

Corporate Governance Report including the Corporate Governance Declaration for STADA Arzneimittel AG and the Group

The Corporate Governance Report pursuant to Section 3.10 of the German Corporate Governance Code (CGC) and the Corporate Governance Declaration for STADA Arzneimittel AG and the Group pursuant to Section 315d in conjunction with Section 289f of the German Commercial Code (HGB) are available on the Company's website at www.stada.de/cg and www.stada.com/cg.

Corporate Governance Declaration for STADA Arzneimittel AG and the Group

The Corporate Governance Declaration for STADA Arzneimittel AG and the Group in accordance with Section 315d in conjunction with Section 289f of the German Commercial Code (HGB) includes the explanation of the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG), the relevant information on corporate management practices, a description of the working practices of the Executive Board and Supervisory Board as well as the composition and working practices of the Supervisory Board committees (including competence profile), the specifications pursuant to Section 76 (4) and Section 111 (5) of the German Stock Corporation Act as well as the information on whether the specified targets were met during the reference period or not and, if not, details on the reasons and a description of the diversity concept which is followed in terms of the composition of the Executive Board and Supervisory Board as well as the goals of this diversity concept, the manner of its implementation and the results achieved in financial year 2017.

1. Declaration of Compliance

The Executive Board and Supervisory Board agreed a new Declaration of Compliance in accordance with the German Corporate Governance Code in December 2017. This, as well as earlier Declarations of Compliance or updates can be found on the Company's website at www.stada.de/cg or www.stada.com/cg.

"Declaration of Compliance December 2017"

Joint Declaration of the Executive Board and the Supervisory Board of STADA Arzneimittel AG concerning the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

STADA Arzneimittel AG ("STADA") had complied with the recommendations of the German Corporate Governance Code in the version of February 7, 2017 (published on April 24, 2017 in the Federal Gazette and published in the corrected version on May 19, 2017) since the last Declaration of Compliance on March 2, 2017, amended on July 13, 2017, with the exception of the deviations as mentioned there, and STADA will comply with the recommendations of the German Corporate Governance Code in this version in future with the following deviations:

Section 4.2.3 (2) Sentence 2: Fixed and variable remuneration components

Section 4.2.3 (2) Sentence 2 of the German Corporate Governance Code (CGC) recommends that the monetary components of the Executive Board remuneration should not only comprise fixed but also variable components. The remuneration of the Chairman of the Executive Board, Dr. Albrecht, differs from this recommendation because it only includes fixed remuneration elements. Dr. Albrecht was appointed as Chairman and member of the Executive Board of STADA Arzneimittel AG with effect from September 27, 2017 and limited until September 26, 2018. Given that his appointment is only of an interim nature, the Supervisory Board decided to grant a remuneration which is adequate to this specific situation. This includes, because of the short appointment, in particular no performance-related remuneration. As a result, it also differed from other recommendations included in the CGC referring to a variable remuneration.

Equally, the remuneration of Mr. Keatley for the financial year 2017 deviates from the recommendation. Mr. Keatley was also appointed as member of the Executive Board of STADA with effect from September 27, 2017. Against the background that the financial year 2017 had largely passed at that time, remuneration for the services of Mr. Keatley in financial year 2017 is non-performance related consisting of a fixed salary paid monthly as well as a fixed bonus.

Section 4.2.3 (4) Sentence 3: Severance cap shall be calculated on the basis of the total remuneration

Pursuant to Section 4.2.3 (4) Sentence 3 GCGC, the severance cap shall be calculated on the basis of the total remuneration paid for the previous financial year and, if appropriate, shall take into account the expected total remuneration for the current financial year. According to the service agreement with Mr. Keatley, the severance cap is not to be calculated based on the total remuneration but as lump sum of the variable remuneration.

Section 5.3.2 (3) Sentence 2: Independence of the Chairman of the Audit Committee

Pursuant to Section 5.3.2 (3) Sentence 2 GCGC, the Chairman of the Audit Committee shall be independent. The Supervisory Board has elected Dr. Siefke as chairman of the Audit Committee. Dr. Siefke, as a result of his professional career, has special knowledge and experience in the fields of accounting and auditing. As managing director of Bain Capital Private Equity Beteiligungsberatung GmbH, Munich, a company associated with the controlling shareholder Nidda Healthcare GmbH, he is, however, not independent. In its current composition, the Supervisory Board was not able to elect an independent member with financial expertise as Chairman of the Audit Committee.

Section 5.4.3 Sentence 2: Limitation of the application for the judicial appointment of Supervisory Board members

Pursuant to Section 5.4.3 Sentence 2 GCGC an application for the judicial appointment of Supervisory Board Members shall be limited to the next General Meeting. On August 29, 2017, Nidda Healthcare GmbH i.Gr. applied at the local court (Amtsgericht) of Frankfurt am Main for the judicial appointment of five members of the Supervisory Board until the end of the next Annual General Meeting of STADA. Because of the limitation of the application to the next "Annual" General Meeting and because it is ambiguous whether Extraordinary General Meetings need also to be considered in the timely limitation of the application recommended by the GCGC, a deviation is declared as a precautionary measure.

Bad Vilbel, December 2017

signed
Dr. Günter von Au
Chairman of the Supervisory Board

signed
Dr. Claudio Albrecht
Chairman of the Executive Board"

2. Relevant Disclosures on Corporate Governance Practices

Corporate Governance

STADA Arzneimittel AG is a joint stock corporation under German law and has a dual management and monitoring structure consisting of the Executive Board and the Supervisory Board. The third body of the Company is the General Meeting. Furthermore, there is an Advisory Board in accordance with the Articles of Incorporation.

In the Executive Board and Supervisory Board's view, good corporate governance is an important basis for the Company's success. The Executive Board and the Supervisory Board of STADA view corporate governance as a comprehensive concept of responsible, transparent and value-based corporate management. The Executive Board, the Supervisory Board and management staff ensure that corporate governance is actively approached and continuously developed in all areas at STADA. In addition to legal and regulatory requirements as well as the German Corporate Governance Code, corporate governance at STADA also comprises the standards of the internal control system and compliance, the regulations on organizational and supervisory duties in the Company, as well as STADA's internal business guidelines and shared principles and values.

Risk Management and Internal Auditing

The responsible handling of risks is an element of good corporate governance. STADA has systematic risk management and a control system that puts the Executive Board in the position to recognize risks and market trends at an early stage and to immediately react to relevant changes in the risk profile. STADA's risk management and control system thus contributes to the

success of the Company. Risk management is part, in regular intervals, of the annual audit of financial statements as well as Internal Auditing. Details can be found in the “Opportunities and Risk Report”.

