

# CORPORATE- GOVERNANCE

## Report

The Austrian Code of Corporate Governance (ÖCGK) provides Austrian stock corporations with a regulatory framework for their management and supervision. It contains the internationally accepted standards for good corporate governance, but also the provisions of the Austrian Stock Corporation Act that are relevant in this context. The aim of the Code is to establish responsible management and control mechanisms for companies and groups geared towards sustainable and long-term value creation.

The key elements of a vigorous corporate governance culture are a high level of transparency for all stakeholders and a long-term, sustainable increase of goodwill. This includes efficient cooperation between the corporate boards, the safeguarding of shareholder interests and open corporate communication.

At least every three years, an external evaluation of the company's compliance with the Code's C Rules must be commissioned. The most recent evaluation was carried out by rosa elefant OG for FY 2021. The evaluation resulted in the conclusion that FACC's declaration of compliance with the ÖCGK rules in their currently valid version (2021) is true to the facts. The next evaluation is scheduled for FY 2024.

The results of the evaluation are available to all interested parties on the company's website at [www.facc.com](http://www.facc.com).

The auditor's assessment of the risk management system in FY 2023 was also completed with a positive result (C Rule 83, ÖCGK).

## FACC AG'S BOARDS

### MANAGEMENT BOARD

#### Organization and functioning of the Management Board

According to the Articles of Association, FACC AG's Management Board comprises a minimum of two and a maximum of four members. The members of the Management Board are appointed by the Supervisory Board.

The Management Board conducts the business of FACC AG within the framework of the law, the Articles of Association and the existing Rules of Procedure. The purviews for which the individual members of the Management Board are responsible are assigned in accordance with the Rules of Procedure. The Rules of Procedure also regulate the collaboration between the members of the Management Board. The Management Board has committed itself to full compliance with the ÖCGK rules.

WE  
DO NOT TAKE  
THINGS  
LIGHTLY,  
WHEN IT  
COMES TO  
MAKING  
EVERYTHING  
LIGHTER.

## DECLARATION OF COMMITMENT

FACC AG respects the Code of Corporate Governance. To this end, FACC committed itself to complying with the Code's provisions of the Code for the first time in 2014, in the course of the initial listing of its shares on the Prime Market of the Vienna Stock Exchange.

The applicable version of the Code is publicly available at [www.corporate-governance.at](http://www.corporate-governance.at) (the current version dates from January 2023). In conformity with L Rule 60 ÖCGK, FACC AG must prepare a Corporate Governance Report. The reports drafted so far can be publicly accessed on FACC AG's website at [www.facc.com](http://www.facc.com) (C Rule 61 ÖCGK).



**Robert Machtlinger (1967)**  
**Chief Management Officer**  
**Initial appointment:** 2014  
**End of the current term of office:** 06/2025  
**Purviews:** 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 (Linz Airport)



**Andreas Ockel (1966)**  
**Management Board Member**  
**Initial appointment:** 2017  
**End of the current term of office:** 10/2025  
**Purviews:** Production, Sourcing, Quality, Logistics, Real Estate, Investments, Affiliated Companies, Environment, Health & Industrial Safety  
**Supervisory Board mandates in other companies:** none



**Aleš Stárek (1970)**  
**Management Board Member**  
**Initial appointment:** 2016  
**End of the current term of office:** 12/2023  
**Purviews:** Finance, Controlling, Taxes, Treasury, IT, Legal Matters, Investor Relations  
**Supervisory Board mandates in other companies:** none



**Zhen Pang (1964)**  
**Management Board Member**  
**Initial appointment:** 2022  
**End of the current term of office:** 05/2024  
**Purviews:** Internal Revision, China Business Relations, Risk Management  
**Supervisory Board mandates in other companies:** none

## SUPERVISORY BOARD

The Supervisory Board's actions are based on the laws and regulations applicable to companies listed in Austria, e.g., the Austrian Stock Corporation Act and the Stock Exchange Act. Moreover, the Supervisory Board has committed itself to compliance with the ÖCGK Rules. Where internal rules are applicable, the Articles of Association and the Rules of Procedure are of prime importance. FACC's Articles of Association provide for its Supervisory Board to comprise a minimum of three and a maximum of ten members, who are elected by the Annual General Meeting of Shareholders. Pursuant to Article 11.2 of FACC AG's Articles of Association, AVIC Cabin Systems Co., Limited (formerly FACC International) is entitled to appoint members of the Supervisory Board. This company may appoint up to one third of the Supervisory Board members, provided it holds at least 25 percent of FACC AG's share capital at the time.

