

FUEL-TECH N.V.
Castorweg 22-24, Curaçao, Netherlands Antilles

Notice of Annual General Meeting of Shareholders
To be Held June 12, 2001

To the Shareholders of Fuel-Tech N.V.:

The Annual General Meeting (the "Meeting") of Shareholders of Fuel-Tech N.V., a Netherlands Antilles limited liability company (the "Company"), will be held Tuesday, June 12, 2001, at the registered office of the Company, Castorweg 22-24, Curaçao, Netherlands Antilles, at 10:00 a.m. local time, to consider and act upon the following matters, each of which is explained more fully in the following Proxy Statement. A proxy card for your use in voting on these matters is also enclosed.

1. To approve the Annual Report of Management to Shareholders on the business and administration of the Company for the calendar year ended December 31, 2000 (the "Annual Report");
2. To approve the Financial Statements for said calendar year, being the Consolidated Balance Sheet, Consolidated Statement of Operations, Consolidated Statement of Shareholders' Equity and Consolidated Statement of Cash Flows with Notes and Auditors Report together with the Balance Sheet and the Statement of Operations of the Company (Schedule I);
3. To elect nine (9) Managing Directors and to approve their compensation;
4. To approve the amendment of the Company's 1993 Incentive Plan to fix from the number of shares available for all awards (now 12½% of outstanding shares) the shares which may be issued subject to Incentive Stock Options at a total of 2,000,000 shares;
5. To approve the appointment of Ernst & Young LLP as the independent auditors for the year 2001 and to authorize the Managing Directors to approve their compensation; and
6. To transact any other business that may properly come before the meeting or at any adjournment thereof.

Only common shareholders of record at the close of business on June 11, 2001 are entitled to notice of and to vote at the Meeting. The presence in person or by proxy of stockholders entitled to cast one-third of the total number of votes which may be cast shall constitute a quorum for the transaction of business at the Meeting.

The Annual Report is enclosed with this Notice of Meeting and Proxy Statement.

FUEL-TECH N.V.

Charles W. Grinnell
Secretary
April 23, 2001

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON IT IS REQUESTED THAT YOU PROMPTLY FILL OUT, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD. YOU MAY ALSO SEND YOUR COMPLETED PROXY CARD BY FACSIMILE TO THE TRANSFER AGENT IN THE UNITED STATES AT (860) 528-6472.

AN INFORMATION MEETING WILL BE HELD ON JUNE 7, 2001 FROM 9:30 A.M. TO 11:00 A.M. AT THE LONDON SHERATON HOTEL, PICCADILLY, W1J 7BX, LONDON, U.K.

FUEL-TECH N.V.

Proxy Statement

The enclosed proxy is solicited by the Board of Managing Directors (the "Board") of Fuel-Tech N.V., a Netherlands Antilles limited liability company (the "Company"), in connection with the Annual Meeting of Shareholders of the Company (the "Meeting") to be held at the registered offices of the Company, Castorweg 22-24, Curaçao, Netherlands Antilles, Tuesday, June 12, 2001, at 10:00 a.m. local time, and at any adjournments thereof.

The record date with respect to mailing of this solicitation is April 16, 2001. Under Netherlands Antilles law, however, all holders of Company common stock as of the close of business on June 11, 2001 are nevertheless entitled to vote at the meeting. As of the record date the Company had 18,538,743 shares of common stock outstanding according to the records of the Company's Transfer Agent. Each share is entitled to one vote. Under the rules of The Nasdaq Stock Market, Inc., a quorum of one third of the votes entitled to be cast is required for action on matters taken up at the Meeting.

Each shareholder is entitled to appoint a representative at the Meeting other than those named in the form of proxy. A shareholder desiring to appoint some other person who need not be a shareholder may do so by completing another proper form of proxy for use at the Meeting. All completed forms of proxy should be mailed promptly in the enclosed return envelope for delivery on or before 5:00 p.m. (local time) June 11, 2001 to the transfer agent.

A shareholder giving a proxy may revoke such proxy by an instrument in writing signed by the shareholder, by his attorney-in-fact authorized in writing, or, if the shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney, and deposited with the Transfer Agent at the above address or with the Chairman of the Meeting at the time of the Meeting.

If a proxy is signed and not revoked by the shareholder, the shares it represents will be voted at the Meeting in accordance with the instructions of the stockholder. Abstentions and broker non-votes are counted as present in determining whether a quorum is present, but are not counted in the calculation of the vote. If the proxy is signed and returned without specifying choices, the shares will be voted in favor of each Item on the agenda in accordance with the recommendations of the Board. Members of the Board and executive officers of the Company may solicit shareholders' proxies by mail, telephone or facsimile. The Company shall bear the cost of proxy solicitation, if any.

ANNUAL REPORT

The Company's Annual Report to Shareholders (the "Report"), contains the report of Management on the business and administration

of the Company for the calendar year ended December 31, 2000 and financial statements reflecting the financial position and results of operations of the Company for 2000 (the "Financial Statements"), together with the Company's Balance Sheet and Statement of Operations. The Financial Statements are set forth in the Report in consolidated form and, as required by Netherlands Antilles law, in unconsolidated form. See Schedule I to this Proxy Statement. The Report and this Proxy Statement were distributed together commencing in the week of April 23, 2001. The Report is available for inspection at the office of the Company written on the Notice of Meeting and will be available for inspection at the Meeting.

A resolution will be presented at the Meeting for the adoption of the Annual Report and the approval of the Financial Statements. The Company understands that under Netherlands Antilles law, approval of the Report and the Financial Statements at the Meeting will have the effect of discharging the Managing Directors from legal liability for their activities as directors for the year ended December 31, 2000.

The affirmative vote of a majority of the shares voting is required for the approval of this proposal. The Board recommends a vote FOR this proposal.

ELECTION OF DIRECTORS

The Board proposes the election of nine Managing Directors. The term of office of each director is until the next Annual General Meeting or until a successor shall have been duly elected. Douglas G. Bailey, Ralph E. Bailey, John A. de Havilland, Charles W. Grinnell, Jeremy D. Peter-Hoblyn, John R. Selby, Thomas S. Shaw, Tarma Trust Management N.V., and James M. Valentine, who are each incumbent directors, are the nominees for election as Managing Directors of the Company. Mr. Shaw is proposed to be elected for the first time. Each of the nominees has consented to act, if elected. Should one or more of these nominees become unavailable to accept nomination or election, votes will be cast for a substitute nominee, if any, designated by the Board. If no substitute nominee is designated prior to the election, the individuals named as proxies on the enclosed proxy card will exercise their judgment in voting the shares that they represent. A motion will be proposed at the Meeting for the election of the foregoing nine directors and to approve their compensation as described below under the caption "Director's Compensation."

