

Non-binding English translation of the German original version for convenience purposes only

**Articles of Association of  
STADA Arzneimittel Aktiengesellschaft  
- Bad Vilbel -**

Version as of ~~December 9, 2016~~ June [●], 2018

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## I. GENERAL PROVISIONS

### § 1

*(Name, registered office, term of the company)*

1. The name of the Company is:  
“STADA Arzneimittel Aktiengesellschaft”.
2. The registered office of the Company is in Bad Vilbel.
3. The term of the Company is not limited to a specific period.

### ~~§ 1~~

*(Name)*

~~The name of the Company is:~~

~~STADA Arzneimittel Aktiengesellschaft.~~

~~The registered office of the Company is in Bad Vilbel.~~

~~The term of the Company is not limited to a specific period.~~

### § 2

*(Object of the Company)*

1. The object of the Company is:
  - (a) the development, testing, manufacture, market authorization, marketing, import and export as well as distribution and trading of products of any kind whatsoever (including the related raw materials and semi-finished products) for the worldwide health care market, in particular in the pharmaceutical, biotechnical, chemical and cosmetics industry, medical and laboratory technology, clinic requisites as well as in the dietary food and candy manufacturing industry and also in the vaping sector;
  - (b) the establishment, operation, acquisition as well as the sale of capital interests in companies and business enterprises which are active in the worldwide health care market, in particular in the pharmaceutical, biotechnical, chemical and cosmetics industry, medical and laboratory technology, as well as in the dietary food and candy manufacturing industry and also in the vaping sector;

- (c) the development and rendering of services of any kind whatsoever for the worldwide health care market against remuneration; services without remuneration may also be developed and rendered, in particular for patients and consumers as well as medical/pharmaceutical specialist groups provided that they are of such nature to supplement, promote or support other business enterprises of the Company;
- (d) the procurement, acquisition, disposal of, the taking out or granting of a licence as well as trading in intangible assets as regards the worldwide health care market, in particular software and Internet applications as well as pharmaceutical product marketing authorizations, intellectual property such as trademarks, industrial property rights and co-marketing rights for products, in particular in the pharmaceutical, biotechnical, chemical and cosmetics industry, medical and laboratory technology, clinic requisites as well as in the dietary food and candy manufacturing industry and also in the vaping sector; the Company may also grant licences to pharmacies directly or indirectly via its subsidiaries, pursuant to which they are authorized to assume manufacturing processes for selected products themselves;
  - ~~(a) the development, manufacture and distribution as well as trading of products of any kind whatsoever for the worldwide health care market, in particular, in the pharmaceutical, biotechnical, chemical and cosmetics industry, medical and laboratory technology, clinic requisites as well as in the dietary food and candy manufacturing industry;~~
  - ~~(b) the establishment, operation, acquisition as well as the sale of capital interests in business enterprises which are active in the worldwide health care market, in particular, in the pharmaceutical, biotechnical, chemical and cosmetics industry, medical and laboratory technology, as well as in the dietary food and candy manufacturing industry;~~
  - ~~(c) the development and rendering of services of any kind whatsoever for the worldwide health care market against remuneration; services without remuneration may also be developed and rendered, in particular, for patients and consumers as well as medical/pharmaceutical specialist groups provided that they are of such nature to supplement, promote or support other business enterprises of the Company;~~

- ~~(d) the procurement, acquisition, disposal of, the taking out or granting of a licence as well as trading in intangible assets as regards the worldwide health care market, in particular, software and Internet applications as well as pharmaceutical product marketing authorisations, trademarks, industrial property rights and co-marketing rights for products, in particular, in the pharmaceutical, biotechnical, chemical and cosmetics industry, medical and laboratory technology, clinic requisites as well as in the dietary food and candy manufacturing industry; the Company may also grant licences to pharmacies directly or indirectly via its subsidiaries, pursuant to which they are authorised to assume manufacturing processes for selected products themselves;~~
- (e) the undertaking of all business activities which seems necessary or expedient to serve the object of the Company.