When electing Supervisory Board members, the Annual General Meeting must take such requirements as the individual professional and personal qualifications as well as a balanced composition of the Supervisory Board in terms of professional background and expertise into account. Additionally, diversity aspects must be reasonably taken into consideration. Newly elected Supervisory Board members shall have to reasonably familiarize themselves with the structure and activities of the company as well as with the tasks and responsibilities of Supervisory Board members. The members of the Supervisory Board must self-evaluate their activities once per year.

### Jian Wang (1961)

Chairperson  
Initial appointment: 2022  
End of the current term of office:  
Annual General Meeting resolving on  
the discharge for FY 2026.  
Supervisory Board mandates in other companies: none

### Tongyu Xu (1968)

Deputy Chairperson  
Appointed in: 2023  
End of the current term of office:  
Annual General Meeting resolving on  
the discharge for FY 2027.  
Supervisory Board mandates in other companies: none

### Weixi Gong (1962)

Initial appointment: 2014  
End of the current term of office:

Annual General Meeting resolving on  
the discharge for FY 2026. Supervisory Board  
mandates in other companies: none

### Jiajia Dai (1978)

Appointed in: 2023  
End of the current term of office:  
Annual General Meeting resolving on  
the discharge for FY 2027.  
Supervisory Board mandates in other companies: none

### Jing Guo (1981)

Initial appointment: 2018  
End of the current term of office:  
Annual General Meeting resolving on  
the discharge for FY 2026.  
Supervisory Board mandates in other companies: none

### Ian Chang (1954)

Initial appointment: 2022  
End of the current term of office:  
Annual General Meeting resolving on  
the discharge for FY 2026.  
Supervisory Board mandates in other companies: none

### Junqi Sheng (1972)

Initial appointment: 2017  
End of the current term of office:  
Annual General Meeting resolving on  
the discharge for FY 2026.  
Supervisory Board mandates in other companies: none

### Tom Williams (1952)

Initial appointment: 2020  
End of the current term of office:  
Annual General Meeting resolving on  
the discharge for FY 2026.  
Supervisory Board mandates in other companies:  
Co-Chairperson of the Board of Directors  
of Montana Aerospace AG

### Members of the Supervisory Board delegated by the employees' representatives

#### Jürgen Fischer (1981)

First delegated in: 2021

#### Barbara Huber (1965)

First delegated in: 2014

#### Ulrike Reiter (1960)

First delegated in: 2014

#### Karin Klee (1981)

First delegated in: 2018

### Resignations of members of the Supervisory Board in FY 2023

Yu Mei and Fusheng Chen resigned from the Supervisory Board during FY 2023

## Attendance of the meetings of the Supervisory Board and its committees during FY 2023

| Name                               | SB  | AC  | PCC | SC  |
|------------------------------------|-----|-----|-----|-----|
| Jian Wang                          | 4/4 |     | 3/3 |     |
| Tongyu XU                          | 2/4 |     | 2/3 | 2/2 |
| Junqi Sheng                        | 4/4 | 2/3 | 3/3 | 2/2 |
| Jiajia Dai                         | 2/4 | 2/3 |     |     |
| Jing Guo                           | 4/4 | 3/3 |     | 2/2 |
| Weixi Gong                         | 4/4 |     | 3/3 |     |
| Tom Williams                       | 3/4 |     |     | 2/2 |
| Ian Chang                          | 4/4 | 3/3 |     | 2/2 |
| Jürgen Fischer                     | 3/4 |     |     | 2/2 |
| Barbara Huber                      | 4/4 |     |     |     |
| Ulrike Reiter                      | 4/4 |     |     | 2/2 |
| Karin Klee                         | 4/4 |     |     |     |
| Resigned during the financial year |     |     |     |     |
| Fusheng Chen                       | 1/4 |     | 1/3 |     |
| Yu Mei                             | 1/4 | 1/3 |     |     |

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

### Independence of Supervisory Board members

The Supervisory Board has adopted the guidelines for independence set forth in Annex 1 of the ÖCGK Code. On this basis, all members of the Supervisory Board have declared that they are independent of the company and its Management Board (C Rule 53, ÖCGK). The Supervisory Board members Tom Williams, Weixi Gong and Ian Chang do not represent the interests of shareholders owning more than 10 percent of the company's shares (C Rule 54 ÖCGK).

