

FUEL TECH INC AGM Date: 2013-05-23

1.01 To elect Douglas G. Bailey

Withhold

Chief Executive and Chairman. Combined roles at the top of the Company. It is considered to be best practice for these positions to be separated with a Chief Executive responsible for the running of the business and the Chairman responsible for the functioning of the Board. No one individual should have unfettered powers of decision as the combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal. Mr. Bailey holds 7.3% of the issued share capital.

1.02 To elect Miguel Espinosa

For

Non-Executive Director. Independent by the company, not considered independent as he has served on the board for over nine years. However, there is sufficient independent representation on the Board.

1.03 To elect W. Grant Gregory

For

1.04 To elect Thomas L. Jones

For

1.05 To elect George F. MacCormack

For

1.06 To elect Thomas S. Shaw, Jr.

For

Non-Executive Director. Independent by the company, not considered independent as he has served on the board for over nine years. However, there is sufficient independent representation on the Board.

1.07 To elect Robert T. Smith

For

1.08 To elect Delbert L. Williamson

For

1.09 To elect Dennis L. Zeitler

For

2 Appoint the auditors

For

3 Approve Pay Structure

Abstain

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of our opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. Performance conditions under the annual bonus scheme are disclosed, both on a current and a retrospective basis. TSR targets and comparative revenue growth targets under the LTIP are disclosed. However, one third of the RSUs awarded are "look back" awards which are based on a retrospective evaluation of performance for 2012 and 2013. No specific criteria or targets are disclosed and there are concerns that these are made on a discretionary basis. In addition, there are outstanding share awards under the LTIP with no performance conditions attached, and awards undergo full vesting on a change in control. It is noted that total compensation under termination or a change in control is not excessive, and neither is aggregate pay during the year. Based upon these concerns we abstain.