

PROPOSALS OF THE MANAGEMENT BOARD FOR THE RESOLUTIONS OF THE 5<sup>th</sup> ANNUAL SHAREHOLDERS' MEETING OF FACC AG ON JULY 9<sup>th</sup>, 2019 ON THE AGENDA ITEMS PURSUANT TO SECTION 108 OF THE STOCK CORPORATION ACT

- 1. Presentation of the approved Annual Financial Statements including the Management Report, the Consolidated Financial Statements including the Group Management Report, the separate Non-Financial Report, the Corporate Governance Report and the Report prepared by the Supervisory Board for the fiscal year 2018/19**

No resolution is required in respect of this agenda item.

- 2. Resolution regarding the distribution of profits for the fiscal year 2018/19**

The net profit shown in the annual financial statements of FACC AG as of February 28<sup>th</sup>, 2019 amounts to EUR 22,931,629.49. Thereof EUR 16,063,129.49 shall be carried forward on new account.

The Management Board proposes to distribute dividends of EUR 0,15 per share that is entitled to receive dividends for the fiscal year 2018/19. In total the distributed amount is EUR 6.868.500,00.

The dividends become due on July 17<sup>th</sup>, 2019.

- 3. Resolution regarding the discharge from liability of the members of the Management Board for the fiscal year 2018/19**

In the fiscal year 2018/19 no changes to the Management Board occurred.

The Management Board proposes that discharge from liability shall be granted to Mr. Robert Machtlinger, Mr. Andreas Ockel, Mr. Aleš Stárek and Mr. Wang Yongsheng for the fiscal year 2018/19.

#### **4. Resolution regarding the discharge from liability of the members of the Supervisory Board for the fiscal year 2018/19**

In the fiscal year 2018/19 the following changes of the Supervisory Board occurred:

The tenure of members of the Supervisory Board Mr. Geng Ruguang, Mr. Liu Hao, Mr. Sheng Junqi, Mr. Lei Yanzheng, Mr. Gong Weixi and Mr. George Maffeo ended with the end of the Annual General Meeting held on June 29th, 2018.

Mr. He Shengqiang and Mrs. Li Li resigned on May 28th, 2018 as members of the Supervisory Board effective with the end of the Annual General Meeting held on June 29th, 2018.

The Annual General Meeting held on June 29th, 2018 elected Mr. Geng Ruguang, Mr. Pang Zhen, Mr. Liu Qinghong, Mr. Han Wenbiao, Mrs. Guo Jing, Mr. Sheng Junqi, Mr. Gong Weixi, Mr. George Maffeo for the tenure until the end of the Annual General Meeting deciding on the discharge of the Supervisory Board following on the fourth fiscal years after the election.

The Management Board proposes that discharge from liability shall be granted to all members of the Supervisory Board for the fiscal year 2018/19, namely Mr. Geng Ruguang, Mr. Pang Zhen, Mr. He Shengqiang, Mrs. Li Li, Mr. Lei Yanzheng, Mr. Liu Hao, Mr. Liu Qinghong, Mr. Han Wenbiao, Mrs. Guo Jing, Mr. Sheng Junqi, Mr. Gong Weixi, Mr. George Maffeo, Mrs. Barbara Huber, Mrs. Ulrike Reiter, Mr. Peter Krohe and Mrs. Karin Klee.

#### **5. Resolution on the remuneration of the members of the Supervisory Board for the fiscal year 2018/19**

Pursuant to Sec. 18 of the Articles of Association of the Company, the Management Board proposes that a total remuneration of EUR 275,000 shall be granted to the members of the Supervisory Board for the fiscal year 2018/19, which shall be distributed to the Supervisory Board pursuant to the following criteria: a meeting fee will be granted based on the attendance at meetings. This fee ranges between EUR 2,000 and EUR 2,500 depending on role (chairpersons), responsibility (members of committees), expertise and experience as well as EUR 1,000 to EUR 1.250 (chairperson) for the preparatory work and attendance of the Annual General Meeting and constitutive meetings. As second component and based on the amount of preparatory work and interaction with the Management Board there is a fix payment, which ranges between EUR 25,000 and EUR 37,500 and, where applicable, mandatory taxes.

**6. Resolution regarding the amendment of Art. 26 of the Articles of Association in order to change the fiscal year to the calendar year**

The Management Board proposes to change the fiscal year, currently lasting from March 1<sup>st</sup> to the last day of February of the following year, to the calendar year and to amend the Articles of Association, so that Art. 26 will read as follows:

„Das Geschäftsjahr der Gesellschaft ist das Kalenderjahr. Für den Zeitraum von 1.3.2019 bis 31.12.2019 wird ein Rumpfgeschäftsjahr eingeschoben.“

[Convenience translation: “The fiscal year of the Company shall be the calendar year. The period beginning of March 1<sup>st</sup>, 2019 and ending on December 31<sup>st</sup>, 2019 shall be a short fiscal year.”]

