



Austrian Code of Corporate Governance

ACCG Rule 62 Audit [2018/19]

FACC AG

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Linz, 19.05.2019



Engagement, Scope of Work & Disclaimer

KPMG Advisory GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

To
FACC AG
Fischerstraße 9
4910 Ried im Innkreis

19.05.2019

Project Evaluation of the Austrian Code of Corporate Governance (ACCG)

The following report outlines the results of our activities which have been carried out in accordance with the terms of reference which were accepted by the client.

Engagement

Based on rule 62 of the Austrian Code of Corporate Governance (ACCG), the scope of the project was a compliance evaluation of all contained rules of the typ "C".

Within this evaluation, the following audit procedures were carried out to evaluate the compliance regarding the existing rules (typ "C") listed in the ACCG:

- Execution of a document-based preliminary analyses of relevant information (Corporate Governance Report, FACC statute, Rules of Procedures for the Management Board, Rules of Procedures for the Supervisory Board, contracts, reports, publications, etc.).
- Advanced analyses and verification of relevant information with the aid of interviews and exemplary sample testing.
- Reconciliation and assessment of all collected information and consolidation to a final report.

The KPMG Engagement Partner responsible for the project was Gert Weidinger and project manager was Roman Sartor.

Disclaimer

The performance of this engagement is based on the "Allgemeinen Auftragsbedingungen für Wirtschaftstreuhandberufe (AAB)" (General Terms of Engagement for Auditors and Auditing Companies)" of KPMG Advisory GmbH. These terms and conditions do not only apply between KPMG and the client, but also towards third parties.

Our report was solely prepared in relation to the activities described in the proposal and therefore is not suitable for other purposes. This report is issued exclusively for your information and support. Transmitting our report to third parties is not permitted without our prior, written consent. Such consent in any case requires the acceptance of the terms of contract as agreed with you. Claims by third parties arising from this engagement are excluded, even if this report has been brought to their attention or has been left to their disposal.

Our work is primarily based on the information provided by the client, for which he bears the sole responsibility. In the course of our work we analyzed the provided documents and information and included the respective findings in this report.

We cannot rule out that further relevant information or documents exist, which are available within or outside of the company and were not available to us during the course of this investigation. We can also not rule out that information was passed on to us incorrectly. Therefore, we may have come to different conclusions if other or further information had been at our disposal.

The scope and objectives of this project are significantly different from a financial audit and similar activities. Consequently, we do not issue any opinion or any other certificate of assurance or confirmation relating to the financial statements or the internal control systems of the client.

We expressly point out that due to the limited scope of the investigation, there is a risk that illegal activities, such as fraud, embezzlement or balance sheet falsification, may not be discovered and that we are unable to provide any guarantees or assurances in relation to the discovery of such activities.

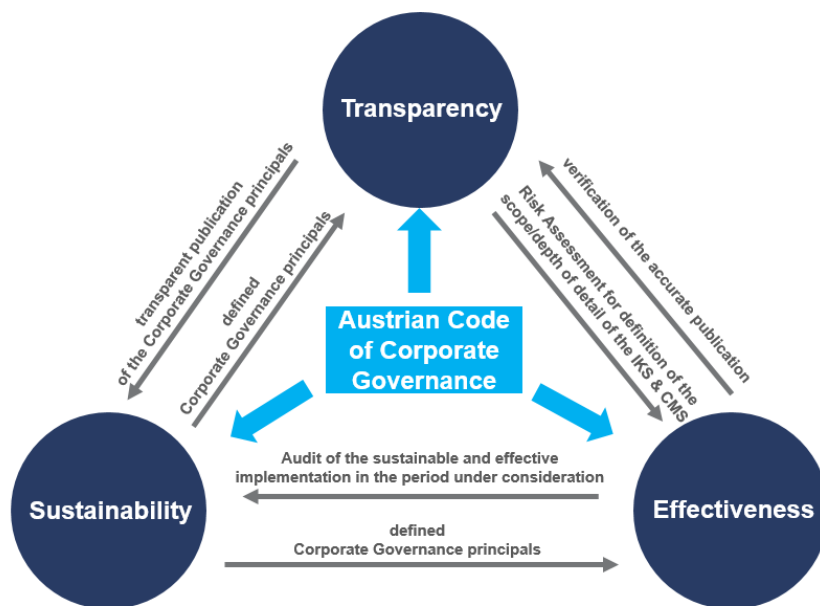
Within the scope of our activities, we present and comment on the results of our work. Any decision-making will be exclusively carried out by the Client, it is not part of our activities and we are not involved in the decision-making process.

