

DIVERSITY STATEMENT

REGARDING THE COMPOSITION OF THE PROPOSED SUPERVISORY BOARD OF FACC AG (FN 336290 W)

We have assessed the diversity of the composition of the proposed supervisory board, consisting of the candidates Geng Ruguang, Gong Weixi, Pang Zhen, Sheng Junqi, Liu Qinghong, Han Wenbiao, Guo Jing, and George Maffeo,

The Austrian Stock Corporation Act provides that the following factors should be considered when electing the members of the supervisory board:

1. the **professional qualification** of the members;
2. the **personal qualification** of the members;
3. a **professionally balanced composition** of the supervisory board with regard to the structure and industry of the company;
4. the **representation of both sexes**;
5. the **age structure**;
6. for listed companies, such as FACC AG, the **internationality** of the members; and
7. the fact that no one is elected as a member of the supervisory board who has been **legally convicted** by court of an act which puts in doubt his professional reliability.

The supervisory board of listed companies must furthermore consist of **at least 30% women** and **30% men** if the supervisory board has at least six shareholder representatives and the employees of the company are at least 20% men and 20% women.

We consider all of the aforementioned requirements to be fulfilled for the following reasons:

When considering the **professional qualification** of the candidates proposed by the supervisory board, we find a suitable fit of both educational and professional backgrounds.

The candidates have deep expertise in the international aviation sector. We see this as an essential requirement for supervising FACC's business and operations.

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Three candidates have academic degrees in aircraft design, one in aircraft manufacturing, one in aerospace technology and one in applied mathematics and physics. One is a lecturer in airworthiness and maintenance. Five candidates hold MBAs, and there are degrees in accounting and international trade. One candidate has a PhD in engineering management, and another a PhD in numerical analysis and computer application and a degree in international studies from the Diplomatic Academy of Vienna. The candidates' educational background not only covers the technical expertise that is required for a company active in the aviation sector, but also expertise in finance, accounting, economics, business administration, human resources, international trade, political science and international relations. This mirrors the requirements of FACC.

The candidates have long professional experience in the aviation industry. They are or have been active for or involved with Boeing, McDonnell Douglas, AVIC and XAC. One candidate has experience in an international organisation (UNIDO) in Vienna.

All candidates have the **personal qualifications** to be supervisory board members.

The **composition** of the candidates is professionally balanced and reflects the structure and industry of the company. There is continuity insofar as four shareholder representatives and the four employee representatives have been members of the supervisory board in the past.

In terms of **age structure** there is an even distribution: Two candidates each were born in the 1950ies, the 1960ies, the 1970ies and the 1980ies, respectively. The employee representatives enhance this picture with one born in the 1950ies, two in the 1960ies and one in the 1980ies.

The candidates are **internationally diverse**. Looking at the supervisory board as a whole, the members would have their professional base either in Austria, China or in the United States of America. Their professional experience was gained in Austria, China, the USA, and Japan. Their university degrees were obtained in Austria, France, the United States, and China. These countries are major aviation industry centers, especially the USA, France and China, and therefore the international background of the candidates coincides with the international activities of FACC.

None of the candidates have been **legally convicted** of a crime putting in doubt their professional reliability.

As regards the required **quota of men and women** in the supervisory board, the following can be stated:

The law requires that the supervisory board consists of at least 30% women and 30% men, comprising both shareholder and employee representatives. On 15 May 2018, the current supervisory board members agreed to waive their right to object to the combined method of calculating the minimum quota for a period of five years. This means that the quota is calculated on the basis of the full supervisory board. The fact that such an agreement was made is proof of the cooperative relationship between shareholder and employee representatives. Accordingly, of a total of 12 supervisory board members at least 4 members must be female and 4 must be male. The supervisory board's proposal fulfils this requirement so that **gender diversity** is complied with.

We are, therefore, of the opinion that the candidates proposed by the supervisory board fulfil all requirements of the law in terms of diversity and qualification.