



**53rd Annual General Meeting of Shareholders  
of OC Oerlikon Corporation AG, Pfäffikon  
of March 24, 2026**

**Agenda Items 09, 10, 11, 12 and 13:  
Remuneration Explanation**



## Dear Shareholders

It is my pleasure, as Chairman of the Human Resources Committee (HRC) of OC Oerlikon Corporation AG, to present this Remuneration Booklet as part of our ongoing dialogue to enhance transparency and understanding of Oerlikon's remuneration framework and related decisions.

This booklet complements the 2025 Remuneration Report and provides additional information for the agenda of the Annual General Meeting of Shareholders 2026. It is intended to support your assessment of the remuneration voting framework and the Board's proposals for the remuneration envelopes of the Board of Directors and the Executive Committee.

Throughout 2025, the HRC supported the Board of Directors on strategically important people-related matters, including talent attraction and retention. The Committee's workload increased due to additional governance and leadership requirements linked to the pure-play transformation. Key activities included assessing Executive Committee performance, determining Board and Executive Committee compensation, enhancing the Remuneration Report, and ensuring transparent shareholder communication as well as the review and consideration of shareholder feedback ahead of the 2026 say-on-pay votes.

In support of the pure-play strategy, the Committee oversaw organizational and leadership streamlining. Excluding Barmag, top and senior management positions were reduced by approximately 20% compared to 2024. In parallel, the company is implementing substantial cost-efficiency measures and is on track to achieve global annual savings of approximately CHF 19.9 million by 2027, exceeding the original target of CHF 17.0 million. Nearly 80% of the cost reductions relate to headquarters expenses. At Executive Committee level, the fixed compensation proposed for the 2026/2027 period and submitted for approval at the AGM 2026 reflects a reduction of approximately 10% compared with the amounts approved at the AGM 2025. The company remains on track to further reduce Executive Committee costs in the 2027/2028 voting cycle. Additional information on the transition period and the Executive Chair model will be communicated during 2026, with full disclosure no later than the AGM 2027.

Despite a challenging end-market environment, Oerlikon's management delivered solid financial and strategic results in 2025. A key milestone was the signed agreement to divest the Manmade Fibers division, Barmag, at a through-the-cycle valuation, an important achievement given the ongoing market downturn. Execution of the pure-play

strategy remained aligned with the communicated timeline and supported by disciplined carve-out execution.

Amid heightened macroeconomic uncertainty, geopolitical tensions, and trade disruptions, management proactively updated guidance and subsequently delivered full-year results in line with the revised outlook. Despite broad market weakness, Oerlikon achieved flat year-on-year organic sales. The EBITDA margin declined by 120 basis points, mainly due to unfavorable mix effects. Measures to protect profitability included restructuring the Luxury business and optimizing the European footprint. Innovation remained a priority, with the launch of Surface 2, enhanced connectivity across the PVD coating network, and the rollout of a global CRM platform. The company also successfully managed a leadership transition, with two changes on the key positions of the CFO and the COO.

When assessing management performance, the Board applied established principles and, in line with our compensation scheme, excluded effects such as foreign exchange and restructuring impacts. Under the Short-Term Incentive plan -applicable to more than 2,500 employees worldwide -the Executive Committee achieved an average payout of 98.9% of target. The Long-Term Incentive 2022 plan vested at 37.9% of the granted amount.

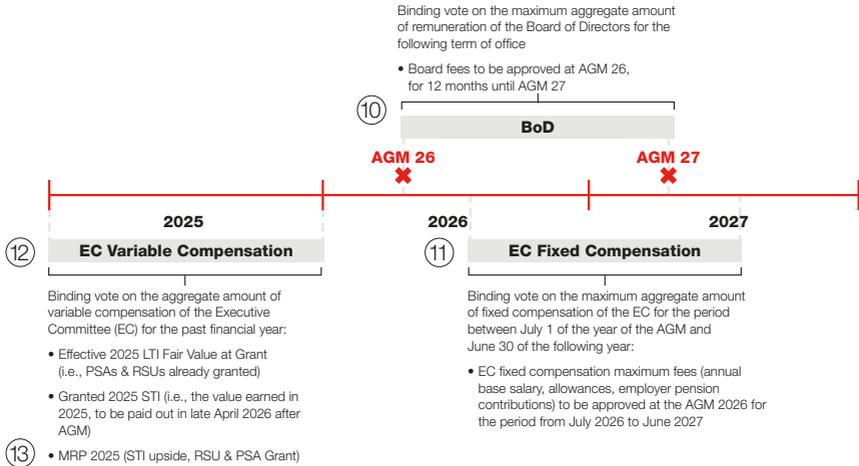
At the Annual General Meeting 2026, shareholders are invited to vote on the binding proposals for the maximum aggregate remuneration of the Board of Directors for the 2025–2026 term of office, the maximum aggregate remuneration of the Executive Committee, a non-binding vote on the 2025 Remuneration Report, and a binding vote on the Management Retention Program.