2. The Company is entitled to acquire interests in any manner in similar companies or companies of the same type within Germany and abroad. The Company may establish branches or representative offices.

### **§ 3**

#### *(Financial Year)*

The financial year is the calendar year.

### **§ 4**

#### *(Notices)*

Notices of the Company shall be published in the German Federal Gazette (Bundesanzeiger), unless any other form is prescribed by law.

## II. SHARE CAPITAL AND SHARES

### § 5

*(Share Capital)*

The share capital of the Company amounts to EUR 162,090,344.00 and is divided into 62,342,440 registered shares (no par value shares).

### § 6

*(Authorised and Conditional Capital)*

1. The Executive Board is authorized up until June 5, 2023, contingent on the approval of the Supervisory Board, to increase the share capital of the Company on one or more occasions by up to EUR 81,045,159.00 through the issue of up to 31,171,215 new registered shares with no-par value against contributions in cash and/or in kind (Authorized Capital 2018). Shareholders are entitled to subscription rights as a general rule. The new shares may also be subscribed for by one or more banks or companies defined by the Executive Board in the meaning of Section 186 (5) Sentence 1 German Stock Corporation Act (AktG) subject to the condition that they in turn be offered for subscription to the shareholders (indirect subscription right). Furthermore, the Executive Board, is authorized, contingent each time on the approval of the Supervisory Board, to exclude the statutory subscription rights of the shareholders on one or more occasions in the following cases:  
~~The Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the Company on one or more occasions by 4 June 2018 by up to EUR 77,134,304.00 through the issue of up to 29,667,040 registered shares against contributions in cash and/or in kind. Shareholders are entitled to statutory subscriptions rights. The new shares may also be subscribed for by one or more banks or companies defined by the Executive Board in the sense of section 186, para. 5 sentence 1 of the German Stock Corporation Act subject to the condition that they in turn be offered for subscription to the shareholders (indirect subscription right): The Executive Board shall nevertheless be authorised, with the approval of the Supervisory Board, to exclude the statutory subscription rights of the shareholders in the following cases:~~
  - (a)- to eliminate fractional amounts, where required, for fractional shares;

~~(b)- in the case of capital increases against cash contributions up to an amount that in total does not exceed 10% of the share capital existing at the time this authorization becomes effective or – if this amount is lower – 10% of the share capital existing at the respective time this authorization is exercised, if the issue price of the new shares is not significantly lower than the stock exchange price of already listed shares carrying the same rights within the meaning of Section 203 (1) Sentence 1 and Sentence 2 German Stock Corporation Act (AktG) in conjunction with Section 186 (3) Sentence 4 German Stock Corporation Act (AktG). Shares are to be credited against the above-mentioned 10% limit which are acquired based on an authorization by the General Meeting and are sold during the term of this authorization pursuant to Section 71 (1) No. 8 Sentence 5 German Stock Corporation Act (AktG) in conjunction with Section 186 (3) Sentence 4 German Stock Corporation Act (AktG). Furthermore, shares are to be credited against this limit which are issued for the purpose of servicing bonds with warrants or conversion rights or obligations, to the extent the bonds are issued during the term of this authorization with Section 186 (3) Sentence 4 German Stock Corporation Act (AktG) applying mutatis mutandis under the exclusion of subscription rights;~~  
~~in the case of capital increases against cash contributions up to an amount that in total does not exceed 10 % of the share capital existing at the time this authorization becomes effective or – if this amount is lower – 10% of the share capital existing at the respective time this authorization is exercised, if the issue price of the new shares is not significantly lower than the stock exchange price of already listed shares carrying the same rights within the meaning of section 203, para. 1, sentence 1 and sentence 2, in connection with section 186, para. 3, sentence 4 of the German Stock Corporation Act. Shares are to be credited against the above-mentioned 10 % limit which are acquired due to an authorisation of the Annual General Meeting and are sold during the term of this authorisation pursuant to section 71, para. 1 no. 8 sentence 5 in connection with section 186 para. 3 sentence 4 of the German Stock Corporation Act. Furthermore, shares are to be credited against this limit, which are issued for the purpose of servicing bonds with warrants or conversion rights or obligations, to the extent the bonds are issued during the term of this authorization with section 186, para. 3, sentence 4 of the German Stock Corporation Act applying mutatis mutandis under the exclusion of subscription rights;~~



