



**Invitation
to the 2018 Annual General Meeting**

STADA Arzneimittel AG
Bad Vilbel

WKN 725180
ISIN DE0007251803

We hereby invite shareholders of our Company to the

**Annual General Meeting
to be held on June 6, 2018 at 10.00 a.m. (CEST)**

in the

**Congress Center Messe Frankfurt,
Congress Floor C2, Room Harmonie,
Ludwig-Erhard-Anlage 1,
60327 Frankfurt am Main,
Germany.**

Agenda

Item 1 on the agenda

Submission of the adopted annual financial statements of STADA Arzneimittel AG and the consolidated financial statements for the year ending December 31, 2017, the Combined Management Report for STADA Arzneimittel AG and the Group, the Combined Separate Non-Financial Report for STADA Arzneimittel AG and the Group, the explanatory report of the Executive Board regarding the statements pursuant to Section 289a (1) and Section 315a (1) of the German Commercial Code (Handelsgesetzbuch – HGB) as well as the report of the Supervisory Board for financial year 2017

On March 8, 2018, the Supervisory Board approved the annual financial statements and the consolidated financial statements prepared by the Executive Board. The annual financial statements were thus adopted pursuant to Section 172 German Stock Corporation Act (Aktiengesetz – AktG). In accordance with the law, no resolution of the General Meeting has to be passed on Agenda Item 1. The documents for Agenda Item 1 will be made available to shareholders on the Internet at www.stada.com/agm2018 as of the date of the publication of the convening notice of the General Meeting. They will also be displayed for inspection at the General Meeting and be described in more detail.

Item 2 on the agenda

Resolution on the appropriation of the balance sheet profits

The Executive Board and the Supervisory Board propose the balance sheet profits of financial year 2017 in the amount of EUR 61,268,491.05 be allocated as follows:

1. Dividend distribution of EUR 0.11 per share entitled to dividend (62,258,129 existing shares entitled to dividend)	EUR 6,848,394.19
2. Profit carried forward to new account	<u>EUR 54,420,096.86</u>
Balance sheet profits	EUR 61,268,491.05

The amounts stated for the total dividend and the amount to be carried forward are based on the dividend-entitled shares as of the date of the allocation proposal. Pursuant to Section 71b German Stock Corporation Act (AktG), the Company's treasury shares are not dividend-entitled. If the number of dividend-entitled shares changes before the date of the General Meeting, the General Meeting shall be submitted an accordingly adjusted proposal on the allocation of the profits. This proposal will provide for an unchanged distribution of EUR 0.11 per dividend-entitled share as well as a correspondingly adjusted pay-out and amount to be carried forward.

Pursuant to Section 58 (4) Sentence 2 German Stock Corporation Act (AktG), the dividend entitlement is due on the third business day following the resolution by the General Meeting, i.e. on June 11, 2018.

Item 3 on the agenda

Resolution formally approving the activities of the members of the Executive Board for financial year 2017

- a) The Executive Board and the Supervisory Board propose that formal approval of the activities of Dr. Matthias Wiedenfels who was in office as member of the Executive Board in financial year 2017 be postponed.

- b) The Executive Board and the Supervisory Board propose that formal approval of the activities of Mr. Helmut Kraft who was in office as member of the Executive Board in financial year 2017 be postponed.
- c) The Executive Board and the Supervisory Board propose that formal approval of the activities of Mr. Engelbert Coster Tjeenk Willink who was in office as member of the Executive Board in financial year 2017 be granted.
- d) The Executive Board and the Supervisory Board propose that formal approval of the activities of Dr. Bernhard Düttmann who was in office as member of the Executive Board in financial year 2017 be granted.
- e) The Executive Board and the Supervisory Board propose that formal approval of the activities of Dr. Claudio Albrecht who was in office as member of the Executive Board in financial year 2017 be granted.
- f) The Executive Board and the Supervisory Board propose that formal approval of the activities of Mr. Mark Keatley who was in office as member of the Executive Board in financial year 2017 be granted.
- g) The Executive Board and the Supervisory Board propose that formal approval of the activities of Dr. Barthold Piening who was in office as member of the Executive Board in financial year 2017 be granted.

The General Meeting is to take separate votes on each agenda item 3 lit. a) to lit. g).

Item 4 on the agenda

Resolution formally approving the activities of the members of the Supervisory Board for financial year 2017

The Executive Board and the Supervisory Board propose to approve the activities of the members of the Supervisory Board, who were acting in financial year 2017, for financial year 2017.

The General Meeting is to take separate votes on the formal approval of the activities of the members of the Supervisory Board for each member.

Item 5 on the agenda

Resolution on the election of the auditor and Group auditor for financial year 2018 and the auditor for a possible audit review of the 6-month financial report for the first six months of financial year 2018

The Supervisory Board proposes, based on the recommendation of its Audit Committee, that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed as the auditor and Group auditor for financial year 2018 and as the auditor for a possible audit review of the 6-month financial report for the first six months of financial year 2018.

Item 6 on the agenda

Resolution on the new election of members to the Supervisory Board

Upon completion of the Annual General Meeting on June 6, 2018, the term of office of Dr. Eric Cornut, who was elected as a shareholder representative to the company's Supervisory Board by the Annual General Meeting on August 26, 2016, will end. Upon completion of the Annual General Meeting on June 6, 2018, the terms of office of Dr. Günter von Au, Jan-Nicolas Garbe, Benjamin Kunstler, Bruno Schick and Dr. Michael Siefke, who the Local Court (*Amtsgericht*) of Frankfurt am Main appointed as members of the Company's Supervisory Board as shareholder representatives by its decision on

September 26, 2017 with immediate effect, will also end. Therefore, a new election to the Supervisory Board is required.

Pursuant to Sections 96 (1), 101 (1) of the German Stock Corporation Act (AktG), Sections 1 (1) No. 1, 4 (1) of the German One-Third Participation Act (Drittelbeteiligungsgesetz – DrittelbG) and Section 12 (1) of the Articles of Incorporation, the Supervisory Board is composed of a total of nine members. Six of these members are elected by the General Meeting.

The Supervisory Board nominations below are based on the recommendations issued by its Nomination Committee and take into account the objectives adopted by the Supervisory Board for its composition pursuant to Section 5.4.1 (2) of the German Corporate Governance Code and aim to comply with the competencies profile developed by the Supervisory Board for the body as a whole. The objectives and competencies profile were adopted by the Supervisory Board at its meeting on December 1, 2017. Further information on this, including its implementation status is contained in the combined Corporate Governance Report and Corporate Governance Declaration, available on the Internet at www.stada.com/agm2018 as part of the Annual Report.