Looking ahead, we expect 2026 to remain a challenging year. The Board of Directors and the HRC remain committed to refining the remuneration framework to strengthen transparency, reinforce pay-for-performance alignment, and further integrate sustainability objectives into compensation structures. Once the spin-off of Barmag has been completed, new peer group come into effect.

Sincerely

Paul Adams  
Chairman of the Human Resources Committee

## Overview of Remuneration/Compensation Voting Scheme



## Explanations of the Remuneration/Compensation-Related Agenda Items

### 09. Non-Binding, Advisory Vote on the 2025 Remuneration Report

#### Motion

*The Board of Directors proposes to the Annual General Meeting of Shareholders that the Remuneration Report 2025 be endorsed in an advisory vote.*

#### Explanations

The purpose of the Remuneration Report is to inform our shareholders of our overall compensation scheme and the Board and Executive Committee remuneration systems, policies and practices, as well as the remuneration amounts paid to the members of the Board of Directors and the Executive Committee. While the amended Swiss Stock Corporation Law effective 2025 now introduces the legal requirement of such advisory vote on the Remuneration Report, OC Oerlikon has been submitting its Remuneration Report to a voluntary shareholder vote already since 2012. Such an advisory vote on the Remuneration Report provides shareholders with the opportunity to express their views on the Board and Executive

Committee remuneration systems and amounts as well as on the quality of our disclosures and accountability of the decisions made.

During 2025, OC Oerlikon engaged with its key shareholders and revisited the content of the Remuneration Report and the level of disclosure. Our goal continues to improve the disclosure quality beyond legal requirements, and to increase shareholders' understanding of our remuneration schemes.

No changes were made to the compensation scheme of the Board of Directors. For the Executive compensation, Oerlikon adjusted its Short-Term Incentive (STI) framework for 2025 by removing the RONA multiplier from the financial component and integrating the Safety multiplier into both the financial and individual components. This adjustment reinforces the company's increased focus on employee health and safety, which remains a critical priority during Oerlikon's current transition phase. Oerlikon further harmonized the OSS divisional objectives with the Group framework and, in light of the transition of Barmag, introduced order intake as an additional divisional performance metric.

In addition, OC Oerlikon has updated the LTI design by replacing the Absolute Total Shareholder Return (aTSR) multiplier with a Relative TSR (rTSR) measure, as strongly recommended by shareholders and proxy advisors.

## A. Proposal Related to the Remuneration of the Board of Directors

### 10. Approval of the Maximum Aggregate Amount of Total Remuneration of the Board of Directors

#### Motion

*The Board proposes to the Annual General Meeting of Shareholders to approve a maximum aggregate remuneration of the Board of Directors for the term of office from the Annual General Meeting of Shareholders 2026 to the Annual General Meeting of Shareholders 2027 of CHF 4.5 million.*

#### Explanations

In accordance with the revised Swiss Stock Corporation Law (effective January 1, 2023, as amended by the provisions of the Ordinance against excessive compensation by public corporations of November 20, 2013) and our Articles of Association, shareholders have the right to bindingly vote on the aggregate maximum remuneration of the Board of Directors for the forthcoming term of office. The proposed amount is based on the remuneration scheme of the Board of Directors as outlined in the table below:

in CHF 000		AGM 2025 – AGM 2026	AGM 2024 – AGM 2025	Expense Allowance
Member of the Board of Directors		82.5	82.5	35
Executive Chairman of the Board of Directors <sup>1</sup>	Board	750	750	2 000
	CEO	1 250	1 200	
Vice Chairman of the Board of Directors		137.5	137.5	
Chair of a committee <sup>2</sup>		55	55	
Member of a committee		33	33	
Restricted stocks		137.5 <sup>3</sup>	137.5 <sup>3</sup>	

<sup>1</sup> The Executive Chairman's remuneration comprises a Board & CEO (fixed) and an Executive (STI and LTI) part. The fixed Board part (CHF 750 000) has no notice period.

