

REMUNERATION POLICY FOR THE MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF FACC AG

THE MANAGEMENT BOARD

ESTABLISHMENT OF PRINCIPLES FOR THE REMUNERATION POLICY OF THE MANAGEMENT BOARD

The following principles (remuneration policy) governing the remuneration of the members of the Management Board of FACC AG were established by resolution of the Supervisory Board following a proposal of the Personnel and Compensation Committee in accordance with C-Rule 43 of the Austrian Code of Corporate Governance (ÖCGK), and are to be adopted upon submission to the Annual General Meeting of FACC AG.

The remuneration policy is to be submitted to the vote at the Annual General Meeting not less than once every four financial years in accordance with Section 78b (1) of the Austrian Stock Corporation Act (AktG).

OBJECTIVE

Pursuant to Section 78a AktG, the Supervisory Board is required to establish principles for the remuneration of the members of the Management Board (remuneration policy) which are designed to promote the business strategy and the long-term development of the company, and to explain by which means they contribute to this goal.

This is to include a description of the various fixed and variable remuneration components that may be granted to the members of the Management Board, along with all bonuses and other benefits in whatever form, stating their respective proportions. The company pursues a sustainable and profitable growth strategy based on the three core elements "innovation and customer benefit", "competence and stability" and "growth and diversification".

The variable remuneration, which comprises quantitative and qualitative components, is performance-related and takes into account such components as well as any other corporate objectives of significance to the company. The interests of the shareholders are safeguarded in that members of the Management Board receive performance incentives in the form of variable remuneration of either a financial or non-financial nature.

In the event of deviations from the expected earnings, the variable remuneration is either reduced or waived accordingly. The long-term management focus of the Management Board is ensured by ambitious targets, sustainable growth factors and capping variable remuneration of all bonus payments of the company at a percentage of the dividend payout.

REMUNERATION COMPONENTS

According to the remuneration policy, the members of the Management Board receive the following

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remuneration components:

- fixed remuneration components which are not performance-related
- variable remuneration components subject to the fulfillment of financial and non-financial performance criteria, whereby the latter are set annually by the Supervisory Board

FIXED REMUNERATION COMPONENTS

The fixed remuneration components comprise a basic salary, benefits in kind and fringe benefits as well as pension contributions.

BASIC SALARY

The fixed basic remuneration of the members of the Management Board is paid out as a salary in the form of 14 monthly payments per year. Various factors must be taken into account in determining the basic salary: The size of the basic salary depends on the responsibilities and tasks of the individual Management Board members as well as on the overall structural position of FACC AG. Remuneration is set at a competitive level in order to attract and retain qualified board members.

BENEFITS IN KIND AND FRINGE BENEFITS

Company car

The company provides each Management Board member with a car in the upper middle price range, which may also be used for private purposes, for the duration of their service contract.

Accident and disability insurance

The company takes out accident insurance on behalf of the members of the Management Board covering death, disability and accidents. The respective insurance premiums are paid by the company.

D&O insurance

The members of the Management Board are guaranteed D&O insurance (liability insurance for managers) with coverage commensurate with the associated risks. The respective insurance premiums are paid by the company.

PENSION CONTRIBUTIONS

As members of the Management Board, the CEO, CFO and COO are entitled to be included in a pension plan from the age of 50. This provides for a direct pension claim against the company in the form of a defined-contribution pension commitment by means of reinsurance. For this purpose, the company pays pension contributions as premiums into a pension reinsurance plan. The size of the pension paid out is essentially determined by the premiums paid and the investment success achieved. The retirement age is set at a minimum age of 60. Pension contributions are made at a competitive level in order to attract and retain qualified Management Board members. Recourse to pension reinsurance limits the risks the company is exposed to. Following the termination of the service contract, the company shall not incur any future costs from the company pension scheme or from any vested rights of the Management Board members.