We do not express any form of legal opinion and recommend to consult a lawyer with regard to any legal assessments or concluding the necessary course of action.

ACCG Audit – Rule 62 [2018/19]

KPMG Advisory GmbH, Linz was assigned by FACC AG to carry out an ACCG Audit (Rule 62). Based on the requirements of Rule 62 of the Austrian Code of Governance (ACCG) an independent external evaluation and assessment of the adherence to all C-Rules for the period under consideration (2018/19) has to be in progress.

The evaluation and assessment was exclusively based on the received documents and information provided by the client together with interviews and exemplary samples using the provided ACCG-Questionnaire of the Austrian Working Group for Corporate Governance.



The reporting of the received and aggregated results regarding the adherence with all C-Rules was done within this Report.

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 recognised standards for good corporate management and the relevant provisions of Austrian 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 co-operation between executive bodies, safeguarding shareholders' interests and open corporate communication.

DECLARATION OF COMMITMENT

FACC AG observes the Austrian Code of Corporate Governance and undertook to comply with its provisions for the first time in 2014, following its initial listing on the prime market of the Vienna Stock Exchange. The Code, as amended, is available online at www.corporate-governance.at.

The commitment to comply with the Code's provisions was evaluated by an external auditor for the first time in the 2016/17 financial year. The evaluation results show that corporate governance at FACC is alive and well and can be accessed by all interested parties on the company website www.facc.com. A re-evaluation is scheduled for the 2018/19 financial year.

FACC AG is obliged to prepare a Corporate Governance Report in accordance with Rule L-60 ÖCGK. The reports prepared so far are also available to the public on the website of FACC AG www.facc.com (Rule C-61 ÖCGK).

The assessment of the functionality of the risk management system by the auditor was assigned in the 2017/18 financial year (Rule C-83 ÖCGK).

EXECUTIVE BODIES OF FACC AG

Management Board

Organisation 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 its 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 Board members in accordance with the Rules of Procedure, which also govern collaboration within the Board. Furthermore, the Management Board has undertaken to fully comply with the rules of the Austrian Code of Corporate Governance.

Line of Action (Project Approach)

Proceeding from the described situation, the contracting authority (FACC AG) has been assisted within this project by an independent consultant (KPMG Advisory GmbH). Based on our special experience in the carrying out of ACCG Audits and our general know-how in Compliance Audits and required audit procedures, the underlying project approach was as follows:

Phase	Content	Status
Phase I Kick-Off und Preliminary ,Analyses	<p>Reconciliation and set up of the general project requirements (appointments, project approach, essential interview partners etc) together with the definition of necessary documents and information for the preliminary analyses (Corporate Governance Report, FACC statute, Rules of Procedures for the Management Board, Rules of Procedures for the Supervisory Board, contracts, reports, publications etc) within a Kick-Off.</p> <p>Carrying out of required preliminary analyses.</p>	✓
Phase II On-Site Audit	<p>Based on the results of the carried out preliminary analyses (analyses of documents) a further evaluation with the aid of interviews with responsible employees together with exemplary sample testing was done.</p> <p>Documentation of project results was done by the use of the ACCG-Questionnaire which is provided by the Austrian Working Group for Corporate Governance.</p>	✓
Phase III Report	<p>Validation and assessment of all collected information and consolidation to a final report together with a finale reconciliation of the results with the client.</p>	✓

Final Results ACCG Audit 2018/19



Audit Certificate “ACCG Compliance 2018/19”

No deviations from defined ACCG C-Rules could be identified!
[period under consideration 2018/19]



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