

# Corporate Governance

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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.

Burckhardt Compression has scheduled its Annual General Meeting 2023 on July 1, 2023. Among the proposals for which approval will be sought is the amendment of the Bylaws to reflect changes in Swiss corporate law, which has been revised to strengthen corporate governance and update various processes, among other changes.

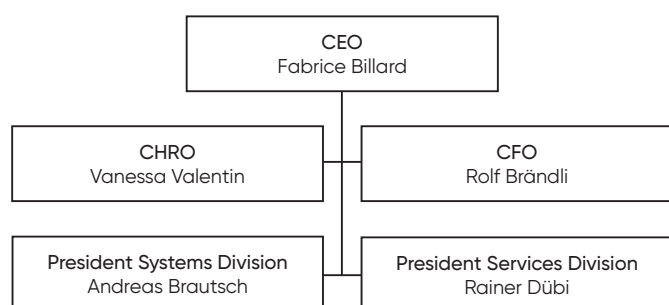
The information presented in this report reflects the situation on March 31, 2023, unless otherwise noted and this report is structured in accordance with the latest DCG's outline and numbering.

## 1. Group structure and shareholders

### 1.1. Group structure

#### 1.1.1. Description of the operational group structure

Burckhardt Compression is managed through a divisional organizational structure consisting of 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 its 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, 2023 amounted to CHF 1'931'200'000. Burckhardt Compression Holding AG holds 33'413 BCHN shares (0.98% of the total registered shares) per March 31, 2023.

#### 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 133, Note 102, "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 Exchange Regulation Ltd., the shareholders listed in the following table reported shareholdings of at least 3% of the voting rights as per March 31, 2023. In accordance with the company's Bylaws, the voting rights of NN Group N.V., The Goldman Sachs Group Inc and UBS Fund Management (Switzerland) AG are limited to 5.0% of the total number of BCHN registered shares recorded in the share register:

Name	Country	of shares in %
MBO Aktionärsgruppe (Valentin Vogt, Daniela Vogt, Harry Oetz, Leonhard Keller, Martin Heller, Ursula Heller, Marcel Pawlicek)	CH	12.40
NN Group N.V.*	NL	9.86
The Goldman Sachs Group, Inc.**	US	7.37
UBS Fund Management (Switzerland) AG	CH	5.02
BlackRock, Inc.	US	3.07

\*According to the notification to the Disclosure office of SIX Exchange Regulation Ltd. published on November 19, 2021.

\*\*According to the notification to the Disclosure Office of SIX Exchange Regulation Ltd. published on June 24, 2022, with the following remark: "This notification is being made because The Goldman Sachs Group, Inc. ("GS Group") has acquired control of NN Investment Partners Holdings N.V. ("NNIP") and NNIP has a discretionary asset management mandate with respect to BCHN shares which are owned by NN Group N.V."

More detailed information on the disclosure notifications is available on the website of the SIX Swiss Exchange's Disclosure Office: (<https://www.ser-ag.com/en/resources/notifications-market-participants/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.

The Board of Directors is authorized to increase the share capital anytime on or before June 30, 2024 in the maximum amount of CHF 850'000 by issuing up to 340'000 fully paid in registered shares with a nominal value of CHF 2.50 per share (authorized share capital).

## 2.2. Authorized capital and conditional capital in particular

The company does not have any conditional capital.

### Details on the authorized share capital:

The date of the issuance, the issue price, the beginning of the dividend rights and any contributions in kind or planned acquisitions to be financed by a capital increase are to be defined by the Board of Directors. The Board of Directors is entitled to conduct more than one capital increase. The transferability of the shares shall be subject to the registration requirements set forth in the Bylaws. The Board of Directors is entitled to revoke the right to subscribe for new shares and to transfer such subscription rights to third parties (i) in case of an acquisition of a company through a share swap or (ii) in order to finance the acquisition of companies or of parts thereof. Furthermore, the Board of Directors is entitled to revoke the right to subscribe for new shares if such new shares are to be publicly placed in the market. Shares which have not been subscribed for by existing shareholder will be allocated by the Board of Directors at its free discretion.

