



**CORPORATE GOVERNANCE**

# CORPORATE GOVERNANCE

Burckhardt Compression is committed to responsible corporate governance. The company adheres to the Directive on Information Relating to Corporate Governance (DCG) issued by SIX Swiss Exchange, where applicable to Burckhardt Compression, and the "Swiss Code of Best Practice for Corporate Governance" issued by *economiesuisse*.

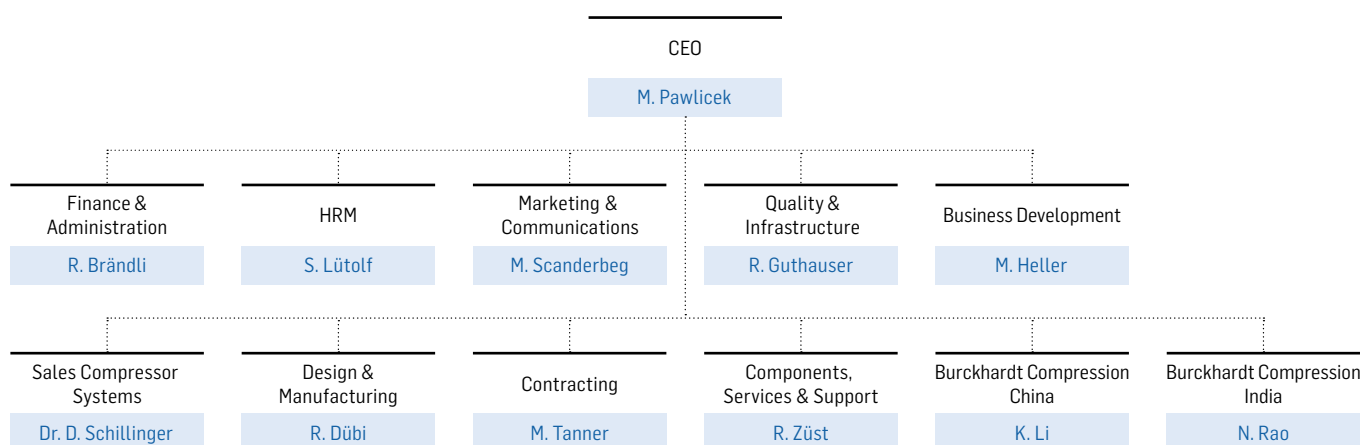
This report is structured in accordance with the DCG's outline and numbering. Unless otherwise noted, the information presented reflects the situation on March 31, 2015.

## 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 (ISN: CH0025536027; security number 002553602). Its market capitalization as per March 31, 2015 amounted to CHF 1'276'700'000.

#### 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, 2015."

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

Name	Country	% of shares
MBO Aktionärsgruppe	CH	12.4
ING Groep N.V.	NL	6.2
TIAA-CREF Investment Management	US	5.4
Mondrian Investment Partners	UK	5.0
Allianz SE	DE	5.0
J O Hambro Capital Management Limited	UK	3.7
Ameriprise Financial Inc.	US	3.2
UBS Fund Management (Switzerland) AG	CH	3.0

## 1.2. Significant shareholders

According to information available to the company from the disclosure notifications of the SIX Swiss Exchange AG, the following shareholders reported shareholdings of at least 3% of the voting rights as per March 31, 2015. In accordance with the company's Bylaws, the voting rights of ING Groep N.V., TIAA-CREF Investment Management and Mondrian Investment Partners are limited in each case to 5% of the total number of BCHN registered shares recorded in the commercial register:



More detailed information on the disclosure notifications is available on the website of the SIX Swiss Exchange's Disclosure Office ([http://www.six-exchange-regulation.com/obligations/disclosure/major\\_shareholders\\_en.html](http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html)).

### 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. Details on authorized and conditional capital

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 2, 2015 by issuing a maximum of 510'000 fully paid registered shares with a nominal value of CHF 2.50 each (authorized share capital). The date and amount of the issuance, the time of dividend entitlement and, if applicable, the type of contribution shall be determined by the Board of Directors. Partial increases in capital are permitted. The transferability of the shares shall be subject to the registration restrictions set forth in the Bylaws, if any. 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 the above, Burckhardt Compression Holding AG has no other authorized and/or conditional share capital.