### Supervisory Board Committees

In line with the Austrian Corporation Act, FACC AG's Supervisory Board has established an Audit Committee for the performance of regular supervisory and controlling functions. It is responsible for reviewing the accounting process and the audit process in place for Financial Statements and Consolidated Financial Statements, as well as supervising the effectiveness of the internal controlling and risk management systems. Apart from being regularly notified of the results of internal audits, the Audit Committee's duties also include the review of the Corporate Governance Report which is presented at the Annual General Meeting. The Audit Committee held three meetings in the course of FY 2023. No further meetings needed to be convened. No Supervisory Board member 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 established. The Personnel and Compen-

sation Committee is responsible for the review of the Remuneration Report, which is presented and adopted at the Annual General Meeting.

The following list shows the areas of responsibility of the Supervisory Board members in the respective committees:

#### Composition of the Supervisory Board committees during FY 2023:

##### Audit Committee

###### Members

- Jiajia Dai (Chairperson)
- Jing Guo
- Ian Chang
- Junqi Sheng

##### Personnel and Compensation Committee

###### Members

- Jian Wang (Chairperson)
- Tongyu Xu
- Weixi Gong
- Junqi Sheng

##### Strategy Committee

###### Members

- Tongyu Xu (Chairperson)
- Jian Wang
- Jing Guo
- Ian Chang
- Junqi Sheng
- Tom Williams
- Ulrike Reiter
- Jürgen Fischer

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

During FY 2023, no transactions subject to the Supervisory Board's approval were approved by the Board.

#### Cooperation between the Management Board and the Supervisory Board

The Management Board informs the Supervisory Board of fundamental issues concerning the company's and the entire Group's future business policy and the prospective development of the financial position and performance. In addition, the Management Board informs the Supervisory Board at

regular intervals on the course of business and the actual situation of the company and the Group as a whole as compared with the forecast, taking future developments into consideration.

## REMUNERATION REPORT

The Management Board and the Supervisory Board must prepare a clear and easily intelligible Remuneration Report. This report must give a comprehensive overview of all remunerations granted or due to the current and former members of the Management Board under the company's remuneration policy during the past financial year, including all benefits and privileges of any kind (L Rule 29a, ÖCGK). The collected information on the entirety of the remunerations of the individual Management Board members and Supervisory Board members and the principles of the remuneration policy is presented to the Annual General Meeting in the form of a special remuneration report and put to the vote.

## SHAREHOLDER RIGHTS

Each no-par value share grants shareholders one vote at the Annual General Meeting of FACC AG. Unless otherwise stipulated by mandatory provisions of the Austrian Stock Corporation Act, the resolutions of the Annual General Meeting are passed by a simple majority of the votes cast or, in cases where a capital majority is required, by a simple majority of the share capital represented when the resolution is passed. There are no shares with special controlling rights.

## DIRECTORS' DEALINGS

The purchase and sale of shares by members of the Management Board or the Supervisory Board is subject to the applicable legal provisions (Article 19 of the Market Abuse Directive). All share purchases and sales are published on the company's website [www.facc.com](http://www.facc.com).

## CHANGES AFTER THE BALANCE SHEET KEY DATE

No changes in circumstances which would have had to be reported have occurred between the Balance Sheet key date and the editorial deadline for this report.

## AUDITOR

The Supervisory Board has proposed KPMG Austria GmbH, Linz, as Auditor for FACC AG's Financial Statements for FY 2023. The motion submitted for this purpose was approved with the required majority by the Annual General Meeting held on May 8, 2023. The charges due for the audit of the Financial Statements carried out by KPMG Austria GmbH, Linz, amounted to TEUR 584 in FY 2023 (2022: Ernst & Young Wirtschaftsprüfungs GmbH: TEUR 181). The allocation to the individual areas of activity is outlined in the Notes to the Consolidated Financial Statements.

## DIVERSITY

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 2023 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. As in the past, the proportion of female managers at the lower levels is still modest. In order to counteract this situation, FACC therefore continues to present itself at job fairs and specifically addresses high-potential female candidates. In addition, FACC is committed to promoting girls in technical training programs. The company also endeavors to recruit more women for new and replacement management positions. FACC AG is committed to equal opportunities at the workplace and resolutely opposes all forms of discrimination against female employees.