Furthermore, Internal Auditing supports the Executive Board as an independent department outside of the daily operational business. The department evaluates internal procedures and processes from an objective perspective and with the necessary distance. The objective is to achieve optimized business processes, reduced costs, increased efficiency, and to reach internally determined goals, by way of improved internal controls.

Strong compliance culture

Compliance comprises all actions taken by a company in line with legal requirements as well as the drafting and monitoring of internal regulations which a company places on itself. The goal of all compliance efforts is to avoid possible damage to the company and to prevent wrong-doing. At STADA, compliance is embedded in the mission statement of a responsible company leadership and corporate governance. The Compliance Office is responsible for the constant development of a Compliance Management System within STADA. The Compliance Office is an independent consultant and advisor for all departments and all employees of STADA.

STADA's Code of Conduct establishes binding Group-wide behavioral guidelines for the entire management and staff of the STADA Group. The aim of the Code of Conduct is to support all employees in legal and ethical challenges in their daily work and to provide them with orientation for correct behavior. Furthermore, internal guidelines, the so-called Corporate Policies, make these behavioral guidelines clearer for specific topics.

With the aid of various measures such as e-learning measures, traditional training, regular newsletters and leaflets with compliance-relevant content, STADA employees are informed and trained on an ongoing basis of relevant legal requirements and internal guidelines.

The Executive Board has established a comprehensive compliance management system and an internal Compliance department as an organizational part of the Legal Department. It coordinates the entire system and receives complaints and information – anonymously if necessary – and follows up on suspected compliance breaches. Any suspicious cases reported are assessed and evaluated. If necessary, appropriate measures are introduced and processes are adapted. Disciplinary measures are also taken. These can range from a simple warning to the dismissal of the employee. It is supported in Germany and internationally by Compliance Managers, and by an external Ombudsman in Germany. In the reporting year, the international exchange of compliance managers was further intensified. In order to guarantee the adherence to legal regulations and internal company policies of compliance in an effective manner, STADA regularly controls and further develops the Compliance Management System based on risk.

The Code of Conduct, the contact information of the Ombudsman along with further information regarding compliance, can be found on the company website at www.stada.de or www.stada.com in the Sustainability section of “Corporate Management”.

Quality and safety, sustainability and environment

Details on the topics “quality” and “safety” can be found in the chapter “Procurement, Production and Quality Management”, and on the topics “sustainability” and “environment” in the “Separate Non-Financial Report”.

More detailed information on the discussed corporate governance practices at STADA as well as further information can also be found on the company website at www.stada.de or www.stada.com in the Sustainability section.

3. Description of the Working Practices of the Executive Board and the Supervisory Board as well as the Composition and Working Practices of their Committees

The Executive Board and the Supervisory Board of STADA work in close cooperation for the good of the Company and, after extensive consultation, make fundamental strategic decisions in the context of their legal responsibilities. The Executive Board briefs the Supervisory Board – in the context of its legal obligation to make reports – regularly, promptly and comprehensively regarding all Company-relevant questions of strategy, planning, business development, the risk situation, risk management and compliance. It confirms the strategic orientation of the Company with the Supervisory Board and, in the course of the implementation of the corporate strategy, discusses with it the respective status at regular intervals. Furthermore, the Chairman of the Supervisory Board maintains regular contact with the Executive Board, particularly with the Chairman of the Executive Board, and discusses with them the strategy, planning, business development, the risk situation, risk management and the compliance of STADA Arzneimittel AG and the Group. The Executive Board and the Supervisory Board adhere to the rules of proper corporate management and have each established their own rules of procedure.

a) Executive Board

The Executive Board is appointed and dismissed in accordance with legal regulations. The Articles of Incorporation do not provide special provisions on the appointment or dismissal of individual and all members of the Executive Board. Only the Supervisory Board is responsible for the appointment and dismissal. It appoints Executive Board members for a maximum period of five years. A repeated appointment or extension of the term is allowed, for a maximum of five years each.

Tasks and responsibilities

The Executive Board manages the Company with the goal of sustainable added value in its own responsibility in consideration of the concerns of the shareholders, its employees and other groups connected to the Company. The members of the Executive Board are jointly responsible for corporate governance. The Executive Board runs the businesses in accordance with the legal requirements, the Articles of Incorporation, the rules of procedure and the schedule of responsibilities.

STADA's Executive Board comprises at least two people in accordance with the Articles of Incorporation.

In financial year 2017, there were the following changes at Executive Board level: On April 1, 2017, Dr. Barthold Piening, Chief Technical Officer, took up his position as member of the STADA Executive Board.¹⁾ At its meeting of July 4, 2017, the STADA Supervisory Board consented to Dr. Matthias Wiedenfels resigning from office as Chairman of the Executive Board and to Helmut Kraft resigning from office as a member of the Executive Board. Both resigned from office with immediate effect. At the same time, the Supervisory Board appointed Engelbert Coster Tjeenk Willink as Chairman of the Executive Board and Dr. Bernhard Düttmann as a member of the Executive Board and Chief Financial Officer. Both of the new Executive Board members were appointed with immediate effect and for a period up to December 31, 2017.²⁾ At its meeting on September 27, 2017, the Supervisory Board consented to the resignation of Engelbert Coster Tjeenk Willink as Chairman of the Executive Board and Dr. Bernhard Düttmann as member of the Executive Board with immediate effect. Furthermore, the Supervisory Board on September 27, 2017 appointed Dr. Claudio Albrecht as new Chairman of the Executive Board and Mark Keatley as new Chief Financial Officer with immediate effect.³⁾

As of the balance sheet date, the Executive Board consisted of three members responsible for the following areas:

- Dr. Claudio Albrecht, Chairman of the Executive Board (contract until September 26, 2018), is the member of the STADA Executive Board responsible for Marketing & Sales (including biotechnology), Business Development (portfolio management, market research, licenses and IP rights/patents, biosimilar licensing, project management), Corporate Communications, Human Resources, Legal (including Corporate Governance, Corporate Compliance, Risk Management) and Corporate Quality Assurance.
- Mark Keatley, Chief Financial Officer (contract until September 26, 2020), is also responsible for the Finance area (Corporate Accounting and Controlling, Corporate Treasury and Taxes), Corporate IT, Corporate Development and M&A, Internal Audit and Investor Relations.
- Dr. Barthold Piening, Technical Officer (contract until March 31, 2020), is the member of the STADA Executive Board responsible for Production (including Local Quality, Engineering & Facility Management), Environment and Occupational Safety, Global Supply Chain Management, Procurement, Regulatory & Medical & Clinical Affairs, Pharmaceutical Development and R&D Project Management.