### 2.3. Changes in capital

There has been no movement in share capital since 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. Voting rights per shareholder are 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 treasury shares – held by Burckhardt Compression Holding AG – 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 in the Share Register as shareholder with voting rights with respect to more than 5% of the issued share capital. This entry restriction is also applicable to persons whose shares are totally or partly held by Nominees. This restriction is also valid if shares are acquired through the exercise of subscription, option or conversion rights, with the exception of shares acquired through inheritance, division of an estate or marital property law.

Legal entities and partnerships associated with each other by uniformly managed capital or votes or in any other way, as well as private and legal entities or partnerships which form an association to evade registration restrictions are regarded as one person.

Individual persons who have not expressly declared in their registration application that they hold the shares for their own account (Nominees) will be entered in the Share Register with voting rights if the Nominee concerned provides proof that he is subject to supervision by an accredited bank and financial market regulator and if he has concluded an agreement with the Board of Directors concerning his status. Nominees holding up to two percent of the issued shares will be entered in the Share Register with voting rights without having signed an agreement with the Board of Directors. Nominees holding more than two percent of the issued shares will be entered in the Share Register with two percent voting rights and, for the remaining shares, without voting rights. Above this two percent cap, the Board of Directors may have Nominees entered in the Share Register with voting rights if they disclose the names, addresses, nationalities and shareholdings of the persons for whom they hold more than two percent of the issued share capital. As of March 31, 2015, one nominee holding 20'197 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: Dr. Stephan Bross, Dr. Monika Krüsi, Valentin Vogt, Hans Hess, Urs Leinhäuser

## 3. BOARD OF DIRECTORS

### 3.1. Members and

### 3.2. Other activities and commitments

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

Name	Nationality	Function	First elected	Term expires
Valentin Vogt	CH	Chairman, non-executive, Chairman SC	2002	2015
Hans Hess	CH	Deputy Chairman, non-executive, Chairman NCC	2006	2015
Dr. Monika Krüsi	CH/IT	Member, non-executive, member SC, member AC	2012	2015
Urs Leinhäuser	CH	Member, non-executive, Chairman AC	2007	2015
Dr. Stephan Bross	DE	Member, non-executive, member NCC <sup>1</sup>	2014	2015

<sup>1</sup> as of July 4, 2014 (AGM 2014)

AC = Audit Committee  
NCC = Nomination and Compensation Committee  
SC = Strategy Committee

Valentin Vogt was CEO of Burckhardt Compression Group from the year 2000 until March 31, 2011. No other Board member has served as a member of the Executive Board of a Burckhardt Compression Group company. None of the directors have material business relationships with a Burckhardt Compression Group company.

Biographical details and information on other activities and commitments of the individual members of the Board of Directors are given below:

**VALENTIN VOGT (1960)****Education**

Lic. oec. HSG St. Gallen, Switzerland

**Professional background**

**Since 2011** self-employed, Switzerland

**2000–2011** CEO, Burckhardt Compression Group, Switzerland

**1992–2000** General Manager, Sulzer Metco AG, Switzerland

**1989–1992** CFO, Sulzer Metco Division, Switzerland

**1986–1989** CFO, Alloy Metals, USA

**1985–1986** Controller, Sulzer AG, Switzerland

**Duties and responsibilities as a director of Burckhardt Compression Holding AG**

- Chairman of the Board of Directors
- Chairman of the Strategy Committee

**Other activities and commitments**

- Board member, Bucher Industries AG, Switzerland
- Board member, Kistler Holding AG, Switzerland
- Board member, Ernst Göhner Foundation Investment AG, Switzerland
- Chairman of the Swiss Employers' Confederation, Switzerland
- Member of Executive Committee of economiesuisse, Switzerland
- Member of the Economic Advisory Board, Swiss National Bank

**HANS HESS (1955)****Education**

Master's 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** Delegate of the Board of Directors and 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

**Duties and responsibilities as a director of Burckhardt Compression Holding AG**

- Deputy Chairman of the Board of Directors
- Chairman of the Nomination and Compensation Committee

