

Corporate Governance

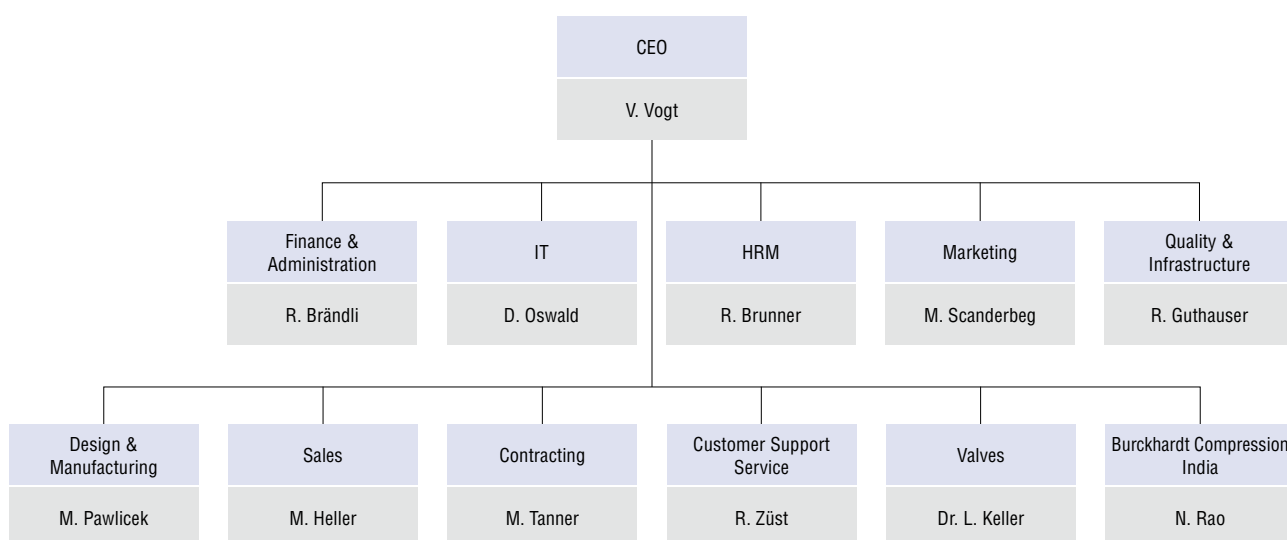
This report complies with the Directive on Corporate Governance (DCG) of the SIX Swiss Exchange, where applicable to Burckhardt Compression, and is set out using the according sequence and numbering. Unless otherwise noted, the information presented reflects the situation on March 31, 2010.

1. Group structure and shareholders

1.1. Group structure

1.1.1. Management structure

The management structure of the Burckhardt Compression Group is given in the organizational chart below:



1.1.2. Listed Group companies

Burckhardt Compression Holding AG, a corporation organized under the laws of Switzerland with legal domicile in Winterthur, is the only listed Group Company. Burckhardt Compression registered shares (BCHN) are listed on the SIX Swiss Stock Exchange in Zurich (ISIN: CH0025536027; security number 002553602). Its market capitalization as per March 31, 2010 amounted to CHF 707.2 mn.

1.1.3. Unlisted Group companies

Information on the unlisted companies included in the scope of consolidation of Burckhardt Compression Holding AG is given in the financial report under the section Investments as per March 31, 2010.

With the exception of Burckhardt Compression Holding AG, none of the companies included in the scope of consolidation hold any BCHN shares.

1.2. Significant shareholders

As per March 31, 2010 the following groups of shareholders were registered:

Shareholders	Number of shares	%
Individuals	919'274	27
Legal entities	677'328	20
Shares in the process of transfer	1'238'735	36
Other	498'312	15
Treasury shares	66'351	2
Total	3'400'000	100

According to information available to the company, the following shareholders reported shareholdings above 3% of the share capital and voting rights as per March 31, 2010:

Name	Country	% of shares
MBO Management Shareholders	Switzerland	15.6
Bank of America	USA	4.8
Deutsche Bank AG	Germany	4.1
Allianz Global Investors	Germany	3.5
TIAA-CREF Investment Management	USA	3.3
Royce & Associates	USA	3.1
UBS Fund Management (Switzerland) AG	Switzerland	3.0

1.3. Cross-shareholdings

Burckhardt Compression Holding AG has no cross-shareholdings with any other company or group of companies.