1) See the Company's Investor News of January 23, 2017.

2) See the Company's ad hoc release and Investor News of July 4, 2017.

3) See the Company's Investor News of September 28, 2017.

Working practices of the Executive Board

Members of the Executive Board bear joint responsibility for the overall management of the company. They work together in a collegial manner and continually keep each other up to date with regard to important measures and events in their area of responsibility. The distribution of the business areas to individual members of the Executive Board results from a schedule of responsibilities that is a component of the rules of procedure for the Executive Board. The overall responsibility of all members of the Executive Board is subject to all matters in which, in accordance to applicable law, the Articles of Incorporation or rules of procedure for the Executive Board, a resolution from the full Executive Board is required.

Pursuant to the rules of procedure for the Executive Board, it is up to the Chairman of the Executive Board, in addition to his other tasks, to coordinate all areas of responsibility assigned to the Executive Board. The Chairman of the Executive Board represents the Executive Board and the Company in public matters, in particular concerning public authorities, economic organizations and publication outlets.

The Executive Board regularly holds Executive Board meetings that are convened by the Chairman of the Executive Board. Each member can also demand the convening of a meeting under notification of the item to be discussed within a period of notice of three working days. The Executive Board shall constitute a quorum when all of its members have been invited and at least a majority of its members – including the Chairman or a member of the Executive Board named by the Chairman – take part in the meeting. The Executive Board passes resolutions with a simple majority of votes cast. Absent members of the Executive Board can cast their votes in written form (Section 126 b of the German Civil Code, BGB), orally or by telephone. Resolutions of the Executive Board can also be taken outside of meetings by means of video or telephone conferences or comparable common telecommunication means or in the context of a circulation procedure through voting in text format (Section 126 b BGB), orally or via telephone if the Chairman of the Executive Board decides this and a majority of the members of the Executive Board take part in the resolution. In case of a tie, the Chairman of the Executive Board shall have the deciding vote.

For certain business defined in the Executive Board's rules of procedure, the Executive Board must first obtain the approval of the Supervisory Board.

Conflicts of interest

According to the rules of procedure of the Executive Board, every member of the Executive Board is required to disclose conflicts of interest without delay to the Supervisory Board and to inform the other members of the Executive Board of this (Section 4.3.3 of the German Corporate Governance Code, GCGC). Carrying out ancillary activities, particularly taking on Group-external Supervisory Board positions, requires the prior approval of the Supervisory Board.

Remuneration report

The principles of the remuneration system of the STADA Executive Board as well as individual details of the remuneration of individual members of the Executive Board are presented in the "Remuneration report". It is also published on the Company's website at www.stada.de or www.stada.com in the Corporate Governance section.

b) Supervisory Board

In accordance with the provisions of the One-Third Participation Act, the STADA Supervisory Board is comprised of nine members of which six are representatives of the shareholders and three represent the employees. The General Meeting elects the shareholder representatives in accordance with the German Stock Corporation Act and employees elect employee representatives in accordance with the German One-Third Participation Act. On September 26, 2017, the District Court of Frankfurt am Main, with immediate effect, appointed five new members of the Supervisory Board after the former Chairman of the Supervisory Board as well as four other members stepped down from their positions with effect from the end of September 25, 2017.

The Supervisory Board included the following members on the balance sheet date:

- Dr. Günter von Au, Vice President of the Administrative Board, Clariant AG (Switzerland), Munich, Germany (Chairman)
- Jens Steegers, Chairman of the Worker's Council released from duty, Frankfurt am Main, Germany (Deputy Chairman; Employee representative)
- Dr. Eric Cornut, Independent Consultant, Binningen, Switzerland
- Halil Duru, Deputy Chairman of the Worker's Council released from duty, Frankfurt am Main, Germany (Employee Representative)
- Jan-Nicolas Garbe, Investment Manager at Cinven GmbH, Frankfurt am Main, Germany
- Benjamin Kunstler, Managing Director at Bain Capital Europe LLP, London, United Kingdom
- Dr. Ute Pantke, Director Internal Communications & Brand Architecture, Wettengel, Germany (Employee Representative)
- Bruno Schick, Managing Director at Cinven GmbH, Frankfurt am Main, Germany
- Dr. Michael Siefke, Managing Director at Bain Capital Private Equity Beteiligungsberatung GmbH (Munich), Gräfelfing, Germany

The term of all shareholder representatives ends with the completion of the Annual General Meeting 2018. The employee representatives have been appointed until completion of the Annual General Meeting 2019.

Tasks and responsibilities

The Supervisory Board appoints the members of the Executive Board. Furthermore, the Supervisory Board monitors and advises the Executive Board in the running of its business operations. Through a regular dialog with the Executive Board, the Supervisory Board is informed of the business development, corporate strategy, corporate planning, the risk situation, risk management and compliance. It agrees the company planning and approves the annual financial statements of STADA Arzneimittel AG and the Consolidated Financial Statements of the STADA Group.

Working practices of the Supervisory Board

The Chairman of the Supervisory Board is responsible for the coordination of work, chairing Supervisory Board meetings and handling the external matters of the Supervisory Board.

The Chairman of the Supervisory Board convenes the Supervisory Board at least 14 days prior to a meeting according to need. 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). Meetings of the Supervisory Board should convene at least once per quarter and must convene twice within a half year (see also Section 16 [5] of the Articles of Incorporation). The meetings of the Supervisory Board and its committees shall as a rule be by personal attendance. In exceptional cases with good reason, the Chairman of the Supervisory Board can elect to hold the meetings of the Supervisory Board and its committees in the form of a telephone or video conference, or permit individual members of the Supervisory Board to participate via telephone or video connection.

The Supervisory Board generally passes resolutions in meetings. Outside of meetings, resolutions made via telephone or in written form (via telefax or with the aid of other common means of communication such as e-mail) as well as in combination with all of the above-mentioned methods are permitted, insofar as this is mandated by the Chairman of the Supervisory Board and no member objects to this procedure. The Supervisory Board shall constitute a quorum if at least two thirds of its members, including the Chairman of the Supervisory Board or the deputy, are present, or absent members have had another member of the Supervisory Board or a third party submit their vote in writing, by telefax or by means of electronic telecommunications. Supervisory Board resolutions are passed with a simple majority of votes cast. In case of a tie, the chairman of the meeting shall have the casting vote.