**Other activities and commitments**

- Chairman of the Board, COMET Holding AG, Switzerland
- Chairman of the Board, Reichle & DeMassari AG, Switzerland
- Board member, Kaba AG, Switzerland
- Chairman Swissmem, Switzerland
- Vice President, economiesuisse, Switzerland
- Trustee, Vontobel Foundation, Switzerland
- Trustee, Swisscontact, Switzerland
- Trustee, Technorama, Switzerland

**DR. MONIKA KRÜSI (1962)****Education**

Ph.D. in Business Informatics, MBA,  
University of Zurich, Switzerland

**Professional background**

**Since 2003** MKP Consulting AG,  
Partner, Switzerland

**2001–2003** Venture Incubator  
Partners AG, Partner, Switzerland

**1991–2001** McKinsey & Co., Inc.,  
Associated Partner, Switzerland

**1986–1990** Credit Suisse, Switzerland

**Duties and responsibilities as a director of Burckhardt Compression Holding AG**

- Member of the Board of Directors
- Member of the Strategy Committee
- Member of the Audit Committee

**Other activities and commitments**

- Board member, ACP, Switzerland
- Board member, Emch AG, Switzerland
- Board member, CP Pumpen AG,  
Switzerland
- Board member, Technopark Luzern,  
Switzerland

**URS LEINHÄUSER (1959)****Education**

Degree in Business Administration,  
University of Applied Sciences, Zurich,  
Switzerland

IMD Lausanne (SSE)

**Professional background**

**Since 2014** self-employed, Switzerland

**2011–2014** CFO and Deputy CEO,

Member of Group Executive Board,  
Autoneum Holding AG, Switzerland

**2003–2011** CFO and Head Corporate  
Center, Member of Group Executive  
Committee, Rieter Holding AG,  
Switzerland

**1999–2003** CFO, Mövenpick Holding,  
Member of Group Executive Committee,  
Switzerland

**1997–1999** Head of Finance and  
Controlling, Piping Systems Division,  
Georg Fischer AG, Switzerland

**1995–1997** Head of Corporate  
Controlling, Georg Fischer AG,  
Switzerland

**1988–1994** Group Controller,  
Cerberus AG, 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

**Duties and responsibilities as a director of Burckhardt Compression Holding AG**

- Member of the Board of Directors
- Chairman of the Audit Committee

**Other activities and commitments**

- Board member, Ammann Group Hold-  
ing AG, Switzerland
- Board member, Liechtensteinische  
Landesbank AG, Liechtenstein

**DR. STEPHAN BROSS (1962)****Education**

Engineering degree, University of  
Braunschweig, Germany

**Professional background**

**Since 2014** Senior Vice President,  
Pumps, KSB AG, Germany

**2007–2013** Senior Vice President,  
Service, KSB AG, Germany

**2002–2007** Head Product Management  
and Development Engineered Pumps,  
KSB AG, Germany

**1997–2001** Head Development and  
Services Fluid Flow Technical Systems,  
KSB AG, Germany

**1996–1997** Head of Fluid Mechanics  
Research, KSB AG, Germany

**1993–1996** R&D Engineer, KSB AG,  
Germany

**Duties and responsibilities as a director of Burckhardt Compression Holding AG**

- Member of the Board of Directors
- Member of the Nomination and  
Compensation Committee

### 3.3. Rules in the articles of association on the number of permitted activities

In the course of the implementation of the Swiss Federal Ordinance Against Excessive Compensation in listed companies (OAEC) the Board of Directors proposes to the Annual General Meeting on July 4, 2015 to amend article 28 of the articles of association of the company. According to this amendment the members of the Board are not allowed to take on more than ten (10) additional board memberships, whereof not more than five (5) in stock listed companies.

### 3.4. Election and term of office

Effective from the 2014 Annual General Meeting, Swiss law requires the annual and individual election of each member of the Board of Directors, of the Board Chairman, as well as of each member of the Nomination and Compensation Committee by the Annual General Meeting. The members of the Board of Directors shall be automatically retired from the Board of Directors in the year in which they reach the age of 70.

### 3.5. 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 of Burckhardt Compression Group. 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 fiscal year 2014 the Board of Directors held six meetings, with each meeting lasting half a day to one day. Furthermore, the Board of Directors held three telephone conferences during fiscal year 2014, each one lasting one to two hours. The Board of Directors has a quorum when the majority of the members are present. Decisions are passed by a simple majority. In the event of a tie, the Chairman has the casting vote.

