

# ARTICLES OF ASSOCIATION

of

## FACC AG

### I. GENERAL PROVISIONS

#### 1. Name and seat of the Company

- 1.1. The name of the Company is FACC AG.
- 1.2. The seat of the Company is in Ried im Innkreis.
- 1.3. The duration of the Company is unlimited in time.

#### 2. Objects of the Company

- 2.1 The objects of the Company are, except for banking transactions:
  - a) The research, development, production, sales and consulting in the aerospace industry;
  - b) The acquisition, ownership and administration of participations in companies of all kinds, in particular in companies engaged in the aerospace technology;
  - c) The management of the shares held by the Company in companies in which the Company holds a direct or indirect shareholding (holding company);
  - d) The acquisition, ownership, use and administration of movable and immovable assets;
  - e) The establishment and operation of subsidiaries and branches in Austria and abroad;
  - f) The operational advising, the business organization and other organizational services and consulting of companies held by the Company;
  - g) The management and representation of companies held by the Company;
- 2.2 The Company shall be entitled to take all measures and carry out all activities which are necessary or useful with the scope of the aforementioned objects to further the purposes of the Company.

#### 3. Announcements

Announcements of the Company shall, to the extent that such announcements are mandatorily required by law, be published in the Austrian official gazette "Wiener Zeitung". Additionally, all announcements are to be published in accordance with the applicable law.

## **II. SHARE CAPITAL AND SHARES**

### **4. Share capital**

- 4.1 The share capital of the Company is EUR 45,790,000 (Euro forty five million seven hundred ninety thousand).
- 4.2 The share capital is divided into 45,790,000 (forty five million seven hundred ninety thousand) no-par value bearer shares, each share participating equally in the share capital of the Company.
- 4.3 The Management Board shall be authorized to increase the share capital of the Company with the consent of the Supervisory Board within five years following the date of the registration of the Authorized Capital 2019 in the Austrian commercial register – also in several tranches – by an amount of up to EUR 9,000,000 (Euro nine million) by issuing up to 9,000,000 (nine million) new no-par value shares in return for cash and/or non-cash contributions, with the type of shares, the issue price and the issuing conditions being determined by the Management Board with the consent of the Supervisory Board (Authorized Capital 2019). Furthermore, the Management Board shall be authorized to fully or in part exclude the statutory subscription rights of the shareholders with the consent of the Supervisory Board.

The Supervisory Board shall be authorized to resolve on amendments of the Articles of Association resulting from the issuing of shares of the Authorized Capital 2019.

- 4.4 The Management Board shall be authorized to increase the share capital of the Company with the consent of the Supervisory Board within five years following the registration of the Conditional Authorized Capital 2019 in the Austrian commercial register – also in several tranches – by an amount of up to EUR 3,000,000 (Euro three million) by issuing up to 3,000,000 (three million) new no-par value shares in return for contributions in cash for the purpose of granting share options to employees, executives and members of the Management Board of the Company or of one of its affiliated companies (Conditional Authorized Capital 2019). The capital increase shall only be effected with respect to holders of stock options under a stock options program of the Company who exercise their options.

The Supervisory Board shall be authorized to resolve on amendments of the Articles of Association resulting from the issuing of shares of the Conditional Authorized Capital 2019.

- 4.5 In the Shareholders' Meeting of 23 June 2014 a conditional increase of the registered share capital was resolved in an amount of up to EUR 15,000,000 (Euro fifteen million) by issuing up to 15,000,000 (fifteen million) no-par value bearer shares (Conditional Capital). This conditional capital increase serves to grant conversion or subscription rights to investors of convertible bonds or to prepare the merger of undertakings. The issue price and the exchange ratio shall be determined in accordance with the terms and conditions of

the convertible bonds; the share price of the shares shall not be less than the pro rata amount of the share capital. The Supervisory Board is authorized to resolve on amendments of the Articles of Incorporation which reflect the issuing of new shares from Conditional Capital.