The regulations outlined above apply accordingly for the working practices of the committees with the stipulation that the Chairman of the Committee appears in place of the Chairman of the Supervisory Board.

Goals for the composition of the Supervisory Board

The Supervisory Board at its meeting on December 1, 2017 pursuant to Section 5.4.1 (2) GCGC, set the following objectives for its composition, described in detail below, and developed a competence profile for the full committee. In this connection, the Supervisory Board also developed a diversity concept in accordance with Section 289f (5) HGB, which it follows in terms of its composition and which it has integrated into the goals for its composition – and for the competence profile. When making

proposals for nomination to the General Meeting, both the Nomination Committee as well as the Supervisory Board shall consider these objectives and endeavour to fulfill the competence profile for the full committee. The Supervisory Board continually monitors the currentness and implementation of the goals for its composition. With the current composition, the objectives mentioned are, in the assessment of the Supervisory Board, fulfilled.

Competence profile for the full committee

The Supervisory Board is to be composed in a manner that its members as a whole have the required knowledge, abilities and specialist experience in order to appropriately assume the tasks. The members of the Supervisory Board in its entirety must be familiar with the pharmaceutical and health care sector and should also be familiar with the responsibilities and requirements of the two-tier board structure of German stock corporation law. In accordance with the requirements of Section 5.4.1 GCCG, the Supervisory Board at its December meeting prepared a competence profile for the entire committee that covers general, professional and personal competences. In addition to competences that all members of the Supervisory Board should possess, the competence profile also includes requirements that at least one member should have. In its current composition, the competence profile for the entire Supervisory Board is fulfilled.

Diversity

The Supervisory Board is of the view that a heterogeneous and diverse composition of the committee positively impacts the work of the Supervisory Board through input from various perspectives. Emphasis is therefore given to a heterogeneous and diverse composition. To this end, it has also prepared a Diversity Concept as laid out in Section 289f (2) No. 6 HGB that includes objectives for its composition related to age structure/experience, gender diversity, educational and professional background as well as cultural diversity and internationality. The diversity concept that the Supervisory Board fulfills in its current composition is described in greater detail under point 5.

Appropriate number of independent members of the Supervisory Board

The Supervisory Board of STADA should include an appropriate number of independent members, whereby the ownership structure should be taken into account. A Supervisory Board member is not to be considered independent in particular if he/she has personal or business relations with the company, its executive bodies, a controlling shareholder or an enterprise associated with the latter which may cause a substantial and not merely temporary conflict of interests. In light of the ownership structure and the dependence of STADA on its majority shareholder, Nidda Healthcare GmbH, the Supervisory Board believes it is appropriate if two shareholder representatives are independent. In the view of the Supervisory Board, Dr. Günter von Au and Dr. Eric Cornut are to be viewed as independent shareholder representatives in terms of Section 5.4.2 GCCG.

General age limit and duration of membership

The Supervisory Board is of the view that its members, subject to special reasons, should not be in office longer than the end of the Annual General Meeting in the year after they turn 75 (general age limit). Election nominations are to take into account the duration of membership of the Supervisory Board of three full terms (generally 15 years). This stipulation is met in the current composition of the Supervisory Board.

Target for the representation of women/increasing the representation of women

As part of the Diversity Concept, the Supervisory Board seeks to increase the number and strengthen the position of women. In accordance with the statutory regulations, the Supervisory Board has determined to at least maintain the proportion of women of currently one for the period until December 31, 2022. In addition, the Supervisory Board will strive to continue to promote the proportion of women on its committee, whereby the professional and personal qualifications of the candidate rather than the gender are considered most important.

Composition and working practices of the Supervisory Board committees

The Supervisory Board in its composition until September 25, 2017 had four Supervisory Board committees in the reporting year: an Audit Committee, a Human Resources Committee, a Strategy Committee and a Nomination Committee. There was also an Ad-hoc-Takeover Committee in the period from February 15, 2017 until September 3, 2017.

The newly-formed Supervisory Board on October 23, 2017 established or re-staffed the following committees: an Audit Committee, a Chairman's Committee, a Nomination Committee as well as an Ad-Hoc-DPLA Committee. It also established a Compliance Committee on November 8, 2017.

- Audit Committee

The Audit Committee deals in particular with monitoring the accounting process, the effectiveness of the internal control system and that of the internal auditing system, the risk management system and compliance. Furthermore, the Audit Committee deals with the financial statement audits, in particular the required independence of the auditor, the additional tasks rendered by the auditor, the award of the audit contract to the auditor, the determination of the main areas for the audit and the fees agreement with the auditor. In addition, it discusses the annual and interim reports with the Executive Board prior to their publication.

The Chairman of the Audit Committee shall have specialist knowledge and experience in the application of accounting principles and internal control processes. Furthermore, the Chairman of the Audit Committee shall be independent and neither the Chairman of the Supervisory Board, nor a former member of the Executive Board whose position ended less than two years ago.

Until September 25, 2017, the Audit Committee consisted of the Supervisory Board members Dr. Gunnar Riemann (Chairman), Dr. Birgit Kudlek, Carl Ferdinand Oetker and Jens Steegers. Following the new composition of the Supervisory Board, the Audit Committee has included, since October 23, 2017, Supervisory Board members Dr. Michael Siefke (Chairman), Benjamin Kunstler, Jan-Nicolas Garbe and Jens Steegers.

During his time as Chairman of the Audit Committee, Dr. Gunnar Riemann was independent and had particular knowledge and experience in the application of accounting principles and internal control procedures. As Chairman of the Audit Committee, Dr. Michael Siefke also has this particular knowledge and experience. As a result of his position as Managing Director of a company associated with Nidda Healthcare GmbH, he is viewed as not independent in accordance with Section 5.3.2 (3) Sentence 2 GCGC.

- Nomination Committee

In accordance with the German Corporate Governance Code, the Supervisory Board established a Nomination Committee. Its task is to recommend suitable candidates for the election of shareholder representatives to Supervisory Board through the General Meeting to the Supervisory Board and to manage the objectives for the composition of the Supervisory Board. The Nomination Committee deals exclusively with shareholder representatives. It meets when required. Its members do not receive any special committee remuneration.

