

PROPOSALS OF THE BOARD OF DIRECTORS FOR THE RESOLUTIONS OF THE 3rd ANNUAL SHAREHOLDERS' MEETING OF FACC AG ON JULY 18, 2017 ON 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 and the report of the Supervisory Board for the fiscal year 2016/17**

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 2016/17**

In the fiscal year 2016/17 the following changes of the Board of Directors occurred: Mr. Walter Stephan was revoked as member of the Board of Directors on May 24, 2016, with immediate effect, for good cause. Mr. Aleš Stárek was appointed as member of the Board of Directors on October 1, 2016. Mr. Yongsheng Wang was delegated to the Board of Directors on February 2, 2016 until November 30, 2016; on October 15, 2016 Mr. Yongsheng Wang was appointed as regular member to the Board of Directors and has not assumed his office as member of the Supervisory Board.

The Board of Directors proposes that discharge from liability shall be granted to Mr. Yongsheng Wang, Mr. Aleš Stárek and Mr. Robert Machtlinger for the fiscal year 2016/17.

The Board of Directors further proposes that discharge from liability shall not be granted to Mr. Walter Stephan. 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.

- 3. Resolution regarding the discharge from liability of the members of the Supervisory Board for the fiscal year 2016/17**

In the fiscal year 2016/17 the following changes of the Board of Directors occurred: Mr. Yongsheng Wang was delegated to the Board of Directors on February 2, 2016

as an interim member until November 30, 2016; on October 15, 2016 Mr. Yongsheng Wang was appointed as regular member to the Board of Directors and has not assumed his office as member of the Supervisory Board. Mr. Gregory B. Peters resigned on May 30, 2016 as member of the Supervisory Board with immediate effect. The shareholder FACC International Company Limited exercised its right to delegate members to the Supervisory Board pursuant to Article 11.2 of the Articles of Association by delegating Mr. He Shengqiang to the Supervisory Board on June 30, 2016. Mr. George Maffeo was appointed by the shareholders' meeting as member of the Supervisory Board on July 15, 2016.

The Board of Directors proposes that discharge from liability shall be granted to all members of the Supervisory Board for the fiscal year 2016/17, namely Mr. Ruguang Geng, Mr. Jun Tang, Mr. Xuejun Wang, Mr. Chunsheng Yang, Mr. Yanzheng Lei, Mr. Weixi Gong, Mr. Gregory B. Peters, Ms. Barbara Huber, Ms. Ulrike Reiter, Mr. Peter Krohe, Mr. Birol Mutlu, Mr. He Shengqiang and Mr. George Maffeo.

4. Resolution regarding the remuneration of the members of the Supervisory Board for the fiscal year 2016/17

Pursuant to section 18 of the Articles of Association of the Company, the Board of Directors proposes that a total remuneration of EUR 177,850 be granted to the members of the Supervisory Board for the fiscal year 2016/17. 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