

CORPORATE GOVERNANCE

Andritz endorses compliance with the Austrian Corporate Governance Code, which was officially introduced in September 2002. It regards the Code as an essential means to implement responsible management and control of Andritz, which is directed toward creating added value.

Implementation of and compliance with the Code will promote and intensify the confidence of shareholders, investors, customers, employees, suppliers, representatives of the media, and other stakeholders in the company. The Managing Board and the Supervisory Board, as well as the entire staff of Andritz, are committed to complying with the Code.

Besides the mandatory "L" Rules, which refer to legal requirements, Andritz complies with the Code's "C" Rules, with the following deviations:*)

Rule 38:

Andritz AG Articles of Association do not stipulate an age limit for its Managing Board members. Appointment of Managing Board members is solely contingent on personal and professional qualifications.

Rule 42:

Andritz AG does not have a separate strategy committee. Andritz AG's Supervisory Board is composed of experts in different fields who hold constructive sessions at regular intervals, to discuss, inter alia, strategic alignment. In this framework, the Supervisory Board is also involved in all strategic decisions of the Managing Board as a consultative body.

Rule 61:

Since the Internet allows continuous updating of information, unlike a printed publication such as the annual report, Andritz publishes all information requested under Rule 61 on its website and updates it when necessary. In addition, most of the requested information is published in the annual report.

Rule 69:

Andritz AG is of the opinion that the notifications of share purchases and sales by members of the Managing Board and Supervisory Board, which it is obliged to make to the financial market supervisory authority and the Vienna Stock Exchange pursuant to Article 91a of the Stock Exchange Act, represent a comprehensive, lawful means of ensuring equal treatment for all shareholders.

The complete Corporate Governance Code can be accessed and downloaded from the Andritz website (www.andritz.com). The website also contains Andritz's statement on compliance with the Code, including explanations to deviations.

*) The Austrian Code of Corporate Governance encompasses the following three categories of rules: **Legal Requirement (L)**: referring to mandatory legal requirements, **Comply or Explain (C)**: this rule is to be followed; any deviation must be explained and the reasons stated in order to be in compliance with the Code, **Recommendation (R)**: the nature of this rule is a recommendation; non-compliance with this rule requires neither disclosure nor explanation.