2. Capital structure

2.1. Capital

The issued share capital of Burckhardt Compression Holding AG amounts to CHF 8,500,000, comprising 3,400,000 fully paid registered shares with a nominal value of CHF 2.50 each.

2.2. Authorized and conditional capital in particular

The Board of Directors is empowered to increase the company's share capital by a maximum of CHF 1'275'000 at any time until July 4, 2011 by issuing a maximum of 510'000 fully paid registered shares with a nominal value of CHF 2.50 each (authorized capital). The date and amount of the issuance, the time of dividend entitlement and, if applicable, the type of contribution will be determined by the Board of Directors. Partial increases in capital are permitted.

The Board of Directors is authorized to exclude shareholders' subscription rights, in part or whole, in favor of third parties if the new shares are used to i) acquire companies through an exchange of shares or ii) to finance the purchase of companies in whole or part. The Board of Directors is also authorized to exclude subscription rights of shareholders if the newly created shares are issued by means of a public offering. Shares for which subscription rights have been granted but not exercised will be allotted by the Board of Directors at its own discretion.

Apart from that, Burckhardt Compression Holding AG has no further authorized capital and/or conditional capital.

2.3. Changes in capital

There has been no change in the share capital since 2002. There was a four-for-one share split before the IPO in June 2006.

2.4. Shares and participation certificates

Voting rights may only be exercised after the shareholder has been registered in the share register. All shares are entitled to full dividend rights. The voting right per shareholder is restricted to 5% of the total number of the registered shares recorded in the commercial register. This does not apply to shareholders who were in possession of more than 5% of the shares of Burckhardt Compression Holding AG before the Initial Public Offering (IPO). The voting rights of Burckhardt shares held by the company or its subsidiaries will be suspended. The company has not issued any participation certificates.

2.5. Dividend-right certificates

The company has not issued any dividend right certificates.

2.6. Limitations on transferability and nominee registrations

No person will be registered as a shareholder in the share register for more than 5% of the registered share capital. This limitation applies also to persons who hold shares wholly or partly through nominee agreements. This limitation also applies if shares are acquired by exercising subscription, option or conversion rights.

Legal entities and partnerships which are linked by equity or voting rights, by sharing the same management or linked in some other way are counted as one entity. The same applies to individuals, legal entities or partnerships that combine their shareholdings for the purpose of circumventing registration limitations.

Individual shareholders whose entry applications do not expressly declare that they hold their shares for their own account (nominees) will be entered in the share register with voting rights, provided that they are subject to supervision by a recognized banking and financial market regulator, and have signed an agreement with the Board of Directors concerning their status, and that the number of shares held by the nominee does not exceed 2% of the registered share capital. Beyond this registration limit, the Board of Directors may register nominees in the share register with voting rights provided that such nominees disclose the names, addresses, nationalities and holdings of the persons on whose account they hold 2% or more of the registered share capital. As of March 31, 2010, one nominee holding 13'075 shares had signed such a declaration; all shares held by this nominee have been entered in the share register with full voting rights.

2.7. Convertible bonds and options

The company does not have any outstanding convertible bonds and has not issued any option rights.



From left: Urs Fankhauser, Valentin Vogt, Hans Hess, Heinz Bachmann, Urs Leinhäuser

3. Board of Directors

3.1. Members of the Board of Directors and

3.2. Other activities and vested interests

The articles of incorporation stipulate that the Board of Directors consists of a minimum of one and a maximum of seven members. At present, the composition of the Board of Directors is as follows:

Name	Nationality	Position	Year of first appointment	Elected until
Hans Hess	Swiss	Chairman, non-executive	2006	2010
Heinz Bachmann	Swiss	Deputy Chairman, non-executive	2002	2010
Urs Fankhauser	Swiss	Member, non-executive	2006	2010
Urs Leinhäuser	Swiss	Member, non-executive	2007	2010
Valentin Vogt	Swiss	CEO, executive member	2002	2010

None of the non-executive board members was a member of the Executive Board of a Burckhardt Compression Group company. None of the non-executive members of the Board has material business relationships with a Burckhardt Compression Group company.

