

CORPORATE-GOVERNANCE-REPORT

The Austrian Code of Corporate Governance (ÖCGK) provides Austrian stock corporations with a framework for corporate management and control. It contains both internationally recognized standards for good corporate management and the relevant provisions of Austrian stock corporation law. The Code is designed to ensure the responsible management and control of companies and groups with a view to creating sustainable and long-term value.

Ensuring a high level of transparency for all stakeholders and securing long-term and sustainable growth in shareholder value are key elements of active corporate governance policies. These include efficient cooperation between executive bodies, safeguarding shareholders' interests and open corporate communication.

DECLARATION OF COMMITMENT

FACC AG observes the Austrian Code of Corporate Governance and, following its initial listing on the Prime Market of the Vienna Stock Exchange in 2014, committed to comply with the provisions contained therein for the first time.

The Code, as amended, is available online at www.corporate-governance.at (current version dated January 2023).

FACC AG is obliged to prepare a Corporate Governance Report in accordance with Rule L-60 ÖCGK. All previous reports are available to the public on the company's website at www.facc.com (Rule C-61 ÖCGK).

Pursuant to Rule C-62 ÖCGK, the company is required to commission an external evaluation of its compliance with the C-Rules of the Austrian Code of Corporate Governance on a regular basis, and at least once every three years. The last evaluation was performed by Rosa Elefant OG for the financial year 2021. It was determined that FACC's declaration of compliance with the Austrian Code of Corporate Governance in its current version (2021) is factually correct. The next evaluation is planned for the financial year 2024.

The evaluation results can be viewed by all interested parties on the company website at www.facc.com.

The risk management system was assessed by an auditor in the financial year 2022 (Rule C-83 ÖCGK).

EXECUTIVE BODIES OF FACC AG

Management Board

Organization and operation of the Management Board

The Management Board of FACC AG consists of a minimum of two and a maximum of four persons in accordance with the company's Articles of Association. The members of the Management Board are appointed by the Supervisory Board.

The Management Board conducts the business of FACC AG in conformance with legal provisions and the company's Articles of Association and Rules of Procedure. Business is distributed among the Management Board members in accordance with the Rules of Procedure, which also govern collaboration within the Management Board. Furthermore, the Management Board has undertaken to fully comply with the rules of the Austrian Code of Corporate Governance.



Robert Machtlinger (1967)

Chairman of the Management Board

First appointed: 2014

End of the current term of office:

06/2025

Areas of responsibility: Strategy, Customer & Government Relations, Business Development, Marketing, Human Resources, Program Management, Corporate Communications, Development, Innovation & Research

Supervisory board mandates in other companies: Flughafen Linz GesmbH



Andreas Ockel (1966)

Member of the Management Board

First appointed: 2017

End of the current term of office:

10/2025

Areas of responsibility: Production, Procurement, Quality, Logistics, Facilities, Investments, Subsidiaries, Environment, Health & Safety

Supervisory board mandates in other companies: none



Aleš Stárek (1970)

Member of the Management Board

First appointed: 2016

End of the current term of office:

09/2024

Areas of responsibility: Finance, Controlling, Taxes, Treasury, IT, Legal, Investor Relations

Supervisory board mandates in other companies: none



Zhen Pang (1964)

Member of the Management Board

First appointed: 2022

End of the current term of office:

05/2024

Areas of responsibility: Internal Auditing, China Business Relations, Risk Management

Supervisory board mandates in other companies: none

Supervisory Board

The Supervisory Board's actions are bound by the laws and regulations applicable to companies listed in Austria such as the Austrian Stock Corporation Act and the Austrian Stock Exchange Act. Furthermore, the Supervisory Board has undertaken to observe the rules of the Austrian Code of Corporate Governance. The company's Articles of Association and the Rules of Procedure constitute its most important internal regulations. The Supervisory Board consists of at least three and at most ten members elected by the Annual General Meeting, as stipulated by the Articles of Association of FACC AG.

According to Section 11.2 of the Articles of Association of FACC AG, AVIC Cabin Systems Co., Limited (formerly FACC International) is entitled to delegate Supervisory Board members. It may delegate up to one third of all members if it holds a stake of at least 25 percent in the current share capital.