The Supervisory Board proposes the following candidates cited under lit. a) to f) for election as shareholder representatives to the Company's Supervisory Board with effect as of the end of the General Meeting on June 6, 2018 until the completion of the General Meeting deciding on the formal approval of the board's activities for the fourth financial year after the start of the term of office. The financial year in which the term of office begins does not count towards this.

Title, name	Profession	Place of residence
a) Dr. Günter von Au	Vice President of the Board of Directors of Clariant AG, Muttenz (Switzerland)	Munich
b) Dr. Eric Cornut	Independent Consultant	Binningen (Switzerland)
c) Jan-Nicolas Garbe	Investment Manager at Cinven GmbH, Frankfurt am Main	Frankfurt am Main
d) Benjamin Kunstler	Managing Director at Bain Capital Europe LLP, London (Great Britain)	London (Great Britain)
e) Bruno Schick	Managing Director at Cinven GmbH, Frankfurt am Main	Frankfurt am Main
f) Dr. Michael Siefke	Managing Director at Bain Capital Private Equity Beteiligungsberatung GmbH, Munich	Gräfelfing

The General Meeting is to take separate votes on the new election of members to the Supervisory Board.

Pursuant to Section 5.4.3 Sentence 3 of the German Corporate Governance Code, we hereby announce that in the event of election by the General Meeting, Dr. von Au is to be proposed as candidate for the chairmanship of the Supervisory Board.

Dr. Michael Siefke and Bruno Schick in particular have expertise in the fields of accounting and auditing in the meaning of Section 100 (5) German Stock Corporation Act (AktG) as a result of their qualifications and professional experience.

In accordance with Section 5.4.1 (5) of the German Corporate Governance Code, the Supervisory Board has satisfied itself that the nominated candidates will be able to devote the expected amount of time required for their duties.

Additional information regarding Agenda Item 6 pursuant to Section 125 (1) Sentence 5 German Stock Corporation Act (AktG)

The candidates nominated under Agenda Item 6 for the Supervisory Board are respectively members of the companies of a statutory supervisory board listed under (i) or, members of a commercial enterprise of a comparable domestic or foreign supervisory body listed under (ii) below:

Dr. Günter von Au

(i)

- Member of the Supervisory Board, Bayernwerk AG, Regensburg
- Chairman of the Supervisory Board, CeramTec Holding GmbH, Plochingen
- Chairman of the Supervisory Board, Synlab International GmbH, Munich

(ii)

- Vice President of the Board of Directors, Clariant AG, Muttenz (Switzerland)

Dr. Eric Cornut

(i)

none

(ii)

- Member of the Consiglio d'amministrazione of Menarini A. Menarini Industrie Farmaceutiche Riunite Srl, Florence (Italy)
- Member of the Board of Directors, Helsinn Healthcare AG, Pazzallo-Lugano (Switzerland)

Dr. Michael Siefke

(i)

none

(ii)

- Member of the Advisory Board, Pacific (BC) TopCo Limited (Holding of MSX International), Colchester (Great Britain)
- Chairman of the Advisory Board, Wittur Holding GmbH, Wiedenzhausen

Jan-Nicolas Garbe, Benjamin Kunstler and **Bruno Schick** are neither members of other statutory supervisory boards nor of comparable domestic or foreign supervisory bodies of commercial enterprises.

Additional information relating to Agenda Item 6 pursuant to Section 5.4.1 (6 – 8) of the German Corporate Governance Code

Jan-Nicolas Garbe is Investment Manager at Cinven GmbH, Frankfurt am Main.

Benjamin Kunstler is Managing Director at Bain Capital Europe LLP, London.

Bruno Schick is Managing Director at Cinven GmbH, Frankfurt am Main.

Dr. Michael Siefke is Managing Director at Bain Capital Private Equity Beteiligungsberatung GmbH, Munich.

Certain companies of the Sixth Cinven Fund and Bain Capital funds jointly indirectly control the majority shareholder of STADA Arzneimittel AG, Nidda Healthcare GmbH. Cinven GmbH and/or Bain Capital Europe LLP and Bain Capital Private Equity Beteiligungsberatung GmbH advise the respective funds.

In the estimation of the Supervisory Board, **Dr. Günter von Au** and **Dr. Eric Cornut** have no personal or business relationship with STADA Arzneimittel AG or its affiliated companies, the executive

bodies of STADA Arzneimittel AG or a controlling shareholder of STADA Arzneimittel AG which would require disclosure under Section 5.4.1 of the German Corporate Governance Code.

Pursuant to Section 5.4.2 of the German Corporate Governance Code, it is hereby declared that in light of the ownership structure and STADA Arzneimittel AG's dependence on its majority shareholder Nidda Healthcare GmbH, the Supervisory Board deems it appropriate if two shareholder representatives are independent. In the view of the Supervisory Board, Dr. Günter von Au and Dr. Eric Cornut would be deemed independent shareholder representatives in the meaning of Section 5.4.2 of the German Corporate Governance Code.

CVs of the nominated candidates are annexed to the Agenda in this invitation and are also available on the Internet at www.stada.com/agm2018.

Item 7 on the agenda

Resolution on the creation of new Authorized Capital 2018, the authorization to exclude shareholders' subscription rights and corresponding modification of the Articles of Incorporation

§ 6 (1) of the Company's Articles of Incorporation authorizes the Executive Board, contingent on the approval of the Supervisory Board, to increase the share capital of the Company on one or more occasions up until June 4, 2018, by up to EUR 77,134,304.00 through the issue of up to 29,667,040 registered shares with no-par value in exchange for contributions in cash and/or in kind. To date, this authorization has not been made use of. As this authorization is set to expire on June 4, 2018, a new authorized capital should be created (Authorized Capital 2018) to continue to give the company sufficient room for action and in turn the necessary flexibility for its financing. The new Authorized Capital 2018 is to be created in the amount of EUR 81,045,159.00 and is to be able to be exercised up until June 5, 2023.

When utilizing the Authorized Capital 2018, the shareholders are generally to be entitled to subscription rights; however, the Executive Board should be authorized to exclude shareholders' subscription rights for certain purposes with the approval of the Supervisory Board.