The affirmative vote of a majority of the shares voting is required for the election of directors and the approval of their compensation. The Company recommends a vote FOR each of the nominees.

The following table sets forth certain information with respect to each person nominated and recommended to be elected as a Managing Director of the Company.

<u>Name</u>	<u>Age</u>	<u>Director Since</u>
Ralph E. Bailey	77	1998
Douglas G. Bailey	51	1998
John A. de Havilland	63	1988
Charles W. Grinnell	64	1989
Jeremy D. Peter-Hoblyn	61	1988
John R. Selby	71	1998
Thomas R. Shaw	54	-
Tarma Trust Management N.V.	-	1998
James M. Valentine	47	1993

Shareholders' Agreement

Pursuant to a Shareholders' Agreement of April 30, 1998 (the "Agreement") between the Company and certain investors (the "Investors"), the Company and the Investors have agreed that for a defined period, (a) the Investors may nominate three directors for appointment as Managing Directors of the Company, one of whom shall be an independent director and (b) the other Managing Directors (the "Other Directors") shall be entitled to nominate four Managing Directors, one of whom shall be an independent director.

The Board of Managing Directors has nominated for appointment as Managing Directors the persons named above under the caption "Managing Directors." Of these nominees, Messrs. D. G. Bailey, R. E. Bailey and Selby are nominees of the Investors, Mr. Selby being independent. Messrs. de Havilland, Grinnell, Peter-Hoblyn and Valentine are nominees of the Other Directors, Mr. de Havilland being independent. Tarma Trust Management N.V. and Mr. Shaw, who are independent, are the joint nominees of the Investors and the Other Directors.

The Investors are Douglas G. Bailey, Ralph E. Bailey, Nolan R. Schwartz and certain related parties who are associated with American Bailey Corporation, a privately owned company of which Mr. Ralph E. Bailey is Chairman and Mr. Douglas G. Bailey, his son, is President and CEO.

The defined period for the exercise by the Investors of the above described nominating rights is (a) not more than 10 years or (b) such lesser period ending when as a group the Investors own, in the aggregate, (x) during the first four years after the making of the Agreement, less than 50% of the shares of the Company acquired pursuant to a Stock Purchase Agreement as of April 30, 1998 (the "SPA"), and (y) during the period following the Making of the Agreement and ending on the tenth anniversary thereof, less than 10% of the then outstanding shares of the Company. Pursuant to the SPA the Investors purchased and own 4,750,000 shares of the Company and have the right through warrants to acquire an additional 3,000,000 shares.

Directors and Executive Officers of the Company and Fuel Tech, Inc.

Vincent M. Albanese, 52, has been Vice President Air Pollution Control, Sales and Marketing of Fuel Tech, Inc. since April, 1998. He was Vice President Sales and Marketing of Nalco Fuel Tech, a joint venture between Fuel Tech, Inc. and Nalco Chemical Company ("Nalco"), prior to joining Fuel Tech, Inc., and had served Nalco Fuel Tech since 1990. Prior to his service with Nalco Fuel Tech, Mr. Albanese was a market development specialist with Nalco, his employer since 1975.

Steven C. Argabright, 58, has been a director and the President and Chief Operating Officer of Fuel Tech, Inc. since April, 1998. He was President and Chief Executive Officer of Nalco Fuel Tech from 1996 to April, 1998 and Vice President of Nalco Fuel Tech from 1990 to 1996. Prior to the formation of Nalco Fuel Tech, Mr. Argabright was a Regional Sales Manager of Nalco, his employer since 1973.

Ralph E. Bailey has been a director and Chairman of the Board and Chief Executive Officer of the Company and a director of FTI since April, 1998. He has been a director and Chairman of American Bailey Corporation ("ABC"), a privately owned business acquisition and development company, since 1984. Mr. Bailey is the former Chairman and Chief Executive Officer of Conoco, Inc., an energy company, and a former Vice Chairman of E.I. du Pont de Nemours & Co., a chemical

company. Mr. Bailey is also a director of Clean Diesel Technologies, Inc., a pollution control products company.

Douglas G. Bailey has been a director of the Company and of Fuel Tech, Inc. since April, 1998. Mr. Bailey, who is the son of Ralph E. Bailey, has been the President and Chief Executive Officer of ABC since 1984. Mr. Bailey is Chairman and Chief Executive officer of Golden Casting Corporation, an affiliate of ABC and a foundry company. Mr. Bailey is a director of Clean Diesel Technologies, Inc.

Stephen P. Brady, 44, has been Vice President - Fuel Chem of Fuel Tech, Inc. since February, 1998. Prior to joining Fuel Tech, Inc., Mr. Brady was a Regional Sales Manager of Nalco, his employer since 1980.

John A. de Havilland has been, except for the period April, 1998 to December, 1998, a director of the Company since its inception and of FTI from 1982 to 1998. He is a director of Clean Diesel Technologies, Inc. Mr. de Havilland was a director of J. Henry Schroder Wagg & Co. Ltd., a British bank, from 1971 until his retirement in 1990.

Charles W. Grinnell has been Vice President, General Counsel and Corporate Secretary of the Company since 1988 and a director of the Company and FTI since September, 1989. Mr. Grinnell is a director of Clean Diesel Technologies, Inc. and has also been engaged in the private practice of corporate law in Stamford, Connecticut since 1992.

Jeremy D. Peter-Hoblyn has been a director of the Company since its inception and of FTI since 1982. He has been a director and the President and Chief Executive Officer of Clean Diesel Technologies, Inc. since 1994. Mr. Peter-Hoblyn was Chief Executive Officer of Fuel-Tech N.V. from 1993 to 1996.

John R. Selby, has been a director of the Company since December, 1998 and a director of FTI since November, 1998. Mr. Selby was a director and the President and Chief Executive Officer of SPS Technologies, Inc. until his retirement in 1993 and was a director of General Signal Corporation from 1987 to 1998.

