

Rules and Regulations

Strategy Committee (SC)

OC Oerlikon Corporation AG, Pfäffikon ("Oerlikon")

1. Role and Authority

- 1.1 Role. The SC shall monitor that Oerlikon's strategy is properly established, implemented and complied with by the Executive Committee ("EC") and all other management levels of the Oerlikon Group. The SC shall ensure that the Board of Directors ("BoD") becomes timely aware of changing trends, technologies, markets, habits and terms of trade (potentially jeopardizing Oerlikon's strategy).
- 1.2 Authority. The SC shall be a permanent committee of the BoD within the meaning of Art. 716a Para. 2 Swiss Code of Obligations. As a separate advisory group, independent from the EC and the CEO, it shall advise the BoD and exclusively follow the BoD's instructions.

Unless expressly stated in the present SC Rules and Regulations, the Organisational and Governance Rules ("OGR") and the OGR's Annex A (PD 1), respectively:

- the SC shall not have any authority to decide matters in lieu of the BoD; and
- may prepare, review or investigate matters of strategic relevance and submit relevant proposals to the BoD for deliberation, but must not itself take resolutions beyond recommendations, proposals or motions to be submitted to the BoD for deliberation.

2. Information, Investigation and Reporting

- 2.1 Information and Investigation. The SC's right to access, information and investigation shall be unlimited within the entire Oerlikon Group, but may not be exercised autonomously. The exercise of said rights must always be notified to the Chairman of the BoD or, in the Chairman's absence, the Vice-Chairman. The Chairman of the BoD shall arrange for access, information and investigations, affable to the staff and in compliance with all applicable mandatory local protective rights. The Chair of the SC shall coordinate SC services with the Chair of the AC, where appropriate.
- 2.2 The right to access and information referred to in Section 2.1 shall particularly include the right to: (i) comprehensive information from the external and internal auditors, the EC, Segment CEOs, Business Unit ("BU") Heads, Scientific Advisory Board (if any) as well as all staff members of the Oerlikon Group, the right to access any and all documents, records and data carriers, necessary or useful to perform the responsibilities of the SC, and the right to inspect relevant reports.

- 2.3 Right of Investigation. The right of investigation referred to in Section 2.1 shall particularly include the right of the SC to perform or arrange investigations within the Oerlikon Group, which are necessary or useful for the performance of SC responsibilities. The SC may, with prior consent of the Chairman of the BoD, engage external advisory services, if any.

The SC shall review and assess information obtained and related comments or recommendations of the CEO, other members of the EC and of external advisors, if any, and shall present its findings and recommendations to the BoD.

- 2.4 Reporting. The SC shall verbally report to the BoD at BoD meetings and immediately in urgent cases. Between meetings it shall ensure good flow of information between the BoD and the SC. It shall be up to the Chairman of the BoD, and in his absence the Vice-Chairman to decide whether or not releasing information on reports, recommendations and decisions of the SC to anyone outside the BoD other than the necessary addressee(s) of a relevant SC decision, if any. Prior to releasing such information, the Chairman of the BoD shall consult with the CEO.

3. Composition and Procedure

- 3.1 Composition. As a rule, the SC shall be composed of at least three members of the BoD. Only one member of the SC is also eligible if performing any executive management duties within the Oerlikon Group whilst in office, or having significant business relations with Oerlikon or Oerlikon Group, or having been a member of the EC in the preceding three years.
- 3.2 Appointment, Procedure and Term of Office. The BoD shall appoint the Chair and the other members of the SC at the proposal of the Chairman of the BoD and shall determine the procedure, if required. The term of office of a member of the SC corresponds to its term of office as a member of the BoD.

4. Duties

- 4.1 Strategy Determination and Development. The SC shall review and discuss (as a rule with the CEO) EC proposals for strategy amendments (whether concerning the Oerlikon Group as a whole or only particular segments or countries), if any, and shall submit them together with its recommendations to the BoD for deliberation. The SC shall on a continuous basis check all information, reports, recommendations and proposals presented to the BoD or otherwise coming to the SC's attention for changing trends, technologies, markets, habits and terms of trade (potentially) jeopardising Oerlikon's strategy. It shall discuss its relevant findings and assessments (as a rule with the CEO and, as the case may be, other members of the EC). It shall report such findings to the BoD and submit proposals for actions in response to any situation considered as a threat to Oerlikon's strategy and, as the case may be, for strategy amendments. It shall monitor the implementation of any relevant action resolved by the BoD.
- 4.2 Strategy Implementation and Compliance. The SC shall monitor the implementation of any strategic action resolved by the BoD. It shall on a continuous basis check all information, reports, recommendations and proposals presented to the BoD or otherwise coming

to the SC's attention for strategy compliance. It shall discuss its relevant findings and assessments (as a rule with the CEO and, as the case may be other members of the EC) and shall report them to the BoD. It shall submit proposals in response to any situation considered as contrary to Oerlikon's strategy to the BoD for deliberation, unless remedied by the EC without BoD intervention. It shall monitor the implementation of any relevant action resolved by the EC and the BoD, respectively.

