and group financial statements), be approved.

2. Appropriation of retained earnings of Kaba Holding AG

The Board of Directors proposes that the retained earnings at the disposal of the Annual General Meeting, composed of

Net income for financial year 2007/2008	CHF 30'400'447
Brought forward from previous year	<u>CHF 22'574'009</u>
= Total retained earnings	<u>CHF 52'974'456</u>

be appropriated as follows:

Payment of a dividend of	CHF 29'669'468 *
Carry forward to new account	<u>CHF 23'304'988</u>
	<u>CHF 52'974'456</u>

If this proposal will be approved, dividend payments will begin on 24 October 2008, as follows:

CHF 7.80 gross per registered share at CHF 0.10 par, minus withholding tax of 35% (previous year: CHF 6.50).

* Based on the amount of outstanding shares as at 30 June 2008. The total amount of the dividend depends on the amount of the outstanding shares on 23 October 2008.

3. Ratification of acts of the Board of Directors and of the Management

The Board of Directors proposes that the acts of the members of the Board of Directors and of the Management in the financial year just ended be ratified.

4. Election of the Board of Directors

4.1. Re-election of Ulrich Graf

The Board of Directors proposes the re-election of Ulrich Graf for a further 3-year term.

4.2. Re-election of Klaus Schmidt

The Board of Directors proposes the re-election of Klaus Schmidt for a further 3-year term.

4.3. Re-election of Riet Cadonau

The Board of Directors proposes the early re-election of Riet Cadonau for a further 3-year term.

5. Appointment of statutory auditors

The Board of Directors proposes the re-election of PricewaterhouseCoopers AG, Zurich, as statutory auditors for a further term of 1 year.

6. Creation of authorized share capital (Amendment of § 3c paragraph 1 of the Articles of Incorporation)

In 2006, the Annual General Meeting of Kaba authorized the Board of Directors to increase the share capital by approximately 10% additional shares and amended § 3c of the Articles of Incorporation accordingly. This authorization expires on 24 October 2008. The Board of Directors proposes the creation of authorized share capital so as to allow the Board of Directors to issue up to 10% new shares if need be. Accordingly, the Board of Directors proposes to amend the current § 3c of the Articles of Incorporation as follows (changes in **bold**):

Current Articles of Incorporation

§ 3c

1. The Board of Directors is authorized until no later than October 24, 2008, to increase the share capital by no more than CHF 37,720 by issuing no more than 377,200 fully paid-up shares with a par value of CHF 0.10 each. The capital increase can be consummated in partial amounts.

Revised Articles of Incorporation

§ 3c

1. *The Board of Directors is authorized until no later than **October 21, 2010**, to increase the share capital by no more than **CHF 38'000 (thirty eight thousand Swiss francs)** by issuing no more than **380,000** fully paid-up shares with a par value of CHF 0.10 each. The capital increase can be consummated in partial amounts.*

[para. 2 to 4 unchanged]

7. **Amendment of the provisions of the Articles of Incorporation regarding the election as well as the rights and obligations of the auditors (Amendment of § 19 paragraph 2 and 3 of the Articles of Incorporation)**

As of 1 January 2008, a partial revision of the Swiss Code of Obligations entered into force providing, amongst others, for new provisions regarding the rights and duties as well as election of the auditors. According to the new law, public companies must appoint as auditors an auditing firm subject to governmental supervision according to the provisions of the Law on Supervision of Auditors of 16 December 2005. Further, based on the amendment of the law, the references in § 19 paragraph 3 do not apply any more. Accordingly, the Board of Directors proposes to amend the current § 19 of the Articles of Incorporation as follows (changes in bold):

Current Articles of Incorporation

§ 19

2. One or more persons may be selected as the Auditors. The office may be transferred to an auditing firm.

3. The Auditors shall perform their function in accordance with the legal guidelines, especially pursuant to Articles 728 and 729 CO.

Revised Articles of Incorporation

§ 19

[para. 1 unchanged]

2. An auditing firm subject to governmental supervision as required by law is to be appointed as Auditors.

3. The rights and duties of the Auditors are determined by the provisions of the law.

Documentation

The Annual Report for 2007/2008 consisting of

- Corporate Reporting 2007/2008
- Corporate Governance 2007/2008
- Financial Statements 2007/2008 (with company and group financial statements)

as well as the original reports of the statutory and group auditors shall be available for review by shareholders at the company's headquarters on Hofwisenstrasse 24, in 8153 Rümlang, Switzerland as of 17 September 2008.

We have refrained from sending all the documents automatically to the shareholders. You will find the relevant information on the business year 2007/2008 in the Shareholder Newsletter No. 30. The Business Report and/or the Investor's Handbook may be ordered with the enclosed reply form. The Business Report is also released on www.kaba.com.

Admission cards

Shareholders entered in the share register with voting rights on 5 September 2008, will receive the invitation to the Annual General Meeting with the proposals of the Board of Directors. Upon return of the reply form, the shareholders will be sent the admission card and voting slips. Shareholders who are not yet registered on 5 September 2008, but purchase shares at a later date will receive their invitation, provided the company's registrar is in possession of their registration application by no later than 13 October 2008. **No entries will be made in the share register from 14 October 2008 until the day of the Annual General Meeting.** Owners of registered shares who sell their shares prior to the Annual General Meeting shall no longer be eligible to vote. Shareholders who sell or buy portions of their shares after having received the admission card are kindly requested to have their admission card updated at the information desk at the venue of the Annual General Meeting.

Representation/proxy

Shareholders who cannot personally attend the Annual General Meeting may have themselves represented as follows:

- by another **shareholder** who is entered in the share register: Please order your admission card, complete the proxy form on the reverse side of the admission card and submit it to the proxy holder together with the voting slips,

or

- by the **independent proxy**, Andreas G. Keller, attorney-at-law, P.O. Box 2924, 8021 Zurich, Switzerland: the enclosed reply form constitutes a power of attorney. In the absence of written instructions to the contrary (instruction form on the reverse side of the reply form), the independent proxy will vote in favour of the proposals of the Board of Directors,

or

- by **Kaba Holding AG**: Please return the blank power of attorney on the reply form to us in the enclosed envelope. The votes will be in favour of the proposals of the Board of Directors. Forms with instructions to the contrary will be forwarded to the independent proxy.

or

- by your **bank** or your **asset manager**. Please order the admission card, complete the proxy form on the reverse side of the admission card and submit it together with the voting slips to your bank.

Voting and proxy limitations

We wish to draw the attention of our shareholders to § 10 of the Articles of Incorporation according to which a shareholder may only be represented by another shareholder, and a shareholder may – directly with his or her own shares, or indirectly, with represented shares – exercise no more than 5% of all votes. This limitation does not apply to shareholders who were entered in the share register prior to 13 November 1995 with more than 5% of all votes.

The Annual General Meeting will be conducted in German, an English translation is available.

Rümlang, 16 September 2008

Kaba Holding AG



Ulrich Graf
Chairman