~~(e) - in the case of capital increases against contributions in kind for granting new shares in the context of business combinations or for the purpose of the direct or indirect acquisition of companies, divisions of companies or participations in companies and for other assets (including loans and other liabilities); in the case of capital increases against contributions in kind for granting new shares in the context of business combinations or for the purpose of the direct or indirect acquisition of companies, divisions of companies or participations in companies and for other assets (including loans and other liabilities);~~

~~(d) - to the extent necessary in order to grant holders or creditors of bonds with warrants or conversion rights or obligations issued, or to be issued by the Company or its Group companies a subscription right to new shares to the extent to which they would be entitled after the exercising of their warrants and/or conversion rights or after fulfilment of any warrant or conversion obligations. to the extent necessary in order to grant holders or creditors of bonds with warrants or conversion rights or obligations issued, or to be issued by the company or its Group companies, a subscription right to new shares to the extent to which they would be entitled after the exercising of their warrants and/or conversion rights or after fulfilment of any option or conversion obligations.~~

~~Shares that exclude the subscription rights of the shareholders which are issued during the term of this authorization against contributions in cash and/or in kind shall not exceed a total share of 20% of share capital of the Company existing at the time the resolution is adopted by the Annual General Meeting.~~

~~The Executive Board is authorized, contingent on the approval of the Supervisory Board, to determine the further content of the share rights, the individual details of the capital increase as well as the conditions of the share issue, in particular the issue price. The Supervisory Board is hereby authorized to adjust the wording of §§ 5 and 6 of the Articles of Incorporation according to the respective utilization of Authorized Capital 2018 and after the expiration of the authorization period. The Executive Board is authorised, with the approval of the Supervisory Board, to determine the further content of the share rights, the individual details of the capital increase as well as the conditions of the share issue in particular the issue price.~~

2. The share capital of the Company is conditionally increased by up to EUR 69,188,340.00 by issuing up to 26,610,900 registered shares ("Conditional Capital 2013"). The conditional capital increase shall be effected only insofar as the holders or creditors of bonds with warrants and/or convertible bonds, participating bonds and/or participation rights with warrants and/or conversion rights or obligations – which the Company or its Group companies issue due to the Annual General Meeting's authorization resolution from June 5, 2013 until June 4, 2018 – exercise their warrants or conversion rights for these bonds, or bond holders that are subject to option or conversion obligations fulfill their option or conversion obligations, as well as in all cases provided the Conditional Capital 2013 is needed in accordance with the terms of the bonds. The issue of new shares shall be carried out subject to the respective option and/or conversion price to be determined in accordance with the aforementioned authorization resolution. The new shares shall share in the profits from the beginning of the financial year for which, as of the issue date, no decision has been made on the appropriation of profits. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of implementing the conditional capital increase.

~~3. The Supervisory Board is authorised both in the case of capital increase by the authorised capital pursuant to section 1 as well as in the case of the realisation of conditional capital increase pursuant to section 2 to adjust the wording of sections 5 and 6, section 1, sentence 1, section 2, sentence 1 of the Articles of Association according to the particular utilisation of the authorised capital and/or conditional capital. This also applies to the adjustment of section 6 of the Articles of Association in the cases of non-utilisation at the expiry of the authorisation.~~

## § 7

### *(Dividend Entitlement)*

If the share capital is increased, the entitlement to a dividend of new shares may be determined in derogation of § 60 German Stock Corporation Act ("*Aktiengesetz – AktG*").

## § 8

### *(Shares)*

1. Shareholders shall not be entitled to demand the issuance of share certificates (§ 10 para. 5 AktG).
2. Shareholders shall inform the Company of any changes of their address and banking account. Notices and requests to the holders of registered shares will be directed at the last given address.