## 2.3. Changes in capital

There has been no movement (increase or decrease) 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 5.0% 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 5.0% 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

### 2.6.1. Limitations on transferability

No person or entity will be registered as a shareholder in the Share Register for more than 5.0% of the issued share capital. This entry restriction is also applicable to persons whose shares are totally or partially held by Nominees (please refer to below Chapter 2.6.3). 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.

This restriction on voting rights does not apply to shareholders who were in possession of more than 5.0% of the shares of Burckhardt Compression Holding AG before the IPO. The Board of Directors is entitled to grant exceptions to the registration requirements in special circumstances.

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.

The company may further refuse registration as a shareholder with voting rights, if the acquirer does not expressly declare upon request that he/she/it holds the shares in his/her/its own name and for his/her/its own account.

### 2.6.2 Reasons for granting exceptions

The company has not granted any exceptions during the last year.

### 2.6.3. Nominee registrations

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/she/it is subject to supervision by an accredited bank and financial market regulator and if he/she/it has concluded an agreement with the Board of Directors concerning his/her/its status. Nominees holding up to 2.0% 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 2.0% of the issued shares will be entered in the Share Register with 2.0% voting rights and, for the remaining shares, without voting rights. Above this 2.0% 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 2.0% of the issued share capital. The Board of Directors is entitled to approve exceptions from the statutory conditions for registration with respect to special circumstances.

### 2.6.4. Cancelling privileges and limitations on transferability

Amendments to the Bylaws (including cancelling privileges and limitations on transferability) require the approval of at least two-thirds of the share votes represented at the Annual General Meeting.

## 2.7. Convertible bonds and options

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

## 3. Board of Directors

### 3.1./3.2. Members of the Board of Directors/

#### Other activities and vested interests

The Bylaws stipulate that the Board of Directors consists of a minimum of three and a maximum of seven members. Since the Annual General Meeting 2021, all members are non-executive and independent members of the Board of Directors in the context of the "Swiss Code of Best Practice for Corporate Governance" from *economiesuisse*<sup>1</sup>.

The composition of the Board of Directors is as follows:

Name	Nationality	Function	First elected	Term expires
Ton Büchner	CH/NL	Chair, non-executive; Chair SSC	2020	2023
Urs Leinhäuser	CH	Member, non-executive; member AC	2007	2023
Dr. Monika Krüsi	CH/IT	Member, non-executive; member SSC, Chair NCC	2012	2023
Dr. Stephan Bross	DE	Member, non-executive; member NCC	2014	2023
David Dean	CH	Member, non-executive; Chair AC	2019	2023
Maria Teresa Vacalli	CH	Member, non-executive; member AC	2022	2023

AC = Audit Committee | NCC = Nomination and Compensation Committee | SSC = Strategy and Sustainability Committee

No member of the Board of Directors has served as a member of the Executive Management of Burckhardt Compression Holding AG and/or any subsidiary within the Burckhardt Compression Group. Furthermore, none of the members of the Board of Directors have material business relationships with Burckhardt Compression AG and/or any subsidiary within the Burckhardt Compression Group.

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

<sup>1</sup>As approved by *economiesuisse* on November 14, 2022.



### Ton Büchner (1965)

Independent Board Member since 2020

#### Education

MBA, IMD Business School, Switzerland,  
MSc in Civil Engineering, Delft University  
of Technology, Netherlands

#### Professional background

**2012–2017** Chair of the Executive  
Management and CEO, AkzoNobel NV,  
Netherlands

**2007–2011** CEO, Sulzer AG, Switzerland

**2003–2007** President, Sulzer Pumps,  
Switzerland

**2000–2002** President, Sulzer  
Turbomachinery Services, Switzerland

**1994–2000** Various management  
positions, Sulzer AG, Switzerland

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

- Chair of the Board of Directors
- Chair of the Strategy and  
Sustainability Committee

#### Other activities and commitments

- Member of the Board of Directors,  
Novartis, Switzerland
- Chair of the Board of Directors, Swiss  
Prime Site AG, Switzerland
- Member of the Advisory Committee  
“Adviescommissie Maatwerkafspraken  
Verduurzaming Industrie” of the Ministry  
of Economic Affairs and Climate of the  
Netherlands
- Advisor, Ammega, Switzerland



### Urs Leinhäuser (1959)

Independent Board Member since 2007

#### Education

Degree in Business Administration,  
University of Applied Sciences, Zurich,  
Switzerland, IMD Lausanne (SSE),  
Switzerland

