



**52nd Annual General Meeting of Shareholders
of OC Oerlikon Corporation AG, Pfäffikon
of April 1, 2025**

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

Dear Shareholders

It is my pleasure as the Chairman of the Human Resources Committee (HRC) of OC Oerlikon Corporation AG, Pfäffikon to present you this Remuneration Booklet. It is part of a broader outreach to our shareholders to increase transparency and understanding around our remuneration/compensation system and the related decisions. Complementary to our 2024 Remuneration Report, and as an additional information to the agenda of the Annual General Meeting of Shareholders 2025, this booklet will provide you with helpful information regarding our remuneration/compensation voting scheme and the proposals for the remuneration/compensation envelopes for the members of our Board of Directors and the Executive Committee.

Throughout this challenging year, the HRC focused its activities in supporting the Board of Directors with all strategically relevant tasks related to HR management, talent attraction and retention. This included establishing performance goals and assessing the Executive Committee (EC), setting pay for Board members and compensation for the Executive Committee, as well as further enhancing the Remuneration Report and providing shareholders with all relevant information on the say-on-pay vote for the AGM 2025.

During 2024, Oerlikon's ongoing pure-play process has required significant efforts from our Executive Committee, senior management and all our employees, which will continue over the next two to three years. To ensure an efficient and timely completion of this process and to retain key employees during this critical period, the Board decided to implement a Management Retention Plan (MRP). The MRP will ensure close alignment with value creation for our shareholders and is based on challenging and stretching performance goals, with half of the program being based on sustainably reaching a share price of CHF 8 for at least 3 months by 2026, meaning that the potential vesting of the award corresponds to a tiny fraction of a potential increase in Oerlikon's market capitalization and thus value delivered to our shareholders. The other half of the plan is designed to retain deal-critical managers during the transition to pure play, and incentivize them to prepare two stand-alone companies on top of their normal responsibilities.

Oerlikon improved its operational EBITDA margin from 16.5% to 16.6% year-over-year, despite lower sales related to challenging end markets. As such margin exceeded the guidance of 15.0-15.5% provided in February 2024. Organic group sales decreased -10% at constant currency, due to the filament downturn in Polymer Processing Solu-

tions. Surface Solutions achieved stable organic sales at constant currencies, despite struggling automotive and luxury end markets. The division outperformed its peers in terms of sales and profitability throughout the year. The filaments sector is cyclical, which puts our competent management of profitability during this downturn into an even better light. Strategically, management drove forward the separation of Manmade Fibers by initiating the stream-lining of overhead costs and by setting up the Manmade Fibers organization as an independent subsidiary. Furthermore, management strengthened resilience of Oerlikon by accelerating innovation (e.g. launch of ALCRONA EVO in H1'24) and by driving sustainability (on-track with 2030 ESG targets).

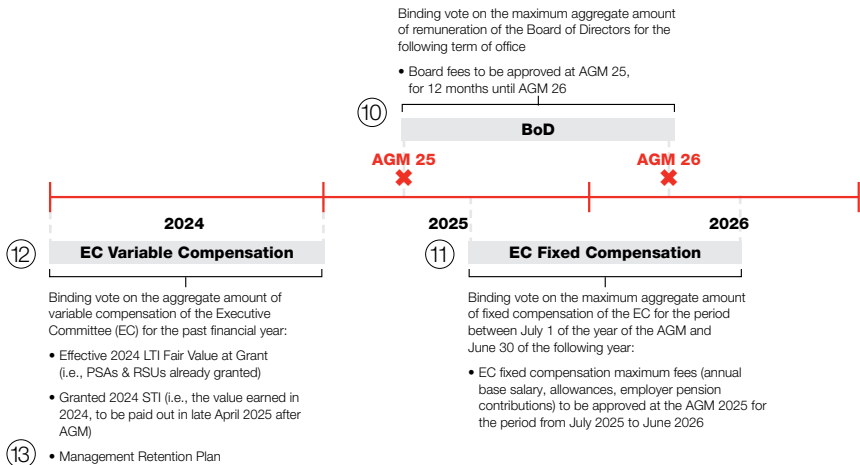
Consistent with prior practice, the Board excludes factors like foreign exchange and restructurings from the evaluation when assessing managements' performance. Based on the STI plan rules, which apply to over 2 500 Oerlikon Group employees worldwide, the Executive Committee will receive a payout equivalent to an average of 93.3% of the target. In 2024, the Long Term Incentive (LTI) 2021 plan vested at 29.0% of the granted LTI amount.