**7. Resolution regarding (i) the creation of new Authorized Capital in return for contributions in cash and/or in kind including the authorization of the Management Board to exclude the statutory shareholders’ subscription rights in full or in part with the consent of the Supervisor Board, thereby replacing the existing Authorized Capital as adopted by the shareholders’ meeting of the Company on June 23<sup>rd</sup>, 2014 and (ii) the corresponding amendment of Art. 4.3 of the Articles of Association**

The Management Board proposes to resolve as follows:

- (i) Resolution regarding the authorization of the Management Board (thereby simultaneously replacing the existing Authorized Capital 2014) to increase the share capital of the Company with the consent of the Supervisory Board within five years following the date of registration of the Authorized Capital 2019 in the Austrian Commercial Register – also in several tranches – by an amount of up to EUR 9,000,000 (Euro nine million) by issuing up to 9,000,000 (nine million) new no-par value shares in return for cash and/or non-cash contributions, with the type of shares, the issue price and the issuing conditions being determined by the Management Board with the consent of the Supervisory Board; furthermore, the Management Board shall be authorized to fully or in part exclude the statutory subscription rights of the shareholders with the consent of the Supervisory Board.
- (ii) Resolution regarding the amendment of Art. 4.3 of the Articles of Association of the Company so that Art. 4.3 will read thereafter as follows:

“Der Vorstand ist ermächtigt, mit Zustimmung des Aufsichtsrates, das Grundkapital der Gesellschaft bis zu fünf Jahre nach Eintragung dieser Satzungsänderung im Firmenbuch – allenfalls auch in mehreren Tranchen – um bis zu EUR 9.000.000 (Euro neun Millionen) durch Ausgabe von bis zu 9.000.000 (neun Millionen) neuen auf Inhaber lautenden Stückaktien gegen Bar- oder Sacheinlagen zu erhöhen, wobei die Art der Aktien, den Ausgabekurs sowie die Ausgabebedingungen vom Vorstand im Einvernehmen mit dem Aufsichtsrat festgesetzt werden (Genehmigtes Kapital 2019).

Der Vorstand ist ferner ermächtigt, mit Zustimmung des Aufsichtsrates das gesetzliche Bezugsrecht der Aktionäre ganz oder teilweise auszuschließen.

Der Aufsichtsrat ist ermächtigt, Änderungen der Satzung, die sich durch die Ausgabe von Aktien aus dem Genehmigten Kapital 2019 ergeben, zu beschließen.”

[Convenience translation: "The Management Board shall be authorized to increase the share capital of the Company with the consent of the Supervisory Board up to five years after registration of this resolution in the commercial register – also in several tranches – by an amount of up to EUR 9,000,000 (Euro nine million) by issuing up to 9,000,000 (nine million) new no-par value shares in return for cash and/or non-cash contributions, with the type of shares, the issue price and the issuing conditions being determined by the Management Board with the consent of the Supervisory Board (Authorized Capital 2019). Furthermore, the Management Board shall be authorized to fully or in part exclude the statutory subscription rights of the shareholders with the consent of the Supervisory Board. The Supervisory Board shall be authorized to resolve on amendments of the Articles of Association resulting from the issuing of shares of the Authorized Capital 2019."]

### **Statement**

The existing authorization of the Management Board to increase the share capital of the Company with the consent of the Supervisory Board – also in several tranches – by an amount of up to EUR 19,895,000 by issuing up to 19,895,000 new no-par value shares in return for contributions in cash and/or in kind, also by excluding the statutory subscription rights of the shareholders, expires on June 24<sup>th</sup>, 2019. To date no use has been made of that authorization. Thus, it is required to create new Authorized Capital.

FACC AG wants to have the continued possibility to take advantage of its market opportunities and expand its leading market position through investments and acquisitions. For financing purposes, the Management Board shall be given an additional option to raise equity. For this reason, the Management Board shall be further authorized,

with the consent of the Supervisory Board, with simultaneous cancellation of the existing authorization, to increase the share capital of the Company by an amount of up to EUR 9,000,000 (Euro nine million) by issuing up to 9,000,000 (nine million) new no-par value shares and with a maximum term of five years from the date on which the amendment to the Articles of Association is registered in the Austrian companies register. The amount of the increase of the Authorized Capital 2019 is substantially lower than the authorized amount of the Authorized Capital 2014.