Personal details and other activities and vested interests of the individual members of the Board of Directors are as follows:

Hans Hess (1955)

Education:

Masters degree in Materials Science & Engineering, ETH Zurich, Switzerland, MBA University of Southern California, USA

Professional background:

Since 2006: self-employed, Hanesco AG, Switzerland

1996-2005: CEO Leica Geosystems AG, Switzerland

1993-1996: President, Leica Optronics Group, Switzerland

1989-1993: Vice President, Leica Microscopy Group, Switzerland

1983-1988: Head of Polyurethane Division, Huber & Suhner AG, Switzerland

1981-1983: Development Engineer, Sulzer AG, Switzerland

Other activities and commitments:

- Chairman of the Board COMET Holding AG, Switzerland
- Chairman of the Board Reichle & De Massari AG, Switzerland
- Board member Geberit AG, Switzerland
- Board member Schaffner Holding AG, Switzerland
- Member of the ETH Board
- Vice-Chairman Swissmem
- Member of the executive committee of Swiss Employer's Association
- Vice-Chairman of Swiss Armament Committee
- Trustee of Vontobel Foundation, Switzerland
- Trustee of Swisscontact, Switzerland
- Trustee of ISPRS Foundation, USA

Valentin Vogt (1960)

Education:

Lic. oec., HSG St. Gallen, Switzerland

Professional background:

Since 2000: CEO of Burckhardt Compression Group, Switzerland

1992-2000: President, Sulzer Metco AG, Switzerland

1989-1992: CFO, Sulzer Metco Division, Switzerland

1986-1989: CFO, Alloy Metals, USA

1985-1986: Controller, Sulzer AG, Switzerland

Other activities and commitments:

- Vice-Chairman of the Board StarragHeckert Holding AG, Switzerland
- Member of executive management committee of Swissmem

Urs Leinhäuser (1959)

Education:

Degree in Business Administration,
University of Applied Sciences, Zürich

Professional background:

Since 2004: CFO and Head Corporate
Center, Member of the Group Executive
Committee, Rieter Holding Ltd., Switzerland

2003-2004: Head Group Controlling,
Member of the Group Executive Committee,
Rieter Holding Ltd., Switzerland

1999-2003: CFO Mövenpick Holding,
Member of the Group Executive Committee,
Switzerland

1997-1999: Head of Finance and Control-
ling, Piping Systems Division, Georg
Fischer AG, Switzerland

1995-1997: Head of Corporate Control-
ling, Georg Fischer AG, Switzerland

1994-1995: Head Controlling, Deputy
Chief Financial Officer, Gretag AG,
Switzerland

1988-1993: Group Controller, Cerberus
Ltd., Switzerland

1992: Managing Director, Cerberus,
Denmark

1986-1988: Tax Consultant, Deputy Head,
Tax Consultancy Department, Refidar
Moore Stephens, Switzerland

1983-1986: Tax Inspector, Cantonal Tax
Department SH, Switzerland

Urs Fankhauser (1960)

Education:

Degree in Engineering FH Burgdorf,
Switzerland

MBA, Henley Management College, UK

Professional background:

Since 2002: Division President Sulzer
Chemtech Ltd., Switzerland and member
of Sulzer Executive Committee, Switzerland

2000-2002: President North and South
America, Sulzer Chemtech Ltd., USA

1993-2000: President East Asia Pacific,
Sulzer Chemtech Ltd., Singapore

1990-1993: Engineering Manager, Sulzer
Chemtech Ltd., Singapore

1989-1990: Production Engineer, Sulzer
Pumps Ltd., UK

Other activities and commitments:

- Board member of Bossard AG,
Switzerland

Heinz Bachmann (1942)

Education:

Degree in Textile Engineering from
Reutlingen College of Applied Sciences
for the Textile Industry, Germany

Professional background:

1990-2003: CEO, Saurer Textile Systems,
Switzerland

1981-1989: Chief Representative, Schu-
bert & Salzer Maschinenfabrik AG,
Germany, Director and Member of Group
Management, Rieter Ltd., Switzerland

1975-1980: Managing Director, Lauffen-
mühle Group, Germany

1967-1974: Member of Group Manage-
ment and Technical Manager, Wellington
Industries Ltd, South Africa

Other activities and commitments:

- Chairman of Santex Group, Switzerland
- Board member of Grob AG, Switzerland
- Board member of Hunziker AG,
Switzerland
- Board member of Swisslog AG,
Switzerland
- Board member of AUTO-i-DAT AG,
Switzerland

3.3. Election and term of office

The members of the Board of Directors are elected for a term of three years. Members of the board are eligible for reelection; there is no mandatory retirement age for board members.

