



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*.

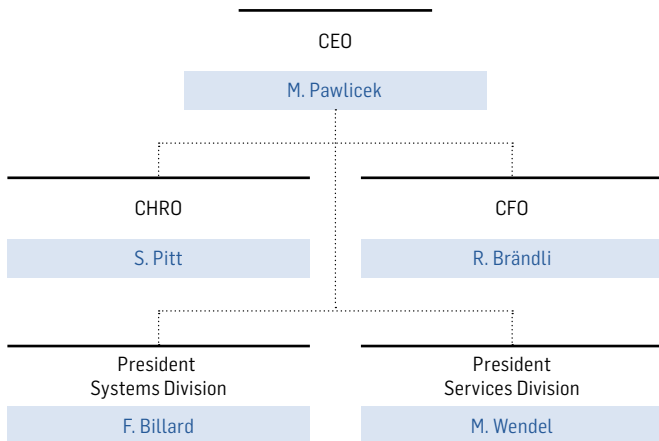
This report is structured in accordance with the DCG's outline and numbering. Unless otherwise noted, the information presented reflects the situation on March 31, 2018.

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1. Group structure

1.1.1. Management structure

Burckhardt Compression is managed by a divisional operating structure with two divisions, the Systems Division (compressor manufacturing business) and the Services Division (compressor services and components). 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, 2018 amounted to CHF 1'036'320'000.

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 103, Note 102, "Investments in 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, 2018. In accordance with the company's Bylaws, the voting rights of NN Group N.V. and J O Hambro Capital Management limited are limited in each case to 5.0% of the total number of BCHN registered shares recorded in the commercial register:

| Name | Country | % of shares |
|---------------------------------------------------|---------|-------------|
| MBO Aktionärsgruppe | CH | 12.4 |
| NN Group N.V. | NL | 6.9 |
| J O Hambro Capital Management Limited | UK | 6.9 |
| Atlantic Value General Partner Limited (Mondrian) | UK | 5.0 |
| Ameriprise Financial Inc. | US | 3.5 |
| Credit Suisse Funds AG | CH | 3.0 |
| Oppenheimer Funds | US | 3.0 |
| 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 June 30, 2019 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 subscriptions 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 or entity will be registered in the Share Register with voting rights for 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 2% of the issued shares will be entered in the Share Register with voting rights without having to sign an agreement with the Board of Directors. Nominees holding more than 2% of the issued shares will be entered in the Share Register with 2% voting rights and, for the remaining shares, without voting rights. Above this 2% 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 2% 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 interests

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 | 2018 |
| Hans Hess | CH | Deputy Chairman, non-executive, Chairman NCC | 2006 | 2018 |
| Dr. Monika Krüsi | CH/IT | Member, non-executive, member SC, member AC | 2012 | 2018 |
| Urs Leinhäuser | CH | Member, non-executive, Chairman AC | 2007 | 2018 |
| Dr. Stephan Bross | DE | Member, non-executive, member NCC | 2014 | 2018 |

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 Holding 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 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, 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, 360°, Switzerland
- Board member, Otto Suhner AG,
Switzerland
- Board member, Signal 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 2016 Partner/Consultant
ADULCO GmbH, Switzerland

2014–2016 self-employed, Switzerland

2011–2014 CFO and Deputy CEO,
Member of 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

- Chairman of the Board, Avesco AG,
Switzerland
- Board member, Ammann Group
Holding AG, Switzerland
- Board member, Liechtensteinische
Landesbank AG, Liechtenstein
- Board member, VAT Group AG,
Switzerland

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

Degree in Engineering, University of
Braunschweig, Germany

Professional background

Since 2017 Member of the Executive
Board (CTO), KSB SE & Co. KGaA,
Germany

2014–2017 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 terms 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. This role is currently assigned to the company's legal Counsel.

The Board of Directors meets as often as business requires, but at least four times per year. In fiscal year 2017, the Board of Directors held seven meetings, with each meeting lasting from half a day to one day. Furthermore, the Board of Directors held three telephone conferences during fiscal year 2017, 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 CEO, the two Presidents of the Systems and Services Divisions, the CFO, the CHRO and the Legal Counsel, in his role as secretary, are regularly invited to attend Board meetings to report on developments in their respective business areas. 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 2017, the Audit Committee held two half-day meetings. The CEO, the CFO, the head of the internal audit department and representatives of the external auditors also participated in these meetings. Members are Urs Leinhäuser (Chairman) and Dr. Monika Krüsi. As part of the switch from the IFRS to the Swiss GAAP FER accounting standard, the Audit Committee also met for an extraordinary session that was attended by the CFO and Group Controller in addition to the members of the Audit Committee.

Nomination and Compensation Committee This committee advises and assists the Board of Directors on appointing, assessing and dismissing members of the Executive Board, and draws up proposals for the appointment 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 half-day meetings in fiscal 2017. The CEO and the CHRO also attended these meetings. Members are Hans Hess (Chairman) and Dr. Stephan Bross.

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 Strategy Committee held three meetings in fiscal year 2017. These meetings lasted a half or a whole day. At two of these meetings the entire Board of Directors and the members of the Executive Board were attending. The committee 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 Group's business policies and strategy
- 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 the 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 vis-a-vis the Executive Board

Financial reporting and planning Order intake, the income statement, balance sheet, liquidity planning and cash flow, headcount, personnel costs and capital expenditure are consolidated and annotated on a monthly basis. A rolling forecast of Group results for the current and coming fiscal years is also prepared and annotated four times a year (April, July, October and January). Targets for the coming fiscal year are determined based on the January forecast. The financial report and the forecasts are distributed to the members of the Executive Board and all members of the Board of Directors. At every meeting of the Board of Directors, the members of the Executive Board report on the course of business and on all issues of relevance to the Group.