Thomas S. Shaw, has been President and Chief Operating Officer of Conectiv, an electric power generating and distribution company, since September 2000 and previously had been employed by its predecessor Delmarva Power & Light Company ("Delmarva") for over 25 years where he had been President of its subsidiary Delmarva Capital Investments, Inc. from 1991 until 1995 and was Executive Vice President of Delmarva from 1997 until September 2000. Mr. Shaw was elected a director of FTI on February 22, 2001.

Nolan R. Schwartz, 50, has been a director of Fuel Tech, Inc. since April, 1998. He is a Principal of American Bailey Corporation, his employer since 1988. Mr. Schwartz is a Director of Golden Casting Corporation.

Scott M. Schecter, 44, has been Vice President, Chief Financial Officer and Treasurer of the Company since January 1994 and has been a director of FTI since April, 1998. Mr. Schecter was also Chief Financial Officer of Clean Diesel Technologies, Inc. from 1995 through November, 1999. From June 1990 through January 1994, Mr. Schecter was Senior Vice President and Chief Financial Officer of American Vision Centers, Inc., a consumer products company.

Tarma Trust Management, N.V., a director of the Company since April, 1998 is a Netherlands Antilles limited liability company in Curaçao specializing in company management and representation.

James M. Valentine has been a director of the Company since September, 1993. Mr. Valentine has been a director and Executive Vice President and Chief Operating Officer of Clean Diesel Technologies, Inc. since 1994. He served Fuel Tech, Inc. from 1982 through 1990 as Vice President - Marketing and served the Company as Executive Vice President from 1993 through April 1998. From the period 1990 through 1993, Mr. Valentine was the head of his own energy and environmental consulting firm.

There are no family relationships between any of the directors or executive officers, except as stated above.

Board Committees of the Company and Fuel Tech, Inc.

The Board has an Audit Committee of which the members are Mr. de Havilland, Chairman, Mr. Selby and Mr. R.E. Bailey (ex officio). Mr. Shaw will be appointed to the Audit Committee effective upon his election as a Managing Director of the Company. There are no other committees of the Board of Directors of the Company. Compensation matters are determined by the Compensation Committee of Fuel Tech, Inc. of which the members are Messrs. Selby, Chairman, S. C. Arbabright (ex officio) D. G. Bailey, R. E. Bailey and N. R. Schwartz. Ex officio members of Company or Fuel Tech, Inc. committees are participating but non-voting members. Fuel Tech, Inc. is a wholly-owned subsidiary of the Company.

The Audit Committee is responsible for review of audits, financial reporting and compliance, accounting and internal controls policy, and recommendations to the Board regarding the engagement of independent auditors, oversight of their activities and evaluation of their independence. The Charter of the Audit Committee is attached as Schedule II.

The Compensation Committee is responsible for setting and administering the policies and programs that govern both annual compensation and stock ownership programs and recommends stock option awards to the Board of the Company.

Meetings

During the year ended December 31, 2000 there were four meetings of the Board of Directors of the Company, one meeting of its audit Committee and four meetings of the Compensation Committee of Fuel Tech, Inc. Each director of the Company attended at least 75% of Board and committee meetings of which he was a member during the period of his directorship.

Indemnification

Under the Articles of Incorporation of the Company indemnification is afforded the Company's directors and executive officers to the fullest extent permitted by the laws of the Netherlands Antilles. Such indemnification also includes payment of any costs which an indemnitee incurs because of claims against the indemnitee. The Company is, however, not obligated to provide indemnity and costs where it is adjudicated that the indemnitee did not act in good faith in the reasonable belief that the indemnitee's actions were in the best interests of the Company, or, in the case of

a settlement of a claim, such determination is made by the Board of Directors of the Company.

The Company carries insurance providing indemnification, under certain circumstances, to all of its and its subsidiaries directors and officers for claims against them by reason of, among other things, any act or failure to act in their capacities as directors or officers. The current annual premium for this policy is \$76,000. No sums have been paid for such indemnification to any past or present director or officer by the Company or under any insurance policy.

RATIFICATION OF APPOINTMENT OF AUDITORS

The Board of Directors on the recommendation of the Audit Committee has appointed the firm of Ernst & Young LLP, Certified Public Accountants ("Ernst & Young"), to be the Company's auditors for the year 2001 and submits that appointment to the shareholders for approval. Ernst & Young has served in this capacity since 1990 and is knowledgeable about the Company's operations and accounting practices and is well-qualified to act in the capacity of independent accountants. In making the appointment, the Board reviews Ernst & Young's performance in prior years along with its reputation for integrity and overall competence in accounting and auditing. Representatives of Ernst & Young are not expected to be present in Curaçao at the Meeting or in London at the Information Meeting.

Audit Fees

For 2000, Ernst & Young billed \$104,500 for fees for professional services rendered for the audit of the Company's 2000 financial statements and the review of the Company's financial statements included in the quarterly reports on Securities and Exchange Commission Form 10-Q filed in 2000.

Financial Information Systems Design and Implementation Fees

For 2000, Ernst & Young did not render any professional services for the Company in connection with financial information systems design and implementation.

All Other Fees

For 2000, \$1,500 was billed by Ernst & Young for all other non-audit services performed for the Company.

The affirmative vote of a majority of the shares voting is required for the approval of this proposal. The Company recommends a vote FOR this proposal.

Report of the Audit Committee

Management is responsible for the Company's internal controls and its financial reporting. The independent auditors are responsible for performing an audit of the Company's financial statements in accordance with generally accepted auditing standards and for expressing an opinion on those financial statements based on their audit. The Audit Committee reviews these processes on behalf of the Board of Managing Directors. In such context, the Committee has reviewed and discussed the audited financial statements contained in

the 2000 Annual Report on Form 10-K with the Company's management and its independent auditors.

The Committee has discussed with the independent auditors the matters required to be discussed by the Statement on Auditing Standards No. 61 (*Communication with Audit Committees*), as amended.

The Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1 (*Independence Discussions with Audit Committees*), as amended, and has discussed with the independent auditors their independence. The Committee has also considered whether the provision of the services described above under the captions "Financial Information Systems Design and Implementation" and "All Other Fees" is compatible with maintaining the independence of the independent auditors.

Based on the review and discussions referred to above. The Committee recommended to the Board of Managing Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000 filed with the Securities and Exchange Commission.