3.4. Internal organization

The Board of Directors has the final responsibility for the business strategy and the management of the Burckhardt Compression Group. It has final authority and defines the guidelines regarding strategy, organization, financial planning and accounting for the Burckhardt Compression Group. The Board of Directors has delegated executive management responsibility to the CEO. The Board of Directors appoints a secretary for the Board and for the company. The secretary does not need to be a member of the Board; currently the CFO of the company acts as secretary.

The Board of Directors meets as often as business requires, but at least four times per year. In the reporting period 2009 the Board of Directors held five meetings, with each meeting lasting half a day to one day. The Board of Directors has a quorum when the majority of the members is present. Decisions are passed by a simple majority. In the event of a tie, the Chairman has the casting vote.

The heads of Sales, CSS, Design & Manufacturing, Contracting, Valves and the CFO, who also acts as Secretary, are regularly invited to Board meetings to report on the activities in their fields. The Board of Directors has set up the following committees:

Audit Committee

The Audit Committee advises and supports the Board in all matters related to external and internal audits, risk management, accounting policies and practices and compliance with accounting standards issued. In the reporting period 2009, the Audit Committee held two half-day meetings. The CEO, the CFO and representatives of the auditors participated in those meetings.

The members are:

- Urs Leinhäuser, chairman
- Urs Fankhauser, member

Nomination and Compensation Committee

This committee advises and assists the Board of Directors on appointments and dismissals to and from the Executive Board and draws up proposals for the appointment, assessment or dismissal of members of the Board of Directors. Furthermore the Nomination and Compensation Committee advises and assists the Board of Directors on questions relating to the compensation of the Board members and the Executive Board. The Nomination and Compensation Committee held two meetings in the reporting period 2009. The meetings lasted half a day. The CEO and the Head of Human Resources Department participated in those meetings as well.

The members are:

- Hans Hess, chairman
- Heinz Bachmann, member

3.5. Definition of areas of responsibility

The Board of Directors has delegated the executive management of the company and the group to the CEO, with the exception of the following matters:

- Definition of the business policies and strategy of the group
- Definition of the top-level organizational structure of the group
- Approval of the periodic forecasts, the annual report and of reporting and accounting policies
- Ensuring adequate internal control systems based on recommendations of the Audit Committee
- Determination of the appropriate capital structure
- Appointment and dismissal of members to and from the Executive Board
- Definition of salary guidelines and compensation of members of the Executive Board
- Decisions on new subsidiaries, major capital expenditure projects, acquisitions, financing transactions, insurance concepts and the provision of guarantees if such decisions exceed the powers conferred on the CEO.

The powers of the Executive Board and of the group company executives are listed in detail in the delegation of authority.

3.6. Information and control instruments relating to the Executive Board

Order intake, income statement, balance sheet, cash flow, headcount, personnel costs and capital expenditures are reported and consolidated on a monthly basis. Liquidity is reported and consolidated weekly. A forecast for the coming twelve months is prepared and approved at least four times a year (April, July, September and January). The monthly financial report is distributed to all members of the Board of Directors, as well as to the members of the Executive Board and the Managing Directors of the Burckhardt Compression subsidiaries. At every board meeting, the CEO, the CFO and other Executive Board members report on the course of business and on all issues of relevance to the Group.

The statutory auditor assesses and reports on the effectiveness of the internal control system (ICS) to the Audit Committee and to the Board of Directors once a year.

The management of risks is integrated in the existing planning and management processes. The CEO reports on the assessment of the operational and financial risks to the Audit Committee and the Board of Directors twice a year. The Board of Directors regularly assesses the strategic risks.

