

Remuneration Report

This remuneration report outlines the principles of the remuneration system for members of the Executive Board and Supervisory Board as well as the amount of individual remuneration. It also presents the remuneration of the Advisory Board members of STADA Arzneimittel AG. The report meets the requirements of the German Commercial Code (HGB) and German Accounting Standard No. 17 (DRS 17) as well as the recommendations of the German Corporate Governance Code (GCGC).

Remuneration of the Executive Board

The full Supervisory Board determines the Executive Board remuneration system and the remuneration of individual Executive Board members upon the proposal of the Human Resources or Chairman's Committee and reviews these regularly. The objective of the various Executive Board remuneration systems relevant in the financial year is to allow members of the Executive Board to participate appropriately in the sustainable increase in enterprise value in accordance with their personal tasks and performance, the overall performance of the Executive Board as well as success-oriented company management under consideration of the competitive environment. Overall, the remuneration of the Executive Board in the framework of this remuneration system is performance-oriented and assessed in a way that is competitive both nationally and internationally and thus presents an attractive basis for committed and successful performance in a dynamic environment. Through the application of appropriate caps, the remuneration system avoids excessively strong incentives towards risk-oriented behavior.

The amount and structure of the Executive Board remuneration is reviewed regularly by the Supervisory Board and adjusted whenever necessary. The most recent review took place in December 2017.

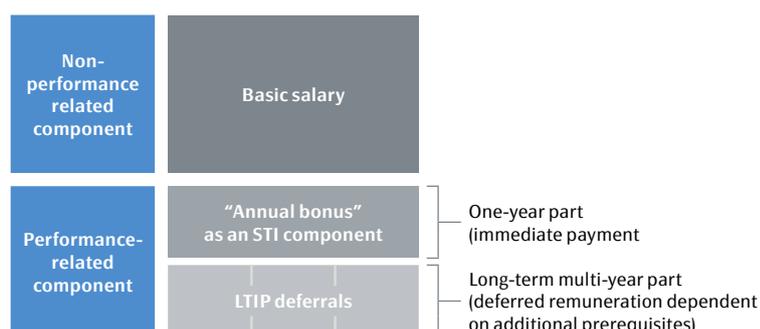
Different Executive Board remuneration systems in financial year 2017

Different remuneration systems were applied in financial year 2017. The following is a chronological overview of the remuneration systems applied in the reporting year for Executive Board members.

I. Structure of the remuneration for Executive Board members departed in 2017, Dr. Matthias Wiedenfels and Helmut Kraft

Dr. Matthias Wiedenfels and Helmut Kraft served as members of the Executive Board at STADA Arzneimittel AG until July 4, 2017. The core elements of the system for Dr. Matthias Wiedenfels and Helmut Kraft include non-performance related remuneration that takes the tasks and performance of members of the Executive Board into consideration along with a component that depends on the achievement of annual performance goals ("Short-Term Incentive", STI). In addition to the annual performance-related remuneration, the system calls for the members of the Executive Board to also receive a remuneration component geared toward the long term ("Long-Term Incentive", LTI), which is measured to a significant extent on the increase in value of the STADA share and which thus sets an incentive for the members of the Executive Board toward a sustainable increase in enterprise value. The objective of the long-term variable remuneration is also to consider the interests of shareholders in the incentive structure of the remuneration in an overall sustainable manner. There are no stock option plans. The individual performance-related components are limited to a maximum amount.

Remuneration system of the Executive Board members Dr. Matthias Wiedenfels und Helmut Kraft



Non-performance related components

Annual basic remuneration

The non-performance related remuneration consists of an agreed basic salary paid out in twelve equal monthly installments. This fixed annual salary was determined in accordance with the requirements of the German Stock Corporation Act under consideration of usual market remuneration as well as the position and responsibility of the member of the Executive Board.

Fringe benefits

The members of the Executive Board receive other remuneration in the form of fringe benefits, which consist for the most part only of the private use of a company car, contributions to health and nursing care insurance and other insurance services (accident insurance, among other things). The remuneration does not include any company-organized pension plans.