The VPs of Sales Compressor Systems, Components, Services & Support (CSS), Design & Manufacturing, Contracting, Burckhardt Components AG 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 fiscal year 2014, the Audit Committee held two half-day meetings. The CEO, the CFO and two representatives of the auditors participated in those meetings. Members are Urs Leinhäuser (Chairman) and Dr. Monika Krüsi.

**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 fiscal year 2014. The meetings lasted half a day each. The CEO and the Head of Human Resources Management participated in those meetings as well. Members are Hans Hess (Chairman) and Dr. Stephan Bross—both were elected at the AGM (July 4, 2014–July 4, 2015).

**Strategy Committee** The Strategy Committee supports the CEO in developing corporate strategy and advises the Board of Directors in strategic matters such as acquisitions and divestments. It evaluates the implementation of company strategy on a regular basis and submits proposals to the Board of Directors if adjustments or other measures are deemed necessary. The Strategic Committee held three meetings and one telephone conference in fiscal year 2014. The meetings lasted half a day each. Several members of the Executive Board also attended this meeting. Members are Valentin Vogt (Chairman) and Dr. Monika Krüsi.

### 3.6. Definition of areas of authority

The Board of Directors has delegated the executive management of the company and the group to the CEO of Burckhardt Compression Group, 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, as well as compensation;
- 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.

### 3.7. Information and control instruments relating to the Executive Board

Order intake, liquidity and liquidity planning are reported and consolidated on a monthly basis. The income statement, balance sheet, cash flow, headcount, personnel costs and capital expenditures are consolidated and annotated on an annual

basis. A rolling forecast for the coming 12 months is prepared and annotated four times a year (April, July, September and January). These rolling forecasts are part of a management model based on the principles of the so-called "beyond budgeting" model. Instead of an annual budget with fixed targets, this model sets relative targets. The financial report and the forecasts are distributed to the members of the Executive Board and the Managing Directors of the Burckhardt Compression subsidiaries as well as to all members of the Board of Directors. 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 the effectiveness of the internal control system (ICS) in a written report submitted to the Audit Committee and the Board of Directors once a year.

The internal audit reports to the Chairman of the Audit Committee of the Board of Directors. Technical management responsibility has been delegated to the CFO, who is also responsible for coordination and practical performance of the audits. The internal audit team consists of qualified staff from the finance and controlling departments of Burckhardt Compression AG and selected financial specialists from the larger subsidiaries. These employees perform the internal audit duties assigned to them in addition to their regular duties in the area of finance and controlling and they report directly to the Chairman of the Audit Committee of the Board of Directors in their capacity as internal auditors. This efficient organization is tailored to the needs and size of Burckhardt Compression Group and fosters an active exchange of information and best prac-

tices with the objective of creating sustained value added for Burckhardt Compression Group by means of continual process improvement. The internal auditors undergo regular training for the performance of their tasks. The schedule for internal audits is determined by the Audit Committee of the Board of Directors on an annual basis and may be changed or expanded by the Audit Committee as and when required. Six internal audits were carried out in fiscal year 2014. The internal auditors' reports were distributed to the members of the Audit Committee of the Board of Directors, the management of the audited company, the Executive Board member responsible for the group company and to the external company auditors.

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

## 4. EXECUTIVE BOARD

### 4.1. Members of the Executive Board and

### 4.2. Other activities and commitments

Name	Nationality	Function
Marcel Pawlicek	CH	CEO
Rolf Brändli	CH	CFO
Rainer Dübi	CH	VP Design & Manufacturing
René Guthauser	CH	VP Quality & Infrastructure
Martin Heller	DE	VP Business Development
Keven Li	CN	MD Burckhardt Compression (Shanghai) Co., Ltd.
Susan Lütolf	CH	VP Human Resources Management
Narasimha Rao	IN	MD Burckhardt Compression (India) Pvt. Ltd.
Marco Scanderbeg	CH	VP Marketing & Communications
Dr. Daniel Schillinger	CH	VP Sales Compressor Systems
Matthias Tanner	CH	VP Contracting
Robert Züst	CH	VP Components, Services & Support