When electing members of the Supervisory Board, the Annual General Meeting must pay due attention to the requirements with respect to professional and personal qualifications as well as the balanced composition of expert know-how. Due regard must also be paid to diversity in terms of gender, age and nationality. Newly elected Supervisory Board members are obliged to obtain adequate information on the organization and activities of the company and on the tasks and responsibilities of supervisory boards. The members of the Supervisory Board are required to conduct an annual self-evaluation to assess their own performance.

Jian Wang (1961)

Chairman

First appointed: 2022

End of the current term of office:

Annual General Meeting deciding on the 2026 financial year

Supervisory board mandates in other companies: none

Fusheng Chen (1963)

Vice Chairman

First appointed: 2022

End of the current term of office:

Annual General Meeting deciding on the 2026 financial year

Supervisory board mandates in other companies: none

Weixi Gong (1962)

First appointed: 2014

End of the current term of office:

Annual General Meeting deciding on the 2026 financial year

Supervisory board mandates in other companies: none

Jing Guo (1981)

First appointed: 2018

End of the current term of office:

Annual General Meeting deciding on the 2026 financial year

Supervisory board mandates in other companies: none

Yu Mei (1977)

First appointed: 2022

End of the current term of office:

Annual General Meeting deciding on the 2026 financial year

Supervisory board mandates in other companies: none

Ian Chang (1954)

First appointed: 2022

End of the current term of office:

Annual General Meeting deciding on the 2026 financial year

Supervisory board mandates in other companies: none

Junqi Sheng (1972)

First appointed: 2017

End of the current term of office:

Annual General Meeting deciding on the 2026 financial year

Supervisory board mandates in other companies: none

Tom Williams (1952)

First appointed: 2020

End of the current term of office:

Annual General Meeting deciding on the 2026 financial year

Supervisory board mandates in other companies: Co-Chairman of the Board of Directors

Members of the Supervisory Board delegated by the Works Council:

Jürgen Fischer (1981)

First delegated: 2021

Barbara Huber (1965)

First delegated: 2014

Ulrike Reiter (1960)

First delegated: 2014

Karin Klee (1981)

First delegated: 2018

Members of the Supervisory Board who resigned in the financial year 2022

Zhen Pang, Jiajia Dai, Qinghong Liu and George Maffeo resigned from the Supervisory Board in the financial year 2022.

Participation in meetings of the Supervisory Board and the committees in the 2022 financial year

Name	SB	AC	PCC	SC
Jian Wang	4/5		2/3	
Fusheng Chen	4/5		2/3	1/1
Junqi Sheng	5/5		3/3	1/1
Yu Mei	4/5	3/4		1/1
Jing Guo	5/5	4/4		1/1
Weixi Gong	5/5		3/3	
Tom Williams	4/5			1/1
Ian Chang	4/5	3/4		1/1
Jürgen Fischer	5/5			1/1
Barbara Huber	4/5			
Ulrike Reiter	5/5			1/1
Karin Klee	5/5			
Zhen Pang	1/5		1/3	0/1
Qinghong Liu	1/5		1/3	0/1
George Maffeo	1/5	1/4		0/1
Jiajia Dai	1/5	1/4		

Abbreviations: SB = Supervisory Board, AC = Audit Committee, PCC = Personnel and Compensation Committee, SC = Strategy Committee

Independence of the Supervisory Board members

Der The Supervisory Board has adopted the guidelines on independence set out in Annex 1 of the Austrian Code of Corporate Governance. Accordingly, all members of the Supervisory Board have declared to be independent of the company and of its Management Board (Rule C-53 ÖCGK).

The Supervisory Board members Tom Williams, Ian Chang and Weixi Gong do not represent the interests of shareholders with a stake of more than 10 percent (Rule C-54 ÖCGK).

Supervisory Board committees

In accordance with the Austrian Stock Corporation Act, the Supervisory Board of FACC AG has set up an Audit Committee, which is responsible for executing the planned supervisory and control functions. In addition to examining the accounting process and auditing the financial statements and consolidated financial statements, it also monitors the effectiveness of the internal control and risk management system. Moreover, the Audit Committee is regularly informed about the findings of internal audits.

In addition, the Audit Committee is responsible for reviewing the Corporate Governance Report, which is discussed at the Annual General Meeting.

The Audit Committee convened four times in the financial year 2022.

In addition to the four meetings required by law, the Supervisory Board held a constituting Supervisory Board meeting. This was occasioned by the new elections to the Supervisory Board at the 8th Annual General Meeting.

No further meetings were necessary. No member of the Supervisory Board was absent from more than half of the meetings.