#### Professional background

**Since 2016** Managing Partner ADULCO  
GmbH, Switzerland

**2014–2016** Self-employed, Switzerland

**2011–2014** CFO and Deputy CEO, Member  
of Executive Board, Autoneum Holding AG  
(the Group), Switzerland

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

**1999–2003** CFO, Member of Group Exec-  
utive Committee, Mövenpick Holding,  
Switzerland

**1997–1999** CFO, Piping Systems Division,  
Georg Fischer AG, Switzerland

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

**1992** Managing Director, Cerberus,  
Denmark

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

**1986–1988** 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
- Member of the Audit Committee

#### Other activities and commitments

- Chair of the Board of Directors,  
Avesco AG, Switzerland
- Member of the Board of Directors,  
Ammann Group Holding AG, Switzerland
- Member of the Board of Directors ,  
Liechtensteinische Landesbank AG,  
Liechtenstein
- Vice Chair of the Board of Directors,  
VAT Group AG, Switzerland
- Member of the Board of Directors ,  
PENSADOR Partner AG, Switzerland



### Dr. Monika Krüsi (1962)

Independent Board Member since 2012

#### Education

PhD 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
- Chair of the Nomination and  
Compensation Committee
- Member of the Strategy and  
Sustainability Committee

#### Other activities and commitments

- Chair of the Board of Directors,  
Repower AG, Switzerland
- Chair of the Board of Directors of Oskar  
Ruegg AG, Switzerland
- Member of the Board of Directors,  
360°, Switzerland
- Member of the Board of Directors  
Accelleron Industries AG, Switzerland



### Dr. Stephan Bross (1962)

Independent Board Member since 2014

#### Education

PhD in Mechanical Engineering,  
TU Braunschweig, Germany

#### Professional background

**Since 2018** Executive Management member (CTO), KSB SE & Co. KGaA, Germany

**2017** Executive Management member, Technology, KSB AG, 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



### David Dean (1959)

Independent Board Member since 2019

#### Education

Swiss certified Expert for Accounting and Controlling, Swiss certified Public Accountant Completed executive education programs at Harvard Business School, Boston, USA, and at IMD, Lausanne, Switzerland

#### Professional background

**Since 2019** Self-employed, Switzerland

**2004–2019** CEO, Bossard Group, Switzerland

**1998–2004** CFO, Bossard Group, Switzerland

**1993–1998** Deputy CFO and Corporate Controller, Bossard Group, Switzerland

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

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

#### Other activities and commitments

- Member of the Board of Directors, Bossard Group, Switzerland
- Member of the Board of Directors Komax Group, Switzerland
- Member of the Board of Directors, Brugg Group, Switzerland
- Chair of the Board of Directors, Haag-Streit Group, Switzerland (a division of Metall Zug Group)



### Maria Teresa Vacalli (1971)

Independent Board Member since 2022

#### Education

MSc in Industrial Management and Manufacturing, ETH Zurich, Switzerland

#### Professional background

**2019–2022** Chair of the Executive Board and Head of the Executive Committee, Bank Cler AG, Switzerland

**2018–2019** Head of Digital Market Services & Member of the Executive Committee, Basler Kantonalbank, Switzerland

**2016–2018** CEO, Moneyhouse AG, NZZ Mediengruppe, Switzerland

**2013–2016** Sunrise Communication AG, Switzerland

**2008–2013** Executive Director Wholesale, Switzerland

**2002–2008** Director, Cablecom, Switzerland

**2002** Manager GCI Management, Switzerland

**2001** Manager, Ernst & Young, Center for Business Innovation (CBI), Switzerland

**2000–2001** Partner & Owner, Seavantage, Switzerland

**1998–2000** Manager, PricewaterhouseCoopers, Switzerland

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

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

#### Other activities and commitments

- Member of the Board of Directors, Swiss Post, Switzerland

## Independence of the Board of Directors

All members are non-executive and independent members of the Board of Directors in the context of the Swiss Code of Best Practice for Corporate Governance from economiesuisse. Non-executive members of the Board of Directors are considered independent if they have never, or not within the last three (3) years, worked for Burckhardt Compression, and have no or only relatively small business relationships with the company.