## **5. Share certificates**

- 5.1 The Management Board is authorized to determine the form and contents of share certificates, dividend and renewal coupons, bonds, interest coupons and warrants with the approval of the chairman of the Supervisory Board.
- 5.2 The certificates referred to in clause 5.1 above shall be signed by the Management Board. The consent of the Supervisory Board to their issue and content shall be expressed by the fact that, in addition to the Management Board, the chairman of the Supervisory Board or a vice-chairman shall also sign the aforementioned documents.
- 5.3 The right to be granted individual certificates is excluded. The bearer shares are to be securitized in one or more global certificates and deposited with a central securities depository pursuant to section 1(3) of the Austrian Depository Act (*Depotgesetz*) or with a comparable foreign institution.

## **III. MANAGEMENT BOARD**

### **6. Composition and election**

- 6.1. The Management Board shall consist of two to four members.
- 6.2. The Supervisory Board resolves on the appointment of the Management Board members, the determination of the term of office of each member and the revocation of the appointment.
- 6.3 The Supervisory Board appoints among the members of the Management Board a chairman and a vice-chairman. If there is an equal division of votes the chairman will cast the deciding vote (*Dirimierungsrecht*).

### **7. Representation of the Company**

- 7.1 The Company shall be represented by two members of the Management Board acting jointly or by one member of the managing board acting together with a holder of a statutory power of attorney (*Prokurist*).
- 7.2 The statutory power of attorney (*Prokura*) shall be granted by the Management Board with the approval of the Supervisory Board in a way that the holder of a statutory power of attorney shall represent the Company jointly with a member of the Management Board only.

## **8. Management**

- 8.1 The management of the business operations lies with the Management Board.
- 8.2 In managing the Company the members of the Management Board shall act with the diligence of a prudent businessman in the meaning of section 84(1) of the Austrian Stock Corporation Act.
- 8.3 The Management Board shall operate the business in accordance with the law, the Articles of Association, the Rules of Procedures for the Management Board as adopted by the Supervisory Board and all other restrictions resolved upon by the Supervisory Board. Furthermore, the Management Board shall execute the resolutions of the Shareholders' Meeting pursuant to section 103 of the Austrian Stock Corporation Act as required in the interests of the Company and by considering the interests of the shareholders and the employees as well as the public interest.
- 8.4 The Supervisory Board shall resolve on Rules of Procedure for the Management Board and allocates the responsibilities within the Management Board.
- 8.5 The Supervisory Board shall determine the kind of actions which – in addition to the transactions referred to in section 95(5) of the Austrian Stock Corporation Act – are subject to the approval of the Supervisory Board.
- 8.6 Resolutions of the Management Board on the management of the Company shall be passed by a simple majority of the votes cast unless the Rules of Procedure for the Management Board adopted by the Supervisory Board provide otherwise.

## **9. Reports to the Supervisory Board**

- 9.1 The Management Board shall report to the Supervisory Board in accordance with the following provisions and in compliance with the principles of conscientious and accurate accounting.
- 9.2 The Management Board shall report to the Supervisory Board at least once a year on fundamental aspects of the Company's future business plans and present budgets and projections of the Company's forecast assets, financing and earnings (annual report). At least two months prior to the end of the business year the annual budget (*Voranschlag*) for the following business year shall be presented to the Supervisory Board for approval.
- 9.3 The Management Board shall furthermore report to the Supervisory Board on a regular basis, at least once each quarter, on the progress of the Company's affairs and the state of the business as compared with budgets and projections considering the expected future developments (quarterly report).
- 9.4 In case of important events or circumstances of material significance for the Company's profitability or liquidity the chairman of the Supervisory Board is to be informed without

delay unless the Supervisory Board determines otherwise (special report). If the Management Board reports orally the chairman of the Supervisory Board may request the report to be made in writing.

- 9.5 The annual and the quarterly reports shall be in writing and, if the Supervisory Board so requires, must be accompanied with oral explanations. Written reports shall be distributed to each member of the Supervisory Board; this applies also for written special reports.