Until September 25, 2017, the Nomination Committee consisted of the shareholder representatives Carl Ferdinand Oetker (Chairman), Rolf Hoffmann and Tina Müller. Following the new composition of the Supervisory Board, the Audit Committee has included, since October 23, 2017, Supervisory Board members Dr. Günter von Au (Chairman), Bruno Schick and Dr. Michael Siefke.

- Human Resources Committee (until September 25, 2017)

The Chairman of the Supervisory Board was also the Chairman of the Human Resources Committee. The Human Resources Committee prepared the personnel decisions of the Supervisory Board related to Executive Board appointments. The committee discussed, in particular, the conditions of the employment contracts for the members of the Executive Board and prepared the resolutions of the Supervisory Board regarding the remuneration system of the Executive Board in that it recommended to the Supervisory Board the structure of the remuneration system and the ranges of the fixed and variable components of the remuneration of the Executive Board. In addition, it ensured together with the Executive Board that long-term succession planning takes place.

Moreover, the Human Resources Committee consulted with the Executive Board regarding the strategic personnel development of STADA Arzneimittel AG and prepared the decisions of the Supervisory Board in this area.

The members of the Human Resources Committee until September 25, 2017 were the Supervisory Board members Carl Ferdinand Oetker (Chairman), Halil Duru, Rolf Hoffmann and Tina Müller.

- Strategy Committee (until September 25, 2017)

In cooperation with the Executive Board, the Strategy Committee advises on strategic perspectives, positioning and further development of the company and prepares fundamental decisions of the entire Supervisory Board. It deals with fundamental questions of corporate strategy including the operating policy and business orientation of the Group. It monitors the competitive situation of the company and advises on possible strategy changes together with the Executive Board in this context. It supervises strategic processes and strategy implementation.

Until September 25, 2017, the Strategy Committee consisted of Supervisory Board members Dr. Eric Cornut (Chairman), Rolf Hoffmann, Dr. Birgit Kudlek, Tina Müller and Dr. Ute Pantke.

- Ad-hoc-Takeover Committee (from February 15, 2017 until September 3, 2017)

In the course of the execution of the structured bidding process in the takeover procedure, the Supervisory Board in February 2017 established an Ad-hoc-Takeover Committee in order to support the Executive Board in the protection of the Company's interests and to secure a fast and close exchange of information between the Executive Board and the Supervisory Board. In addition, the Ad-hoc-Takeover Committee was able to ensure fast and efficient decision-making in the case of transactions requiring approval.

The Ad-hoc-Takeover Committee consisted of Supervisory Board members Carl Ferdinand Oetker (Chairman), Dr. Eric Cornut, Dr. Birgit Kudlek, Tina Müller and Dr. Ute Pantke.

- Chairman's Committee (since October 23, 2017)

The Chairman's Committee newly-established by the Supervisory Board in its current composition assumes the tasks of the former Human Resources Committee and is additionally responsible for the preparation of meetings of the Supervisory Board, coordination of communication with the Executive Board, monitoring execution of resolutions taken by the Supervisory Board, preparation of the examination of efficiency of the Supervisory Board and the preparation (including recommended resolutions) of the decision from the Supervisory Board on the handling of conflicts of interest in the Executive Board (e.g. the approval from the Supervisory Board regarding business transactions with a member of the Executive Board or a related party also outside of Section 112 of the German Stock Corporation Act (AktG); approval from the Supervisory Board for the assumption of sideline activities outside of the Group). In addition, the Chairman's Committee decides on behalf of the Supervisory Board on transactions requiring approval, insofar as these are assigned to it and in cases for which, to avoid significant disadvantages for the company, a postponement until the next meeting of the Supervisory Board does not appear reasonable and also through a vote outside of a meeting no decision from the Supervisory Board can be obtained within the required period of time. For all further transactions requiring approval that are not assigned solely to the Chairman's Committee, this committee prepares a recommendation for resolution for the Supervisory Board.

The Chairman's Committee has included, since October 23, 2017, Supervisory Board members Dr. Günter von Au (Chairman), Halil Duru, Bruno Schick and Dr. Michael Siefke.

- Ad-hoc-DPLA Committee (since October 23, 2017)

In the context of the planned conclusion of a domination and profit and loss transfer agreement (DPLA) between STADA and Nidda Healthcare GmbH the Supervisory Board in its current composition, for efficient and neutral process support, has formed a DPLA Committee as an ad hoc Committee. The task of the committee is the evaluation regarding whether the conclusion of the domination and profit and loss transfer agreement is in the best interests of STADA and whether the fixed compensation offered to the minority shareholders as well as the severance payment are appropriate in the view of the committee. In place of the full Supervisory Board, the committee issued its approval for the conclusion of the domination and profit and loss transfer agreement and decided on the proposed resolution to be presented to the General Meeting with regard to the approval for the conclusion of the DPLA.

The Ad-hoc-DPLA Committee includes Supervisory Board members Dr. Günter von Au (Chairman), Dr. Eric Cornut and Dr. Ute Pantke.

- Compliance Committee (since November 8, 2017)

The Compliance Committee is responsible for monitoring adherence to legal standards and internal company guidelines through the company and its boards. Within the scope of its activities, the Committee is particularly responsible for the introduction and monitoring of procedures related to potential compliance violations and the preparation of relevant decisions of the Supervisory Board in these matters. The Compliance Committee meets when necessary and involves external consultants when needed. Its members do not receive any special committee remuneration.

The Compliance Committee includes Supervisory Board members Dr. Günter von Au (Chairman), Dr. Eric Cornut, Bruno Schick and Dr. Michael Siefke.

The "Supervisory Board Report" contains more detailed information on its meetings and the focus of the Supervisory Board's activities and its committees.

Individualized disclosure of meeting participation

The Supervisory Board considers the individualized disclosure of participation in meetings of the Supervisory Board Plenum and the Supervisory Board Committees as part of good corporate governance.