VARIABLE REMUNERATION COMPONENTS

BASIC INFORMATION

The members of the Management Board are entitled to variable remuneration, which depends on the economic development of FACC AG and on the attainment of individually agreed goals. The performance criteria are to be aligned with the company's sustainable growth strategy, guarantee performance-related remuneration and promote a responsible management culture. Fairness is achieved by payment in the two following years and by applying tested and proven criteria. The performance criteria ensure a proper balance between financial, efficiency and sustainability indicators, thus reflecting the company's sustainable growth strategy. The following performance

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criteria for variable remuneration are set out in more detail below. In addition to quantitative criteria, also qualitative criteria apply such as those relating to product innovation and market development or strategic corporate development. The variable remuneration is capped at 100 % of the gross basic salary.

PERFORMANCE CRITERIA

Indices:

- EBIT index / weighting 60 %
- FCF index / weighting 30 %
- ESG index / weighting 10 %

Additional criteria:

- total asset turnover
- accounts receivable ratio
- inventory ratio

The quantitative targets are essentially weighted accordingly, and the EBIT criterion is multiplied by a growth factor. The attainment of the quantitative targets is assessed on the basis of the audited consolidated financial statements for the year under review.

Payment of variable remuneration components

In all cases, 70 % of variable remuneration is paid out in the following year and 30 % in the year after that (assuming that EBIT in the following year does not fall below 80 % of the level in the reference year), following an assessment of the degree of target achievement based on the audited consolidated financial statements for the year under review. Fairness is achieved by payment in the following year and by applying tested and proven criteria.

Possibility of reclaiming variable remuneration components

Variable remuneration components may be reclaimed from the Management Board members.

LONG-TERM INCENTIVE PLAN

No stock option program has been put in place for the members of the Management Board; in particular, there is no stock option program or other program for the preferential transfer of shares. The company reserves the right to introduce such a program, for instance to increase the commitment and motivation of managers.

In order to ensure a sustained positive development of the company's profitability, a long-term bonus is paid out at the end of a three-year period under the condition that the EBIT margin for the entire three-year period reaches a predefined threshold.

REMUNERATION AND EMPLOYMENT TERMS FOR EMPLOYEES

The remuneration models for employees are designed such that the respective national remuneration regulations are observed. The terms of employment are intended to create an environment in which employees can perform, develop and dedicate themselves. The terms of remuneration provide compensation that enables the company to recruit and retain competent and high-performing employees. The basic monthly salary of a Management Board member, calculated on a full-time basis,

stands in an appropriate relationship to the remuneration and employment terms for the company's employees.

TERM AND TERMINATION OF MANAGEMENT BOARD CONTRACTS

Management Board service contracts are generally concluded for a limited period, whereby the respective term is to be set in accordance with the maximum terms as stipulated in the Austrian Stock Corporation Act. The service contracts are not subject to any ordinary right of termination and therefore expire at the end of the contract period, or as a result of premature termination for good cause. The members of the Management Board are entitled to company severance payments, which depend on the length of service and comply with Section 23 of the Austrian Salaried Employees Act (AngG). Severance payments are made at a competitive level to attract and retain qualified Management Board members, and are limited to a maximum of one service year, which is equivalent to 12 monthly salaries.

PROCEDURES RELATING TO THE REMUNERATION POLICY

This remuneration policy was established by resolution of the Supervisory Board and will be submitted to the vote at the Annual General Meeting of FACC AG. The Management Board reports annually to the Personnel and Compensation Committee on the subject of remuneration and, if necessary, with the involvement of informants. The Personnel and Compensation Committee may initiate a revision of the remuneration policy if required. The Committee consists exclusively of members of the Supervisory Board, who must report any conflict of interest of their own accord and, if necessary, abstain from voting. The Personnel and Compensation Committee shall review the remuneration policy not less than once in every four financial years, if necessary with the involvement of internal and external experts, and assess whether a revision is warranted. After submitting a resolution proposal to the Supervisory Board, the latter will decide on the remuneration policy. The same shall apply in the event of any premature substantial change in the remuneration policy. The remuneration policy will then be submitted to the vote at the Annual General Meeting.

DEVIATIONS FROM THE REMUNERATION POLICY IN EXCEPTIONAL CIRCUMSTANCES

The Supervisory Board of FACC is permitted to deviate from this remuneration policy if required under exceptional circumstances.