The Executive Board and the Supervisory Board therefore propose that the following resolution be adopted:

- a) The Executive Board shall be hereby 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 in exchange for contributions in cash and/or in kind (Authorized Capital 2018). Shareholders shall be generally entitled to subscription rights. 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 shall be authorized, contingent on the approval of the Supervisory Board, to exclude the statutory subscription rights of the shareholders once or on multiple occasions in the following cases:
- to eliminate fractional amounts, where required;
 - 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 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 to be 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 contributions in kind for granting new shares in the context of business combinations or for the purposes of direct or indirect acquisition of companies, divisions of companies or participations in companies or other assets (including loans and other liabilities);
- 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.

The Executive Board shall be hereby 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 the conditions of the share issue, in particular the issue price. The Supervisory Board shall be hereby authorized to adjust the wording of § 5 and § 6 of the Articles of Incorporation according to the respective utilization of the Authorized Capital 2018 and after the expiration of the authorization period.

- b) § 6 (1) of the Articles of Incorporation shall be amended and read as follows:

"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:

- to eliminate fractional amounts, where required;
- 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 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);
- 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.

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."

c) § 6 (3) of the Articles of Incorporation shall be rescinded.

Report by the Executive Board pursuant to Section 203 (2) Sentence 2 German Stock Corporation Act (AktG) in conjunction with Section 186 (4) Sentence 2 German Stock Corporation Act (AktG) on Agenda Item 7 (Resolution on the creation of new Authorized Capital 2018, the authorization to exclude shareholders' subscription rights and corresponding modification of the Articles of Incorporation)

"The proposal under Agenda Item 7 to authorize the Executive Board up until June 5, 2023, contingent on the approval of the Supervisory Board, to increase the Company's share capital once or on multiple occasions by up to EUR 81,045,159.00 by issuing up to 31,171,215 new registered shares with no-par value against contributions in cash and/or in kind (Authorized Capital 2018), is designed to enable the Company to respond quickly to emerging financing requirements or acquisition opportunities in connection with the implementation of strategic decisions. Here, the availability of financing instruments being non-contingent on the set schedule of the Annual General Meeting is extremely important, as the time at which funds need to be secured cannot always be predicted in advance. Given the competition from other companies, such transactions can often only be completed successfully if secured financing instruments are already available at the start of negotiations. The legislator has recognised this need arising for companies and has granted stock corporations the option of authorizing the company administration, for a limited time and for a limited amount, to raise the share capital without requiring an additional resolution by the General Meeting. The

management therefore proposes that the General Meeting grant such an authorization for an amount of almost up to the statutory maximum of 50% of the nominal share capital.

If the Authorized Capital 2018 is utilized, shareholders are generally entitled to a subscription right. This allows all shareholders to participate in a capital increase in proportion to the size of their stake and to maintain both their level of influence in terms of voting rights as well as the relative size of their stake in the Company. This also applies in particular if the new shares are not offered directly to the shareholders for subscription but through the intermediary of one or multiple banks and they are obliged to offer the shares assumed to the shareholders for subscription via an indirect subscription right. The proposed resolution therefore sets forth an according provision on this. In addition to this, as customary, the proposed resolution sets forth that when utilizing the Authorized Capital 2018, the Executive Board shall be authorized, contingent on the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain cases.

1. The Executive Board is to be authorized, contingent on the approval of the Supervisory Board, to exclude fractional amounts from shareholders' subscription rights. This is necessary in order to be able to have a technically feasible subscription ratio and in turn to facilitate the processing of the shareholders' subscription rights. The unassigned fractional shares excluded from the shareholders' subscription rights will be used in the best possible way. The possible dilution effect is low due to the limitation to fractional amounts. If rounded subscription ratios are possible without complication, these fractional amounts will not be excluded from shareholders' subscription rights. For these reasons, the Executive Board and Supervisory Board consider the exclusion of subscription rights to be objectively justified and reasonable for shareholders.
2. 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 at which this authorization becomes effective or – if this amount is lower – 10% of the share capital existing at the respective time this authorization is exercised, subscription rights should be able to be excluded if the issue price of the new shares is not significantly lower than the stock market price of the already listed shares carrying the same rights in 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).

The Executive Board, contingent on the approval of the Supervisory Board, shall keep any discount on the current stock exchange price as low as possible.

In total, the subscription rights exclusion must not exceed either 10% of the share capital existing at the time this authorization becomes effective or – if this amount is lower – 10% of the existing share capital at the respective time this authorization is exercised. Treasury shares sold during the term of this authorization with Section 186 (3) Sentence 4 German Stock Corporation Act (AktG) applying mutatis mutandis must be credited against the 10% limit. In addition to this, shares issued for the purpose of servicing bonds with warrants or conversion rights or obligations must be credited against the 10% limit if 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 exclusion of the subscription rights.

This is designed to enable the Company to take advantage of favourable stock-market situations that emerge at short notice and, by setting a price close to that of the market, to also attain an issue price which is as high as possible, in turn boosting equity to the greatest extent possible. Past experience shows that a capital increase of this kind tends to lead to a higher inflow of funds than a comparable capital increase with shareholders' subscription rights thanks to the ability to act quickly. This is therefore in the vested interests of the Company and the shareholders. Whilst it is true that this leads to a lower relative proportion of shares and a lower relative share of voting rights for the existing shareholders, shareholders who wish to maintain their relative proportion of shares and their relative share of voting rights have the opportunity to acquire the requisite number of shares on the stock exchange.

3. In case of capital increases against contributions in kind, subscription rights should be able to be excluded, in particular in order to be able to offer the Company's new shares in the scope of company mergers or the direct or indirect acquisition of companies, company divisions, company participations or other assets. The Company intends to continue to boost its

competitiveness through acquisitions and in doing so to enable long-term and continuous gains in profitability. The Company should be given the opportunity to be able to react quickly and flexibly on national and international markets to advantageous offers or any other opportunities for company mergers or the acquisition of companies, divisions of companies or participations in companies or any other assets. Often negotiations result in a need to provide shares as a consideration and not (just) cash. This is better for the Company's liquidity. It is true that the exclusion of subscription rights lowers the relative size of the stake in the Company and the relative share of voting rights held by existing shareholders. But if subscription rights were granted, the merger or acquisition of companies, company divisions, participations in companies or other assets in exchange for shares would not be possible, and it would not be possible to secure the advantages this entailed for the Company and its shareholders.