By the Audit Committee: J. A. de Havilland, Chairman, J. R. Selby and R. E. Bailey (ex officio).

AMENDMENT OF 1993 INCENTIVE PLAN

The Plan

The Company's 1993 Incentive Plan (the "Plan") was adopted by the Board of Managing Directors and approved by the shareholders of the Company in 1993 and amended thereafter from time to time. The Plan is intended to provide a flexible structure within which the Company may utilize various compensation devices to recruit and retain key personnel. A registration statement is currently in effect with respect to shares of the Company's Common Stock issuable under the Plan. The closing price of the Company's Common Stock on April 2, 2001 was \$2.438.

Awards under the Plan may be granted in the form of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, performance awards, bonuses, or any other form of share-based or non-share-based award or any combination of these awards. To date only non-qualified and incentive stock options have been granted under the Plan.

Administration; Participation

The Plan is administered by a the Compensation Committee of Fuel Tech, Inc. (see above under Board Committees of the Company and of Fuel Tech, Inc.). The Committee recommends awards under the Plan subject to the approval of the Board of the Company. Awards may be granted to employees, of whom there are presently approximately 65, officers, directors and consultants of the Company. Directors who are not employees each year are automatically awarded a 10,000 share non-qualified stock option on the second business day following the annual general meeting. Awards under the Plan will be automatically vested in the event of a change of control of the Company, as defined in the Plan.

Available Shares; Limitations

Subject to the approval of the Board, the administrator is authorized to grant awards, provided that total shares subject to awards shall not exceed an amount equal up to 12 1/2 percent of shares from time to time issued and outstanding (as of the record date, 2,317,342 shares). Shares subject to awards may appropriately be adjusted as a result of stock splits, recapitalizations and the like.

There are presently a total of 2,184,250 shares subject to all outstanding awards under the Plan. There is, moreover, a limit under the terms of the Plan of one million shares which may be issued on account of awards of incentive stock options ("ISOs") as opposed to non-qualified stock options ("NQOs") (See descriptions of these types of options below). Section 422 of the Internal Revenue Code requires a fixed limitation of the number of shares issuable under ISOs. There are, however, now outstanding and unexercised, awards of ISOs for 1,595,750 shares and the excess of 595,750 shares is subject to the approval of the proposed amendment of the Plan which is the subject of this agenda item at the Meeting. If this agenda item is not approved, the excess over one million shares will be treated as NQOs.

No award may be outstanding for more than ten years. Share based awards at the time of grant shall have an exercise price of or be valued at not less than 100% of the fair market value of the shares on the date of the award as determined by the administrator. Awards under the plan, unless waived by the administrator, are subject to certain restrictions on transferability. Awards may be forfeitable in certain circumstances and are exercisable at such time or times and during such periods as shall be set forth in the agreement evidencing an award.

Amendments

The Board of Managing Directors may amend the Plan, which may include suspension or termination of the Plan. In the absence of shareholder approval, however, no amendment may cause the Plan to fail to comply with applicable law, regulation or rule.

Tax Matters

The following summary describes the U.S. Federal income tax consequences of awards under the Plan:

Non-Qualified Stock Options. No income will be recognized by the holder and the Company will not be entitled to a deduction at the time of grant of a NQO at not less than 100% of market value. On exercise of a NQO the amount by which the fair market value of the stock on the date of exercise exceeds the option price will be taxable to the holder as ordinary income and, subject to satisfying certain withholding requirements and any Internal Revenue Code Section 162(m) deduction limitation for compensation in excess of \$1 million per person, deductible by the Company. The subsequent sale of shares acquired upon exercise of a NQO will ordinarily result in a capital gain or loss.

Incentive Stock Options. ISOs are granted pursuant to Sections 421 and 422 of the Internal Revenue Code to employees of the Company. No income will be recognized by the employee at the time of the grant of an ISO at not less than 100% of market value. On exercise of ISO's no income will be recognized by the employee so long as the shares are held and not transferred for two years from the date of grant and one year from the date of exercise. If the shares are not held for these periods, then the sale or transfer of the shares is a disqualifying disposition and the treatment is the same as for a NQO with the employee

recognizing ordinary income as of the date of sale or transfer. A gift of the shares is a transfer constituting a disqualifying disposition. A transfer, however, of an ISO or shares obtained on exercise of an ISO to a decedent's estate is not a disqualifying disposition.

For those ISO shares held for the above holding periods, long term capital gain on a sale of the Shares on the difference between the sale price and the option exercise price and not ordinary income will be recognized. Currently the tax rate applicable to long-term capital gains is lower than the highest tax rate applicable to ordinary income.

The amount of proceeds to which non-recognition of ordinary income and deferred recognition of capital gains is applicable on exercise of ISO's is limited to a total of all such exercises of \$100,000 per year per optionee of the market value of option shares when granted. This \$100,000 amount is, however, cumulative from the vesting date, so that, if in one year ISO's are not exercised, then in the next year the amount will be \$200,000.

The proceeds of ISO's when exercised, i.e. the difference between the market value of shares on the date of exercise and the Exercise Price, are "preference income" under the Code and the holder of an ISO may, accordingly, be subject to the Alternative Minimum Tax in the year of exercise.

Stock Appreciation Rights. The amount of any cash or the fair market value of any stock received upon the exercise of a stock appreciation right under the Plan will be includible in the employee's ordinary income and, subject to applicable withholding requirements and any Section 162(m) deduction limitation, deductible by the Company.

Restricted Stock Awards. Under Internal Revenue Code Section 83(b), an employee may elect to include in ordinary income, as compensation at the time restricted stock is first issued, the excess of the fair market value of such shares at the time of issuance over the amount paid, if any, by the employee. Unless a Section 83(b) is made, no taxable income will generally be recognized by the recipient of a restricted stock award until such shares are no longer subject to the restrictions or the risk of forfeiture. When either the restrictions or the risk of forfeiture lapses, the employee will recognize ordinary income and, subject to applicable withholding requirements and any Section 162(m) deduction limitation, the Company will be entitled to a deduction in the amount equal to the excess of the fair market value of the stock on the date of lapse over the amount paid, if any, by the employee for such shares. Absent a Section 83(b) election any cash dividends or other distributions paid with respect to the restricted stock prior to the lapse of the restrictions or risk of forfeiture will be included in the employee's ordinary income as compensation at the time of receipt.