Performance-related components

The performance-related component is structured in the same way for both members of the Executive Board and includes a one-year part ("**annual bonus**" as an STI component) and a multi-year, long-term incentive-oriented part ("**LTIP deferrals**").

With full target achievement of the performance parameters, the total performance-related remuneration (STI + LTI) amounts to the fixed remuneration of the member of the Executive Board, i.e. the non-performance related remuneration ("**personal target amount**").

The determination of the amount of the performance-related remuneration as well as the payment dates are discussed below.

Performance parameters for the determination of the mathematical starting amount of the performance-related remuneration awarded for a financial year (STI and LTI)

Both the annual bonus (STI) and the LTIP deferrals are dependent on the target of the Supervisory Board for the **company performance** as well as the **individual Executive Board performance** for the financial year. Depending on the degree of target attainment of these criteria, a starting amount for variable remuneration is calculated ("**mathematical starting amount**"). 50% of this amount is paid as an annual bonus. The remaining half is made up of the starting amount for the determination of the LTIP deferrals, which are also dependent on the performance of the STADA share in comparison to the MDAX® over a period of several years (share-dependent multi-year components).

Company performance

Before the beginning of each financial year, the Supervisory Board sets the **targets** for company performance for the full Executive Board in the upcoming financial year ("**performance period**") for the variable remuneration. The assessment basis for this is the **adjusted net income**¹⁾, which is determined through the operative planning of the Executive Board for net income for this performance period, and is adjusted for extraordinary expenses and income.

At the end of each financial year, the degree of target achievement of company performance is determined for this performance period. If the target is fully reached, the mathematical starting amount for the variable remuneration of this financial year (STI + LTI) is the personal target amount (i.e. the fixed remuneration of the Executive Board member). If the target was missed by 25 percentage points or more, there is no performance-related remuneration for this financial year (i.e. both the annual bonus and the LTIP deferrals). If the target is exceeded by 20 or more percentage points, the mathematical starting amount of the performance-related remuneration amounts to a maximum of 180% of the personal target amount (i.e. the respective fixed remuneration). Interim values are determined on a linear basis.

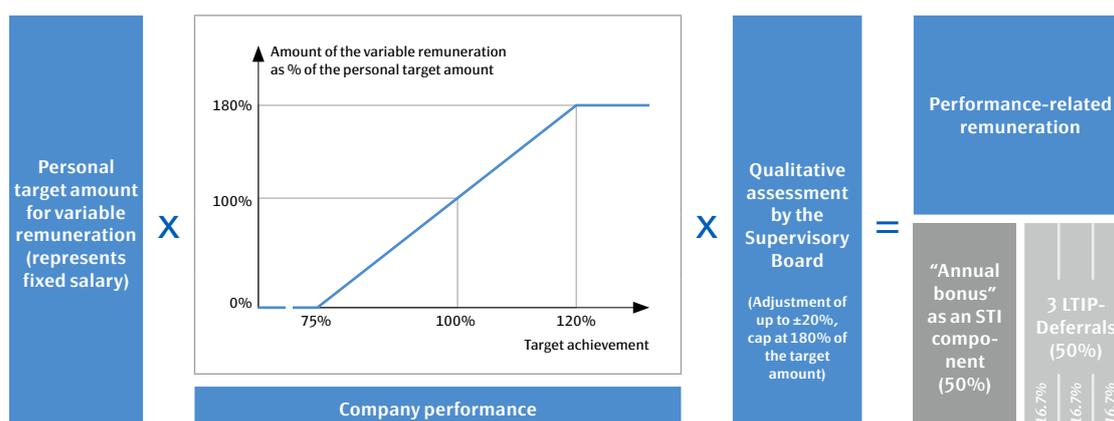
Personal performance of an Executive Board member

Under consideration of the personal performance of an Executive Board member, the Supervisory Board has the possibility of increasing or decreasing the mathematical starting amount for the variable remuneration for this financial year (STI and LTI) by up to 20% in accordance with contractual criteria. Uniform qualitative parameters are determined in the employment contracts for both Executive Board members for the measurement of exceptional or below average personal performance (e.g. Employee satisfaction, exceptional workload, contributions towards the further development of the company). In the case of a significant

1) Adjusted for extraordinary effects.

deviation from the expectations in connection with the personal performance of a member of the Executive Board, the Supervisory Board may exercise its right to make adjustments, whereby this cannot result in the mathematical starting amount exceeding 180% of the personal target amount (i.e. individual fixed remuneration).