#### **IV. SUPERVISORY BOARD**

##### **10. Responsibilities**

- 10.1 The Supervisory Board shall perform the tasks that are incumbent upon it by law and pursuant to the Articles of Association. In particular, the Supervisory Board shall monitor the management of the Management Board.
- 10.2 The Supervisory Board can request from the Management Board a report on the affairs of the Company including its relations with other group companies at any time.
- 10.3 The Supervisory Board shall convene the Shareholders' Meeting if such meeting is required in the interest of the Company.

##### **11. Composition**

- 11.1 The Supervisory Board shall consist of at least three and no more than ten members elected by the Shareholders' Meeting. In addition the works council may delegate members to the Supervisory Board pursuant to section 110(1) of the Austrian Labour Constitutional Act (*Arbeitsverfassungsgesetz*).
- 11.2 As long as FACC International Company Limited, with its seat in Hong Kong and its business address at 2302, 23<sup>rd</sup> Floor, Caroline Centre, Lee Gardens Two, 28 Yun Ping Road, HKG-Hong Kong, registered under registration number 1394811, is a shareholder of the Company with a shareholding corresponding to at least 25% (twenty five percent) of the Company's share capital from time to time, FACC International Company Limited has the right to delegate one third of all members to the Supervisory Board. This delegation right shall be exercised by means of a written declaration to be provided to the chairman of the Supervisory Board and the chairman of the Management Board of the Company.

For the purpose of these Articles of Association – except for the purpose of clause 25.4 g – the term "elected member of the Supervisory Board" shall refer both to members elected by the Shareholders' Meeting and members delegated pursuant to this clause 11.2.

## **12. Election and removal of members of the Supervisory Board**

- 12.1 Any or all members of the Supervisory Board are elected for a term ending with the Shareholders' Meeting resolving on their discharge from liability for the fourth business year following their election unless they have been elected by the Shareholders' Meeting for a shorter term; the business year in which the respective member of the Supervisory Board has been elected shall not be counted for such purpose.
- 12.2 If the term of office of a member of the Supervisory Board ceases prior to the end of its term for whatever reason, a by-election shall be carried out in the next ordinary Shareholders' Meeting. However, a by-election shall be carried out without delay by an extraordinary Shareholders' Meeting, if the number of Supervisory Board members falls below three. By-elections are effective for the remaining term applicable to that same member of the Supervisory Board who is to be replaced.
- 12.3 Each member of the Supervisory Board may resign at any time without cause by giving a written notice to the chairman of the Supervisory Board. The resignation will be effective four weeks after receipt of the written notice unless a different effective date of resignation is determined.
- 12.4 The appointment of a member of the Supervisory Board further ceases in case of death or by revocation. The resolution on the revocation shall require a simple majority of the votes cast.
- 12.5 Members of the Supervisory Board may be re-elected.

## **13. Chairman of the Supervisory Board**

- 13.1 The Supervisory Board shall elect a chairman and at least one vice-chairman from among its members immediately after the election by the Shareholders' Meeting. If two vice-chairmen are elected the order of members of the Supervisory Board shall determine in which order they represent the chairman.
- 13.2 The election shall require a simple majority of the total votes cast and the consent of the majority of the Supervisory Board members elected by the Shareholders' Meeting. This shall apply *mutatis mutandis* for the revocation of the chairman or a vice-chairman. If no candidate receives the required majority of votes, a run-off election between the two candidates who have received most votes shall take place. The term of office as chairman or vice-chairman shall correspond with the term of office as member of the Supervisory Board, unless the chairman or vice-chairman is elected for a shorter term of office. The chairman and the vice-chairmen may be re-elected.
- 13.3 If the term of office of the chairman or a vice-chairman ceases prior to the end of the respective term, a by-election for the remaining term of office shall be carried out in the next meeting of the Supervisory Board.

#### **14. Rules of Procedure for the Supervisory Board**

- 14.1 The Supervisory Board shall determine its own internal rules of procedure.
- 14.2 Resolutions of the Supervisory Board with respect to its Rules of Procedure shall require in addition to the general decision requirements as set forth in the Austrian Stock Corporation Act (*Aktiengesetz*) the approval of the simple majority of members elected by the Shareholders' Meeting.