It should also be possible to exclude subscription rights in order to introduce loans or other liabilities as a contribution in kind to the Company. In terms of the balance sheet, this constitutes a conversion of debt into equity and as such an improved equity base. The improved financial structure of the Company this entails is potentially in the Company's interest. If the contribution in kind is to be made by the Company's shareholders, when examining whether the exclusion of subscription rights is reasonable, the possibility of carrying out a hybrid cash and in-kind capital increase which all shareholders can participate in can be considered.

The Executive Board will only utilize the authorization to increase capital in kind whilst excluding subscription rights from the Authorized Capital if the value of the new shares and the value of the contribution in kind are in reasonable proportion to one another. Here, the issue price of the shares to be issued should generally be based on the stock market price. This thus avoids a financial disadvantage for the shareholders excluded from the right of subscription.

4. Finally, subscription rights should be able to be excluded to the extent that holders of bonds with warrants or conversion rights and/or obligations issued by the Company or its Group companies are granted a subscription right to new shares in line with the respective conditions of issue. In order to facilitate their

placement on the capital market, the terms and conditions of bonds with warrants and conversion rights and/or obligations usually contain a provision to protect against dilution which ensures that holders or creditors of the bonds with warrants and conversion rights and/or obligations have the same right to subscribe to shares as shareholders do in the event of shares being issued subsequently. This means the subscription rights holders are treated as if they had exercised their subscription rights and were shareholders. In order to provide the issuances in question (bonds with warrants and conversion rights and/or obligations) with this kind of dilution protection, the subscription right of shareholders to these shares has to be excluded. This serves to facilitate the placing of the bonds or to place them at better conditions and in turn serves the interest of the shareholders in securing the best financing structure for their company.

The Executive Board will carefully check in each individual case whether it will exercise the authorization to increase capital whilst excluding shareholders' subscription rights. It will only make use of this option and the Supervisory Board will only grant its approval if after due examination and assessment by the Executive Board and the Supervisory Board this is in the interests of the Company and as such its shareholders.

The Executive Board will report on each utilization of the Authorized Capital at the respective next General Meeting."

This report by the Executive Board pursuant to Section 203 (2) Sentence 2 German Stock Corporation Act (AktG) in conjunction with Section 186 (4) Sentence 2 German Stock Corporation Act (AktG) shall be made available to the shareholders on the Internet at www.stada.com/agm2018 as of the publication of the convening notice of the General Meeting. The report will also be made available at the General Meeting for inspection.

Resolution on further amendments to the Articles of Incorporation

Since 2010, the Company's Articles of Incorporation have gone largely unchanged. The few amendments made since have dealt merely with occasional changes to the text of the Articles of Incorporation, for instance the rescinding of the restricted transferability of registered shares in the Company in 2016.

In practice, however, when working with the existing version of the Articles of Incorporation individual passages have been identified which in light of market standards could be improved so as to carefully further develop the text of the Articles of Incorporation. This involves clarifications, editorial changes and harmonization of existing provisions. To keep the Articles of Incorporation – which constitute a fundamental set of rules for the Company – legally watertight, modern and appropriately short in the future, too, they are to be revised and updated where this is necessary and in the interests of the Company.

The proposed further changes to the Articles of Incorporation concern the following points:

- **§ 1 of the Articles of Incorporation**
The content of § 1 of the Articles of Incorporation goes beyond the mere name of the Company. For the sake of accuracy and clarity, after the word "name", a comma and the words, "registered office, term of the Company" should be added in the title of § 1 of the Articles of Incorporation. Furthermore there will be systematic segmentation thanks to the use of paragraphs.
- **§ 2 (1) lit. a) to d) of the Articles of Incorporation**
For specification and clarification, some of the wording is to be amended and the business activities are to include the term vaping.
- **§ 12 (2) Sentence 1 of the Articles of Incorporation**
For greater linguistic clarity, in the German version, the word "bestimmt" is to be replaced by "beschließt" [this change is not required in the English convenience translation].

- **§ 13 of the Articles of Incorporation**
To date, § 13 of the Articles of Incorporation sets forth alternatives for whom to address a resignation to in the event of a member of the Supervisory Board resigning from office. At the same time there is no provision for reducing the period of notice of one month for the resignation or for waiving it altogether, which would enable more flexible treatment and an appropriate response to individual circumstances, however. Furthermore, concentrating the responsibility for receiving a declaration of resignation with the chairman of the Supervisory Board on the one hand and the modification of the period of notice requirements on the other is appropriate.

- **§ 15 of the Articles of Incorporation**
In the future it should also be set forth in the Articles of Incorporation that meetings may also be convened by fax or by electronic means of communication. The Supervisory Board should also have the option – not only in justified exceptional cases – of including the provision in the rules of procedure that meetings of the Supervisory Board and its committees may be held in the form of a telephone or video conference or by Supervisory Board members being able to join the meeting by phone or video transmission.

- **§ 16 (1) to (4) of the Articles of Incorporation**
In addition to casting votes at the meeting where members are personally present, the existing technological possibilities also offer other options for voting and participating in the adoption of resolutions. In light of this, the definition of participation in Supervisory Board resolutions should be further specified. In connection with this, the Supervisory Board quorum is also to be redefined.

- **§ 18 of the Articles of Incorporation**
It should be clarified that Supervisory Board members who are only on the Supervisory Board for part of a given financial year will be remunerated on a pro-rata basis.

- **§ 21 of the Articles of Incorporation**
§ 21 of the Articles of Incorporation deals with the right of shareholders to attend the General Meeting of the Company. The current paragraphs 5 to 7 of § 21 of the

Articles of Incorporation, however, deal with the chairman of the meeting's entitlement to restrict the shareholders' right to ask questions and take the floor as well as to order the end of the debate and the start of voting. In line with their subject matter, these rights should be listed under § 22 of the Articles of Incorporation in connection with the chairmanship of the meeting.

– **§ 22 of the Articles of Incorporation**

The powers of the chair of the meeting to restrict the right of shareholders to ask questions and take the floor as well as to order the end of the debate and start of the vote are to be set out under § 22 of the Articles of Incorporation in the future given their related content. Furthermore, the provision, which until now extended over three paragraphs, is to be streamlined in line with standard practice and would allow the chair of the meeting to deal flexibly and appropriately with individual cases.

– **§ 23 (2) of the Articles of Incorporation**

§ 23 (2) of the Articles of Incorporation should be worded more clearly and set forth clear provisions for how to proceed in the event of no majority being achieved in the first voting round of an election.

