

# PROPOSALS OF THE BOARD OF DIRECTORS FOR RESOLUTIONS OF THE 2nd ANNUAL GENERAL MEETING OF FACC AG ON JULY 15, 2016 FOR THE AGENDA ITEMS PURSUANT TO SECTION 108 OF THE STOCK CORPORATION ACT

- 1. Presentation of the approved financial statements including the management report, the consolidated financial statements including the group management report, the corporate governance report, the proposal for the use of the net profit and the report of the Supervisory Board for the fiscal year 2015/16**

No resolution is required in respect of this agenda item.

- 2. Resolution regarding the discharge from liability of the members of the Board of Directors for the fiscal year 2015/16**

In 2016 the following changes in the composition of the Board of Directors occurred: On February 2, 2016 the Supervisory Board of the Company delegated Mr. Yongsheng Wang with immediate effect as interim member to the Board of Directors after revocation of the chief financial officer, Ms. Minfen Gu. Mr. Walter Stephan was revoked as member of the Board of Directors on May 24, 2016, with immediate effect, for good cause.

The Board of Directors proposes that discharge from liability shall not be granted to all members of the Board of Directors for the fiscal year 2015/16.

It has not yet been finally clarified whether and to which extent the directors' and officers' liability insurance (D&O insurance) will cover the damage which the Company has suffered in connection with the Fake President Incident. Precondition for D&O insurance coverage are damage claims of the Company against one or more of its Board members. As long as the damage claims and the insurance coverage are not settled, discharge from liability would be prejudicial and is not recommended for now. Once the investigations relating to the Fake President Incident and the D&O insurance coverage have been completed, the discharge of the members of the Boards for the fiscal year 2015/2016 may be addressed again.

- 3. Resolution regarding the discharge from liability of the members of the Supervisory Board for the fiscal year 2015/16**

The Board of Directors proposes that discharge from liability shall not be granted to all members of the Supervisory Board for the fiscal year 2015/16, namely Mr.

Ruguang Geng, Mr. Jun Tang, Mr. Xuejun Wang, Mr. Chunsheng Yang, Mr. Yanzheng Lei, Mr. Weixi Gong, Mr. Yongsheng Wang, Mr. Gregory B. Peters, Ms. Barbara Huber, Mr. Johann Redhammer, Ms. Ulrike Reiter, Mr. Peter Krohe and Mr. Birol Mutlu.

It has not yet been finally clarified whether and to which extent the directors' and officers' liability insurance (D&O insurance) will cover the damage which the Company has suffered in connection with the Fake President Incident. Precondition for D&O insurance coverage are damage claims of the Company against one or more of its Board members. As long as the damage claims and the insurance coverage are not settled, discharge from liability would be prejudicial and is not recommended for now. Once the investigations relating to the Fake President Incident and the D&O insurance coverage have been completed, the discharge of the members of the Boards for the fiscal year 2015/2016 may be addressed again.

#### **4. Resolution regarding the remuneration of the members of the Supervisory Board for the fiscal year 2015/16**

The Supervisory Board proposes pursuant to section 18 of the articles of association that a total remuneration of EUR 133,100 be granted to the members of the Supervisory Board for the fiscal year 2015/16. The allocation of the total remuneration among the members of the Supervisory Board shall be determined by the Supervisory Board.

The Board of Directors of FACC AG

Ried i.I., June 2016



Robert Machtlinger  
CEO/COO



Wang Yongsheng  
Member of the Board