Performance Shares or Units. Generally, an employee will not recognize any taxable income and the Company will not be entitled to a deduction upon the award of performance shares or units. When the employee receives a distribution in respect of the performance shares or units, the fair market value of stock or cash received in payment for such awards generally is taxable to the employee as ordinary income and, subject to applicable withholding requirements and any Section 162(m) limitation, deductible by the Company.

Future Awards

Future Awards under the Plan are discretionary and not currently determinable. However, If the proposed amendment of the Plan had been in effect in 2000, Awards in 2000 would not have been increased, although 336,000 granted as incentive stock options would not have been subject to the approval of the Plan amendment proposed in this agenda item. Each of the named executive officers, who are also the current executive officers, would have received the stock option Awards set out for them under the caption "Long Term" in the Summary Compensation Table below, the non-employee Managing Directors would have received non-qualified stock options for a total of 70,000 shares, and all employees including all officers who are not the named executive officers, would have received incentive stock options for a total of 336,000 shares.

Proposed Amendment of the Plan

Management is of the opinion that the tax advantaged aspects of incentive stock options are of importance to the Company's recruitment and retention of key employees. The Internal Revenue Code requires a fixed limitation. The present limitation in the Plan of one million shares is insufficient for the Company's needs and an increase in that limitation is recommended. Accordingly a resolution will be presented at the Meeting to approve an amendment to the Plan to fix a limit of two million shares for issuance under the Plan of shares on account of incentive stock options.

The affirmative vote of a majority of the shares voting is required for the approval of this proposal. The Company recommends a vote FOR this proposal.

PRINCIPAL STOCKHOLDERS AND STOCK OWNERSHIP OF MANAGEMENT

The following table sets forth information regarding the beneficial ownership of Common Stock as of March 31, 2000 by (i) each person known to the Company to own beneficially more than five percent of the outstanding Common Stock; (ii) each director of the Company; (iii) the Named Executive Officers; and (iv) all directors and executive officers as a group.

<u>Name and Address (1)</u>	<u>No. of Shares (2)</u>	<u>Percentage (3)</u>
<i>Beneficial Owner</i>		
RIT Capital Partners plc	1,028,882	5.6%
<i>Management</i>		
Vincent M. Albanese (4)	33,750	*
Steven C. Argabright	69,000	*
Douglas G. Bailey (5)	1,942,500	9.5%
Ralph E. Bailey (5) (6)	4,690,000	25.3%
Stephen P. Brady	35,000	*
John A. de Havilland (5)	20,000	*
Charles W. Grinnell (5)	49,000	*
Jeremy D. Peter-Hoblyn (5)	120,000	*
John R. Selby (5) (6)	25,000	*
Scott M. Schecter (5)	136,500	*
Thomas S. Shaw	-	*
Tarma Trust Management N.V.	-	*

James M. Valentine(5)

55,000

*

All Directors and Officers
as a Group (13 persons) (3) (4)
(5) (6)

7,175,750

34.3%

* Less than one percent (1.0%)

(1) The address of RIT Capital Partners plc is 27 St. James Place, London, England SW1A 1NR. The address of each of the above management beneficial owners is c/o Fuel Tech, Inc., Suite 703, 300 Atlantic Street, Stamford, Connecticut 06901, except Tarma Trust Management N.V. which is Castorweg 22-24, Curaçao, Netherlands Antilles.

(2) Except for 4,000 of the shares indicated for Mr. Argabright which are owned by his spouse, the owners of all shares are believed by the Company to have sole ownership and investment control of such shares.

(3) The percentages in each case are of the outstanding common and all warrants or options exercisable within 60 days.

(4) Does not include 2,000 shares owned by Mr. Albanese's spouse as to which he disclaims beneficial ownership.

(5) Includes shares subject to options and warrants exercisable presently and within 60 days for Mr. Albanese, 28,750 shares; Mr. Argabright, 60,000 shares; Mr. D. G. Bailey, 1,867,500 shares; Mr. R.E. Bailey, 40,000 shares; Mr. Brady, 25,000 shares; Mr. de Havilland, 20,000 shares; Mr. Grinnell, 27,500 shares; Mr. Peter-Hoblyn 120,000 shares; Mr. Schecter, 132,500 shares; Mr. Selby 20,000 shares; Mr. Valentine 55,000 shares; and, for all directors and officers as a group, 2,396,250 shares.

(6) Does not include for Mr. R. E. Bailey 11,697 Units and for Mr. Selby 13,666 Units accrued at March 31, 2000 under the Directors Deferred Compensation Plan.

EXECUTIVE COMPENSATION

The table below sets forth information concerning compensation for services in all capacities awarded to, earned by or paid to Mr. Ralph E. Bailey, Chairman and Chief Executive Officer, Mr. Vincent M. Albanese, Vice President of FTI, Steven C. Argabright, Vice President and Chief Operating Officer of FTI, Stephen P. Brady, Vice President of FTI and Scott M. Schecter, Vice president, Treasurer and Chief Financial officer of the Company and FTI during the fiscal years ending December 31, 1999, 1998 and 1997.

Summary Compensation Table

Other Annual Name and Principal Position	Options Granted	All Other Year	Annual			Long-Term	
			Salary(1)	Bonus(2)	Compensation	Underlying _(#)(3)_	Compensation(4)
Vincent M. Albanese Vice President		2000	151,299	-		35,000	10,200
		1999	140,852	35,553		50,000	9,456
		1998	133,313	42,811		50,000	5,395
Steven C. Argabright President and Chief Operating Officer		2000	194,334	-		75,000	10,200
		1999	178,230	72,475		75,000	9,600
		1998	164,278	76,856		100,000	8,277
Stephen P. Brady Vice President		2000	147,617	-	-	10,200	
		1999	140,837	35,087		50,000	9,285
		1998	123,469	30,233		50,000	6,750

Ralph E. Bailey	2000	-	-	-	10,000	10,000
President and Chief	1999	-	-	-	10,000	14,603
Executive Officer	1998	-	-	-	10,000	6,833

Scott M. Schecter	2000	200,467	-	-	50,000	10,200
Vice President, Treasurer	1999	190,747	48,020	2,323	50,000	9,600
and Chief Financial	1998	183,189	36,223	2,249	50,000	9,600
Officer						

(1) Mr. Bailey is not an employee of the Company or of Fuel Tech, Inc. Prior to April 30, 1998 Messrs. Argabright and Albanese were employees of Nalco Chemical Company seconded to the Nalco Fuel Tech Joint Venture and the Company bore 50% of the cost of their compensation prior to that date.