– **§ 25 of the Articles of Incorporation**

§ 25 of the Articles of Incorporation currently stipulates that the Advisory Board of the Company may support both the Executive Board and the Supervisory Board in their functions and assist with advice. This no longer reflects the actual situation, where the Advisory Board only advises the Executive Board and the management levels below on operational matters. § 25 is therefore to be modified to reflect the actual situation. Furthermore, there is no need for the provision under § 25 (2) of the Articles of Incorporation whereby Advisory Board members serve as proxies at the General Meeting. This function is assumed by the proxy representatives of the Company.

– **§ 26 of the Articles of Incorporation**

Article 26 of the Articles of Incorporation governs the modalities of the Advisory Board meetings. The provisions for the composition and convening of the Advisory Board are currently set forth in § 27 of the Articles of Incorporation, however. Given their related content, the provisions should be merged into one and rewritten.

– **§ 27 of the Articles of Incorporation**

As a result of the revision of § 26 of the Articles of Incorporation, § 27 of the Articles of Incorporation is superfluous and is therefore to be rescinded.

A version where the changes are highlighted are available as a service for our shareholders on the Internet at www.stada.com/agm2018 and will also be available at the General Meeting.

The Executive Board and the Supervisory Board propose the adoption of the following resolution:

a) On § 1 of the Articles of Incorporation

§ 1 of the Articles of Incorporation shall be revised as follows:

“§ 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.”

b) On § 2 (1) lit. a) to d) of the Articles of Incorporation

§ 2 (1) lit. a) to d) of the Articles of Incorporation shall be revised as follows:

“(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;"

c) On § 12 (2) Sentence 1 of the Articles of Incorporation

§ 12 (2) Sentence 1 of the Articles of Incorporation shall be revised as follows:

“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. ”

d) On § 13 of the Articles of Incorporation

§ 13 of the Articles of Incorporation shall be revised as follows:

“§ 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.”

e) On § 15 of the Articles of Incorporation

§ 15 of the Articles of Incorporation shall be revised as follows:

“§ 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."

f) On § 16 (1) to (4) of the Articles of Incorporation

§ 16 (1) to (4) of the Articles of Incorporation shall be revised as follows:

- "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. "

g) On § 18 of the Articles of Incorporation

§ 18 of the Articles of Incorporation shall be expanded to include an additional paragraph 3:

"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."

h) On § 21 of the Articles of Incorporation

§ 21 (5) to (7) of the Articles of Incorporation shall be rescinded. § 21 (8) shall become § 21 (5) of the Articles of Incorporation.

i) § 22 of the Articles of Incorporation

§ 22 of the Articles of Incorporation shall be expanded to include a new third paragraph as follows:

"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."

Former paragraph 3 will thus become paragraph 4.

j) On § 23 (2) of the Articles of Incorporation

§ 23 (2) of the Articles of Incorporation shall be revised as follows:

"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.”

k) On § 25 of the Articles of Incorporation

§ 25 of the Articles of Incorporation shall be revised as follows:

“§ 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.”

l) On § 26 of the Articles of Incorporation

§ 26 of the Articles of Incorporation shall be revised as follows:

“§ 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.”

m) On § 27 of the Articles of Incorporation

§ 27 of the Articles of Incorporation shall be deleted. The numbering of the subsequent Sections of the Articles of Incorporation shall be amended accordingly.

Additional information relating to item 6 on the agenda

CVs of the candidates for the Supervisory Board nominated for election under Agenda Item 6:

Name	Dr. Günter von Au
Profession	Vice President of the Board of Directors of Clariant AG, Muttenz (Switzerland)
Place of residence	Munich
Year of birth	1951
Nationality	German
Chairman of the Supervisory Board of STADA Arzneimittel AG	since 2017, current term until end of Annual General Meeting 2018
Committees	Chairman 's Committee (Chairman), Nomination Committee (Chairman), Compliance Committee (Chairman)
Education & qualifications	
1970 – 1973	Studies in textile and synthetic chemistry (Graduate Engineer), Technical College Reutlingen
1973 – 1980	Studies of chemistry (Graduate Engineer and Doctorate), University of Tübingen

Professional Career

since 2017	Chairman of the Supervisory Board, Synlab International GmbH, Munich
since 2014	Chairman of the Supervisory Board, CeramTec Holding GmbH, Plochingen
since 2014	Chairman of the Advisory Board, Tyczka GmbH, Geretsried
since 2013	Member of the Advisory Board, Röchling GmbH, Mannheim
2004 – 2012	Chief Executive Officer, Süd-Chemie AG, Munich
2001 – 2004	Chief Executive Officer, Süd-Chemie Inc., USA
1981 – 2001	Head of the division polymers, specialty chemistry and biochemistry at Wacker Chemie AG (1995 – 2001), beforehand various positions in the Wacker Group (1981 – 1995)

Memberships in (i) supervisory boards that are to be constituted by law or in (ii) comparable German and foreign boards with controlling authority of commercial enterprises

(i)

- since 2017 Chairman of the Supervisory Board,
Synlab International GmbH, München
- since 2014 Chairman of the Supervisory Board,
CeramTec Holding GmbH, Plochingen
- since 2009 Member of the Supervisory Board,
Bayernwerk AG, Regensburg

(ii)

- since 2012 Vice President of the Board of Directors,
Clariant AG, Muttenz (Switzerland)

Name	Dr. Eric Cornut
Profession	Independent Consultant
Place of residence	Binningen (Switzerland)
Year of birth	1957
Nationality	Swiss
Member of the Supervisory Board of STADA Arzneimittel AG	since 2016, current term until end of Annual General Meeting 2018
Committees	Compliance Committee
Education & qualifications	
1984	University of Basel, Switzerland / Doctorate (Dr. iur), Law
1987	University of California-Berkeley, USA / Master Law
Professional Career	
2014 – 2016	Chief Ethics, Compliance and Policy Officer, Novartis International AG
2012 – 2014	Chief Commercial Officer, Novartis Pharma AG
2007 – 2012	Head of Pharma, Europe, Novartis Pharma AG
2000 – 2007	Président, Novartis France SA
1997 – 1999	Managing Director, Novartis Pharma B.V.
1996 – 1997	Head of International Operations Integration, Novartis Pharma AG
1993 – 1996	Assistant to the Head of the Pharma Division, CIBA-Geigy AG (today part of Novartis following merger with Sandoz in 1996)
1989 – 1995	Various leadership positions in the legal department