## 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, of which not more than four (4) in listed companies.

## 3.4. Election and term of office

Each member of the Board of Directors, the Board Chair, 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 and structure

### 3.5.1. Allocation of tasks within the Board of Directors

The competencies of the Board members are depicted in the following matrix:

	Ton Büchner	Urs Leinhäuser	Monika Krüsi	Stephan Bross	David Dean	Maria Teresa Vacalli
Executive competence (>200 FTE)	•			•	•	•
Strategic competence	•	•	•	•	•	•
Competence in non-European cultures	•	•	•	•	•	
Sustainability competence	•					
Supply chain competence			•	•	•	
Competence in BC markets	•			•		
Technological competence	•		•	•		•
Financial competence	•	•			•	•
M&A competence	•	•	•	•	•	•
Board-level competence	•	•	•		•	•
CEO coaching competence	•		•	•	•	

The company's General Counsel, who serves as Secretary to the Board of Directors, has a degree in law (mag.iur.).

### 3.5.2. Committees of the Board of Directors

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. The CEO, the CFO, the head of the internal audit unit and representatives of the external auditors also participated in the Audit Committee's ordinary meetings. The members are David Dean (Chair), Urs Leinhäuser and Maria Teresa Vacalli.

#### Nomination and Compensation Committee

This committee advises and assists the Board of Directors on appointing, assessing and dismissing members of the Executive Management, 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 directors and the Executive Management members. The CEO and the CHRO also attend the ordinary meetings of the NCC. The members are Dr. Monika Krüsi (Chair) and Dr. Stephan Bross.

### Strategy and Sustainability Committee

The Strategy and Sustainability Committee supports the CEO in developing corporate strategy, advises the Board of Directors on strategic matters such as acquisitions and divestments, and ensures that sustainability (and social responsibility) is an integral part of the company strategy. It evaluates the implementation of the company strategy on a regular basis and submits proposals to the Board of Directors if adjustments or other measures are deemed necessary. The members are Ton Büchner (Chair) and Dr. Monika Krüsi. Additionally, the Strategy and Sustainability Committee helps prepare together with the CEO the annual strategy day.

### 3.5.3. Working methods

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 Board of Directors meets as often as business requires, but at least four times per year. In fiscal year 2022, the Board of Directors and Board committees convened the following meetings (see table below).

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 Chair has the casting vote.

The CEO, the two Presidents of the Systems and Services Divisions, the CFO, the CHRO and the General Counsel, in his role as Secretary, are regularly invited to attend Board meetings to report on developments in their respective business areas.

Meeting	Governing body	Duration	Ton Büchner	Urs Leinhäuser	Monika Krüsi	Stephan Bross	David Dean	Maria Teresa Vacalli
04/12/2022, meeting of	SCC	9.5 hours	•	•	•	•	•	
05/09/2022, meeting of	NCC	3.5 hours			•	•		
05/16/2022, meeting of	AC	1 hour					•	
06/01/2022, meeting of	AC	4 hours		•			•	
06/01/2022, meeting of	NCC	3.5 hours			•	•		
06/02/2022, meeting of	BOD	7 hours	•	•	•	•	•	
08/31/2022, meeting of	BOD	6 hours	•	•	•	•	•	•
08/30/2022, meeting of	NCC	3.5 hours			•	•		
08/31/2022, meeting of	SCC	7 hours	•	•	•	•	•	•
09/30/2022, meeting of	NCC	1.5 hours			•	•		
10/07/2022, meeting of	AC	1 hour					•	
10/14/2022, meeting of	SCC	6 hours	•	•	•	•	•	•
10/25/2022, meeting of	NCC	3 hours			•	•		
10/25/2022, meeting of	AC	3 hours		•			•	•
10/26/2022, meeting of	BOD	6.5 hours	•	•	•	•	•	•
11/09/2022, meeting of	AC	1 hour					•	
12/09/2022, meeting of	BOD	6.5 hours	•	•	•	•	•	•
01/10/2023, meeting of	AC	1 hour					•	
03/22/2023, meeting of	NCC	2 hours			•	•		
03/08/2023, meeting of	BOD	5 hours	•	•	•	•	•	•
03/08/2023, meeting of	SCC	2 hours	•		•			

BOD = Board of Directors | AC = Audit Committee | NCC = Nomination and Compensation Committee | SSC = Strategy and Sustainability Committee

### 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 duties which may not be delegated by law and in particular the following:

- 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 Management, as well as compensation of the Executive Management
- Decisions on new subsidiaries, major capital expenditure projects, acquisitions, financing transactions, the insurance concept and the provision of guarantees if such decisions exceed the powers conferred to the CEO.