We herewith present you the Board's proposals for the separate binding votes on the maximum aggregate remuneration for the Board of Directors for its 2024–2025 term of office, the maximum aggregate compensation of the members of the Executive Committee and there will also be a non-binding vote on the 2024 Remuneration Report as well as a binding vote on the Management Retention Program (MRP). You will find an overview on the voting schemes below. During 2025, we will continue to work on our compensation disclosure and framework, further improve transparency and better integrate Oerlikon's sustainability goals into our compensation system.

Sincerely

Gerhard Pegam
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 2024 Remuneration Report

Motion

The Board of Directors proposes to the Annual General Meeting of Shareholders that the Remuneration Report 2024 be endorsed in an advisory vote.

Explanations

The purpose of the Remuneration Report is to inform our shareholders of our Board and Executive Committee remuneration/compensation systems, policies and practices, as well as the remuneration/compensation amounts paid to the members of the Board of Directors and the Executive Committee. While the amended Swiss Stock Corporation Law effective 2024 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/compensation systems and amounts as well as on the quality of our disclosures and accountability of the decisions made.

During 2024, OC Oerlikon engaged with its key shareholders and revisited the content of the Remuneration Report and the level of disclosure. Our goal was a significant improvement of the disclosure quality beyond legal requirements, and to increase the understanding of our remuneration schemes, this with a focus on Executive Committee Short-Term Incentive. No changes were made to the compensation scheme.

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 2025 to the Annual General Meeting of Shareholders 2026 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 2024 - AGM 2025	AGM 2023 - AGM 2024	Expense Allowance
Member of the Board of Directors	82.5	82.5	35
Executive Chairman of the Board of Directors ¹	2 000	2 000	
Vice Chairman of the Board of Directors	137.5	137.5	
Chair of a committee ²	55	55	
Member of a committee	33	33	
Restricted stocks	137.5 ³	137.5 ³	

¹ The Executive Chairman's remuneration comprises a Board (fixed) and an Executive (STI and LTI) part. The fixed Board part has no notice period.

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

³ The Executive Chairman does not receive any Board restricted stocks (2024 or 2023) 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 2025 – AGM 2026

in CHF 000	BoD	GC	AFC	HRC	Board	Committee	Restricted Shares	Other	Total	Budget 24-25
Prof. Dr. Michael Suess	EC	-	-	-	2 000	0	0	35	2 035	2 035
Inka Koljonen	V	-	C	M	137.5	88.0	137.5	35	398	343
Paul Adams	M	M	M	C	82.5	121.0	137.5	35	376	376
Stefan Brupbacher	M	C	-	-	82.5	55.0	137.5	35	310	-
Alexey Moskov	M	-	-	M	82.5	33.0	137.5	35	288	288
Juerg Fedler	M	-	M	-	82.5	33.0	137.5	35	288	288
Eveline Steinberger	M	M	-	M	82.5	66.0	137.5	35	321	-
Marco Musetti	M	-	M	-	82.5	33.0	137.5	35	288	-
Gerhard Pegam	-	-	-	-	-	-	-	-	-	398
Irina Matveeva	-	-	-	-	-	-	-	-	-	288
Zhenguo Yao	-	-	-	-	-	-	-	-	-	321
Total	8	3	4	4	2 633	429	963	280	4 304	4 337

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 55).

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 (page 56).

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, 2025, and ending June 30, 2026, in the amount of CHF 4.0 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 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. The amount remained unchanged from 2024 to 2025 (CHF 4.0 million). Furthermore, a buffer has been maintained for deferred merit and off-cycle adjustments depending on economic developments. It is notable that Oerlikon was able to manage the transition between Markus Tacke and Dirk Linzmeier, including the overlap of their mandates, without an increase in the fixed compensation budget for the period.