Memberships in (i) supervisory boards that are to be constituted by law or in (ii) comparable German and foreign boards with controlling authority of commercial enterprises

(i)

none

(ii)

- since 2017

Member of the Consiglio d'amministrazione of Menarini A. Menarini Industry Farmaceutiche Riunite Srl, Florence (Italy)

- since 2017

Member of the Administrative Council, Helsinn Healthcare SA, Pazzallo-Lugano (Switzerland)

Name

Jan-Nicolas Garbe

Profession

Investment Manager at Cinven GmbH, Frankfurt am Main

Place of residence

Frankfurt am Main

Year of birth

1981

Nationality

German

Member of the Supervisory Board of STADA Arzneimittel AG

since 2017, current term until end of Annual General Meeting 2018

Committees

Audit Committee

Education & qualifications

2001 – 2007

Studies in business engineering (Graduate Business Engineer), Technical University Hamburg-Harburg, University Hamburg and HAW Hamburg

2007 – 2009

Studies in Business Economics (Master of Arts), Universitat Autònoma de Barcelona

Professional Career

since 2011	Principal at Cinven GmbH, Frankfurt am Main
2010 – 2011	Associate at The Boston Consulting Group, Hamburg

Memberships in (i) supervisory boards that are to be constituted by law or in (ii) comparable German and foreign boards with controlling authority of commercial enterprises

none

Name	Benjamin Kunstler
Profession	Managing Director at Bain Capital Europe LLP, London (Great Britain)
Place of residence	London (Great Britain)
Year of birth	1979
Nationality:	French
Member of the Supervisory Board of STADA Arzneimittel AG	since 2017, current term until end of Annual General Meeting 2018
Committees	Audit Committee

Education & qualifications

1999 – 2002	Master of Science, École Centrale Paris
2006 – 2008	Master of Business Administration, Harvard Business School

Professional Career

since 2008	Member of the European Private Equity Team at Bain Capital Europe LLP, London (Great Britain)
2003 – 2008	Consultant at Bain & Company, Paris (France) and Boston (USA)

Memberships in (i) supervisory boards that are to be constituted by law or in (ii) comparable German and foreign boards with controlling authority of commercial enterprises

none

Name	Bruno Schick
Profession	Managing Director at Cinven GmbH, Frankfurt am Main
Place of residence	Frankfurt am Main
Year of birth	1971
Nationality	German
Member of the Supervisory Board of STADA Arzneimittel AG	since 2017, current term until end of Annual General Meeting 2018
Committees	Chairman´s Committee, Nomination Committee, Compliance Committee
Education & qualifications	
1991 – 1993	Studies in macroeconomics and economics, University of Tübingen
1993 – 1996	European Masters in Management, Business Graduate, Diplôme de Grande École at ESCP/EAP-European School of Management

Professional Career

since 2003	Cinven GmbH, Frankfurt am Main, since 2006 Managing Director
1999 – 2003	Chief Executive Officer, Surplex AG, Düsseldorf
1996 – 1999	Financial Analyst and Associate at Goldman Sachs, Frankfurt am Main

Memberships in (i) supervisory boards that are to be constituted by law or in (ii) comparable German and foreign boards with controlling authority of commercial enterprises

none

Name

Dr. Michael Siefke

Profession

Managing Director at Bain Capital Private
Equity Beteiligungsberatung GmbH,
Munich

Place of residence

Gräfelfing

Year of birth

1967

Nationality

German

Member of the Supervisory Board of STADA Arzneimittel AG:

since 2017, current term until end
of Annual General Meeting 2018

Committees

Audit Committee (Chairman), Chairman's
Committee, Nomination Committee,
Compliance Committee

Education & qualifications

1989 – 1994	Studies in economics (with specialization in finance and accounting / auditing), Westfälische Wilhelms-Universität Münster
1994 – 1997	Doctorate and teaching activities in the area of international accounting. Co-author of educational textbooks and accounting comments on IFRS

Professional Career

since 2006	Managing Director at Bain Capital Private Equity Beteiligungsberatung GmbH, Munich
2013 – 2017	Chairman of the Supervisory Board, FTE Automotive GmbH, Ebern
2012 – 2017	Member of the Supervisory Board, Bravida AB, Stockholm (Sweden)
2011 – 2016	Member of the Supervisory Board, IMCD N.V., Rotterdam (The Netherlands)
2002 – 2005	Private Equity Manager at Bain Capital Private Equity Beteiligungsberatung GmbH, Munich
1998 – 2001	Private Equity Manager at The Carlyle Group, Munich

Memberships in (i) supervisory boards that are to be constituted by law or in (ii) comparable German and foreign boards with controlling authority of commercial enterprises

(i)

none

(ii)

- since 2015 Chairman of the Advisory Board, Wittur Holding GmbH, Wiedenzhausen
- since 2017 Member of the Advisory Board, Pacific (BC) TopCo Limited (Holding of MSX International), Colchester (Great Britain)

Total number of shares and voting rights

At the convening of the General Meeting, the Company has a share capital of EUR 162,090,344.00; it is divided into 62,342,440 registered shares with no-par value representing an arithmetical share of the share capital of EUR 2.60 per share. Each share grants entitlement to one vote. The Company holds 84,311 treasury shares at the date of the convening notice. There is a total number of shares with participation and voting rights of 62,258,129.

Preconditions for participating in the meeting and exercising voting rights

Only those shareholders are entitled to attend the General Meeting and to exercise the voting right in the General Meeting who are registered in the Company's share register on the day of the General Meeting and have notified their attendance such that their notice of attendance has been received by the Company at the latest by May 30, 2018, 24.00 (CEST) at the address below:

STADA Arzneimittel AG
c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 (0) 89 / 21027288

The notice of attendance of the shareholder can also be electronically submitted at the latest by May 30, 2018, 24.00 (CEST) via an electronic Internet form provided by the Company at www.stada.com/agm2018 or to the e-mail hv2018@stada.de. The individual access information for the use of the electronic Internet form with password protection will be sent to the shareholders with the Invitation to the General Meeting.