### III. CONSTITUTION OF THE COMPANY

#### A. Executive Board

##### **§ 9**

##### *(Composition)*

1. The Executive Board of the Company shall consist of two or more persons. The number of the members of the Executive Board shall be determined by the Supervisory Board. It may also appoint deputy members of the Executive Board.
2. The Supervisory Board may assign the conclusion and the amendment of the service agreements to a Supervisory Board committee.

##### **§ 10**

##### *(Representation of the Company)*

1. The Company shall be legally represented by two members of the Executive Board or by one member of the Executive Board jointly with a holder of a general commercial power of representation ("*Prokurist*").
2. The Supervisory Board may determine that individual members of the Executive Board are entitled to solely represent the Company.
3. *Prokuristen* are entitled to represent the Company jointly with a member of the Executive Board or another *Prokurist*.

##### **§ 11**

##### *(Management)*

The Executive Board shall manage the Company in accordance with the legal provisions and the provisions of the articles of incorporation. The Executive Board shall adopt its rules of procedure in accordance with legal requirements.

## B. Supervisory Board

### **§ 12**

#### *(Composition)*

1. The Supervisory Board shall consist of 9 members. The composition of members shall arise from the legal requirements.
2. ~~The election is made for a period until the end of the General Meeting which decides on the formal approval for the fourth financial year following the election. The election is made for a period until the end of the Shareholders' Meeting which decides on the discharge of the Supervisory Board from responsibility for the fourth financial year following the election.~~ The financial year in which the election took place shall not be counted.
3. If a member elected by the Shareholders' Meeting resigns before the end of his term of office, by-elections shall be held to replace the resigning member. The term of office of the newly elected member shall run for the remainder of the term of office of the resigning member.
4. The Shareholders' Meeting may, for the Supervisory Board members to be elected by itself, appoint substitute members who will become members of the Supervisory Board, in the order to be determined upon election, if the Supervisory Board members resign before expiration of their term of office. The term of office of the substitute member shall expire at the end of the Shareholders' Meeting in which an election according to section 3 takes place.
5. Resigning members may be re-elected.

### **§ 13**

#### *(Resignation of Office)*

Any member of the Supervisory Board may resign from his office at any time subject to one month's notice by declaration addressed to the chairman of the Supervisory Board, in the event of the chairman resigning, by a declaration addressed to his deputy and immediately informing the Executive Board. The chairman of the Supervisory Board, or in the event of the chairman resigning from office, his deputy may shorten the notice period or waive the notice requirement.

### **§ 13**

~~(Resignation of Office)~~

~~Any member of the Supervisory Board may resign from his office subject to one month's notice by declaration addressed to the chairman or to the Executive Board.~~

**§ 14**

*(Chairman of the Supervisory Board)*

1. Following the Shareholders' Meeting at which all members of the Supervisory Board to be elected by the Shareholders' Meeting have been elected, the Supervisory Board shall, in a meeting held without notice, elect from among its members a chairman and a deputy chairman for the duration of its term of office. If the chairman or his deputy resign from office during the term of office, the Supervisory Board shall immediately hold a by-election to replace the resigning chairman/deputy.
2. The election shall be chaired by the oldest member of the Supervisory Board.

**§ 15**

*(Meetings of the Supervisory Board)*

1. The meetings of the Supervisory Board shall be called in writing, by telefax or by electronic means of communication subject to 14 days' notice by the chairman or his deputy enclosing the agenda. In urgent cases, this period may be shortened and/or the meeting may be called orally or by telephone.
2. The meetings of the Supervisory Board and its committees as a rule shall be by personal attendance. In its rules of procedure, the Supervisory Board may provide that the meetings of the Supervisory Board and its committees may be held by way of telephone or video conference or that individual members of the Supervisory Board may participate by way of telephone or video transmission, provided that in these cases the passing of resolutions may also take place by way of telephone or video conference or video transmission.