The powers of the Executive Management and of the Group company executives are listed in detail in the organization regulation (<https://www.burckhardtcompression.com/investors/corporate-governance>).

### 3.7. Information and control instruments vis-à-vis the Executive Management

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 Burckhardt Compression 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 reports and the forecasts are distributed to the members of the Executive Management and all members of the Board of Directors. At every meeting of the Board of Directors, the members of the Executive Management report on the course of business and on all issues of relevance to the Burckhardt Compression Group.

### Internal Group Audit and internal control system (ICS)

The internal audit reports to the Chair of the Audit Committee of the Board of Directors. Management responsibility for the unit has been delegated to the Head of Group Controlling, who is also responsible for planning and conducting the audits. The CFO is responsible for coordination between the Audit Committee and the Head of 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 Burckhardt Compression Group's subsidiaries. Qualified subject matter experts from other fields (e.g. IT, Legal or Human Resources) may be consulted, depending on the auditing assignment. These employees perform the internal audit duties assigned to them in addition to their regular duties and in this additional capacity they report directly to the Head of Internal Group Audit, who in turn reports in this function directly to Chair of the Board of Directors' Audit Committee. This efficient organization is tailored to the needs and size of the Burckhardt Compression Group and fosters an active exchange of information and best practices with the objective of creating sustained added value for the 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. Nine internal audits were carried out in fiscal year 2022. 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 Management 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 has an integrated risk management policy. In a two-stage process, key risks are identified using an anticipatory approach and grouped under one of four risk categories – strategic, financial, operational or legal/compliance – that have been defined by the Board of Directors. The risks are then evaluated, managed and stringently monitored, avoided, mitigated or transferred to third parties through appropriate risk management measures. The first stage of risk management consists of a continuous risk management process, in which the Division Presidents and the Burckhardt Compression Group functions (CEO, CFO, CHRO, CDIO, Legal) 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. Internal and external factors are included in the evaluation of potential risks.

The second stage of the risk management process consists of a periodic risk management review that takes place twice a year at the meetings of the Board of Directors' Audit Committee. To this

end, the Executive Management 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 they 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.

## Compliance

Burckhardt Compression has a group-wide compliance focusing on compliance with legal and internal regulations which include also the Code of Conduct and the Burckhardt Compression Values and Behaviors. The Compliance program has a three-pillar framework:

- prevention (through policies and trainings),
- early detection (through different grievance channels) and
- response (different actions on compliance breaches and fine tuning of policies).

The updated Code of Conduct was launched in 2021 and conveyed to all employees accompanied by e-trainings. A grievance channel was introduced to all employees and business partners. Also, data protection is an important topic taken very seriously at Burckhardt Compression. In 2022, the Data Protection Officer has continued to prioritize and focus on the implementation of the EU's General Data Protection Regulation (GDPR) requirements within Burckhardt Compression's projects, processes, and documentation. For many years Burckhardt Compression has also been investing in IT Security to ensure technical resilience to cyber-attacks. In 2022, the focus of the work was on strengthening the safety awareness of all employees. In addition, Burckhardt Compression has reviewed the IT Security assessment to identify and protect the most relevant assets (Crown Jewels).

## 3.8. Gender guidelines

As part of its extended duties, the Nomination and Compensation Committee assesses succession planning for the Board of Directors in order to ensure a balanced composition of the Board of Directors. The Board of Directors has increased the gender ratio from 20% to 33% of women on the Board of Directors during the last elections in 2022.

## 3.9. Self-evaluation of the Board of Directors

Regarding fiscal year 2021, the Board of Directors conducted a self-evaluation looking at the work of the Board of Directors and its individual committees. The evaluation process covered purpose, scope, composition and responsibilities and was done as an internal evaluation only. Each of the members of the Board of Directors completed a questionnaire and the detailed findings were presented back to the Board of Directors. Improvement measures were defined and will be regularly reviewed.