4. Executive Board

4.1. Members and

4.2. Other activities and vested interests

Name	Nationality	Function
Valentin Vogt	Swiss	CEO and Executive Member of the Board of Directors
Rolf Brändli	Swiss	CFO
Regula Brunner	Swiss	VP Human Resources
René Guthauser	Swiss	VP Quality & Infrastructure
Martin Heller	German	VP Sales
Dr. Leonhard Keller	Swiss	VP Valves
Daniel Oswald	Swiss	VP IT
Marcel Pawlicek	Swiss	VP Design & Manufacturing
Narasimha Rao	Indian	MD Burckhardt Compression (India) Pvt. Ltd.
Marco Scanderbeg	Swiss	VP Marketing
Matthias Tanner	Swiss	VP Contracting
Robert Züst	Swiss	VP Customer Support Service

None of the members of the Executive Board is member of a management or supervisory body of a major Swiss or foreign organization outside of Burckhardt Compression with the exception of Valentin Vogt, who is a member of the Board of Directors of StarragHeckert Holding AG, Switzerland. None of the members performs permanent management or consultant duties for major Swiss or foreign lobby groups. Daniel Oswald has been member of parliament in the canton of Zurich since November 26, 2007.

Personal details and other activities and vested interests of the individual members of the Executive Board are as follows:



Valentin Vogt (1960)

Education:

Lic. oec., HSG St. Gallen, Switzerland

Professional background:

Since 2000: CEO of Burckhardt Compression Group, Switzerland

1992-2000: President, Sulzer Metco AG, Switzerland

1989-1992: CFO, Sulzer Metco Division, Switzerland

1986-1989: CFO, Alloy Metals, USA

1985-1986: Controller, Sulzer AG, Switzerland

Other activities and commitments:

- Vice-Chairman of the board StarragHeckert Holding AG, Switzerland
- Member of executive management committee of Swissmem



Regula Brunner (1957)

Education:

Federal Diploma in Human Resources, Switzerland

Professional background:

Since 2002: Head of Human Resources Department, Burckhardt Compression AG, Switzerland

2000-2002: Human Resources Assistant, Sulzer-Burckhardt AG, Switzerland

1977-2000: Assistant to the management of various departments, Sulzer AG, Switzerland



Narasimha Rao (1962)

Education:

Degree in Mechanical Engineering, Jawaharlal Nehru Technological University, Hyderabad, India, Master Industrial Engineering, NITIE, Mumbai, India

Professional background:

Since 2005: Managing Director, Burckhardt Compression (India) Pvt. Ltd., India

1999-2004: General Manager Manufacturing and Vice President Compressor Division, Sulzer India Ltd., India

1995-1998: Assistant Director, Venture Capital, Pathfinder Investment Co. Ltd., India

1993-1995: Materials Manager, Marico Industries Ltd, India

1986-1993: Planning, Manufacturing and QA Manager, Sulzer India Ltd., India

1985-1986: Management Trainee, Ceat Tyres of India Ltd., India



Daniel Oswald (1965)

Education:

Degree in Mechanical Engineering, HTL St. Gallen, Switzerland, EMBA

Professional background:

Since 2002: Head of IT, Burckhardt Compression AG, Switzerland

2000-2002: Head of Controlling, Sulzer-Burckhardt AG, Switzerland

1996-2000: Assistant to Plant Manager, Sulzer-Burckhardt AG, Switzerland

1992-1996: Head of CNC Programming, Sulzer Rüti AG, Switzerland

1987-1992: Machinist and CNC Programmer, Sulzer Rüti AG, Switzerland

Other activities and commitments:

- Member of parliament in the canton of Zurich



René Guthauser (1965)

Education:

Engineer TS, Switzerland

Professional background:

Since 2005: Head of Quality and Infrastructure, Burckhardt Compression AG, Switzerland

2002-2005: Team Leader Contracting, Burckhardt Compression AG, Switzerland

1998-2002: Sales Engineer, Sulzer-Burckhardt AG, Switzerland

1989-1998: Project and Construction Engineer, Sulzer-Burckhardt AG, Switzerland, and Sulzer Inc., USA

Other activities and commitments:

- Vice President Chamber of Commerce and Employer's Federation Winterthur HAW



Marco Scanderbeg (1966)

Education:

Degree in Mechanical Engineering, HTL Winterthur, Switzerland

Swiss Federal Diploma for Marketing Directors

Professional background:

Since 2006: Head of Marketing, Burckhardt Compression AG, Switzerland

2003-2006: Marketing Manager, Burckhardt Compression AG, Switzerland

2002-2003: Business Development Manager, Bühler AG, Switzerland

2000-2002: Market Segment Manager, Bühler AG, Switzerland

1999-2000: Executive Director Sales, Telsonic AG, Switzerland

1992-1999: Project and Sales Engineer, Sulzer Chemtech AG, Switzerland



Robert Züst (1963)