Supervisory Board Plenum	Meeting participation	Attendance in %
Dr. Günter von Au ¹⁾	4/4	100
Dr. Eric Cornut	21/23	91.30
Halil Duru	22/23	95.65
Jan-Nicolas Garbe ¹⁾	4/4	100
Rolf Hoffmann ²⁾	13/19	68.42
Dr. Birgit Kudlek ²⁾	18/19	94.74
Benjamin Kunstler ¹⁾	4/4	100
Tina Müller ²⁾	16/19	84.21
Carl Ferdinand Oetker ²⁾	19/19	100
Dr. Ute Pantke	23/23	100
Dr. Gunnar Riemann ²⁾	19/19	100
Bruno Schick ¹⁾	4/4	100
Dr. Michael Siefke ¹⁾	4/4	100
Jens Steegers	23/23	100

Audit Committee	Meeting participation	Attendance in %
Jan-Nicolas Garbe ¹⁾	1/1	100
Dr. Birgit Kudlek ²⁾	5/5	100
Benjamin Kunstler ¹⁾	1/1	100
Carl Ferdinand Oetker ²⁾	5/5	100
Dr. Gunnar Riemann ²⁾	5/5	100
Dr. Michael Siefke ¹⁾	1/1	100
Jens Steegers	5/6	83.33

1) Member of the Supervisory Board since September 26, 2017.

2) Member of the Supervisory Board until September 25, 2017.

Nomination Committee	Meeting participation	Attendance in %
Dr. Günter von Au ¹⁾	0/0	-
Rolf Hoffmann ²⁾	1/1	100
Tina Müller ²⁾	1/1	100
Carl Ferdinand Oetker ²⁾	1/1	100
Bruno Schick ¹⁾	0/0	-
Dr. Michael Siefke ¹⁾	0/0	-

Human Resources Committee (until September 25, 2017)	Meeting participation	Attendance in %
Halil Duru	4/4	100
Rolf Hoffmann ²⁾	4/4	100
Tina Müller ²⁾	4/4	100
Carl Ferdinand Oetker ²⁾	4/4	100

Strategy Committee (until September 25, 2017)	Meeting participation	Attendance in %
Dr. Eric Cornut	1/1	100
Rolf Hoffmann ²⁾	1/1	100
Dr. Birgit Kudlek ²⁾	1/1	100
Tina Müller ²⁾	0/1	0
Dr. Ute Pantke	1/1	100

Ad-hoc-DPLA Committee (since October 23, 2017)	Meeting participation	Attendance in %
Dr. Günter von Au ¹⁾	1/1	100
Dr. Eric Cornut	1/1	100
Dr. Ute Pantke	1/1	100

Compliance Committee (since November 8, 2017)	Meeting participation	Attendance in %
Dr. Günter von Au ¹⁾	3/3	100
Dr. Eric Cornut	2/3	66.67
Bruno Schick ¹⁾	3/3	100
Dr. Michael Siefke ¹⁾	3/3	100

1) Member of the Supervisory Board since September 26, 2017.

2) Member of the Supervisory Board until September 25, 2017.

Conflicts of interest

According to the rules of procedure of the Supervisory Board, members of the Supervisory Board shall not be a member of any board at, or provide consulting services to, significant competitors of the Company. Furthermore, the Supervisory Board members are required to disclose conflicts of interest to the Supervisory Board, particularly those which may arise as a result of consultation or board membership with customers, suppliers, banks or other third parties. Significant and not only temporary conflicts of interest for an individual in the Supervisory Board shall result in termination of the position. In its report, the Supervisory Board informs the General Meeting whether conflicts of interest were recognized and how they were handled.

Examination of Efficiency

The Supervisory Board regularly reviews the efficiency of its activities in accordance with Section 5.6 of the German Corporate Governance Code (GCGC). The examination of efficiency serves to evaluate the effectiveness and efficiency of the Supervisory Board. The objective is to critically evaluate the working practices and composition of the Board as well as to derive possible suggestions for improvement, including, in terms of optimizing work processes, the organization of the reporting system, as well as the improvement of the performance of the Supervisory Board as a monitoring body and the lawfulness of the Board's work. In financial year 2017, the Supervisory Board in its previous composition, with the support of an independent external consultant, conducted an examination of efficiency.

Remuneration Report

The principles of the remuneration system of the STADA Supervisory Board as well as individual details of the remuneration of individual members of the Supervisory Board are presented in the "Remuneration Report".

c) Advisory Board

The Chairman of the Supervisory Board convenes the members of the Advisory Board of STADA Arzneimittel AG upon recommendation of the Executive and Supervisory Boards. According to the Company's Articles of Incorporation, the duty of the Advisory Board is to support and advise the Executive and Supervisory Boards. Furthermore, members of the Advisory Board are available to act as proxy for shareholders who do not wish to exercise their voting rights in person at the General Meeting. The Advisory Board had eleven members on the reporting date. The currently elected eleven members of the Advisory Board are appointed until the end of financial year 2018. The principles of the remuneration system of the STADA Advisory Board are presented in the "Remuneration Report".

4. Specifications of Section 76 (4) and Section 111 (5) AktG as well as Information regarding whether the Set Targets were reached during the Reference Period and Justification if not reached

In accordance with Section 76 (4) AktG and Section 111 (5) AktG, the Executive Board and the Supervisory Board have agreed the following targets for the proportion of women in the first and second management levels below the Executive Board and for the proportion of women in the Executive Board and the Supervisory Board.

a) Specifications by the Executive Board in accordance with Section 76 (4) AktG for the proportion of women in the two management levels below the Executive Board and target achievement

Proportion of women at the first management level

In financial year 2015, in line with legal requirements pursuant to Section 76 (4) AktG, the Executive Board had decided, for the proportion of women in the first management level below the Executive Board, to at least maintain the proportion of women at 23.5% until June 30, 2017.

With a proportion of women at the first management level of 25.0% as of June 30, 2017, the target set in 2015 was exceeded. In June 2017, the Executive Board set a new target for the proportion of women at the first management level of at least maintaining the status quo of 25.0% with an implementation deadline until December 31, 2018.

Proportion of women at the second management level

In financial year 2015, the Executive Board had decided, for the proportion of women in the second management level below the Executive Board, to at least maintain the proportion of women at 25% until June 30, 2017.

With a proportion of women at the second management level of 25.6% as of June 30, 2017, the target set in 2015 was just exceeded. In June 2017, the Executive Board set a new target for the proportion of women at the second management level of at least maintaining the status quo of 25.6% with an implementation deadline until December 31, 2018.

Outlook

Within the scope of succession planning for managers of STADA Arzneimittel AG, the Executive Board continues to pay close attention to an appropriate promotion of women for an ongoing increase in the proportion of women. The proportion of women as of December 31, 2017 of approximately 53% across the entire workforce of the STADA Group forms the basis for this. Management positions are still awarded primarily based on the professional and personal qualifications of the candidate, rather than based on gender.

b) Specifications by the Supervisory Board in accordance with Section 111 (5) AktG and report on target achievement

Targets for the proportion of women in the Executive Board

In 2015, in line with legal requirements pursuant to Section 111 (5) AktG, the Supervisory Board, with regard to the proportion of women on the Executive Board, decided to initially maintain the status quo of 0% for the period up to June 30, 2017. The actual proportion of women in the Executive Board as of June 30, 2017 remained at 0%.