<sup>2</sup> The Lead Director does not receive any additional fees in addition to those paid for chairing the Governance Committee.

<sup>3</sup> The Executive Chairman does not receive any Board restricted stock grant as part of his fixed remuneration.

The remuneration principles for the members of the Board are described in section IV. of Oerlikon's Articles of Association and in our Remuneration Report. Based on the proposals of the HRC, the Board determines the remuneration of its members considering each member's position and responsibilities. The remuneration of the members of the Board consists of fixed remuneration and restricted shares.

No changes were made to the Board's remuneration structure.

## AGM 2026 – AGM 2027

in CHF 000	BoD	GC	AC	HfC	Board	Committee	Restricted Shares	Other	Total	Budget 25–26
Prof. Dr. Michael Suess	EC	-	-	-	2'000	0	0	35	<b>2'035</b>	2'035
Inka Koljonen	V	-	C	M	137.5	88.0	137.5	35	<b>398</b>	398
Stefan Brupbacher	M	M	-	-	82.5	33.0	137.5	35	<b>288</b>	288
Alexey Moskov	M	-	-	M	82.5	33.0	137.5	35	<b>288</b>	288
Paul Adams	M	M	M	C	82.5	121.0	137.5	35	<b>376</b>	376
Eveline Steinberger	M	C	-	M	82.5	88.0	137.5	35	<b>343</b>	343
Marco Musetti	M	-	M	-	82.5	33.0	137.5	35	<b>288</b>	288
Juerg Fedler	M	-	M	-	82.5	33.0	137.5	35	<b>288</b>	288
<b>Total</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>2'633</b>	<b>429</b>	<b>963</b>	<b>280</b>	<b>4'304</b>	<b>4'304</b>

Since the introduction of the Executive Chair Model, the Executive Chairman's fixed remuneration has been contractually considered a Non-Executive Director fee. The Executive Chairman's variable compensation elements have been considered and disclosed as executive compensation since they reflect the achievement of annual and multi-year operational objectives. They form part of the pay envelope you are asked to approve in agenda item 12. Pension contributions for the Executive Chairman's executive role are based on his fixed remuneration. Additional information on the Executive Chair remuneration/compensation principles can be found in our Remuneration Report (page 46).

## B. Proposals Related to the Compensation of the Executive Committee

### Overview of Compensation Elements of the Executive Committee

The compensation system for the Executive Committee is designed to attract, motivate and retain key executives and consists of fixed and variable components. The general compensation principles for the members of the Executive Committee are described in section IV. of the Articles of Association and detailed information on the compensation schemes including information on peer groups used for benchmarking executive compensation can be found in our Remuneration Report (pages 51–60).

## **11. Binding Vote on the Aggregate Amount of the Fixed Compensation of the Executive Management**

### **Motion**

*The Board proposes to the Annual General Meeting of Shareholders to approve a maximum aggregate fixed compensation of the Executive Committee for the period starting July 1, 2026, and ending June 30, 2027, in the amount of CHF 3.6 million.*

### **Explanations**

The fixed component entails a base salary commensurate with the role and local market level and, depending on local practice, includes pension fund contributions, allowances and fringe benefits. The amount for the fixed compensation of the Executive Management is reduced by 10% from the period 2025/2026 (CHF 4.0 million) to 2026/2027. Furthermore, a small buffer has been maintained for deferred merit and off-cycle adjustments depending on economic developments and sick leave uncertainties.

The Executive Chairman's fixed remuneration is contractually considered a Non-Executive Director fee and included in the Board remuneration envelope proposed in agenda item 10.

## **12. Binding Vote on the Aggregate Amount of the Variable Compensation of the Executive Management for the Financial Year 2025**

### **Motion**

*The Board proposes to the Annual General Meeting of Shareholders to approve an aggregate variable compensation of the Executive Committee for the period starting January 1, 2025, and ending December 31, 2025, in the amount of CHF 5.1 million.*

### **Explanations**

The variable component entails an ambitious performance-related annual cash bonus (Short-Term Incentive, STI) and a three-year performance-related equity program (Long-Term Incentive, LTI) with a retention component. Performance goals for these pay components are derived from Oerlikon's strategic priorities and related operational objectives, reflecting its corporate culture and strive for excellence. The mix between these variable pay components is defined by the profile, strategic impact and pay level of the role, as described hereinafter.