The following overview illustrates how this interaction of the evaluation factors for the personal performance and remuneration of Executive Board members Dr. Matthias Wiedenfels and Helmut Kraft worked in 2017:



Determination and payment of the one-year performance-related remuneration (annual bonus, STI)

Of the mathematical starting amount, as described above, 50% is paid in the following year as an **annual bonus (STI)** for the respective financial year.¹⁾ The STI component of the variable remuneration is thus generally dependent on the performance of the Company and – due to the adjustment authority of the Supervisory Board – on the individual Executive Board performance. Due to the cap of the mathematical starting amount at 180% of the personal target amount (i.e. the respective fixed remuneration), the annual bonus (STI) of an Executive Board member may reach a maximum of 90% of their fixed remuneration (the upper limit for the one-year performance-related remuneration, STI).

Determination and payment of the multi-year, long-term incentive-oriented performance-related remuneration (LTIP deferrals) depending on share performance

The other half of the mathematical starting amount calculated on the basis of the criteria presented is divided up into three equal values ("**LTIP deferral 1**", "**LTIP deferral 2**" and "**LTIP deferral 3**"). Payment of the deferrals is carried out over a period of three to five years. Payments also depend in terms of their amount on the share performance of the STADA share in comparison with the MDAX® over a period of several years (multi-year, long-term incentive-oriented performance-related remuneration).

Whether an LTIP deferral is paid and the amount of this payment is determined by the **share performance** of the STADA share compared with the MDAX® during the so-called **deferral periods**. The deferral period for the first deferral is one or two financial years following the performance period, for the second deferral the period of two or three financial years following the performance period and for the third deferral the period of three or four financial years following the performance period. Payment is based on the lower value of the two relevant deferral periods.

The **payment** is made in the financial year following each deferral period.²⁾ The LTIP deferral 1 is thus paid out after a period of three years, the LTIP deferral 2 after four years and the LTIP deferral 3 after five years.

1) Payment is due at the end of the calendar month following the approval of the Consolidated Financial Statements of the respective financial year by the Supervisory Board.

2) Payment is at the end of the calendar month following the approval of the Consolidated Financial Statements of the previous financial year by the Supervisory Board.

To determine the **payment amount** of an LTIP deferral, the stock yield of the STADA share¹⁾ during the deferral period in relation to the performance of the MDAX® is set as a constant, neutrally determined performance index for medium-sized publicly listed companies such as STADA Arzneimittel AG. Particularly in the case that the company is no longer part of the MDAX®, the Supervisory Board may select another more suitable stock index as a basis.

The payment amount for an LTIP deferral corresponds to the initial value, if the yield of the STADA share has developed in line with the MDAX® in the underlying deferral period. If the development of the STADA share yield is 70% or less of the MDAX® development, the LTIP deferral is dropped as part of a **malus regulation** and there is no payment made for this LTIP deferral. If the ratio is at least 130%, the payment amount of a deferral is 130% of the initial value as part of a **bonus regulation**. Interim values are determined on a linear basis. If the maximum amount of 130% per deferral is reached for all three of the LTIP deferrals, the multi-year performance-related remuneration for a financial year overall (i.e. for all three deferrals combined) can reach a maximum of 117% of the respective fixed remuneration (**upper limit** of the multi-year performance-dependent remuneration, LTIP).