The Supervisory Board decided in June 2017 that, for the proportion of women in the Executive Board, the status quo of 0% shall continue to be maintained for an initial period only until December 31, 2017. The actual proportion of women in the Executive Board as of December 31, 2017 remained at 0%.

The Supervisory Board in its new composition decided in December 2017 that, for the proportion of women in the Executive Board, the status quo of 0% shall be maintained until December 31, 2022. In the filling of future Executive Board positions the Supervisory Board will make every effort to consider an appropriate proportion of women, whereby positions are awarded primarily based on the professional and personal qualifications of the candidate, rather than based on gender.

Targets for the proportion of women in the Supervisory Board

In 2015, the Supervisory Board, in line with legal requirements pursuant to Section 111 (5) AktG, with regard to the proportion of women on the Supervisory Board, set targets for the period up to June 30, 2017 of at least maintaining the status quo of one woman, i.e. 11.11%. In the course of the partially early elections to the Supervisory Board held in 2016, two female candidates were elected to the Supervisory Board by the General Meeting on August 26, 2016 so that the proportion of women in the Supervisory Board amounted to 33.33% as of June 30, 2017. The target set in 2015 was thus exceeded.

The Supervisory Board decided in June 2017, for the proportion of women in the Supervisory Board, to maintain the status quo at the time of 33.33% for an initial period only until December 31, 2017. Due to the resignations and judicial appointment of five Supervisory Board members in September 2017, the actual proportion of women as of December 31, 2017 was one woman (11.11%).

In its new composition, the Supervisory Board decided in December 2017 to at least maintain the proportion of women of currently one for the period until December 31, 2022. In addition, the Supervisory Board will strive to continue to promote the proportion of women on its committee, whereby the professional and personal qualifications of the candidate rather than the gender are considered most important.

5. Description of the Diversity Concept for the Supervisory Board and the Executive Board

a) Diversity concept for the Supervisory Board

aa) Aspects and objective

The Supervisory Board is of the view that a heterogeneous and diverse composition of the committee positively impacts the work of the Supervisory Board through input from various perspectives. It therefore attaches great importance to a diverse composition, in particular as relates to the aspects age structure and length of experience, gender diversity, educational and professional background as well as cultural diversity and internationality. With regard to the aspects mentioned, the Supervisory Board pursues the following goals:

Age structure and length of experience

In its composition, the Supervisory Board attaches importance to a **balanced age structure** of younger and more experienced members so that, on the one hand, an "aging" of the Supervisory Board as a full committee can be avoided. On the other hand, care should be taken to ensure that there are members with sufficient **experience** represented within the Supervisory Board, both in terms of age and years of professional experience and in terms of experience as a member in supervisory or controlling bodies.

Gender diversity

With a view to **gender diversity**, the Supervisory Board has set itself the goal of promoting the number of women in its committee. It seeks to at least maintain the current proportion of women of one woman. In addition, the Supervisory Board will strive to continue to promote the proportion of women on its committee, whereby the professional and personal qualifications of the candidate rather than the gender are considered most important.

Educational and professional background

The Supervisory Board, in its composition, pays attention to diversity in terms of the **educational and professional background** of its members. In addition to a professional background in the pharmaceutical and health care industry, persons with professional experience in other industries that are also commercial in nature should also be represented, whereby the members of the Supervisory Board in its entirety must be familiar with the pharmaceutical and health care sector. In terms of educational background, both persons with completed degrees in the natural sciences, chemistry and pharmaceutical fields as well as persons with a business and/or legal degree should be represented. Furthermore, membership for persons both with and without experience at management levels is desired (in particular employees).

Cultural diversity and internationality

All members must be open to the international orientation of the Group. As a committee of an internationally active Group, the STADA Supervisory Board attaches significant importance to **cultural diversity and internationality**. Several members should have extensive international experience, for example as a result of their activities abroad, education obtained abroad or as a result of their origin.

bb) Manner of implementation and results achieved

In the assessment of the Supervisory Board, it adheres in its current composition to the described Diversity Concept as follows.

Age structure and length of experience

The members of the Supervisory Board were born in the years from 1951 and 1981 and thereby have an age difference from the youngest to the oldest member of 30 years with an average age of 50 years and thus meet the requirements of a **heterogeneous age and experience structure**.

Gender diversity

The proportion of women in the Supervisory Board is currently one woman and thus corresponds to the self-defined minimum goal. In addition, the Supervisory Board will strive to continue to promote the proportion of women on its committee, whereby the professional and personal qualifications of the candidate rather than the gender are considered most important.

Educational and professional background

The various **professional and educational backgrounds** of the members of the Supervisory Board corresponds to the defined diversity criteria. There is a balanced relationship between members with degrees in natural sciences/chemistry and those with degrees in business and/or law. In addition, the members of the Supervisory Board have a range of different professional experience both within and outside the industry of the company and are in their entirety familiar with the pharmaceutical and health care sector. The Supervisory Board includes members who have management experience and members who don't.

Cultural diversity and internationality

Many members of the Supervisory Board have international professional experience obtained abroad. In addition, the Supervisory Board also includes three members who are foreign nationals.

b) Diversity concept for the Executive Board**aa) Aspects and objective**

STADA's Executive Board consists of three persons. The respective Executive Board positions primarily require very specific and detailed specialist knowledge and experience in the business area for which they are responsible, the presence of such qualifications for a candidate in the interests of the company has priority over diversity considerations. The Supervisory Board therefore, in the preparation of the Diversity Concept for the Executive Board, placed the emphasis in particular on the aspects education and professional background as well as internationality. In addition, the Supervisory Board pays attention to the promotion of women in the Executive Board, whereby positions are awarded primarily based on the professional and personal qualifications of the candidate, rather than based on gender.

Educational and professional background

With a view to the aspect of **educational and professional background**, the Supervisory Board attaches importance to ensuring that the members of the Executive Board have varied university degrees and, hereby, in particular have expertise in the pharmaceutical/natural sciences field as well as in the business and/or law subject areas. Furthermore, the members of the Executive Board should have gained previous professional experience in various management positions at several companies, both in the health care sector as well as in other industries in order to contribute the respective experience to the management of STADA and, in this way, to complement one another.