#### **15. Meetings**

- 15.1 The Supervisory Board shall hold at least four meetings during each business year; these meetings shall be held quarterly.
- 15.2 The Supervisory Board meeting shall be convened by the chairman of the Supervisory Board or, in case of its absence, a vice-chairman notifying the members by registered mail, via electronic means, such as by telefax or email or by telephone. The notice must include an agenda, and also indicate the date, time and place of the meeting. The Management Board or any Supervisory Board member may request from the chairman to convene without delay a meeting by stating the purpose and the reasons for such meeting. If the request of the Management Board or at least two Supervisory Board members is not met, the applicants may convene the Supervisory Board meeting themselves by stating the facts for doing so.
- 15.3 The Supervisory Board shall be considered to have a quorum when at least five members, including the chairman or a vice-chairman of the Supervisory Board, are present.
- 15.4 The chairman of the Supervisory Board or, in case of its absence a vice-chairman shall preside over the meeting. The person who presides over the meeting shall determine the method of voting.
- 15.5 The person who presides over the meeting may determine that experts or persons with special knowledge are to be admitted for advice on specific matters.
- 15.6 A protocol containing the discussions conducted and the resolutions passed by the Supervisory Board shall be recorded in writing and signed by the person who presides over the meeting.

#### **16. Resolutions**

- 16.1 Resolutions of the Supervisory Board shall be passed by a simple majority of the votes cast unless statutory law, the Articles of Incorporation or the Rules of Procedure for the Supervisory Board provide mandatorily for another majority. If there is an equal division of votes, the person presiding over the meeting shall cast the deciding vote (*Dirimierungsrecht*) - also in the case of elections.

- 16.2 Members of the Supervisory Board who are absent from a physical meeting of the Supervisory Board may exercise their voting rights by telephone or any electronic means, provided however that no member of the Supervisory Board disagrees to such procedure.
- 16.3 A member of the Supervisory Board may authorize another member of the Supervisory Board in writing to represent it at a specific meeting. However, the member of the Supervisory Board who has delegated a representative shall not be counted in the determination of a quorum. The right to preside over a meeting is not transferable. A member of the Supervisory Board may authorize another member to hand over its written vote in a Supervisory Board meeting.
- 16.4 Resolutions of the Supervisory Board may also be passed in writing, by telephone or any electronic means, provided however that the chairman or, in case of its absence a vice-chairman, calls for such a resolution and no member of the Supervisory Board objects to this procedure. The delegation of a representative is not permitted for voting by way of a written resolution. Clause 16.1 above shall apply *mutatis mutandis* to votes made in writing.

## **17. Committees**

- 17.1 The Supervisory Board may appoint committees from among its members for the purpose of preparing its discussions and resolutions, supervising the execution of its resolutions or taking over certain decision-making-powers assigned to them by the Supervisory Board. Exchange-listed companies shall establish an audit committee pursuant to section 92(4a) of the Austrian Stock Corporation Act.
- 17.2 In case a committee consists only of two elected members and the respective number of members delegated according to section 110 of the Labour Constitutional Act (*Arbeitsverfassungsgesetz*), this committee will only meet the required quorum if both elected members of the Supervisory Board are present.
- 17.3 Members of the Supervisory Board who do not belong to a committee may only participate in such committee's meetings if their presence is approved by the person who presides over the committee meeting. In any case they do not have any voting rights in the meeting of the respective committee.
- 17.4 For committees of the Supervisory Board the provisions applicable to the Supervisory Board shall apply *mutatis mutandis*.

## **18. Compensation**

- 18.1 Each member of the Supervisory Board elected by the Shareholders' Meeting shall be granted a reimbursement for their participation in meetings. The amount of reimbursement shall be determined by the Shareholders' Meeting. In addition, the Shareholders' Meeting may grant a reimbursement on a yearly basis, which shall be in line with the responsibilities of the Supervisory Board members and the current state of the Company



and shall take into account the above reimbursement for presence in meetings. Any additional reimbursement shall not be granted.