- 4.3 Determination and Development of Mission Statement. The SC shall review and discuss (as a rule with the CEO and the GC) EC proposals for changes of or amendments to the mission statement, if any, and shall submit them together with its recommendations to the BoD for deliberation. It may also submit relevant proposals on its own initiative.
- 4.4 Determination of Group Structure. The SC shall review and discuss (as a rule with the CEO) EC proposals for changes of or amendments to the Oerlikon Group's structure, if any and shall submit them together with its recommendations to the BoD for deliberation. It may also submit relevant proposals on its own initiative.
- 4.5 Determination of Listing Platform. The SC shall review and discuss (as a rule with the CEO, CFO and GC) EC proposals regarding Oerlikon's listing platform and listings of other Oerlikon Group companies, if any, and shall submit them together with its recommendations to the BoD for deliberation. It may also submit relevant proposals on its own initiative.
- 4.6 Strategic Financial Planning. The SC shall review and discuss (as a rule with the CFO and CEO) EC proposals regarding strategic financial planning (short- and mid-term) and shall submit such proposals together with its recommendations to the BoD for deliberation. It may also submit relevant proposals on its own initiative. It shall monitor the implementation of relevant resolutions of the BoD.
- 4.7 Annual Plan: Investment and CapEx Budgeting. The SC shall review and discuss (as a rule with the CEO and CFO) the annual plan's investment and CapEx budgeting proposed by the EC and shall submit it together with its recommendations to the BoD for deliberation. It may also submit relevant proposals on its own initiative.
- 4.8 Strategic Corporate Transactions. The SC shall review and discuss (as a rule with the CEO, CFO and GC) EC proposals of group-wide strategic relevance, if any, regarding mergers, demergers, purchase, sale, establishment, liquidation and restructuring with, of and by any company or joint venture of the Oerlikon Group, respectively and shall submit such proposals together with its recommendations to the BoD for deliberation. It may also submit relevant proposals on its own initiative. It shall monitor the implementation of the relevant resolutions of the BoD. The strategic relevance of such proposals shall be assessed and decided by the CEO and the GC, subject to the approval of the Chairman of the BoD if concerning assets exceeding the value laid down in the Chart of Competencies (Attachment A to OGR).

4.9 Strategic Technology Agreements. The SC shall review and discuss (as a rule with the CEO, the CTO and the GC) EC resolutions regarding technology agreements (such as development contracts, license agreements, patent sales etc.) strategically affecting Oerlikon Group's proprietary technological know-how, if any, and shall submit such agreements together with its recommendations to the BoD for approval or disapproval. The strategic relevance of such agreements shall be assessed and decided by the CEO and GC, subject to the approval of the Chairman of the BoD if concerning assets exceeding the value laid down in the Chart of Competencies (Attachment A to OGR).

5. Meetings, Resolutions, Minutes

- 5.1 Meetings. The SC shall convene by invitation of its Chair as often as business requires, but as a rule at least four times annually. However, meetings of the SC can be replaced by strategy meetings of the full BoD, if appropriate.
- 5.2 Additional Participants. BoD members who are not members of the SC shall have the right to attend meetings of the SC with consultative vote. As a rule, the CEO should attend. Additional persons may be invited, if required.
- 5.3 Resolutions. Resolutions of the SC shall require the majority of casted votes at a meeting attended by a majority of the SC members in person or by means of telephone or video conferencing. In the event of an equality of votes, the Chair shall have the casting vote. Resolutions may be passed by circular resolution in writing unless a member requests an oral debate within 48 hours of receipt of the relevant request for circular resolution. Circular resolutions shall require the approval of an absolute majority of SC members. The SC members shall not be bound by their votes in the SC while voting on SC motions as members of the BoD.
- 5.4 Minutes. At the SC meetings, minutes shall be taken on the resolutions passed bearing the signature of the Chair and the minute-taker. The minutes shall be copied to all members of the BoD.

6. Entry into Force

These Rules and Regulations were approved by the Board of Directors of Oerlikon on December 13, 2017 and take immediate effect for Oerlikon and the Oerlikon Group. They replace the Rules and Regulations of October 10, 2008.

Pfäffikon, 13th December 2017

For the Board of Directors:


Prof. Dr. Michael Süß