(2) Bonus payments for 1998 and 1999 were for participating employees in the Fuel Tech Management Incentive Program; no bonuses were payable for 2000.

(3) With the exception of the options granted to Mr. Bailey which were Non-Qualified Stock Options, the options granted were Incentive Stock Options. The options do not include stock appreciation rights.

(4) The amounts designated "Other Compensation" for Mr. Bailey were directors fees which for 2000 and 1999, respectively, were deferred under the Directors Deferred Compensation Plan as 4,927 and 6,770 Units; and, for Messrs Albanese, Argabright, Brady and Schecter, Company profit sharing and matching contributions to the Fuel Tech, Inc. 401(k) Plan.

Directors' Compensation

The Company provides an annual retainer of \$10,000 payable quarterly in arrears and meeting fees of \$1,000 for days spent on Board or committee meetings in excess of five per year. The Board has generally four regularly scheduled meetings per year. In addition, committee chairmen, both of the Company and Fuel Tech, Inc., are provided an annual retainer of \$2,000. Non-executive directors are entitled under the Company's Directors Deferred Compensation Plan to defer fees in either cash with interest or share equivalent "Units" until fixed dates, including the date of retirement from the Board.

Directors employed by the Company or its subsidiaries receive compensation other than directors fees but receive no compensation for their service as directors. Except for the retainer for committee chairmen and the non-executive options referred to below, Fuel Tech, Inc. directors are not compensated for their service as directors.

Under the non-executive feature of the Company's 1993 Incentive Plan, each non-executive director of the Company or of Fuel Tech, Inc. receives as of the first business day following the annual meeting a Non-Qualified Stock Option award of 10,000 shares for a term of 10 years vesting immediately. In 2000 such 10,000 share options were granted to Messrs. D. G. and R. E. Bailey, de Havilland, Peter-Hoblyn, Schwartz, Selby and Valentine at the exercise price of \$2.344 per share.

Compensation Committee Interlocks and Insider Participation

Mr. R. E. Bailey, who is not an employee of the Company or of Fuel Tech, Inc., is Chairman and Chief Executive Officer of the Company and is a member of the Fuel Tech, Inc. Compensation Committee (the "Committee"). Mr. Argabright is President and Chief Operating Officer of Fuel Tech, Inc. and, as an ex officio member of the Committee, participates in meetings of the Committee but does not vote on Committee actions. Mr. R. E. Bailey is Chairman and a shareholder of ABC and Mr. D. G. Bailey is President, Chief Operating Officer and

an employee and shareholder of ABC, in which relationships they enjoy a direct material interest in the management services fees set forth below under the caption "Management Services Agreement."

OPTION GRANTS IN THE LAST FISCAL YEAR (1)

<u>Name</u>	<u>Number of Shares Underlying Options Granted (#)</u>	<u>% of Total Options Granted to Employees in 1999</u>	<u>Exercise or Base Price (\$/Sh)</u>
Vincent M. Albanese	35,000	8.6%	\$2.0625
Steven C. Argabright	75,000	18.5%	\$2.0625
Ralph E. Bailey	10,000	2.5%	\$2.344
Stephen P Brady	-	-	-
Scott M. Schechter	50,000	12.3%	\$2.0625

<u>Name</u>	<u>Expiration Date</u>	<u>Potential Realizable Value of Assumed Annual Rates of Stock Price Appreciation for Option Term</u>	
		<u>5%</u>	<u>10%</u>
Vincent M. Albanese	2/8/10	\$45,395	\$115,048
Stephen C. Argabright	2/8/10	\$97,275	\$246,532
Ralph E. Bailey	6/26/10	\$14,701	\$37,357
Stephen P. Brady	-	-	-

Scott M.
Schechter

2/8/10

\$64,850

\$164,355

(1) Except the options granted to Mr. Bailey which are immediately exercisable, 50% of the above stock option awards are first exercisable on the second anniversary of grant and 25% of the awards on each of the third and fourth anniversaries of grant. 2000 options were granted on February 8, 2000. The Company has not historically and did not in 2000 grant stock appreciation rights.

**AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FY-END OPTION VALUES**

<u>Name</u>	<u>Shares Acquired on Exercise</u>	<u>Value Realized</u>	<u>Number of Securities Underlying Unexercised Options at Fiscal Year End/ Exercisable</u>	<u>Number of Securities Underlying Unexercised Options at Fiscal Year-End/ Unexercisable</u>
Vincent M. Albanese	5,000	\$3,906	28,750	110,000
Steven C. Argabright	20,000	\$7,031	60,000	125,000
Ralph E. Bailey(1)	-	-	40,000	-
Stephen P. Brady	-	-	25,000	75,000
Scott M. Schechter	-	-	115,000	125,000

<u>Name</u>	<u>Value of Unexercised in-the-Money Options at Fiscal Year-End/ Exercisable</u>	<u>Value of Unexercised in-the-Money Options at Fiscal Year-End/ Unexercisable</u>
Ralph E. Bailey	\$15,310	-
Vincent M. Albanese	-	-
Steven C. Argabright	-	-
Stephen P. Brady	-	-
Scott M. Schechter	-	-

(1) Including for Mr. Bailey warrants not under the Plan to purchase 10,000 shares at \$1.75 per share.

REPORT OF THE BOARD OF DIRECTORS ON EXECUTIVE COMPENSATION

Compensation Policies

The Company's executive compensation policies are to pay competitive salaries and annual incentive compensation, if earned, and to grant stock option awards in appropriate amounts. Competitive salaries are based on Management's knowledge of market conditions supplemented by salary surveys as well as the position of each employee within the business and historical practice. Incentive compensation, intended to encourage performance may be in the form of discretionary bonuses or participation by managers in the Fuel Tech, Inc. Management Incentive Program ("MIP"). Company stock option awards are made to provide a long term incentive to employees and to create a common interest between the employees and its shareholders generally.