12. Binding Vote on the Aggregate Amount of the Variable Compensation of the Executive Management for the Financial Year 2024

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, 2024, and ending December 31, 2024, in the amount of CHF 5.4 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.

No changes were made to the compensation scheme of the Executive Committee.

STI Compensation Element

The STI for the Executive Committee members ranges from 50% to 100% of fixed compensation, and is composed of two parts:

1. Financial & Business Targets (70% of total STI):
 - Measured by the KPIs EBIT, Operating Free Cash Flow (OFCF), the weighted average of which is multiplied by the Group's Return on Net Assets (RONA) (EBIT over Net Operating Assets) in the reporting year.
 - 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.

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 put management's focus on the well-being of our employees. Oerlikon has stretched and ambitious targets in the incentive goals, measured by budget, that are connected with providing value for customers, shareholders and employees, as is evident from looking at the 2024 versus 2023:

- As noted above, Oerlikon improved its operational EBITDA margin from 16.5% to 16.6% year-over-year, despite lower sales related to challenging end markets. As such margin exceeded the guidance of 15.0-15.5% provided in February 2024. Organic group sales decreased -10% at constant currency, due to the filament downturn in Polymer Processing Solutions. Surface Solutions achieved stable organic sales at constant currencies, despite struggling automotive and luxury end markets.
- Aligned with these results, the proposed payout of the STI of the EC members for 2024 is 93.3% on average versus target (compared to 95.9% in 2023).

Further details on the STI and the related granted amounts can be found in our Remuneration Report (page 62–63 and 68).

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 75% of his fixed Board income, and 50–100% of the annual base salary of 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 63–65 and 68).

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 five financial years.

In 2024, Philipp Müller (CFO) left the company and our new CFO Markus Richter took over. Due to this change, Philipp Müller's 2024 LTI (CHF 500k) was forfeited upon his departure and not included here. Markus Richter's Executive Committee LTI grant for 2024 (3 months) will be granted in May 2025 and is therefore not included in 2024 proposal. The remaining members' target compensation was not modified. The proportion of variable compensation paid to members of the Executive Committee was between 51% and 93% of base salary for the target STI and between 54% and 75% of base salary for the target LTI (100% vesting), 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 2024 (excl. Executive Chairman)	1.5	1.0	2.5
Executive Chairman 2024	1.4	1.5	2.9
Total 2024*	2.9	2.5	5.4
Total 2023	3.1	3.0	6.1

* Differences in total are due to rounding deviations

13. Approval of the Management Retention Plan amount of the Executive Committee for the Financial Year 2024

Motion

The Board of Directors proposes to the Annual General Meeting of Shareholders to approve an amount of CHF 4.5 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, 2024 and ending on December 31, 2024.

Explanations

This is a binding vote required by the CO 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 both amounts can be found in the Remuneration Report under 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. MRP includes has been derived from adding the following components:

1. Transformation Incentive (50% of 2024 Total Target Cash) - 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 2024 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 2024 were met (achievement level of 100%), leading to a payout of CHF 2.1 million.

2. Retention Incentive (25% of 2024 Total Target Cash) - A one-off classic retention element with time-based Restricted Stock Units (RSUs). This award is boosting the existing RSU and further aligning shareholder and management experience regarding share price development. RSUs were granted in 2024 and will vest on January 1, 2026, subject to continued employment respectively customary good leaver provisions. The fair value at grant date of the Retention Incentive is CHF 1.5 million.
3. Value Incentive (75% of 2024 Total Target Cash) - 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 4.6m based on a share price of CHF 4.87. 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 18% of the share price at grant resulting in CHF 0.9 million.

The actual number of shares allocated (point 2 and 3 above), if any, will be disclosed in the Remuneration Report 2027.

Due to the departure of Philipp Müller, his share based Incentive (RSU's and PSA's) of CHF 0.6 million were forfeited and is not include above.

The amount 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 (page 65 and 68 - 69).

