Burckhardt Compression

CORPORATE GOVERNANCE

Compressors for a Lifetime™

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.

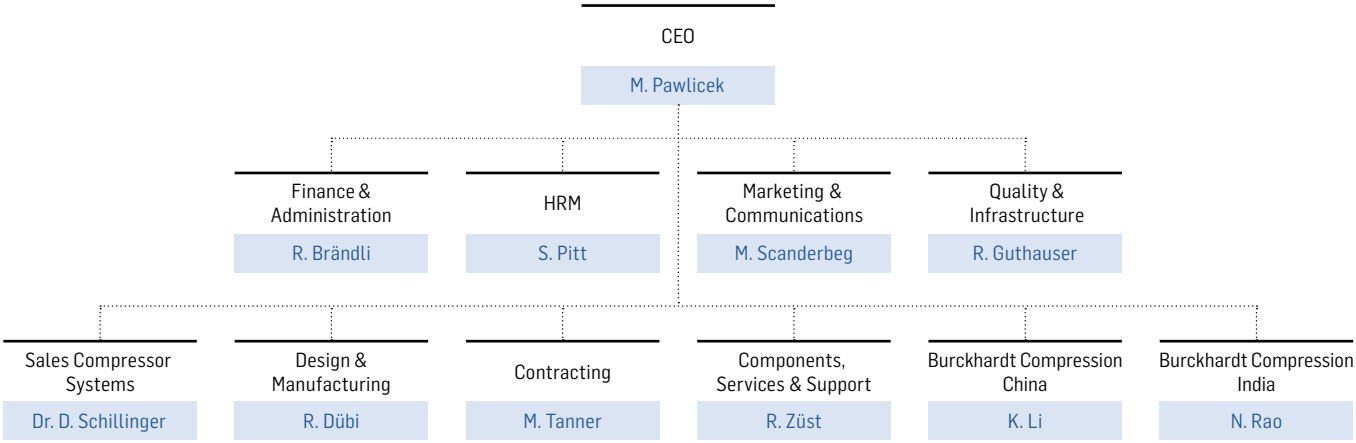
This report is structured in accordance with the DCG's outline and numbering. Unless otherwise noted, the information presented reflects the situation on March 31, 2016.

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 Exchange in Zurich (ISIN: CH0025536027; security number 002553602). Its market capitalization as per March 31, 2016 amounted to CHF 1'121'150'000.

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 on page 116, in Note 31 "Subsidiaries."

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

According to information available to the company from the disclosure notifications of the SIX Swiss Exchange AG, the shareholders listed in the following table reported shareholdings of at least 3% of the voting rights as per March 31, 2016. In accordance with the company's Bylaws, the voting rights of NN 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:

Name	Country	% of shares
MBO shareholder pool	CH	12.4
NN Groep N.V.	NL	6.9
TIAA-CREF Investment Management	US	5.4
Mondrian Investment Partners	UK	5.0
J O Hambro Capital Management Limited	UK	3.7
Oppenheimer Funds	US	3.5
Ameriprise Financial Inc.	US	3.1
UBS Fund Management (Switzerland) AG	CH	3.0

More detailed information on the disclosure notifications is available on the website of the SIX Swiss Exchange's Disclosure Office (https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.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 1, 2017 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 held, in whole or part, 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, the addresses, the nationalities and the shareholdings of the persons for whom they hold more than two percent of the issued share capital.

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 Leinhäuser, Dr. Monika Krüsi, Valentin Vogt, Hans Hess, Dr. Stephan Bross

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	2016
Hans Hess	CH	Deputy Chairman, non-executive, Chairman NCC	2006	2016
Dr. Monika Krüsi	CH/IT	Member, non-executive, member SC, member AC	2012	2016
Urs Leinhäuser	CH	Member, non-executive, Chairman AC	2007	2016
Dr. Stephan Bross	DE	Member, non-executive, member NCC	2014	2016

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 AG, 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 Stiftung Beteiligungen AG, Switzerland
– Chairman of the Swiss Employers' Association, Switzerland
– Member of the Economic Advisory Board, Swiss National Bank, Switzerland

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, dorma+kaba Holding 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 Partner, MKP Consulting AG, Switzerland
2001–2003 Partner, Venture Incubator Partners AG, Switzerland
1991–2001 Associated Partner, McKinsey & Co., Inc., 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
– Board member, 360°, 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, Member of Group Executive Committee, Mövenpick Holding, 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 Holding AG, Switzerland
– Board member, Liechtensteinische Landesbank AG, Liechtenstein
– Board member, Ascom Holding AG, Switzerland
– Board member, VAT Group AG, Switzerland
– Member of the Board of Trustees of the IFF Institute of the University of St Gallen, Switzerland

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 Bylaws concerning the number of permitted activities

Members of the Board of Directors may not hold more than ten (10) additional board memberships, whereof not more than four (4) in listed companies.