Biographical details and information on other activities and commitments of the individual members of the Executive Board are given below:





### **MARCEL PAWLICEK (1963)**

#### **Education**

Degree in Mechanical Engineering, HTL Winterthur, Switzerland, MBA Marketing and International Business, Fordham University, New York, USA

#### **Professional background**

**Since 2011** CEO of Burckhardt Compression Group, Switzerland  
**2008–2011** 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

#### **Other activities and commitments**

– President of Joint Chamber of Commerce Switzerland-CIS/Georgia



### **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., 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



### **RAINER DÜBI (1969)**

#### **Education**

Degree in Mechanical Engineering, HTL Winterthur, MASBA, School of Management, Switzerland

#### **Professional background**

**Since 2012** Head of Design & Manufacturing, Burckhardt Compression AG, Switzerland  
**2010–2012** Senior Sales Manager, Burckhardt Compression AG, Switzerland  
**2007–2010** Manager Sizing, Burckhardt Compression AG, Switzerland  
**2003–2007** Sizing Project Engineer, Burckhardt Compression AG, Switzerland  
**2001–2003** Commissioning Lead Engineer, Alstom, Switzerland  
**1999–2001** Commissioning Engineer, ABB, Switzerland




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**RENÉ GUTHÄUSER (1965)**
**Education**

Engineer TS, Switzerland, Quality System Manager SAQ, Switzerland

**Professional background**

**Since 2005** Head of Quality & 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




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**MARTIN HELLER (1954)**
**Education**

Degree in Mechanical Engineering, HTL Winterthur, Switzerland

**Professional background**

**Since 2012** Head of Business Development, Burckhardt

Compression AG, Switzerland

**2000–2012** Head of Sales Compressor Systems, Burckhardt Compression AG, Switzerland

**1997–2000** Head of Sales and 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 Sulzer Inc., USA




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**KEVEN LI (1970)**
**Education**

Degree in Machinery Engineering, Shanghai Engineering Technology University, China, EMBA, Olin Business School, Washington University, USA

**Professional background**

**Since 2007** Managing Director Burckhardt Compression (Shanghai) Co. Ltd., China

**2003–2007** Business Manager Industrial Products, General Manager BOC Huangyang CO2 JV BOC (China) Holding Company, China

**2002–2003** Marketing and Sales Manager, Praxair (China) Investment Co. Ltd., China

**2001–2002** General Manager, TAIHASE (China) Co. Ltd., China

**1997–2001** Marketing Manager, Exxon-Mobil (China) Investment Co. Ltd., China

**1995–1997** Sales Manager Machinery Dept., DAEWOO Corp., Shanghai



### **SUSAN LÜTOLF (1957)**

#### **Education**

Diploma in Commerce and Human Resources (SKP), Switzerland

#### **Professional background**

**Since 2012** Head of Human Resources Management, Burckhardt

Compression AG, Switzerland

**1998–2012** Head of Human Resources Management, Sulzer Management AG, Switzerland

**1990–1998** Area Personnel Manager/HR Assistant, Sulzer International AG, Switzerland



### **NARASIMHA RAO (1962)**

#### **Education**

Degree in Mechanical Engineering, Jawaharlal Nehru Technological University, Hyderabad, India, Master's degree in 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

#### **Other activities and commitments**

– Member of the Board of Directors, Swiss-Indian Chamber of Commerce, Zurich



### **MARCO SCANDERBEG (1966)**

#### **Education**

Degree in Mechanical Engineering, HTL Winterthur, Switzerland  
Federal Diploma for Marketing Directors, Switzerland

#### **Professional background**

**Since 2006** Head of Marketing & Communications, 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



**DR. DANIEL SCHILLINGER (1959)**

**Education**

Degree in Electrical Engineering Ph.D., Federal Institute of Technology, Zurich, Switzerland