- 18.2 Members of the Supervisory Board delegated by the works council according to section 110 of the Austrian Labour Constitutional Act are carrying out their functions in an honorary capacity and are only entitled to a reimbursement for their appropriate cash expenses.
- 18.3 In case members of the Supervisory Board in their capacity as such take over any special tasks in the interest of the Company, by resolution of the Shareholders' Meeting a special allowance may be granted for this purpose.

#### **19. Amendment of the Articles of Association**

The Supervisory Board is authorized to adopt resolutions regarding changes of the wording, but not the contents, of the Articles of Association.

#### **20. Declarations of intent of the Supervisory Board**

- 20.1 Declarations of intent of the Supervisory Board or its committees are rendered by the chairman of the Supervisory Board or, in case of its absence by a vice-chairman.
- 20.2 Contracts between the Company and members of the Management Board are to be concluded in writing and signed by the chairman of the Supervisory Board on behalf of the Company or, in case of its absence by a vice-chairman.

### **V. SHAREHOLDERS' MEETING**

#### **21. General provisions**

- 21.1 The Shareholders' Meeting shall be called by the Management Board or by the Supervisory Board. Notice of the ordinary Shareholders' Meeting shall be given no later than on the 28<sup>th</sup> (twenty eighth) day prior to the Shareholders' Meeting; notice of any other Shareholders' Meeting (extraordinary Shareholders' Meeting) shall be given no later than on the 21<sup>st</sup> (twenty first) day prior to the Shareholders' Meeting.
- 21.2 The Shareholders' Meeting shall take place at the seat of the Company or one of its domestic branches or at a place where the Company has a permanent establishment or at any place where an Austrian notary public is officially resident.
- 21.3 The entitlement to participate in the Shareholders' Meeting and to exercise the shareholders' rights is determined by the shareholding at the end of the 10<sup>th</sup> (tenth) day prior to the day of the Shareholders' Meeting (Date of Proof).
- 21.4. The notice of the Shareholders' Meeting shall be announced in accordance with the Austrian Stock Corporation Act, the law on stock exchanges and clause 3 of the Articles of

Association. If the shareholders are known by name to the Company, the Shareholders' Meeting can be convened by notifying the respective shareholders at their last known addresses by registered mail. The day of dispatch serves as day of announcement. A shareholder can also provide the Company with an email address and consent to be notified of the meeting by email.

- 21.5 In case of deposited bearer shares a confirmation in accordance with section 10a (2) of the Austrian Stock Corporation Act issued by a custodian credit institution headquartered in a member state of the European Economic Area or in a full OECD member state is sufficient proof of ownership of the shares as of the Date of Proof. The confirmation must be sent to the address provided in the notice of the Shareholders' Meeting and be received by the Company at least three business days prior to the Shareholders' Meeting unless another date is specified in the notice.
- 21.6 Members of the Management Board and the Supervisory Board may take part in the Shareholders' Meeting via an acoustic or optical two-way communication line in real-time. The Management Board is authorized to provide for the participation of shareholders by way of electronic communication pursuant to sections 102 (3) and (4) of the Austrian Stock Corporation Act.

## **22. Chairman**

- 22.1 The chairman of the Supervisory Board or a vice-chairman shall preside over the Shareholders' Meeting. If none of these persons are present or prepared to chair the meeting, the notary public being present for notification of the proceedings shall preside over the meeting for the purpose of electing the chairman of the Shareholders' Meeting.
- 22.2 The chairman of the Shareholders' Meeting shall preside over the meeting, determine the method for exercising voting rights, the procedure for counting votes and the sequence of items on the agenda to be resolved.

## **23. Voting rights**

- 23.1 Each bearer share carries one vote in the Shareholders' Meeting.
- 23.2 The exercise of voting rights by authorized persons is permitted. The respective power of attorney and the revocation, if any, shall be in writing and must be sent to the Company at the address provided for in the notice prior to the Shareholders' Meeting in a timely manner.

## **24. Majority**

- 24.1 Resolutions of the Shareholders' Meeting shall be passed by a simple majority of the votes cast or in case a capital majority is required, by a simple majority of the share capital represented at the time the resolution is passed, unless statutory law or the Articles of Association provide mandatorily for another majority to be applicable.