Compensation of Executive Officers - 2000

The key components of the Company's executive compensation program during the last fiscal year were base salary, incentive compensation, and stock option awards under the 1993 Plan. Base salaries are fixed by the Board in its discretion based upon historical levels, performance, ranking within the officer group, amounts being paid by comparable companies, and the Company's financial position. Incentive compensation, when earned, are based upon the Company's achievement of a minimum level of performance under annual profit plan and the individual officer's allocated percentage of an amount determined by the Board to be the MIP "pool," if minimum financial performance is achieved. Incentive compensation payments, however, were not made for 2000 as the minimum performance level for 2000 was not achieved. The stock options are designed to provide additional incentives to executive officers to maximize stockholder value. Through the use of vesting periods the option program encourages executives to remain in the employ of the Company. In addition, because the exercise prices of such options are set at the fair market value of the stock on the date of grant of the option, executives can only benefit from such options if the trading price of the Company's shares increases, thus aligning their financial interests with those of the shareholders.

Compensation of Chief Executive Officer - 2000

The Chairman and Chief Executive Officer, Ralph E. Bailey, is not an employee of the Company or of Fuel Tech, Inc. and received directors fees and stock option awards for service in his capacity as a director only. See also the text below under the caption "Management Services Agreement" concerning payments by the Company to American Bailey Corporation.

In 2000, Mr. Argabright, President and Chief Operating Officer of Fuel Tech, Inc., was paid a competitive base salary. A significant portion of Mr. Argabright's annual compensation was, however, to be based on incentive compensation with a target percentage of 40%. The Company, however, did not achieve its profit goals and that incentive compensation was not earned. Stock option awards to Mr. Argabright in 2000 were 75,000 shares.

This report has been prepared by the following members of the Compensation Committee of Fuel Tech, Inc.

D. G. Bailey	R. E. Bailey
N. R. Schwartz	J. R. Selby

This compensation report and the following performance graph shall not be deemed incorporated by reference into any filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates such report.

PERFORMANCE GRAPH

The following line graph compares (i) the Company's total return to shareholders per share of Common Stock from January 1, 1996 through the end of 2000 to that of (ii) the Russell 2000 index, (iii) the Standard and Poors Pollution Control Index and (iv) the NASDAQ Industrial Index.

Here insert performance graph

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Management Services Agreement

Pursuant to a Management Services Agreement of April 30, 1998, as amended, between Fuel Tech, Inc. (FTI) and American Bailey Corporation ("ABC"), ABC will provide management services to FTI and, if requested, the Company. Such management services shall consist of management policy guidance and assistance in the areas of management focus and strategic direction, worldwide marketing strategy and planning, internal accounting and

administrative procedures, management and organizational development, financial analysis, budgeting and working capital management and market analysis, industry trend analysis, and advice regarding power generation and internal combustion engine markets. The fee payable to ABC by FTI for these services is \$125,000 per year from September 1, 1999 through May 1, 2000 and thereafter \$250,000 per year until expiration of the Agreement on April 30, 2002. Ralph E. Bailey is Chairman and Douglas E. Bailey is President and Chief Operating Officer of ABC and both are shareholders of ABC.

Clean Diesel Technologies, Inc. Management Services Agreement

Under an August 3, 1995 Management and Services Agreement with CDT, \$106,000 was paid to the Company by Clean Diesel Technologies, Inc. in 1999 for reimbursement on account of the costs to the Company of administrative, legal and management services. \$66,000 of the 1999 reimbursement was on account of legal services provided by Mr. Grinnell to CDT.

The Company is entitled until 2008 to a royalty of 2.5% per year of CDT's Platinum Fuel Catalyst revenues under assignments of technology from the Company to CDT. CDT may terminate this royalty obligation by payment to the Company of \$8,727,273 in 2001 declining to \$1,090,910 in 2008. To date no royalty payments have been made under the assignments.

The Company has a 21.6% equity ownership interest in CDT. Messrs. Ralph and Douglas Bailey, and de Havilland, Grinnell, Peter-Hoblyn and Valentine are directors of the Company and of CDT.

Employment Agreements

Messrs. Albanese, Argabright, Brady and Schecter have employment agreements with the Company effective January 17, 1994 for Mr. Schecter, March 30, 1998 for Mr. Albanese, February 6, 1998 for Mr. Argabright and February 1, 1998 for Mr. Brady. These agreements are for indefinite terms, provide for disclosure and assignment of inventions to the Company, protection of Company proprietary data, covenants against certain competition against the Company and arbitration of disputes. Under Mr. Brady's agreement, he was paid a "Stay Bonus" of \$180,000 in February 2001, the third anniversary of his employment with the Company, as reimbursement for loss of benefits under a previous employer's defined benefit plan. Under Mr. Schecter's agreement, he is required to provide two months notice on resignation and, if his employment is terminated by the Company for reasons other than "just cause" (as defined in the agreement), the Company must continue Mr. Schecter's then base salary and benefits until he finds other comparable employment but not for a period in excess of one year.

GENERAL

Section 16(a) Beneficial Ownership Reporting Compliance

The Company believes that all reports required to be filed under Section 16(a) of the Securities and Exchange Act of 1934 for the year 2000 were filed. However, filing of reports due for the month of June 2000 were delayed until after the due date for Messrs. D. G. Bailey, R. E. Bailey, de Havilland, Peter-Hoblyn, Selby and Valentine.

Other Business

Management knows of no other matters that may properly be, or are likely to be, brought before the meeting other than those described in this proxy statement.

Shareholder Proposals

If other proper matters are introduced at the Meeting, the individuals named as Proxies on the enclosed Proxy Card will vote in their discretion the shares represented by the Proxy Card. In order to be presented for action at the Meeting, such matters must, under the Articles of the Company, be sent by registered airmail to the Board of Directors in writing postmarked prior to Midnight, June 11, 2000 to the above address of the Company in order to be presented for consideration at the Meeting.

Proposals of shareholders intended for inclusion in the proxy statement and proxy to be mailed to all shareholders entitled to vote at the Annual General Meeting of shareholders to be held in the year 2002 must be received in writing addressed to the Board of Directors at the above address of the Company or to the Secretary at Fuel Tech, Inc., 300 Atlantic Street, Stamford CT 06901 USA on or before December 26, 2000 and, if not received by such date, may be excluded from the proxy materials.

FUEL-TECH N.V.