At the Executive compensation level, Oerlikon adjusted its Short-Term Incentive (STI) framework for 2025 by removing the RONA multiplier from the financial component and integrating the Safety multiplier into both the financial and individual components. This adjustment reinforces the company's increased focus on employee health and safety, which remains a critical priority during Oerlikon's current transition phase. Oerlikon further harmonized the OSS divisional objectives with the Group framework and, in light of the transition of Barmag, introduced order intake as an additional divisional performance metric.

In addition, OC Oerlikon updated the LTI design by replacing the Absolute Total Shareholder Return (aTSR) multiplier with a Relative TSR (rTSR) measure. This was also strongly recommended by shareholders and proxy advisors.

### **STI Compensation Element**

The STI for the Executive Committee members ranges from 50% to 120% of fixed compensation, and is composed of two parts:

1. Financial & Business Targets (70% of total STI):
  - Measured by the KPIs Sales, EBIT and Operating Free Cash Flow (OFCF) and Order intake (for Barmag only).
  - The competitive targets are aligned with the company's growth ambitions.
2. Individual & Role – Related Targets (30% of total STI):
  - A mix of role-related (qualitative people and, where appropriate, ESG targets), and business-related quantitative targets.

Financial, Business and individual targets are then multiplied by the divisional (Surface Solutions, Polymer Processing Solutions, Group) ESG metric, total accident frequency rate, tracking the rate of recordable work-related injuries of our employees. This Safety modifier was chosen to further direct management's focus on the well-being of our employees. Oerlikon has stretched and ambitious targets in its incentive goals, measured by budget, that are connected with providing value for customers, shareholders and employees:

- In 2025, Oerlikon delivered resilient financial and strategic performance against a challenging end-market backdrop. Although multiple end markets experienced widespread weakness, the company maintained stable organic sales compared with the prior year. The EBITDA margin decreased by 120 basis points, primarily reflecting unfavorable product and market mix effects.
- Aligned with these results, the proposed payout of the STI of the EC members for 2025 is 98.9% on average versus target (compared to 93.3% in 2024).

Further details on the STI and the related granted amounts can be found in our Remuneration Report (page 52–53 and 60).

### **LTI Component**

To support its ambitious long-term strategy, Oerlikon's compensation policy is designed to align a significant portion of compensation of the Executive Committee to the company's long-term performance and to strengthen the Executive Committee's alignment with shareholders' interests.

The LTI award is equally split into two components: half of the award is granted in the form of Restricted Stock Units (RSUs) and the other half of the award is granted in Performance Share Awards (PSAs), both subject to a three-year performance/vesting period. The structure was chosen to balance performance and retention elements. The total grant amount (target amount) for the Executive Chairman represents 120% of his fixed CEO income, and 50–100% of the annual base salary for the other members of the Executive Committee. Since the fair value at grant of the LTI is converted into units based on the share price at grant, executives are linked to the success of the company with both RSUs and PSAs.

Further details on the LTI and the related granted amounts can be found in our Remuneration Report (pages 54–55 and 57).

The proposed amount reflects the outcome of our variable pay policy that sets high-aspiration performance targets, reflecting corporate culture and Oerlikon's striving for excellence. The desired pay for performance relation of this policy is illustrated in the table below, showing target and effective payout levels of the variable compensation elements of the Executive Committee for the last two financial years.

In 2025, Markus Tacke, former CEO of OSS, left the company and, in accordance with the applicable regulations, all of his unvested LTI plans were vested with accelerated procedure. New grant in 2025 was not made. Additionally, Marco Freidl assumed the role of CFO as of November 2025, succeeding Markus Richter. In the separation process, Markus Richter's 2025 LTI grant was forfeited and is therefore not included in the figures presented. Marco Freidl's Executive Committee LTI grant for 2025 (pro-rated for two months) will be awarded in May 2026 and is consequently not reflected in the 2025 proposal. The remaining members' target compensation was not modified.