In case of a deviation from the remuneration policy, a revised remuneration policy shall be presented at the next Annual General Meeting. At the same time, the Personnel and Compensation Committee of the Supervisory Board shall identify those exceptional circumstances under which departing from the remuneration policy is necessary for the long-term development of the company or to ensure its profitability.

SIGNIFICANT CHANGES TO THE REMUNERATION POLICY

Compared to the previous remuneration policy, the variable remuneration indices have been adjusted and a long-term EBIT-based component included in the current remuneration policy.

THE SUPERVISORY BOARD

ESTABLISHMENT OF PRINCIPLES FOR THE REMUNERATION POLICY OF THE SUPERVISORY BOARD

The following principles (remuneration policy) governing the remuneration of the members of the Supervisory Board elected by the Annual General Meeting and of the members of the Supervisory Board delegated according to the Articles of Association of FACC AG were established by resolution of the Supervisory Board, and are to be adopted upon submission to the Annual General Meeting of FACC AG. The remuneration policy is to be submitted to the vote at the Annual General Meeting not less than once in every four financial years in accordance with Section 98a in conjunction with Section 78b (1) AktG.

OBJECTIVE

The remuneration policy is designed to ensure that the members of the Supervisory Board receive remuneration for their services that is commensurate with their duties, responsibilities and the position of the company. It should promote the business strategy and the long-term development of FACC AG whilst ensuring the objectivity and independence of the Supervisory Board.

The remuneration of the Supervisory Board must be in line with the market and be sufficiently competitive to attract suitably qualified individuals to work for a listed company operating internationally. It should promote the long-term development of the company and facilitate the implementation of its sustainable growth strategy. Moreover, it must allow for a balanced composition of the Supervisory Board regarding professional and personal qualifications, with particular attention being paid to the representation of both genders, a balanced age structure and diverse professional backgrounds of members.

REMUNERATION COMPONENTS

The remuneration is decided by the Annual General Meeting. For members of the Supervisory Board who have not served for the entire financial year, remuneration is paid on a pro-rata basis (calculated on a monthly basis). The fixed annual remuneration is paid in full after the Annual General Meeting. Attendance fees are paid after each meeting. Total remuneration comprises the remuneration components listed below; no performance-related remuneration or share-based remuneration is granted.

ANNUAL FIXED BASIC REMUNERATION

The fixed basic remuneration for supervisory activities varies, particularly in relation to function (chairperson, member of the Supervisory Board).

ATTENDANCE FEE

Each member of the Supervisory Board receives an attendance fee for Supervisory Board meetings and Annual General Meetings for each meeting attended.

D&O INSURANCE

The members of the Supervisory Board are guaranteed D&O insurance with coverage commensurate with the associated risks. The respective insurance premiums are paid by the company.

PROMOTING THE BUSINESS STRATEGY AND LONG-TERM DEVELOPMENT

The remuneration policy promotes a balanced, diverse and qualified composition of the Supervisory Board, thereby fostering sustainable corporate development.

TERMS OF OFFICE OF SUPERVISORY BOARD MEMBERS

New Supervisory Board members are invariably elected for the maximum term of office as defined in Section 87 (7) AktG, unless otherwise resolved by the Annual General Meeting. No contractual relationships under labor law exist between FACC AG and the members of the Supervisory Board other than the appointment resolutions of the Annual General Meeting.

DEROGATIONS FROM THE REMUNERATION POLICY IN EXCEPTIONAL CIRCUMSTANCES

In exceptional circumstances, the company may temporarily adjust the size of the fixed remuneration and the attendance fees in line with the economic position of the company if this serves to ensure the long-term development and profitability of the company.

PROCEDURES RELATING TO THE REMUNERATION POLICY

The Personnel and Compensation Committee shall submit a resolution proposal to the Supervisory Board for every significant intended change to the remuneration policy, but not less than once in every four financial years. The Supervisory Board shall subsequently decide on the submission of the resolution proposal to the Annual General Meeting. The remuneration policy shall then be submitted to the vote at the Annual General Meeting. The Annual General Meeting shall take a binding decision on the remuneration entitlements of the members of the Supervisory Board, thereby avoiding conflicts of interest in relation to the remuneration policy among the Supervisory Board members.

SIGNIFICANT CHANGES TO THE REMUNERATION POLICY

No changes were made.