Pursuant to Section 67 (2) Sentence 1 German Stock Corporation Act (AktG), in relation to the Company, only a person who has been registered as such in the share register shall be deemed a shareholder. Accordingly, the registration status of the share register on the day of the General Meeting will be decisive for determining participation and voting rights. For technical reasons, applications for changes to the Company's share register will not be registered during the period of May 31, 2018, 0.00 (CEST) through June 6, 2018,

24.00 (CEST). For this reason, the state of registrations in the share register to exercise the participation and voting rights on the day of the General Meeting will correspond to the state of registrations after the last registration day on May 30, 2018, 24.00 (CEST). Technical cut-off date (so-called "Technical Record Date") is therefore the end of May 30, 2018. The registration for the General Meeting does not result in the shares being blocked; the shareholders are still free to make dispositions in respect of the shares after registration. Purchasers of shares whose applications for change of registration were received by the Company after May 30, 2018, 24.00 (CEST) can therefore not exercise their participation and voting rights arising out of these shares, unless they have obtained a power of attorney to do so or an authorization to exercise such rights. In such cases, participation and voting rights remain with the shareholder registered in the share register until the change in registration.

Upon timely reception of the notice of attendance, the admission ticket for the General Meeting will be issued and sent to the shareholder. The admission ticket simplifies procedures at the admission desks for entrance to the General Meeting. The convening of the General Meeting including the agenda along with the documents concerning registration and/or granting of proxy will be sent by the Company unsolicited to all shareholders who are listed in the share register at the latest at the beginning of the 14th day prior to the day of the General Meeting.

Credit institutions and shareholders' associations as well as other persons, institutes or companies of equal status pursuant to Section 135 (8) or Section 135 (10) in conjunction with Section 125 (5) German Stock Corporation Act (AktG) may exercise voting rights arising under registered shares which they do not hold, but with respect to which they are registered in the share register as shareholder, only pursuant to an authorization of the shareholder. Details on these authorizations can be found in Section 135 German Stock Corporation Act (AktG).

Further information about the notification process can be found on the Invitation to the General Meeting sent to all shareholders.

Procedure for exercising voting rights by a proxy holder

Shareholders may exercise their voting rights in the General Meeting by a proxy holder, e.g. a credit institution, a shareholders' association or by a person of their choice as well as by the proxy representative or a member of the Advisory Board of the Company. If the shareholder authorizes more than one person, the Company may reject one or more of such persons. Authorization of a proxy also requires notice of application in a timely manner.

Authorization of a third party

The granting of proxy, its revocation and proof towards the Company must be provided in text form pursuant to Section 134 (3) Sentence 3 German Stock Corporation Act (AktG). In the event that a credit institution, a shareholders' association or another person or institution of equal status pursuant to Section 135 (8) or Section 135 (10) in conjunction with Section 125 (5) German Stock Corporation Act (AktG) is to be appointed proxy, neither the law nor the Articles of Incorporation stipulate a particular form requirement.

Shareholders may use the "Registration Sheet to the General Meeting 2018" sent together with the Invitation to the General Meeting for granting of proxy. Shareholders may also issue a separate authorization. An authorization form for this purpose is also available on the Internet at www.stada.com/agm2018.

Notwithstanding any other legally permitted method of transmission of the proof of authorization of a proxy to the Company, such proof may be electronically transmitted by using a password-protected Internet form at www.stada.com/agm2018 or via e-mail to hv2018@stada.de. The individual access information for the use of the electronic Internet form with password protection will be sent to the shareholders with the Invitation to the General Meeting.

Specific rules have to be observed when authorizing credit institutions or institutes or companies of equal status pursuant to Section 135 (10) in conjunction with Section 125 (5) German Stock Corporation Act (AktG) as well as shareholders' associations or persons of equal status pursuant to Section 135 (8) German Stock Corporation Act (AktG); details should be requested from the party to be authorized. By law, the authorization must be granted to a certain proxy holder

and recorded by the proxy holder in a verifiable manner. In addition, the form of proxy shall be completed in full and may only contain statements related to the exercise of voting rights. We therefore ask you to come to an agreement with the intended proxy about the form of the authorization in case you wish to authorize a credit institution, a shareholders' association or another person of equal status pursuant to Section 135 German Stock Corporation Act (AktG). Under Section 135 German Stock Corporation Act (AktG), violation of the aforementioned and certain other requirements for authorization of those named in this paragraph, does, however, not affect the validity of the vote pursuant to Section 135 (7) German Stock Corporation Act (AktG).

Exercising voting rights through a proxy representative or an Advisory Board member of the Company

We offer our shareholders the special service of being represented by the proxy representative or an Advisory Board member of the Company. Under the Articles of Incorporation, the Advisory Board shall have the specific duty to be at the disposal of the shareholders who do not wish to exercise their rights in the General Meeting in person, and to act as their authorized representative in the General Meeting. For that purpose, the proxy representative or Advisory Board member must receive authorization as well as express and clear instructions for exercising the vote on each relevant item of the agenda. In case of absence of express and clear instructions, the proxy representative or Advisory Board member shall abstain from voting on the relevant voting item. In the event that individual ballots are conducted in respect of an agenda item, any instruction issued in this regard will apply accordingly in respect of each individual sub-item. The proxy representative and Advisory Board members are obliged to follow voting instructions. They will not accept any instructions relating to requests to speak, asking questions or bringing forward motions or nominations, or the filing of objections against resolutions by the General Meeting.

Authorization and voting instructions to the proxy representative named by the Company or the Advisory Board members may be granted in text format using the authorization and instruction form for that purpose on the "Registration Sheet to the General Meeting 2018" enclosed with the Invitation to the General Meeting, via an electronic Internet form with password protection at www.stada.com/agm2018 or via e-mail to hv2018@stada.de.

Authorizations and instructions in text format to proxy representative of the Company or the Advisory Board members must have been received by the Company at the following address:

STADA Arzneimittel AG
c/o Link Market Services GmbH
Landshuter Allee 10
80637 München
Deutschland
Fax: +49 (0) 89 / 21027288
E-mail: hv2018@stada.de

All other permitted modes of attendance and representation, in particular attendance in person or attendance through an authorized representative will, of course, not be affected by this offer to exercise voting rights through the proxy representative named by the Company or an Advisory Board member.

More details about authorizing and instructing the proxy representative named by the Company or an Advisory Board member will be sent together with the Invitation to the General Meeting. Similar information may also be viewed on the Internet at www.stada.com/agm2018.