With regard to the authorization to fully or partially exclude subscription rights, reference is made to the corresponding report of the Company's Management Board, which is expected to be available from June 18<sup>th</sup>, 2019 on the Company's website at <https://www.facc.com/Investor-Relations>. This report will also be available at the annual shareholders' meeting.

**8. Resolution regarding (i) the creation of new Conditional Authorized Capital in return for contributions in cash with the consent of the Supervisor Board, thereby replacing the existing Conditional Authorized Capital as adopted by the shareholders' meeting of the Company on June 23<sup>rd</sup>, 2014 and (ii) the corresponding change of Art. 4.4 of the Articles of Association**

The Management Board proposes to resolve as follows:

- (i) Resolution regarding the authorization of the Management Board to increase the share capital of the Company with the consent of the Supervisory Board within five years following the date of registration of the Conditional Authorized Capital 2019 in the Austrian Commercial Register - also in several tranches - by an amount of up to EUR 3,000,000 (Euro three million) by issuing up to 3,000,000 (three million) new no-par value shares in return for contributions in cash conditioned upon the grant of share options to employees, executives and members of the Management Board of the Company or of one of its affiliated companies.
- (ii) Resolution regarding the amendment of Art. 4.4 of the Articles of Association of the Company so that Art. 4.4 will read thereafter as follows:

“Der Vorstand ist ermächtigt, mit Zustimmung des Aufsichtsrates, bis zu fünf Jahre nach Eintragung dieser Satzungsänderung im Firmenbuch für die Einräumung von Aktienoptionen an Arbeitnehmer, leitende Angestellte und Mitglieder des Vorstandes der Gesellschaft oder eines mit ihr verbundenen Unternehmens das Grundkapital der Gesellschaft – allenfalls auch in mehreren Tranchen - um bis zu EUR 3.000.000 (Euro drei Millionen) durch Ausgabe von bis zu 3.000.000 (drei

Millionen) neuen auf Inhaber lautenden Stückaktien gegen Bareinlagen bedingt zu erhöhen (Genehmigtes Bedingtes Kapital 2019). Die Kapitalerhöhung ist zweckgebunden und darf nur so weit durchgeführt werden, als Inhaber von Optionen aus einem Aktienoptions-Programm der Gesellschaft diese ausüben. Der Vorstand ist ferner ermächtigt, mit Zustimmung des Aufsichtsrates das gesetzliche Bezugsrecht der Aktionäre ganz oder teilweise auszuschließen.

Der Aufsichtsrat ist ermächtigt, Änderungen der Satzung, die sich durch die Ausgabe von Aktien aus dem Genehmigten Bedingten Kapital 2019 ergeben, zu beschließen. Der Aufsichtsrat ist demgemäß insbesondere ermächtigt, die Satzung über die Höhe des Grundkapitals und die Anzahl der Stückaktien zu ändern."

[Convenience translation: "The Management Board shall be authorized to increase the share capital of the Company with the consent of the Supervisory Board up to five years after registration of this resolution in the commercial register – also in several tranches – by an amount of up to EUR 3,000,000 (Euro three million) by issuing up to 3,000,000 (three million) new no-par value shares in return for contributions in cash for the purpose of granting share options to employees, executives and members of the Management Board of the Company or of one of its affiliated companies (Conditional Authorized Capital 2019). The capital increase shall only be effected with respect to holders of stock options under a stock options program of the Company who exercise their options. Furthermore, the Management Board shall be authorized to fully or in part exclude the statutory subscription rights of the shareholders with the consent of the Supervisory Board. The Supervisory Board shall be authorized to resolve on amendments of the Articles of Association resulting from the issuing of shares of the Conditional Authorized Capital 2019. In particular, the Supervisory Board shall be authorized to amend the Articles of Association in respect of the amount of the share capital and the number of no-par value shares."

### **Statement**

The issuance of stock option plans by listed companies is common practice and is anticipated not only by the employees and management but also by the investors. Thus, FACC is required to offer its employees, executives and the management the opportunity to participate in the purchase of shares of FACC.

The issuance of stock options is based on the notion that employees, executives and members of the management board or one of its affiliated companies can significantly enhance the value of the company and thus shall allow such key personnel to participate in the increase in value of the company.

FACC considers implementing a stock option plan as an incentive system in order to tie key personnel to the company on a long-term basis. The shareholding shall enable the key personnel to benefit from the development of FACC and serve as a performance incentive which goes beyond the performance-based compensation. Details of the stock option plan have not yet been determined.

The corresponding report of the Company's Management Board is expected to be available from June 18th, 2019 on the Company's website at <https://www.facc.com/Investor-Relations>. This report will also be available at the annual shareholders' meeting.

The Management Board of FACC AG