Education:

Federal Diploma in Logistics, Switzerland

Professional background:

Since 2008: Head of CSS, Burckhardt Compression AG, Switzerland

2001-2008: Head of Production-Logistics, Burckhardt Compression AG, Switzerland

1996-2001: Head of Planning, Ferag AG, Switzerland

1993-1995: Team Leader Logistics, ABB Verkehrssysteme AG, Switzerland

1991-1993: Team Leader Production Control, ABB Verkehrssysteme AG, Switzerland

1986-1991: Material Planning and Subcontracting, Ascom Zelcom AG, Switzerland

1983-1986: Assembly Mechanic, G&W Maschinen AG, Switzerland



Rolf Brändli (1968)

Education:

Degree in Business Administration, HWV Zurich, Switzerland

Professional background:

Since 2008: CFO, Burckhardt Compression AG, Switzerland

2001-2008: Head of Finance & Administration, Sulzer Brasil S.A., São Paulo, Brazil; Regional Controller Sulzer Pumps South America & South Africa

1997-2001: Regional Controller Asia / Pacific, Sulzer International Ltd.; General Manager, Sulzer Hong Kong Ltd., Hong Kong - SAR China

1994-1997: Management Consultant, OBT Treuhand AG Zurich, Switzerland



Matthias Tanner (1964)

Education:

Degree in Mechanical Engineering, HTL Muttenz, Switzerland

Professional background:

Since 2007: Head of Contracting, Burckhardt Compression AG, Switzerland

2002-2007: Head of Sizing, Burckhardt Compression AG, Switzerland

1998-2002: Head of Technology Process and Hyper compressors, Sulzer-Burckhardt AG, Switzerland

1995-1998: Sales Engineer, Sulzer-Burckhardt AG, Switzerland



Marcel Pawlicek (1963)

Education:

Degree in Mechanical Engineering, HTL Winterthur, Switzerland

Professional background:

Since 2008: Head of Design & Manufacturing, Burckhardt Compression AG, Switzerland

2001-2008: Head of CSS, Burckhardt Compression AG, Switzerland

1999-2001: Head Sales and Contracting HPI, Sulzer-Burckhardt AG, Switzerland

1989-1999: Project Manager and Marketing & Sales Manager for Burckhardt compressors, Sulzer Inc., USA

1986-1989: Design Engineer, Sulzer-Burckhardt AG, Switzerland



Dr. Leonhard Keller (1953)

Education:

Degree in Engineering, Federal Institute of Technology Zurich, Switzerland, Ph.D. (Rensselaer Polytechnic Institute, Troy, N.Y., USA)

Professional background:

Since 2008: Head of Valves, Burckhardt Compression AG, Switzerland

1997-2008: Head of Design & Manufacturing, Burckhardt Compression AG, Switzerland

1991-1997: Technical Manager, Sulzer-Burckhardt AG, Switzerland

1990-1991: Assistant to the Technical Manager, Sulzer-Burckhardt AG, Switzerland

1986-1989: Head of Engine Management Systems, Diesel Division, Sulzer AG, Switzerland

1982-1986: Research Engineer, Diesel Division, Sulzer AG, Switzerland



Martin Heller (1954)

Education:

Degree in Mechanical Engineering, HTL Winterthur, Switzerland

Professional background:

Since 2000: Head of Sales, Burckhardt Compression AG, Switzerland

1997-2000: Head of Sales/Contracting, Petrochemical Division, Sulzer-Burckhardt AG, Switzerland

1989-1997: Sales Manager, Industrial Gas Division, Sulzer-Burckhardt AG, Switzerland

1985-1988: Sales Engineer, Sulzer-Burckhardt AG, Switzerland

1981-1984: Design and Project Engineer, Georg Fischer AG, Sulzer-Burckhardt AG and at Sulzer Inc., USA

4.3. Management contracts

There are no management contracts with third parties.

5. Compensation, shareholdings and loans

The explanations below follow para 5.1 of the Corporate Governance Directive of the SIX Swiss Exchange. In this section we present the compensation policy. In accordance with the provisions of the Swiss Code of Obligations Art. 663b^{bis} and Art. 663c para. 3 OR the remunerations paid in the fiscal year 2009 are listed in the financial report, note 26 "Remuneration of the Board of Directors and Executive Board".