In addition to the mandatory Audit Committee, a Personnel and Compensation Committee (Nomination Committee) and a Strategy Committee have been set up.

The Personnel and Compensation Committee is responsible for reviewing the compensation report, which is reported on and approved at the Annual General Meeting.

The functional responsibilities of the Supervisory Board members in the respective committees are shown below:

Composition of the Supervisory Board committees in the 2022 financial year

Audit Committee

Members

- Yu Mei (Chairwoman)
- Jing Guo
- Ian Chang
-

Personnel and Compensation Committee

Members

- Jian Wang (Chairman)
- Fusheng Chen
- Weixi Gong
- Junqi Sheng
-

Strategy Committee

Members

- Fusheng Chen (Chairman)
- Yu Mei
- Jing Guo
- Ian Chang
- Junqi Sheng
- Tom Williams
- Ulrike Reiter
- Jürgen Fischer

Transactions of the Supervisory Board requiring approval (Rule L-48 ÖCGK)

A consulting agreement was concluded in the 2018/19 financial year with George Maffeo due to his experience and knowledge of the US market. The contract was terminated as of June 2022.

No further transactions with members of the Supervisory Board requiring approval were concluded in the 2022 financial year.

Collaboration between the Management Board and the Supervisory Board

The Management Board reports to the Supervisory Board on fundamental issues relating to the future business policy of the company and the entire Group, and on the future development of the net asset position, financial position and profit situation.

Furthermore, the Management Board regularly informs the Supervisory Board of the business development and the situation of the

company and the Group with respect to forecasts, taking into account future developments.

REMUNERATION REPORT

The Management Board and Supervisory Board are obliged to prepare a transparent and comprehensible Remuneration Report. This report must provide a comprehensive overview of the remuneration granted, or owed, to current and former members of the Management Board in the course of the past financial year in accordance with the remuneration policy, including all benefits of any kind (L-Rule 29a ÖCGK).

Details on the total remuneration received by each member of the Management Board and Supervisory Board and the principles of the remuneration policy are published in a separate Remuneration Report.

SHAREHOLDER RIGHTS

Each share grants shareholders one vote at the Annual General Meeting of FACC AG. Unless mandatory provisions of the Austrian Stock Corporation Act provide otherwise, resolutions of the Annual General Meeting are adopted by simple majority and, in cases where a capital majority is required, by a simple majority of the share capital represented at the time of adoption of the resolution. There are no shares conferring special control rights.

DIRECTORS' DEALINGS

Share purchases and sales by members of the Management Board and Supervisory Board are disclosed in accordance with applicable legal provisions (Article 19 of the Austrian Market Abuse Directive). Purchases and sales of shares are published on the company website at www.facc.com.

CHANGES AFTER THE BALANCE SHEET DATE

No changes in circumstances subject to mandatory reporting occurred between the balance sheet date and the editorial deadline of this Report.

AUDITOR

Ernst & Young Wirtschaftsprüfungs GmbH, Linz, was proposed by the Supervisory Board as auditor and Group auditor of FACC AG for the 2022 financial year. The respective motion was adopted by the

Annual General Meeting on 31 May 2022 with the required majority.

Expenses for auditing services in the 2022 financial year amounted to kEUR 181 (previous year: kEUR 164). The breakdown according to individual areas is shown in the Notes to the Consolidated Financial Statements.

DIVERSITY

Bei When electing members of the Supervisory Board, the Annual General Meeting must pay due attention to the requirements with respect to professional and personal qualifications as well as the balanced composition of expert know-how. Due regard must also be paid to diversity in terms of gender, age and nationality. Newly elected Supervisory Board members are obliged to obtain adequate information on the organization and activities of the company and on the tasks and responsibilities of supervisory board members. Women have been represented on the Supervisory Board of FACC AG since the company was first listed on the Vienna Stock Exchange. At the end of the 2022 financial year, the proportion of female members of the Supervisory Board was > 40 percent (five out of twelve).

Promoting women on the Management Board, Supervisory Board and in executive positions

13 women are currently represented on the Supervisory Board, Management Board and in other top management positions at FACC. At lower echelons, the proportion of female managers is low. FACC therefore continues to participate in job fairs and specifically addresses female high potentials. Increased efforts are being made to recruit women for new management positions and replacements.

FACC AG is committed to equal opportunities at the workplace and resolutely opposes all forms of discrimination against female employees.