Rights of the shareholders pursuant to Sections 122 (2), 126 (1), 127, 131 (1) German Stock Corporation Act (AktG)

Requests for supplements to the agenda pursuant to Section 122 (2) German Stock Corporation Act (AktG)

Shareholders whose shares amount in aggregate to not less than a twentieth of the share capital or represent an amount of the share capital corresponding to EUR 500,000.00, may demand that items are put on the agenda and published. Each new item shall be accompanied by an explanation or a draft proposal. Such requests are to be addressed in writing to the Executive Board of STADA Arzneimittel AG and must be received by the Company at least 30 days before the General Meeting, i.e., at the latest by May 6, 2018, 24:00 (CEST).

Please send such requests to the following address:

STADA Arzneimittel AG
Executive Board
Stadastraße 2-18
61118 Bad Vilbel
Germany

Those submitting such requests must document that they have been the owners of the shares for the duration of at least 90 days prior to the day of the receipt of the request and hold the shares until such time as a decision of the Executive Board is rendered regarding their request (Sections 122 (2), 122 (1) Sentence 3 German Stock Corporation Act (AktG) as well as Section 70 German Stock Corporation Act (AktG)).

The announcement and provision of requests for supplements is carried out in the same way as convening notices.

Motions and nominations by shareholders pursuant to Sections 126 (1), 127 German Stock Corporation Act (AktG)

Shareholders of the Company may submit countermotions against proposals of the Executive Board and the Supervisory Board with respect to specific agenda items as well as nominations for the election of the auditor and the Supervisory Board. If countermotions are meant to be made accessible, they must include an explanatory statement; nominations do not require an explanatory statement. Countermotions regarding the agenda and nominations must be exclusively forwarded to the Company's following address:

STADA Arzneimittel AG
Legal Department
Stadastraße 2-18
61118 Bad Vilbel
Germany
Fax: +49 (0) 6101 / 603 61 2803
E-mail: hv2018@stada.de

Any countermotions and nominations received by the Company at the aforementioned address no later than 14 days before the day of the General Meeting, i.e. by May 22, 2018, 24:00 (CEST), will be published immediately after receipt on the Internet at www.stada.com/agm2018 including the name of the shareholder and – in case of motions – including the explanatory statement under the further conditions of Sections 126, 127 of the German Stock Corporation Act (AktG). Possible statements of the administration will also be published at the same Internet address.

Right to information in accordance of Section 131 (1) German Stock Corporation Act (AktG)

Each shareholder shall upon request be provided with information at the General Meeting by the Executive Board regarding the Company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant Agenda Item. The request for information shall also extend to the Company's legal and business relations with any affiliated enterprise as well as the outlook of the Group and the companies included in the consolidated financial statements.

Further information on the rights of the shareholders

Further information on the rights of the shareholders pursuant to Sections 122 (2), 126 (1), 127, 131 (1) German Stock Corporation Act (AktG) can be found on the Internet at www.stada.com/agm2018.

Reference to the Company's Internet page

Information shall be made available to the shareholders of the Company in accordance with Section 124a German Stock Corporation Act (AktG) on the Company's Internet page at www.stada.com/agm2018.

Data protection notice

On May 25, 2018, new regulations on data protection take effect in the EU. The protection and compliant processing of your personal data have high priority for us. In our data protection notice for shareholders, you can find detailed information about processing personal data of our shareholders. From May 25, 2018, you will find the new data protection notice here: www.stada.com/dataprotectionnotice-shareholders.

Bad Vilbel, April 2018

STADA Arzneimittel AG

The Executive Board

Route planner to the General Meeting

Arriving by car*:

Autobahn A5 from Kassel and Basel/Mannheim:

Exit at Frankfurt Westkreuz to the A648 following the signs to "Stadtmitte/Messe", then the signs to "Stadtmitte/Congress C.".

Autobahn A3 from Würzburg:

Cross over Frankfurter Kreuz on the A5, exit at Frankfurt Westkreuz to the A648 in direction to "Stadtmitte/Messe" and follow the signs to "Stadtmitte/Congress C.".

Autobahn A3 from Cologne:

At Wiesbadener Kreuz follow the A66 towards Frankfurt, then follow the signs to "Stadtmitte/Congress C." on the A648.

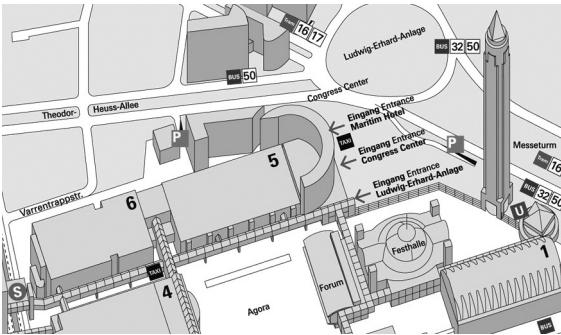
The number of parking spaces in the Messe Congress Center car park is limited.

Arriving by train/tram:

To Frankfurt am Main central station, then take the U4 tube to the "Festhalle/Messe" station or take tram line 16 or 17 to the "Festhalle/Messe" tram stop.

For current information on public transport and any notifications relating to possible delays or cancellation of services please refer to the website of the Rhein-Main-Verkehrsverbund (local public transport operator) at www.rmv.de.

We like to inform you that STADA Arzneimittel AG will neither bear the expenses for parking nor for RMV-tickets.



Important Notice:

In the interest of all participants, we will establish security measures that are customary for assemblies of this kind. This will include, among other things, security checks at the entrance to the meeting. In this connection, we ask you not to carry any dangerous items such as knives or scissors, since we will have to secure them into safekeeping until you leave the shareholders' meeting. We ask for your understanding that there may be waiting times and that you take these into consideration when calculating your timely arrival. The entrance is from 8:30 am (CEST).

*Please note: On October 1, 2008, the city of Frankfurt am Main introduced a low emission zone to mitigate the emission of particles (fine particles), in order to adhere to the threshold values under the German Federal Immission Control Act (Bundes-Immissionsschutzgesetz, BImSchG). From January 1, 2012 on only vehicles marked with green sticker are permitted to enter the low emission zone. Frankfurt's low emission zone is the area within the highway belt created by the A5 in the West, the A3 in the South and the A661 in the East and North.



STADA Arzneimittel Aktiengesellschaft

Stadastraße 2-18 61118 Bad Vilbel Phone +49 (0)6101 603-0
Internet: www.stada.com

Chairman Supervisory Board: Dr. Günter von Au
Executive Board: Dr. Claudio Albrecht (Chairman)
Mark Keatley

Registered Office: Bad Vilbel, Germany
District Court: Frankfurt/Main, HRB 71290