## 4. Executive Management

### 4.1./4.2 Members of the Executive Management/Other activities and vested interests

Name	Nationality	Function
Fabrice Billard	CH/FR	CEO
Rolf Brändli	CH	CFO
Vanessa Valentin	CH	CHRO*
Andreas Brautsch	DE	President Systems Division**
Rainer Dübi	CH	President Services Division

\* since June 2022

\*\* since October 2022

Biographical details and information on other activities and commitments of the members of the Executive Management:



### Fabrice Billard (1970)

#### Education

MSc in Aeronautics and Aerospace Engineering. Ecole Centrale Paris, France

#### Professional background

**Since April 2022** CEO Burckhardt Compression Group, Switzerland

**2016–2022** 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



### Rolf Brändli (1968)

#### Education

Degree in Business Administration, HWV Zürich, Switzerland

#### Professional background

**Since 2008** CFO, Burckhardt Compression Group, 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



### Vanessa Valentin (1979)

#### Education

BSc in Developmental Psychology, University of Sussex, UK

MSc in Human Resources, The London School of Economics and Political Science (LSE), UK

#### Professional background

**Since June 2022** Chief Human Resources Officer, Burckhardt Compression Group, Switzerland

**2016 – 2022** Senior VP Human Resources, VAT Group, Switzerland

**2012 – 2016** Human Resources Director, Alstom, Switzerland

**2007 – 2012** Human Resources Leader, GE Oil & Gas, Italy, Australia, US

**2005 – 2007** Human Resources Leadership Program, GE, Germany, Italy, US

**2003 – 2005** Human Resources Manager, Health Protection Agency, UK



### Rainer Dübi (1969)

#### Education

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

#### Professional background

**Since 2019** President Services Division,  
Burckhardt Compression Group,  
Switzerland

**2012–2019** 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



### Andreas Brautsch (1974)

#### Education

MSc in Mechanical Engineering,  
TH Regensburg, Germany  
PhD, Mechanical Engineering, Heriot  
Watt University, Edinburgh, UK

#### Professional background

**Since October 2022** President Systems  
Division, Burckhardt Compression Group,  
Switzerland

**2019–2022** Group Vice President, Global  
Lead Switchgear Business Hitachi Energy,  
Switzerland

**2017–2019** Group Vice President, Business  
Transformation Lead Hitachi Energy,  
Switzerland

**2015–2017** Global Business Lead Industrial  
Gas Power Business, General Electric, USA

**2012–2015** Platform Director H-class  
Gas Power Generation, Alstom Power,  
Switzerland

**2008–2012** Head of Products, Carbon  
Capture Systems, Alstom Power,  
Switzerland

**2002–2008** Global Innovation Lead,  
Alstom Power, USA

**1998–2000** Implementation Lead for local  
joint venture, Siemens, China

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

Members of the Executive Management may not hold more than five (5) additional board memberships, of which not more than two (2) additional may be in listed companies.

### 4.4. Management contracts

There are no management contracts with third parties.

### 4.5. Gender Guidelines

As part of its extended duties, the Nomination and Compensation Committee assesses succession planning for the Executive Management in order to ensure a balanced composition of the Executive Management. The Board of Directors aims to ensure a diversified Executive Management. The gender ratio is currently 20% women in the Executive Management.

## 5. Compensation, shareholdings and loans

### 5.1. Compensation and shareholding programs

The principles and elements of compensation paid to members of the Board of Directors and the Executive Management as well as the authority and the mechanisms used to determine such compensation are explained in the Compensation Report on pages 84 to 92.

The shareholdings of the members of the Board of Directors and the Executive Management in Burckhardt Compression Holding AG are listed in the Compensation Report on pages 84 to 92 and in the financial statements, note 103, "Share capital and shareholders" on page 133

Burckhardt Compression Group did not grant any loans, credit or collateral to any of the members of the Board of Directors or the Executive Management in fiscal year 2022 and there are no arrangements of this nature outstanding.

### 5.2. Rules in the Bylaws

#### 5.2.1. on performance-related payments and allocations

The rules in the Bylaws on the principles applicable to performance-related pay and to the allocation of shares, contingent rights to receive shares or comparable instruments of the company, as well as the additional amount for payments to members of the Executive Management appointed after the vote on pay at the Annual General Meeting of shareholders are available on the website of Burckhardt Compression in the Bylaws (Art. 25, Art. 26 and Art. 27). (<https://www.burckhardtcompression.com/investors/corporate-governance>).

