

## Additional explanations and clarifications based on our proxy and shareholder engagement

Explanations and clarifications on our Variable Compensation performance outcomes																			
<p>Explanations and clarifications on ex-post disclosure of the short-term incentive (STI):</p>	<p>The STI is calculated as a percentage of net income and, if approved by the AGM, paid in cash annually, provided that at least 4% return on sales (on a net income basis) has been achieved. The applicable percentage depends on the global grading of the role. We have disclosed such percentage in point 3.2 in our Compensation Report explicitly for the CEO and as a bandwidth for the other members of the Executive Management. We deem it important to have a simple system which does not require any further assessment other than the conditions described in point 3.2 and the net income as published under the financials section of our report on page 110. Consequently, there is a clear formulaic calculation approach (no discretion applied) with performance targets and performance achievements being directly reflected in net income development.</p> <p><i>in CHF 1'000</i></p> <table border="1" data-bbox="497 1025 1398 1182"> <thead> <tr> <th>Role</th> <th>Net income FY 2023*</th> <th>Sales FY 2023</th> <th>Net income in % Sales &gt; 4%</th> <th>STI % of Net income</th> <th>Short term incentive, cash**</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>92'000</td> <td>981'963</td> <td>yes, 9%</td> <td>0.28</td> <td>257</td> </tr> <tr> <td>Other members of the Executive Management</td> <td>92'000</td> <td>981'963</td> <td>yes, 9%</td> <td>0.12% to 0.16%</td> <td>552</td> </tr> </tbody> </table> <p>*best estimate before publication ** payment according to actuals (other members of the Executive Management represents the total amount for 4 members), no discretion applied</p>	Role	Net income FY 2023*	Sales FY 2023	Net income in % Sales > 4%	STI % of Net income	Short term incentive, cash**	CEO	92'000	981'963	yes, 9%	0.28	257	Other members of the Executive Management	92'000	981'963	yes, 9%	0.12% to 0.16%	552
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<p>Explanations and clarifications on the maximum opportunity under the short-term incentive plan:</p>	<p>The cap for the STI has increased for the fiscal year 2023 from previously 50% to 80% of base salary. This change was in alignment with the start of our new Mid-Range Plan and also in the context of the review of the compensation policies, including the introduction of the new LTI. In our Compensation Report for fiscal year 2022, we mentioned in the paragraph about the STI under point 3.2 that the Nomination and Compensation Committee of the Board has made minor revisions to the STI plan which will be applicable as of fiscal year 2023. Burckhardt Compression has established a comprehensive compensation system which is well balanced between short- and long-term orientation. The current variable component (including LTI) of the CEO and all Executive Management members does not exceed 48% of total compensation. We will likely provide further information, also considering results from potential benchmarking, in the next Compensation Report.</p>																		
<p>Explanations and clarifications on ex-post disclosure of the long-term incentive (LTI):</p>	<p>As explained under point 3.2 of our Compensation Report, the Board of Directors has approved a new LTI plan with the start of fiscal year 2023. The payout of the previous plan's final tranche (tranche 2) relating to fiscal years 2017-2022 were disclosed in previous</p>																		

compensation reports based on the fair value related to the respective year.

The details of the overall target attainment of the LTI plan of fiscal year 2017 to 2022 can be found below:

<i>in CHF 1'000</i>	Weighting (%)	Cumulative results FY 2017-2022*	Total attainment FY 2017-2022	Attainment Tranche 1 FY 2017-2019	Attainment Tranche 2 FY 2020-2022
Organic growth (Sales)	50	3'962	overachieved	overachieved	overachieved
Net income	50	269	below target	below target	overachieved
Total	100		below target	below target	overachieved
<b>Overall achievement**</b>			<b>below target</b>	<b>below target</b>	<b>overachieved</b>

\*best estimate before publication FY 2022

\*\* Overachievement is limited to factor 1.2 of target amounts

Based on the above target attainment, the following LTI payout has been awarded in the form of free shares in the fiscal year 2023 for the tranche 2 of the plan:

LTI awarded tranche 2 for FY 2020-22		
Role*	Amount in k CHF**	Number of shares
CEO	420	767
Other members of the Executive Management	856	1,561

\*F.Billard in role from April 1, 2022, V.Valentin in role from June 1, 2022, A.Brautsch in role from October 1, 2022.

\*\* Target amount for the entire six-year period is CHF k 900 for the CEO and between CHF k 450 and 600 for the other Members of the Executive, depending on their global grade.

Under the new plan, the vesting of the award is subject to the achievement of the three KPIs: Cumulative Earnings per Share (50% weighted), Cumulative Revenue (25% weighted) and Environmental, Social and Governance (ESG) measures (25% weighted). The performance period is three years. Under point 3.2 of the Compensation Report, target amounts for the CEO (CHF 150'000) and a bandwidth for the other members of the Executive Management (between CHF 75'000 and 100'000) have been disclosed. In fiscal year 2023, a grant has been awarded which accounts for the transition to the new LTI plan; the target amount was CHF 450'000 for the CEO and between CHF 225'000 and 300'000 for the other Executive Management members. The level of the transition target amounts has been determined to maintain the same level of annual target amounts as in the previous LTI plan.

We have consistently continued disclosing the fair value of the reported LTI compensation in line with Swiss GAAP FER in the table 4.2 of the Compensation Report. This represents the current projected performance against the LTI targets for the respective year.

Explanations and clarifications on the maximum opportunity under the long-term incentive plan:

We disclosed the design parameters, including the performance conditions in point 3.2. We further disclose that the plan's maximum performance cap is set at 130%, hence allowing a 30% overachievement on the targets set over a three-year period. This information will be added in the next Compensation Report.