~~§ 15~~

~~(Meetings of the Supervisory Board)~~

~~The meetings of the Supervisory Board shall be called in writing subject to 14 days' notice by the chairman or his deputy enclosing~~

~~the agenda. In urgent cases, this period may be shortened and/or the meeting may be called by telephone, telefax or with the aid of other common means of communication (via email).~~

~~The meetings of the Supervisory Board and its committees shall as a rule be by personal attendance. The Supervisory Board may in its rules of procedure provide that in reasonable exceptional cases the meetings of the Supervisory Board and its committees may be held by way of telephone or video conference or that individual members of the Supervisory Board may participate by way of video transmission, provided that in these cases the passing of resolutions may also take place by way of telephone or video conference or video transmission, respectively.~~

## **§ 16**

### *(Resolutions of the Supervisory Board)*

1. Resolutions of the Supervisory Board shall be passed at meetings. Resolutions of the Supervisory Board made in written form, via telephone, telefax or with the aid of other electronic means of communication are permitted. The chairman of the meeting shall determine the voting procedure. For votes cast in writing, by telephone, by telefax or with the aid of other electronic means of communication, paragraphs 2 and 3 shall apply accordingly.
2. The Supervisory Board shall constitute a quorum if in total at least half of the members it comprises participate in the passing of the resolution. Absent members of the Supervisory Board or members not participating in or following the meeting via telephone or video conference or video transmission who cast their vote pursuant to § 16 (1) as well as members abstaining from voting on the resolution shall be deemed to be participating in the passing of the resolution.
3. Resolutions of the Supervisory Board shall be passed by a simple majority of the votes cast. In case of a tie, the chairman of the meeting shall have the casting vote.
4. Minutes of the meetings of the Supervisory Board shall be prepared and shall be signed by the chairman of the meeting. Minutes of the resolutions passed by votes cast in writing, by telephone, telefax or with the aid of other electronic means of communication must be signed by the chairman of the Supervisory Board.
- ~~1. Resolutions of the Supervisory Board shall be passed at meetings. Resolutions of the Supervisory Board made in written form, via tel-~~

~~ephone, telefax or with the aid of other common means of communication (via email) are permitted.~~

- ~~2. The Supervisory Board shall constitute a quorum if at least two thirds of its members, including the chairman or its deputy, are present, or absent members have another member of the Supervisory Board submit their written vote in accordance with § 108 para. 3 sentence 1, 2 German Stock Corporation Act ("Aktengesetz – AktG").~~
- ~~3. Resolutions of the Supervisory Board shall be passed by a simple majority of the votes cast. In case of a tie, the chairman of the meeting shall have the casting vote. The chairman of the meeting shall determine the manner of voting. The provisions of para. 2 and 3 apply accordingly in case of votes cast in writing or by telephone, telefax or with the aid of other common means of communication (via email).~~
- ~~4. Minutes of the meetings of the Supervisory Board shall be prepared and shall be signed by the chairman of the meeting. Minutes on the resolutions passed by votes cast in writing or by telephone, telefax or with the aid of other common means of communication (via email) must be signed by the chairman of the Supervisory Board.~~
5. Meetings of the Supervisory Board shall be held once each calendar quarter and must be held twice each calendar half-year.

## **§ 17**

### *(Committees)*

1. The Supervisory Board is authorised to establish committees from among its members and to lay down their functions and powers in its rules of procedure. To the extent permitted by law, decision-making powers of the Supervisory Board may also be delegated to the committees.
2. Declarations of intent of the Supervisory Board and its committees shall be made in the name of the Supervisory Board by the chairman or, in case of him being prevented, his deputy.

## **§ 18**

### *(Remuneration of the Supervisory Board)*



1. For the relevant past financial year, in addition to reimbursement of expenses, Supervisory Board members receive a) an annual fixed remuneration of EUR 48,000.00, and b) a remuneration based on the long-term success of the Company (long-term variable remuneration) in an amount equal to 0.02% of the average Group earnings before taxes reported in the consolidated financial statements for the respective past three financial years completed. The long-term variable remuneration shall not exceed an annual cap of EUR 48,000.00 and is payable upon the conclusion of the Annual General Meeting that decides upon the approval of the actions of the Supervisory Board for the respective past financial year. If a member leaves the Supervisory Board before the end of the three-year assessment period, the determination of the average concludes as of the year of departure. The chairman of the Supervisory Board receives triple this amount and his deputy twice the amount. In addition, value-added tax is payable on the remuneration.
2. The members of the Supervisory Board shall receive for their activities in a committee of the Supervisory Board for the respective preceding year an annual fixed remuneration of EUR 15,000.00. The chairman of a committee of the Supervisory Board shall receive twice this amount. In addition, value-added tax is payable on the remuneration.
3. Supervisory Board members who were only on the Supervisory Board or a committee for part of the financial year shall be remunerated on a pro-rata basis.