Internal Group Audit and internal control system (ICS) The Internal Group Audit unit reports to the Chairman of the Board of Directors' Audit Committee. Management responsibility for the unit has been delegated to the head of the Accounting unit of Burckhardt Compression AG, who is also responsible for coordinating and conducting the audits. The CFO is responsible for coordination between the Audit Committee and the head of the Internal Group Audit. The Internal Group Audit team consists of qualified staff from the Finance and Controlling departments of Burckhardt Compression AG and several selected financial specialists from the Group's subsidiaries. These employees perform the internal audit duties assigned to them in addition to their core duties and responsibilities within the Finance and Controlling units and in this additional capacity they report directly to the Head of Internal Group Audit, who in turn reports in this function directly 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 the 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. Six internal audits were carried out in fiscal year 2017. The internal auditors' reports were distributed to the management of the audited company, the members of the Audit Committee of the Board of Directors, the Executive Board members and to the external company auditors. 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.

Risk management Burckhardt Compression implements a risk management system. In a two-step risk management process, key risks are identified at an early stage and allocated to the categories of strategic, financial and operational risk defined by the Board of Directors. The risks are then evaluated and processed accordingly, and rigorously monitored, prevented, reduced or transferred using the appropriate risk mitigation measures. The first stage of risk management consists of a continuous risk management process, in which the divisions and larger companies at Burckhardt Compression Group systematically identify and assess the risks in a regular rhythm, define the necessary risk mitigation measures together with the responsible persons, and set and monitor deadlines for implementation. Risk assessment takes account of internal and external factors.

The second stage of the risk management process consists of a periodic Risk Management Review, which takes place twice a year at the meetings of the Board of Directors' Audit Committee. To this end, the CEO prepares an overview of the main risks faced by Burckhardt Compression Group, and an assessment of the likelihood of these risks occurring and the effects this would have. This overview is presented to the Audit Committee together with the risk mitigation measures, the people responsible for implementing them, and an implementation timetable. The Audit Committee then reports to the Board of Directors about the findings of the Risk Management Review.

4. EXECUTIVE BOARD

4.1. Members of the Executive Board and

4.2. Other activities and interests

| Name | Nationality | Function |
|------------------|-------------|-----------------------------|
| Marcel Pawliczek | CH | CEO |
| Rolf Brändli | CH | CFO |
| Sandra Pitt | DE | CHRO |
| Fabrice Billard | FR | President Systems Division |
| Martin Wendel | DE | President Services Division |

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



SANDRA PITT (1971)

Education

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

Professional background

Since 2015 CHRO, Burckhardt Compression Group, 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



FABRICE BILLARD (1970)

Education

Master of Science in aeronautics and aerospace engineering, Ecole Centrale Paris, France

Professional background

Since 2016 President Systems Division, Burckhardt Compression Group, Switzerland

2015–2016 Chief Strategy Officer, Sulzer, Switzerland

2012–2015 Head Business Unit Mass Transfer Technology, Sulzer Chemtech, Switzerland/Singapore

2010–2012 Head Europe, Middle-East, India, Russia & Africa Business Unit Mass Transfer Technology, Sulzer Chemtech, Switzerland

2008–2010 Vice President Business Development, Sulzer Chemtech, Switzerland

2005–2008 Head Global Customer Services, Sulzer Pumps, Switzerland

2004–2005 Strategic Development Manager, Sulzer Corporate, Switzerland

1999–2004 Principal, The Boston Consulting Group, Switzerland/France



MARTIN WENDEL (1966)

Education

Degree in mechanical engineering and production systems, University of Karlsruhe, Germany

Professional background

Since 2016 President Services Division, Burckhardt Compression Group, Switzerland

2014–2016 Vice President Service, Rolls-Royce Power Systems AG, Germany

2011–2014 Vice President Service Operations and Logistics, Rolls-Royce Power Systems AG, Germany

2008–2010 Vice President Global After Sales, Rolls-Royce Power Systems AG, Germany

2002–2008 Director Global Spare Parts Center, Rolls-Royce Power Systems AG, Germany

2000–2001 Head Project Euro III, EvoBus, Germany

1999–2000 Head Order Center/Logistics Powered Industrial Trucks, Linde, Germany

1997–1999 Head Electric Forklift Truck Production, Paint Shop, Receiving, Linde, Germany

4.3. Rules in the Bylaws concerning the number of permitted activities

Members of the Board of Directors may not hold more than five additional board memberships, whereof not more than two 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 61 to 69.

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 61 to 69 and in the financial statement of Burckhardt Compression Holding AG, note 103 "Share capital and shareholders" on page 103.

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 2017 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 entity will be registered in the Share Register with voting rights for 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. 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 the independent proxy holder or by another person with legal capacity. All shares held by a shareholder can only be represented by 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 items 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 DEFENSIVE 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 2017 amounted to TCHF 374 (previous year TCHF 380).

8.3. Additional fees

The additional fees for services provided by PwC worldwide during fiscal year 2017 amounted to TCHF 1 (previous year: TCHF 6). This includes consultation fees in connection with the implementation of new accounting policies and other issues.

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 regular half-day meetings during the 2017 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 2018 and 2019

July 6, 2018

Annual General Meeting of Shareholders

October 30, 2018

Results for the first half of 2018 (as per September 30, 2018)

May 28, 2019

2018 Annual Report (as per March 31, 2019)

July 6, 2019

Annual General Meeting of Shareholders

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 Holding AG

CH-8404 Winterthur, Switzerland

Tel. +41 52 262 55 00

Fax +41 52 262 00 51

info@burckhardtcompression.com

www.burckhardtcompression.com