The proportion of variable compensation paid to members of the Executive Committee was between 50% and 117% of base salary for the target STI and between 50% and 120% of base salary for the target LTI (100% vesting). Due to the above-mentioned special effects Variable compensation vote for Financial year 2025 is substantially reduced, leading to the following amounts:

### Proposed Executive Committee Variable Compensation

In CHF million	STI	LTI (Target Value at Grant Date)	Total Variable Compensation
Executive Committee 2025 (excl. Executive Chairman)	1.4	0.7	2.1
Executive Chairman 2025	1.5	1.5	3.0
Total 2025	2.9	2.2	5.1
Total 2024	2.9	2.5	5.4

### 13. Approval of the Management Retention Plan amount of the Executive Committee for the Financial Year 2025

#### Motion

*The Board of Directors proposes to the Annual General Meeting of Shareholders to approve a remainder amount of CHF 0.5 million for the Management Retention Plan (MRP) of the Executive Committee for the past financial year, i.e., for the period starting on January 1, 2025 and ending on December 31, 2025.*

## Explanations

This is a binding vote required by the Swiss Code of Obligations and the Articles of Association of the Corporation, allowing shareholders to vote directly on the compensation of the Executive Committee for the past financial year relating to the Management Retention Plan which is not covered by the amounts proposed under Item 12. Our transformation process entails the divestment of a major part of the company, as well as a complete transformation of its headquarters over a two to three year horizon. To ensure an efficient and timely transformation as well as a well-informed treatment of the complexity involved, the Board has decided to offer deal-critical key players a Management Retention Plan to reduce the risk of losing them before the transformation will be completed. The MRP ensures close alignment with value creation for our shareholders and is based on challenging and stretching performance goals.

A comprehensive overview of the MRP amounts can be found in the Remuneration Report in the section “Granted Compensation”.

The amount of the MRP grant values are defined in line with common market practice in terms of Total Target Cash (TTC) which includes annual base salary (ABS), allowances and target STI. The MRP consists of the following elements:

1. Transformation Incentive - Cash-based short-term incentive (STI) upside with specific pure-play transformation targets for 2024 and 2025. The Transformation Incentive is subject to a total STI payout (existing short-term incentive plus Transformation Incentive) cap of 200% of the target STI. The Transformation Incentive 2025 is based on the achievement of challenging preparatory steps regarding contemplated split with OMF, including the preparation of two ready, stand-alone companies. The performance targets for the Transformation Incentive 2025 target achievement was 30%, leading to a payout of CHF 0.26 million.
2. Retention Incentive - A one-off retention element with time-based Restricted Stock Units (RSUs). This award is added to the existing RSUs and further aligning shareholder and management interests regarding share price development. RSUs under the Retention Incentive were granted in 2025 and will vest on May 1, 2027, subject to continued employment respectively customary good leaver provisions.

The fair value of the Retention Incentive at grant date was CHF 0.17 million.

- Value Incentive - A one-off grant of Performance Share Awards (PSAs) aiming to incentivize significant shareholder value creation with vesting subject to continued employment respectively customary good leaver provisions. A vesting of the Value Incentive requires that during any 3 months period in the course of 2026, the 3-month VWAP of the Oerlikon share reaches CHF 8. Vesting thus only occurs in case of substantial value creation for our shareholders. Any achievement level below this threshold will lead to no payout. The market value at grant of the PSAs under the MRP was CHF 0.17m based on a share price of CHF 3.49. Owing to the challenging vesting hurdle of CHF 8 for the PSAs, the IFRS Fair Value at grant of the PSAs (which is the basis of variable pay votes at the AGM for Oerlikon's equity-based compensation) is CHF 0.87 per granted share resulting in CHF 0.04 million.

Further explanations:

### **Special Grants under the MRP during 2025**

Dirk Linzmeier's was granted RSUs and PSAs under the MRP as replacement awards for lost compensation related to his previous employment. The replacement award was done under MRP to ensure close connection to challenging team value creation goals. The actual number of shares allocated (point 2 and 3 above), if any, will be disclosed in the Remuneration Report 2027 and for Dirk Linzmeier's RSUs in 2028.

### **Forfeitures during 2025**

The share based Incentives of Markus Richter (RSU's and PSA's) under the MRP were forfeited due to his departure during 2025.

The amount to be approved does not include the legally required employer's contributions to social security paid or to be paid by the Corporation.

Further details on the Management Retention Plan and the related granted amounts can be found in our Remuneration Report (pages 55–56 and 59).