### C. Shareholders' Meeting

#### **§ 19** (Venue)

The Shareholders' Meeting of the Company shall take place at the Company's registered office or in a German city with over 100,000 inhabitants or at the location of a German stock exchange.

#### **§ 20** (Notice)

The Annual General Meeting shall be called by the Executive Board or by the Supervisory Board in accordance with legal requirements.

**§ 21**  
(Attendance)

1. Entitled to attend the Annual General Meeting and to exercise their shareholders' rights are only those shareholders who are registered in the share register of the Company on the date of the Annual General Meeting, and who gave prior notice of their participation in accordance with section 2.
2. The notice of attendance must be delivered to the Company within the legal time period at the address specified for this purpose in the notice calling the shareholders' meeting.
3. The members of the Executive Board and of the Supervisory Board shall attend the Shareholders' Meeting in person. If it is not possible for a member of the Supervisory Board to attend at the place of the Shareholders' Meeting, because he is abroad for an important reason or his residence is long way off, in particular abroad, he may participate in the Shareholders' Meeting by means of audio and video transmission.
4. The voting right may be exercised by proxy. Proxies may also be submitted to the Company electronically as specified by the Executive Board.
- ~~5. The chairman of the meeting is entitled to restrict the shareholders right to pose questions and hold the floor (*Frage- und Rederecht*) in terms of time subject to the following provisions:
  - ~~(a) If, pursuant to the agenda (including minority requests (if any) in accordance with § 122 German Stock Corporation Act), a resolution merely needs to be adopted in relation to issues pertaining to the appropriation of the annual balance sheet profits, formal approval of the acts of members of the Executive Board, formal approval of the acts of members of the Supervisory Board, the election of an auditor and authorisation to acquire own shares or in relation to any of the aforementioned individual agenda items, the chairman of the meeting may limit the shareholders' right to pose questions and hold the floor in terms of time to ensure that the Shareholders' Meeting does not exceed six hours in total. When determining the duration of the Shareholders' Meeting, time lost due to interruptions to the Shareholders' Meeting and due to the speech given by a member of the Executive Board as well as the comments by~~~~

~~the chairman of the meeting prior to the commencement of the general debate, shall not be taken into account.~~

~~(b) If, according to the agenda, (including minority requests (if any) in accordance with § 122 German Stock Corporation Act), a resolution also needs to be adopted in relation to issues other than under letter (a), the chairman of the meeting may limit the shareholders' right to pose questions and hold the floor in terms of time to ensure that the Shareholders' Meeting does not exceed ten hours in total. Letter (a), sentence 2 shall apply mutatis mutandis.~~

~~(c) The chairman of the meeting may set a time limit of 15 minutes per shareholder for asking questions and speaking for each request for leave to speak and, to 10 minutes if at the time of the beginning of his speech at least three other speakers have applied for time. The chairman of the meeting may limit a shareholder's right to pose questions and hold the floor, to which he is entitled in total during the Shareholders' Meeting, to 45 minutes.~~

~~(d) The restrictions of letters (a) to (c) may be stipulated by the chairman at any time, including at the beginning of the meeting.~~

~~(e) The restrictions pursuant to the above letters (a) to (d) are deemed to be fair and reasonable within the meaning of § 131 para. 2 sentence 2 German Stock Corporation Act.~~

~~6. Notwithstanding the right of the chairman of the meeting to restrict the shareholders' right to pose questions and hold the floor in accordance with section 5, the chairman may at 10:30 p.m. on the day of the meeting, order that the debate be concluded and may commence with the casting of votes in relation to the items on the agenda. Upon the ordering of the conclusion of the debate, further questions in relation to the cases set out in sentence 1 are no longer permissible.~~

~~7. The right of the chairman of the meeting to further limit the shareholders' right to pose questions and hold the floor beyond section 5 and 6 in accordance with the statutory provisions or in accordance with other principles recognised by established case law shall remain unaffected by the provisions in section 5 and 6.~~

~~8.5.~~ The Executive Board is authorized to enable shareholders to submit their votes even if they do not attend the Annual General

Meeting via written form or by means of electronic communication (absentee voting). The Executive Board may determine the details of absentee voting.