Charles W. Grinnell
Secretary
April 23, 2000

Schedule I

FUEL-TECH N.V. (PARENT COMPANY) FINANCIAL INFORMATION

Summary financial information for Fuel-Tech N.V. (Parent Company) is as follows:

Balance Sheets

December 31 2000	1999	ASSETS	Current assets: Cash and cash equivalent \$	--	\$	--	Receivable and other current assets	226,000	43,000	Investments in and amounts owed by subsidiaries	17,162,000	17,654,000	Total current assets	\$ 17,388,000	\$ 17,697,000							
LIABILITIES AND SHAREHOLDERS' EQUITY																						
Liabilities																						
Current liabilities: Accounts payable and accrued expenses															\$ 198,000	\$ 92,000	Shareholders' equity	17,190,000	17,605,000	Total liabilities and shareholders' equity	\$ 17,388,000	\$ 17,697,000

Statements of Operations

For the years ended December 31	2000	1999	1998	Loss from operations	\$ (750,000)	\$ (524,000)	\$ (1,017,000)	Interest and other income, net	--	--	13,000	Net loss	\$ (750,000)	\$ (524,000)	\$ (1,004,000)
---------------------------------	------	------	------	----------------------	--------------	--------------	----------------	--------------------------------	----	----	--------	----------	--------------	--------------	----------------

[Here insert Balance Sheet & Statement of Operations of FTNV for 2000]

Schedule II

FUEL-TECH N.V. Audit Committee of the Board of Managing Directors

Charter

The Board of Managing Directors (the "Board") of Fuel-Tech N.V. (the "Company") has established from among its members an Audit Committee (the "Committee") with the composition, responsibilities and duties described below:

Composition

The Committee shall be comprised of not less than that number of independent directors who shall meet the rules of The Nasdaq Stock Market, Inc. from time to time in effect. "Ex Officio" members of the Committee shall not be included in the number of required independent directors. Appointment to the Committee shall not signify that the appointee has special expertise.

Responsibility

The Committee's responsibility is to assist the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company. The Committee is authorized to retain persons having a special competence as necessary to assist the Committee in fulfilling such responsibility. Notwithstanding the terms of this Charter, it shall not be the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements

are complete and accurate and are in accordance with generally accepted accounting principles, that being the responsibility of Management and the Independent Accountant. The Independent Accountant shall be ultimately responsible to the Board and the Committee.

Attendance

At all meetings of the Committee two independent members shall constitute a quorum. As necessary, the Chairman of the Committee may request members of Management and representatives of the Independent Accountant to be present at meetings.

Minutes

Minutes of the meetings of the Committee shall be prepared by the Corporate Secretary, shall be sent to Committee members and to directors who are not Committee members and, after approval by the Committee, shall be kept with the minutes of the meetings of the Board.

Duties

1. Review with Management and the Independent Accountant the Company's policies and procedures, as appropriate, to reasonably assess the adequacy of internal accounting and financial reporting controls.
2. Recommend to the Board the Independent Accountant to be selected, subject to ratification by the shareholders; evaluate the Independent Accountant; approve the compensation of the Independent Accountant; and review and approve any discharge of the Independent Accountant.
3. Receive periodic written statements from the Independent Accountant regarding its independence and delineating all relationships between it and the Company; discuss such reports with the Independent Accountant; and, if the Committee shall so determine, recommend appropriate action to the Board.
4. Review with Management and the Independent Accountant the scope and general extent of the Independent Accountant's audit examinations.
5. Review with Management and the Independent Accountant, upon completion of the annual audit, the Company's financial results for the year prior to public release. Discuss with the Independent Accountant the matters required to be discussed by the Statement on Auditing Standards No. 61 relating to the annual audit.
6. Discuss with the Independent Accountant the quality of the Company's financial accounting personnel, and any relevant recommendations of the Independent Accountant.
7. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement, commencing with the proxy statement for the 2001 Annual meeting.
8. Review this Charter from time to time with a view toward recommending revisions to the Board.
9. Perform such other duties as may be required by law, the Company's Articles of Incorporation or the resolutions of the Board.

Solicited by the Board of Managing Directors

FUEL-TECH N.V.

Annual Meeting of Shareholders - June 12, 2001

The undersigned hereby appoints Ralph E. Bailey, Charles W. Grinnell or Tarma Trust Management N.V., acting singly, with full power of substitution, proxies for the undersigned and authorizes them to represent and vote, as designated on the reverse side, all of the shares of Common Stock of Fuel-Tech N.V. (the "Company") which the undersigned may be entitled to vote at the Annual General Meeting of Shareholders of the Company to be held at the office of the Company, Castorweg 22-24, Curaçao, Netherlands Antilles, at 10:00 a.m. on Tuesday June 12, 2001, and at any adjournments or postponements of the meeting, for the approval of the agenda items set forth below and with discretionary authority as to any other matters that may properly come before the meeting, all in accordance with and as described in the Notice of Meeting and accompanying Proxy Statement. The Board of Directors recommends a vote for election as Managing Director of each of the nominees and of each other agenda item, and, if no direction is given, this proxy will be voted for all nominees and for such other items.

IMPORTANT - TO BE SIGNED AND DATED ON THE REVERSE SIDE

. Fold and Detach Here .

1. To approve the Annual Report of Management of the Company for the year ended December 31, 2000.

FOR AGAINST ABSTAIN

2. To approve the Financial Statements of the Company for the year ended December 31, 2000.

FOR AGAINST ABSTAIN

3. To approve the election as Managing Directors of Douglas G. Bailey, Ralph E. Bailey, John A. de Havilland, Charles W. Grinnell, Jeremy D. Peter-Hoblyn, John R. Selby, Thomas S. Shaw, Tarma Trust Management N.V. and James M. Valentine and to fix their compensation.

FOR all nominees	WITHHOLD
listed above (except	AUTHORITY
as marked to the	to vote for all
contrary)	nominees listed above

(**Instruction:** To withhold authority to vote for any individual nominee, write that nominee's name on the line provided below.)

4. To approve the amendment of the Company's 1993 Incentive Plan to fix from the number of shares available for all awards (now 12½% of outstanding shares) the shares which may be issued subject to Incentive Stock Options at a total of 2 million shares.

5. To approve the appointment Ernst & Young LLP as the independent auditors for the year 2001 and to authorize the Board of Managing Directors to fix their compensation.

FOR AGAINST ABSTAIN

Dated _____, 2001

(Signature of Shareholder)

Please sign exactly as name
appears. If acting as attorney,
executor, trustee or in other
representative capacity, insert
name and title.