24.2 If the required majority cannot be reached in the first voting round of elections, a run-off election is to be held between the two candidates who have received most votes. In the event of a voting tie, the decision shall be made by lot.

## **25. Rights of the Shareholders' Meeting**

25.1 The Shareholders' Meeting resolves on items explicitly assigned under statutory law and the Articles of Association.

25.2 The Shareholders' Meeting can only resolve on matters regarding the management if the Management Board or, in case the respective matter is subject to the approval of the Supervisory Board pursuant to section 95(5) of the Austrian Stock Corporation Act as amended from time to time, the Supervisory Board requires such resolution.

25.3 Within the first eight months of every financial year, the Shareholders' Meeting, to which the consolidated and non-consolidated annual financial statements including the annual report, the corporate governance report, the proposal for distribution of the profit and the report of the Supervisory Board are presented, shall resolve on the distribution of the net profit, the discharge of the members of the Management Board and the Supervisory Board from liability, the election of the auditors and, in the cases provided by law, on the approval of the annual financial statements (ordinary Shareholders' Meeting).

25.4 Notwithstanding the matters which are subject to shareholders' resolutions by law, the following matters shall be approved by the Shareholders' Meeting:

- a) increase of the registered share capital of the Company, including conditional capital and authorized capital;
- b) exclusion of subscription rights;
- c) decrease of the registered share capital of the Company;
- d) change of the object of the Company;
- e) merger, demerger, dissolution or transformation of the Company;
- f) amendment of the Articles of Association of the Company;
- g) election and replacement of Supervisory Board members elected by the shareholders;
- h) decision on the compensation of Supervisory Board members elected by the shareholders;
- i) distribution of profits;
- j) transfer of the entire assets of the Company;
- k) transfer of more than three quarters of the profits of the Company.

## **VI. ANNUAL FINANCIAL STATEMENTS AND DISTRIBUTION OF PROFIT**

### **26. Financial year**

The fiscal year of the Company shall be the calendar year. The period beginning of March 1<sup>st</sup>, 2019 and ending on December 31<sup>st</sup>, 2019 shall be a short fiscal year.

## **27. Financial statements**

- 27.1 Within the first five months of every financial year, the Management Board shall prepare the annual financial statements including the annex and the annual report for the preceding fiscal year and, after auditing by the auditor, submit them to the Supervisory Board, together with its proposal for the distribution of profit. The annual financial statements, the annual report and the corporate governance report shall be signed by all members of the Management Board.
- 27.2 The Supervisory Board shall review the documents referred to in clause 27.1 above within two months after receipt, comment on them vis-à-vis the Management Board and submit a report to the Shareholders' Meeting.

## **28. Distribution of the profit**

- 28.1 The net profit shall be distributed in accordance with the respective resolution passed by the Shareholders' Meeting. The Shareholders' Meeting may decide that all or part of net profit shall not be distributed among the shareholders.
- 28.2 Profit shares are distributed to the shareholders in proportion of the shares. Deposits made in the course of the financial year are to be considered in proportion to the amount of time elapsed since the deposit unless the Shareholders' Meeting determines otherwise. Only full months are to be taken into consideration.
- 28.3 Profit shares are payable no later than three weeks after the ordinary Shareholders' Meeting unless the Shareholders' Meeting determines otherwise.
- 28.4 Profit shares that are not collected within three years of their due date for payment shall be forfeited in favour of the Company's free reserves.

## **VII. CONFIDENTIALITY**

The members of all boards and committees of the Company and any other persons being present in the meetings of these bodies shall keep any and all information concerning the Company made known to them in connection with the exercise of their functions strictly confidential. Furthermore, all documentation and information that they receive in connection with the exercise of their functions shall be considered business secrets and shall not be used or disclosed to unauthorized third parties. This confidentiality obligation will remain applicable if the person does not exercise its function in the respective body of the Company any longer.

## **VIII. MISCELLANEOUS**

The Company bears the costs in connection with the conversion of up to EUR 100,000 (Euro one hundred thousand).