**§ 22**  
(Chairmanship)

1. The Annual General Meeting shall be chaired by the chairman of the Supervisory Board or a member of the Supervisory Board determined by the chairman. If neither the chairman of the Supervisory Board nor a member of the Supervisory Board determined by him take the chair, the chairman shall be elected by Supervisory Board.
2. The chairman of the meeting may determine an order of the agenda items to be dealt with which differs from the one announced in the agenda. He also determines the manner and form of voting.
3. The chairman of the meeting is entitled to appropriately restrict the shareholders' right to pose questions and hold the floor (*Frage- und Rederecht*) in terms of time. In particular, he may already determine the appropriate time frame for the entire General Meeting, for the debate on the individual agenda items and for individual questions and statements by shareholders at the start or during the General Meeting. In addition to this, the chairman of the meeting may also order the conclusion of the debate as a whole or on individual agenda items to the extent that this is necessary to properly carry out the General Meeting.
- ~~3.4.~~ The Annual General Meeting may be recorded in sound and vision in part or in full. Details shall be prescribed by the Executive Board and, during the Annual General Meeting, the chairman of the meeting. Should public broadcast be planned, the convening notice of the Annual General Meeting shall indicate this and further details.

**§ 23**  
(Resolutions)

1. Resolutions of the Shareholders' Meeting shall be passed by simple majority of the votes cast, provided there is no mandatory legal provisions of the German Stock Corporation Act ("*Aktiengesetz – AktG*") to another effect. As far as the German Stock Corporation Act ("*Aktiengesetz – AktG*") requires, in addition, a majority of the share capital represented at the time the resolution is passed, a

simple majority of the capital represented shall be sufficient, to the extent that this is legally possible. In case of a tie, a motion shall be deemed denied.

2. If during an election the first round of voting fails to produce a simple majority, a second restricted round of voting shall take place between the two candidates who received the highest number of votes; this run-off vote shall also take place even if there were only two candidates standing for election in the first round of voting. In the restricted round of voting, the highest number of votes (relative majority), or in the event of a tie, the lot drawn by the chairman of the meeting shall win.~~If during election the first voting fails to result in a majority, a second restricted voting shall take place between the two candidates who received the highest number of votes. In case of a tie, the election shall be decided by lot drawn by the chairman of the meeting.~~

**§ 24**  
(*Voting rights*)

Each registered share shall grant one vote at the Shareholders' Meeting.

#### IV. ADVISORY BOARD

##### § 25

##### (Advisory Board)

1. The Company has an Advisory Board. It shall support the Executive Board and may make recommendations and suggestions. This shall be without prejudice to the statutory rights of the Supervisory Board.
2. The Executive Board shall adopt rules of procedure for the Advisory Board.

##### ~~§ 25~~

##### ~~(Advisory Board)~~

- ~~1. The Company has an Advisory Board. It shall support the Executive Board and the Supervisory Board in its functions and assist with advice. It may give recommendations and suggestions to the Executive Board and the Supervisory Board. The legal rights of the Supervisory Boards remain unaffected.~~
- ~~2. The members of the Advisory Board shall serve as proxies in the Shareholders' Meeting for shareholders who do not want to exercise their rights in the Shareholders' Meeting in person. For this purpose, the Company shall send a form to delegate the voting rights along with the convening notice to the Shareholders' Meeting.~~
- ~~3. The Supervisory Board shall adopt rules of procedure for the Advisory Board.~~

##### § 26

##### (Composition, Meetings of the Advisory Board)

1. The members of the Advisory Board shall be appointed by the Executive Board for a period of two years.
2. The Advisory Board shall elect amongst its members a chairman and a deputy chairman. The chairman, in case of him being prevented, his deputy, shall call a meeting of the Advisory Board enclosing the agenda and shall chair the meeting.
3. The Advisory Board shall meet at least twice a year.