3.4. Election and term of office

Each member of the Board of Directors, the Board Chairman, and each member of the Nomination and Compensation Committee are elected annually 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. The CFO of the company acted as secretary until February 29, 2016; the company's Legal Counsel has performed this role since then.

The Board of Directors meets as often as business requires, but at least four times per year. In fiscal year 2015 the Board of Directors held six meetings, with each meeting lasting from half a day to one day. Furthermore the Board of Directors held four telephone conferences during fiscal year 2015, 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, Design & Manufacturing, Contracting, Human Resources Management (HRM), the CFO and the Legal Counsel, who 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 2015, 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 three meetings in fiscal year 2015. 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 for the period from July 4, 2015 to July 1, 2016.

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. There were no formal meetings of the Strategy Committee during the fiscal year 2015, given that the strategic focus in the year under review was centered on the acquisition of Arkos Field Services and Shenyang Yuanda Compressor. Both members of the Strategy Committee actively supported the acquisition team and participated in internal meetings, telephone conferences and in the negotiations. Members are Valentin Vogt (Chairman) and Dr. Monika Krüsi.

3.6. Definition of areas of responsibility

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 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.

3.7. 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 expenditure are consolidated and annotated nine times annually. A rolling forecast for the coming twelve months is prepared and annotated four times a year (April, July, October 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 Group Audit unit reports to the Chairman of the Board of Directors' Audit Committee. Technical management responsibility has been delegated to the CFO, who is also responsible for coordination and practical performance of the audits. The CFO is responsible for coordination between the Audit Committee and the technical manager of the Internal Group Audit. The internal audit team consists of qualified staff from the finance and controlling departments of Burckhardt Compression AG and several financial specialists from the 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 in this additional capacity they report directly to the Head of Internal Group Audit, who in turn reports to the Chairman of the Board of Directors' Audit Committee. This efficient organization is tailored to the needs and size of Burckhardt Compression Group and fosters an active exchange of information and best practices 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 training received is coordinated by the Head of Internal Group Audit. 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. Four internal audits were carried out in fiscal year 2015. 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 the 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
Keven Li	CN	MD Burckhardt Compression (Shanghai) Co., Ltd.
Sandra Pitt	DE	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 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, 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 the Swiss-CIS/Georgia Chamber of Commerce
– Vice President of AZW Winterthur, Switzerland

ROLF BRÄNDLI (1968)

Education
Degree in Business Administration, HWV Zurich, Switzerland

Professional background
Since 2008 CFO, Burckhardt Compression Group, 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

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

RENÉ GUTHAUSER (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, Switzerland

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., China

SANDRA PITT (1971)

Education
Degree in Business Administration/ Business Informatics, Germany, MBA International Finance/International HR, American University Washington, USA

Professional background
Since June 2015 Head of Human Resources Management, Burckhardt Compression AG, Switzerland
2013–2015 Head Corporate HR, AFG Management AG, Switzerland
2012–2013 Head Personal Central Europe, Holcim (Schweiz) AG, Switzerland
2010–2012 Head Personal, Holcim (Schweiz) AG, Switzerland
2007–2009 Head Personal BASF Group Switzerland, BASF Schweiz AG, Switzerland
2006–2007 HR Director Europe, BASF AG, Division Europe, Germany
2003–2006 Internal Consultant Performance Management, BASF AG, Division Personal Global, Germany
2002–2003 HR Coordinator Europe, BASF AG, Division Personal Global, Germany

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 Bylaws concerning the number of permitted activities

In the course of the implementation of the Swiss Federal Ordinance Against Excessive Compensation in listed companies (OAEC), the Annual General Meeting of July 4, 2015 approved an amendment to Article 28 of the company's Bylaws.

Following this amendment, members of the Executive Board may not hold more than five (5) additional board memberships, whereof no more than two (2) in 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 69 to 77.

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 69 to 77 and in the financial report, note 28 "Transactions with the Board of Directors, the Executive Board and related parties" on page 113.

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 2015 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 entry restriction is also applicable to persons whose shares are held, in whole or part, by Nominees. This restriction is also valid 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 rules 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 40 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 change 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 2015 amounted to TCHF 305 (previous year TCHF 256).

8.3. Additional fees

The additional fees for services provided by PwC worldwide during fiscal year 2015 amounted to TCHF 233 (previous year TCHF 224), TCHF 164 of which for services related to due diligence for two acquisition projects, TCHF 54 for tax consulting and TCHF 15 for other consulting services. The services rendered by PwC beyond the auditing tasks are compatible with its auditing responsibilities. To reduce the ratio of the additional fees to the total auditor's fees in the future, respective measures have been identified and implemented.

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 2015 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) and will be delivered to interested parties on request.

Key dates for 2016 and 2017

July 1, 2016
Annual General Meeting
November 8, 2016
Results for the first half of 2016 (as per September 30, 2016)
June 6, 2017
2016 Annual Report (as per March 31, 2017)
July 1, 2017
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.

Burckhardt Compression

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