Non-executive Directors

Compensation paid to the non-executive members of the Board of Directors comprises a fixed cash component, an additional cash payment for the directors serving on a formal Board committee, and a variable profit-related component distributed as shares (free shares). The variable compensation is based on a percentage of the profit for the period after minorities generated by the Burckhardt Compression Group and converted into a specific number of shares using the closing price of BCHN shares at the end of the respective business year. If a minimum financial target with regard to return on sales is not achieved, entitlement to the variable compensation for the corresponding business year will lapse. If the financial target is at least reached and the return on sales is equal to or higher than the returns achieved by the benchmark, entitlement to the full variable compensation component will be granted; if not, the variable component will be reduced by 50%. The benchmark consists of one direct competitor and two companies selling products in the same market as Burckhardt Compression Group. The free shares for the 2008 and 2009 fiscal years will be eligible for distribution in June 2011. The shares received will not be subject to any restrictions upon the date of transfer. The compensation paid to the directors is determined by the full Board of Directors pursuant to the proposal submitted by the Nomination and Compensation Committee.

Executive Board including executive member of the Board of Directors

The Executive Board and the executive member of the Board of Directors receive variable performance and profit-related pay in addition to their base salaries. The variable pay comprises a percentage of the profit for the period after minorities generated by the Burckhardt Compression Group and is contingent on the attainment of minimum financial targets. If the minimum financial target with regard to return on sales is not achieved, entitlement to variable pay for the corresponding business year will lapse. If the financial target is at least reached and the return on sales is equal to or higher than the returns achieved by the benchmark, entitlement to the full variable pay will be granted; if not, the variable pay will be reduced by 50%. The benchmark consists of one direct competitor and two companies selling products in the same market as Burckhardt Compression Group.

Members of the Executive Board excluding the team that participated in the management buyout in 2002 additionally receive a long-term incentive in the form of shares (free shares). The long-term incentive is based on a percentage of the profit for the period after minorities generated by the Burckhardt Compression Group and converted into a specific number of shares using the closing price of BCHN shares at the end of the respective business year. If a minimum financial target with regard to return on sales is not achieved, entitlement to the long-term incentive for the corresponding business year will lapse. If the financial target is at least reached and the return on sales is equal to or higher than the returns achieved by the benchmark, entitlement to the full long-term incentive will be granted; if not, the long-term incentive will be reduced by 50%. The benchmark consists of one direct competitor and two companies selling products in the same market as Burckhardt Compression Group.

The free shares for the 2008 and 2009 fiscal years will be eligible for distribution in June 2011, provided the employment contract for the respective Executive Board members has not been terminated. The shares received will not be subject to any restrictions upon the date of transfer.

The Nomination and Compensation Committee regularly reviews the remuneration system and submits a proposal to the full Board of Directors regarding the total remuneration of the Executive Board and the executive member of the Board of Directors. Changes to the compensation system must be adopted by resolution of the full Board of Directors.

No severance payments were made to former directors or members of the Executive Board. The contracts of the Executive Board members may be cancelled with a notice period of six months and make no provision for severance payments. The members of the Board of Directors and the Executive Board and related parties have received neither loans nor advances as per March 31, 2010.

Share allocation

The former major shareholder (Zurmont Capital I AG) had initiated immediately before the IPO according to the shareholders agreement of July 19, 2002 a transfer of 238'000 Burckhardt Compression Holding AG shares to the existing management shareholders. At the same time 3'685 of the 238'000 shares were transferred to the other members of the Executive Board. This allocation was staggered in two steps: The first allocation of 1'920 shares did not include any restrictions. The second allocation of 1'765 shares is subject to a lock-up period of five years. If a recipient should leave the company before the expiration of the lock-up period he/she must sell those shares at the original exercise price to the company.

In the reporting period 404 shares were allocated to the members of the Board of Directors and 1'110 shares were allocated to the members of the Executive Board. No persons received any shares during the 2009 reporting period. The shareholdings of

the members of the Board of Directors and the Executive Board in the Burckhardt Compression Holding AG are detailed in the financial report, note 27 "Transactions with the Board of Directors, the Executive Board and related parties".

Advisory mandates

No member of the Board of Directors received or performed any advisory mandates for a company of Burckhardt Compression Holding AG during the reporting period 2009.