##### ~~§ 26~~

##### ~~(Meetings of the Advisory Board)~~

~~1. The Advisory Board shall elect amongst its members a chairman and a deputy chairman. The chairman, in case of him being prevented, his deputy, shall call a meeting of the advisory board enclosing the agenda, and shall chair the meeting.~~

~~2. The chairman of the Supervisory Board, in case of him being prevented, his deputy, are obliged to attend the meetings of the Advisory Board or to delegate another member of the Supervisory Board to the meeting.~~

~~3. The Advisory Board shall convene to meetings at least twice a year.~~

#### ~~§ 27~~

#### ~~(Appointment)~~

~~1. The members of the Advisory Board shall be appointed by the chairman of the Supervisory Board on a proposal of the Executive Board and the Supervisory Board.~~

~~2. The members of the Advisory Board shall be appointed for a period of five years.~~

## V. ANNUAL FINANCIAL STATEMENTS AND DISTRIBUTION OF PROFITS

### § 278

#### *(Annual Financial Statements)*

1. Within the first three months of the financial year, the Executive Board must prepare the annual financial statements and the management report for the preceding financial year and submit them to the auditor. Immediately after receipt of the auditor's report, the Executive Board must submit the annual financial statement, the management report, the auditor's report and the proposal for appropriation of the balance sheet profit to the Supervisory Board.
2. The Shareholders' Meeting which is held each year within the legal time period of eight months to accept the approved annual financial statements and the management report or to approve the annual financial accounts, and to resolve on the appropriation of the balance sheet profit, also resolves on the discharge of the Executive Board and the Supervisory Board from responsibility and the appointment of the auditor.
3. Each shareholder shall have access to the annual financial statements, the management report and the proposal for appropriation of the balance sheet profit together with the report of the Supervisory Board in accordance with legal requirements.

### § 289

#### *(Statutory Reserves)*

An amount corresponding to the 20th part of the net income for the year, after deducting any loss carried forward from the previous year, shall be appropriated to the statutory reserves, as long as the statutory reserves and the capital reserves together have not reached or again reached 50 per cent. of the share capital pursuant to § 272 para. 2 No. 1-3 HGB.



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**§ 2930**  
(*Earnings Reserves*)

1. If the Shareholders' Meeting approves the annual financial statements, half of the net income for the year shall be appropriated to other earnings reserves. Amounts to be appropriated to the statutory reserves and any loss carried forward are to be deducted in advance from the net income for the year.
2. If the Executive Board and the Supervisory Board approve the annual financial statements, they may appropriate amounts up to half of the net income for the year to other earnings reserves. The Executive Board and Supervisory Board are also authorised to appropriate up to 50 per cent of the net income for the year, provided that the other earnings reserves do not exceed half of the share capital and that they would not exceed half of the share capital following the appropriation. Section 1 sentence 2 applies accordingly.

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**§ 304**  
(*Balance Sheet Profit*)

1. The Shareholders' Meeting shall resolve on the appropriation of the balance sheet profit taking into account additional expenditure resulting from the resolution on the appropriation of the balance sheet profit.
2. The balance sheet profit resulting from the annual financial statements after deduction of depreciations, value adjustments, provisions and reserves, shall be distributed among the shareholders unless the Shareholders' Meeting resolves to appropriate it in another manner.

## VI. FINAL PROVISIONS

### § 312

*(Amendments to Articles of Association)*

The Supervisory Board is authorised to resolve on amendments and additions to the Articles of Associations which relate only to their wording.

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STADA Arzneimittel Aktiengesellschaft  
Stadastraße 2 - 18  
61118 Bad Vilbel  
Germany  
Phone +49 (0)6101 603-0  
Fax +49 (0)6101 65295