**Professional background**

**Since 2012** Head of Sales Compressor Systems, Burckhardt Compression AG, Switzerland

**2009–2012** Head of Sales and Marketing, EAO AG, Switzerland

**2002–2009** Head of Marketing, Business Area Direct Fastening, Hilti AG, Liechtenstein

**2000–2002** Head of Laboratory Division, Mettler Toledo AG, Switzerland

**1995–1999** General Manager, Sales Germany/Region Central Europe, Grundfos, Germany

**1993–1995** General Manager, Energy Management Germany, Landis & Gyr, Germany

**1991–1993** General Manager, Building Control Systems Denmark, Landis & Gyr, Denmark

**1987–1990** R&D Manager, Process Control Systems, ABB, 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



**ROBERT ZÜST (1963)**

**Education**

Federal Diploma in Logistics, Switzerland

**Professional background**

**Since 2008** Head of Components, Services & Support, 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, Ascom Zelcom AG, Switzerland

**1986–1991** Material Planning and Subcontracting, Ascom Zelcom AG, Switzerland

**1983–1986** Assembly Mechanic, G & W Maschinen AG, Switzerland

### 4.3. Rules in the articles of association on the number of permitted activities

In the course of the implementation of the Swiss Federal Ordinance Against Excessive Compensation in listed companies (OAEC) the Board of Directors proposes to the Annual General Meeting on July 4, 2015 to amend article 28 of the articles of association of the company. The amendment also implies that members of the Executive Board are not allowed to take on more than five (5) additional board memberships, whereof not more than two (2) in stock listed companies.

### 4.4. Management contracts

There are no management contracts with third parties.

## 5. COMPENSATION, SHAREHOLDINGS, AND LOANS

The principles and elements of compensation paid to members of the Board of Directors and the Executive Board as well as the authority and the mechanisms used to determine such compensation are explained in the Compensation Report on pages 65 to 73. The shareholdings of the members of the Board of Directors and the Executive Board in Burckhardt Compression Holding AG are listed in the Compensation Report on pages 65 to 73 and in the financial report, note 27 "Transactions with the Board of Directors, the Executive Board and related parties" on page 111.

Burckhardt Compression Group did not grant any loans, credit or collateral to any of the members of the Board of Directors or the Executive Board in fiscal year 2014 and there are no arrangements of this nature outstanding.

## 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 Nominees. This restriction also applies if shares are acquired through the exercise of 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 by his/her legal representative, another shareholder with the right to vote, or the independent proxy holder. 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 Bylaws.

### 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 record date for registered shareholders to be entered in the Share Register prior to an Annual General Meeting will be stated in the invitation to the Annual General Meeting.

## 7. CHANGES OF CONTROL AND DEFENSE MEASURES

### 7.1. Obligation to make an offer

Once a shareholder acquires 33⅓% of share capital and voting rights, he/she will be under an obligation to submit a public tender offer. The Bylaws contain neither an opting-out nor an opting-up 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 in the event of a change of control over Burckhardt Compression Holding AG.

## 8. AUDITORS

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

PricewaterhouseCoopers AG (PwC) has been the statutory auditor of Burckhardt Compression Holding AG since 2002 and is also in charge of 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 auditor in charge will be changed after a maximum period of seven years. Beat Inauen has served as auditor in charge since the 2013 reporting period.

### 8.2. Auditor's fees

Total fees for auditing services provided by PwC worldwide during fiscal year 2014 amounted to TCHF 256 (previous year TCHF 296).



### 8.3. Additional fees

The additional fees for services provided by PwC worldwide during fiscal year 2014 amounted to TCHF 224 (previous year TCHF 354), TCHF 149 of which for services related to due diligence for two acquisition projects, TCHF 51 for tax consulting, TCHF 16 for internal audit trainings and other consulting services and TCHF 8 for legal advice. 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 statutory 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 statutory auditor a summary of the audit findings and suggested improvements. The Audit Committee held two half-day meetings during the 2014 reporting period, in which the auditor in charge 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 set out 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](http://www.burckhardtcompression.com)) and will be delivered to interested parties on request.

### Key dates for 2015 and 2016:

#### July 4, 2015

Annual General Meeting

#### November 3, 2015

Results for the first half of fiscal year 2015  
(as per September 30, 2015)

#### June 7, 2016

2015 Annual Report (as per March 31, 2016)

#### July 1, 2016

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](http://www.burckhardtcompression.com), where interested parties can also subscribe to the e-mail distribution list.





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