6. Shareholders' participation rights

6.1. Voting rights restrictions and representation of voting rights

No person or company will be registered as a shareholder in the share register for more than 5% of the registered share capital. This limitation applies also to persons who hold shares wholly or partly through nominee agreements. This limitation also applies if shares are acquired by exercising subscription, option or conversion rights. This restriction on voting rights does not apply to shareholders who were in possession of more than 5% of the shares of Burckhardt Compression Holding AG before the IPO. There is no provision for measures to remove restrictions.

A shareholder may be represented at the Annual General Meeting of Shareholders by a legal representative, another shareholder with the right to vote, a corporate proxy, an independent proxy, or a custody account representative. All shares held by a shareholder may be represented by only one person.

6.2. Statutory quorums

A majority of at least two-thirds of the voting rights represented is required for changes to the company's Articles of Incorporation.

6.3. Convocation of the General Meeting of Shareholders

None of the applicable regulations deviate from the law.

6.4. Inclusion of an item on the agenda

Shareholders who together represent at least 10% of the share capital or shares with a nominal value of at least CHF 1.0 mn can ask for an item to be included on the agenda of the General Meeting. The Board of Directors must receive written proposals for items to be included on the agenda, specifying the issue to be discussed and the shareholders' proposals, at least 60 days before the date of the General Meeting.

6.5. Entries in the share register

The closing date for registered shareholders to be entered in the share register is six working days prior to the General Meeting of Shareholders.

7. Change of control and defense measures

7.1. Obligation to make an offer

Once a shareholder acquires 33 $\frac{1}{3}$ % of the capital and voting rights they will be under an obligation to submit a public tender offer. The Articles of Incorporation contain neither an opting-out nor an opting-in clause.

7.2. Clauses on changes of control

There are no provisions for special severance payments for members of the Board of Directors or members of the Executive Board, including the executive member of the Board of Directors, in the event of a change of control over Burckhardt Compression Holding AG.

8. Auditors

8.1. Duration of the mandate and term of office of the lead auditor

PricewaterhouseCoopers AG (PwC) has been the statutory auditor of the Burckhardt Compression Holding AG since 2002 and is also in charge for the audit of the consolidated financial statements. The statutory auditor is elected by the General Meeting of Shareholders for one year at a time. The lead auditor will be changed after a maximum period of seven years. Christian Kessler has served as lead auditor since the 2009 reporting period.

8.2. Auditor's fees

The total fees for auditing services performed by PwC during the 2009 reporting period amounted to TCHF 309.

8.3. Additional fees

The total fees for other services performed by PwC during the 2009 reporting period amounted to TCHF 76 and was all related to tax consulting services. The services rendered by PwC beyond the auditing tasks are compatible with its auditing responsibilities.

8.4. Information tools of the external auditors

The Audit Committee assists the Board of Directors in monitoring the company's accounting and financial reporting. It assesses the internal control procedures, the management of business risks, the audit plan and scope, the conduct of the audits and their results. The Audit Committee also reviews the auditor's fees. The group auditor is present during the examination of the consolidated annual and semi-annual financial statements. Once a year, the members of the Audit Committee receive from the group auditor a summary of the audit findings and suggested improvements. The Audit Committee held two half-day meetings during the 2009 reporting period, in which the lead auditor and another representative of the auditor took part.

9. Information policy

Burckhardt Compression Holding AG reports order intake, sales, operating results, balance sheet, cash flow and changes in shareholders' equity on a semi-annual basis, together with comments on the trend of business and the outlook for the future. Burckhardt Compression Holding AG provides share-price-sensitive information in accordance with the ad hoc disclosure requirements laid down in the Listing Rules of the SIX Swiss Exchange. Burckhardt Compression Holding AG will send potentially share price-sensitive information to all interested parties via an e-mail distribution list. Financial reports are available on our website (www.burckhardtcompression.com) and will be delivered to interested parties on request.

Key dates for 2010 and 2011

July 2, 2010	Ordinary general meeting
November 9, 2010	Results for the first half of fiscal 2010 (as per September 30, 2010)
June 7, 2011	Results for fiscal 2010 (as per March 31, 2011)
July 2, 2011	Annual General Meeting

Details of these dates, possible changes, the company profile, current share prices, presentations and contact addresses can be found at www.burckhardtcompression.com, where interested parties can also subscribe to the e-mail distribution list.