Internationality

The Supervisory Board also takes care to ensure that each member of the Executive Board has **international experience** in the business area for which he is responsible. In order to increase the internationality of the committee as a whole, the Executive Board should include members with international experience (degree and professional experience) in various countries.

Representation of women

Despite the target-setting prescribed by law, the Supervisory Board will take care to consider an appropriate proportion of women in the filling of future Executive Board positions, whereby positions are awarded primarily based on the professional and personal qualifications of the candidate, rather than based on gender.

bb) Manner of implementation and results achieved

In the assessment of the Supervisory Board, the Executive Board in its current form meets the described diversity criteria.

Shareholders and the General Meeting

The shareholders¹⁾ assume their rights in the General Meeting and exercise their voting rights. Each STADA share²⁾ grants entitlement to one vote. Shareholders have the option to exercise their voting right themselves in the General Meeting or to have their voting right exercised by an authorized representative of their choice or by way of a voting representative from the Company, who is bound by instructions. Every shareholder is entitled to participate in the General Meeting, to speak on individual agenda items there and to request information about Company issues, if this is required for the appropriate assessment of an item on the agenda.

The Annual General Meeting takes place annually in the first eight months of the financial year and passes resolutions, among other things, on the allocation of profits, the approval of the Executive Board and Supervisory Board, the selection of the auditor as well as on any changes to the Articles of Incorporation and capital-changing measures.

Securities Transactions Subject to Reporting and Shares Held by the Executive Board and Supervisory Board

As of the reporting date, the total number of shares of STADA Arzneimittel AG held by Executive Board and Supervisory Board members amounted to less than 1% of the shares issued by the company. The Executive Board members did not receive any STADA Arzneimittel AG shares. Members of the Supervisory Board held a total of 25 shares, this corresponds to 0.00004% of the share capital of STADA Arzneimittel AG. The 25 shares were held on the balance sheet date by Supervisory Board member Jens Steegers.

In accordance with Article 19 of the EU Directive No. 596/2014 of the European Parliament and Council of April 16, 2014 on market abuse (Market Abuse Directive), Members of the Executive Board and Supervisory Board as well as closely related persons are obligated to disclose share transactions or debt and equity securities of STADA Arzneimittel AG or related financial instruments if the value of the transactions reaches or exceeds € 5,000 within one calendar year. The transactions reported in the past financial year were published on the company's website at www.stada.de/investor-relations/aktie/directors-dealings or www.stada.com/investor-relations/stock/directors-dealings.

Transparent Corporate Governance

In order to ensure transparent corporate governance, STADA informs shareholders, financial analysts, other capital market participants, the media and the interested public regularly and promptly about the situation of the Company and about any significant business changes.

In order to ensure the equal treatment of all users and to provide market participants the same information in terms of content and in due time, STADA provides all the important documentation on the company's website at www.stada.de and www.stada.com. There, all interested individuals are provided access, in particular, to all compulsory information such as financial reports (annual and interim reports) and ad hoc releases, voting rights notices, reports in accordance with Article 19 of the Market Abuse Directive (Director's Dealings), information on the General Meeting, as well as other comprehensive Company and share information such as investor news, press releases, Company profile, financial calendar, presentations and current share price information on STADA (including peer group comparisons).

The reporting about the position and earnings of STADA Arzneimittel AG as well as the STADA Group is provided by means of the annual and interim financial reports that can be viewed on the Group's website at www.stada.de or www.stada.com.

Financial Reporting and Financial Statement Audit

STADA prepares the Consolidated Financial Statements and the Consolidated Interim Financial Statements in accordance with the relevant international financial reporting standards and the Annual Financial Statements of STADA Arzneimittel AG in accordance with the rules and regulations of the German Commercial Code.

²⁾ In accordance with the Articles of Incorporation, registered STADA shares grant one vote at the General Meeting. Shareholders are only those who are registered as such in the share registry and only such persons are authorized to participate in the General Meetings of the company and to exercise voting rights. No shareholder and no shareholder group shall have any special rights.

¹⁾ For capital and shareholder structure see "The STADA Share".

The Supervisory Board audits the Consolidated Financial Statements and the Consolidated Interim Financial Statements for the first half of the year provided by the Executive Board. The Audit Committee discusses the Annual and Interim Financial Reports with the Executive Board prior to their publishing.

STADA publishes the Annual Financial Statements of STADA Arzneimittel AG (including the Management Report) and the Consolidated Financial Statements of the STADA Group (including the Combined Management Report) within 90 days of the end of the respective financial year and, in addition, informs shareholders and third parties during the year via interim financial reports within 45 days of the end of the reporting period. The Consolidated Interim Financial Report for the first half of the year is voluntarily audited by the auditor elected by the Annual General Meeting for this purpose.

The Annual Financial Statements of STADA Arzneimittel AG and the Consolidated Financial Statements as of December 31, 2017 as well as the Management Report and the Combined Management Report for financial year 2017 were audited for the first time by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. Dr. Bernd Roese was the responsible auditor for the audit of the Annual and Consolidated Financial Statements.

The Company does not have a stock option plan.

The significant investments of the Company as well as the related parties are presented in the notes to the Consolidated Financial Statements.

Prior to submitting the nomination, the Audit Committee receives a declaration from the selected auditor of whether and to what extent commercial, financial, personal or other relationships exist between the auditor, its board members and head auditors on one side, and STADA and its members of governing bodies on the other side, which could represent any doubts regarding the independence of the auditor. The declaration also covers to what extent in the past financial year other services were provided – or have been contractually agreed upon for the following year – to the Company, in particular in the area of consultancy.

The Supervisory Board agreed with the auditor that the Chairman of the Supervisory Board or Audit Committee shall be informed without delay of any possible grounds for exclusion or bias arising during the audit insofar as these are not remedied immediately.

Furthermore, the Supervisory Board agreed with the auditor that the auditor shall report without delay on all facts and events of importance for the tasks of the Supervisory Board which arise during the performance of the audit, as well as that the auditor shall disclose and/or note in the Auditor's Report if, during the performance of the audit, the auditor comes across facts which show a misstatement by the Executive Board and Supervisory Board in the declaration on the German Corporate Governance Code.

The auditor participates in the meetings of the Supervisory Board regarding the Semi-annual, Annual and Consolidated Financial Statements and reports the significant results of the audit.