#### 5.2.2. on loans, credit facilities and post-employment benefits

The rules in the Bylaws on loans, credit arrangements and pension plan benefits for members of the board and the Executive Management are available on the website of Burckhardt Compression in the Bylaws (Art. 29).

(<https://www.burckhardtcompression.com/investors/corporate-governance>).

#### 5.2.3. on the vote on pay at the Annual General Meeting

The rules in the Bylaws on the vote on pay at the Annual General Meeting are available on the website of Burckhardt Compression in the Bylaws (Art. 24).

(<https://www.burckhardtcompression.com/investors/corporate-governance>).

## 6. Shareholders' participation rights

### 6.1. Voting rights restrictions and representation

#### 6.1.1. Rules in the Bylaws on restrictions to voting rights

Please refer to above Chapter 2.6.1.

#### 6.1.2. Rules in the Bylaws on the issue of instructions to the independent proxy

The rules in the Bylaws on the issue of instructions to the independent proxy are available on the website of Burckhardt Compression in the Bylaws (Art. 9 and Art. 13).

(<https://www.burckhardtcompression.com/investors/corporate-governance>).

### 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. Dissolution or merging of the company requires the presence or representation of at least half of the issued shares and the approval of at least two-thirds of the present or represented share votes on the petition submitted.

### 6.3. Convocation of the Annual General Meeting of Shareholders

None of the applicable rules deviate from the law.

### 6.4. Inclusion of items on the agenda

Under the Bylaws, shareholders representing jointly at least ten (10) percent of the share capital may request discussion of an item at an Annual General Meeting. The corresponding petition should be submitted in writing to the Board of Directors of the company at least forty (40) days prior to the scheduled meeting stating the proposed item and petitions of the shareholders.

### 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. Duty to make an offer

Once a shareholder acquires 33% 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 Management or other employees in the event of a change of control over Burckhardt Compression Holding AG.

## 7A. Transparency on non-financial matters

The report on non-financial matters is included on page 30.

## 8. Auditors

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

#### 8.1.1. Date of assumption of the current audit mandate

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 Annual General Meeting of shareholders for one year at a time. Burckhardt Compression plans to tender its external audit contracts at least every ten (10) years and examine all bids received. The most recent invitation to tender was issued during fiscal year 2012. PwC was awarded the contract in March 2013 and was re-elected as statutory auditor by the Annual General Meeting of Shareholders in June 2013. Burckhardt Compression is planning to tender its external audit contract again in the course of fiscal year 2023.

#### 8.1.2. Date on which the lead auditor responsible for the current audit mandate took up office

The auditor in charge will be changed after a maximum period of seven (7) years. Sandra Böhm Uglow has served as auditor in charge since the 2020 reporting period.

### 8.2. Auditor's fees

Total fees for auditing services provided by PwC worldwide during fiscal year 2022 amounted to TCHF 406 (previous year: TCHF 372).

### 8.3. Additional fees

The additional fees for services provided by PwC worldwide during fiscal year 2022 are in the amount of TCHF 41 (previous year: TCHF 110) for consulting services in the context with the long-term incentive plan. Additional services rendered by PwC outside the audit mandate are compatible with the audit assignment.

### 8.4. Information instruments pertaining to the external audit

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 meetings during the 2022 reporting

period. The auditor in charge and another representative of the auditor took part in these meetings.

## 9. Information policy

In general, 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 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 price-sensitive information to all interested parties via an email 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 2023 and 2024

#### July 1, 2023

Annual General Meeting

#### October 31, 2023

Results for the first half of 2023 (closing September 30, 2023)

#### June 4, 2024

2023 Annual Report (closing March 31, 2024)

#### July 5, 2024

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 email distribution list.

## 10. Quiet periods

No member of the Board of Directors, member of the Executive Management or other employee of Burckhardt Compression specifically notified by the CFO may trade with Burckhardt Compression shares listed in the stock exchange or any other exchange-traded financial instruments relating to BCHN shares, such as derivatives, during the period starting from April 1 and October 1 respectively and ending with the close of the second trading day after Burckhardt Compressions' public release of the relevant annual or half-year report. Besides these recurring lock-out periods, there was no specific lock-out period during the fiscal year 2022.