Summary

The Executive Board remuneration system for the two departed Executive Board members Dr. Matthias Wiedenfels and Helmut Kraft links the remuneration with the (short and long-term) development of STADA Arzneimittel AG and thereby creates an incentive for successful and sustainable corporate governance. The linking of the determination of the performance-related remuneration with the adjusted net income²⁾ takes into account an operating performance indicator, which both represents a key figure and plays an important role in external financial reporting. With the help of a simple and transparent translation of the deviation of the achieved result from the target, the overall performance of the Executive Board has a direct influence on the amount of remuneration. The fixed minimum and upper limits require constant development of the Company and appropriate maximum limits (caps) avoid an excessively strong incentive towards risk-oriented behavior. By forgoing the granting of shares or share options, and with corresponding consideration of the relative share performance, the Executive Board remuneration system avoids administrative expenses. Nevertheless, it reflects the sustainable development of the Company on the capital market.

II. Structure of the remuneration for member of the Executive Board Dr. Barthold Piening

Dr. Barthold Piening has served on the Executive Board of STADA Arzneimittel AG since April 1, 2017. The core elements of the system to be used for Dr. Barthold Piening, following a review of the former remuneration system by the Supervisory Board in the fourth quarter 2016 in consultation with an independent remuneration expert include non-performance related annual remuneration that takes the tasks and performance of members of the Executive Board into consideration along with a component that depends on the achievement of annual performance goals ("Short-Term Incentive", STI). In addition to the annual performance-related remuneration, the member of the Executive Board also receives a remuneration component geared toward the long term ("Long-Term Incentive", LTI), which is measured to a significant extent on the increase in value of the STADA share and which thus sets an incentive for the member of the Executive Board toward a sustainable increase in enterprise value. The objective of the long-term variable remuneration is also to consider the interests of shareholders in the incentive structure of the remuneration in an overall sustainable manner. There are no stock option plans. The individual performance-related components are limited to a maximum amount.

Remuneration structure

As a consequence of the previously-mentioned review of the remuneration system, the Supervisory Board first considered the remuneration structure and subsequently revised the **weighting of the remuneration components (fixed and variable)**. While the fixed remuneration in the previous remuneration system accounted for 50% of the total remuneration, the share of fixed (non-performance related) remuneration in this remuneration system is about 44% of the total remuneration. The Supervisory Board has thus increased the share of performance-related remuneration in total remuneration as compared to the previous system in order to more intensively focus remuneration on the performance of the Company.

The Supervisory Board also defined future target percentages for the short and long-term performance-related remuneration. In the case of a one-hundred percent achievement of all underlying targets, with short-term performance-related remuneration ("Short-Term Incentive", STI) shall account for 50% of the individual fixed salary. For maximum target achievement, the annual bonus shall be limited to an amount of 100% of the individual fixed remuneration. The multi-year performance-related

¹⁾ The stock yield also considers distributed dividends in the LTIP deferral period, in addition to price changes. It is calculated as follows:

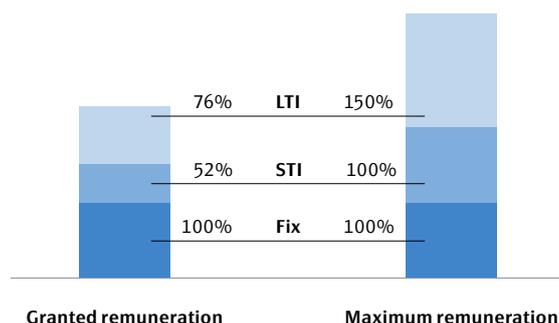
$$\text{Stock yield} = \frac{\text{Closing price} + \text{Dividend}}{\text{Opening price}}$$

²⁾ Adjusted for extraordinary effects.

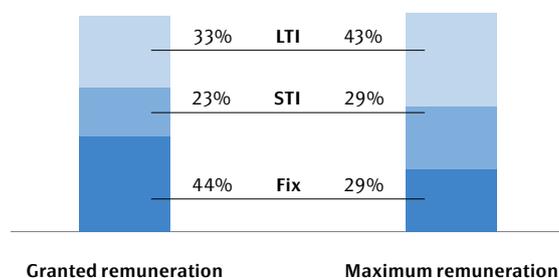
remuneration ("Long-Term Incentive", LTI) in the case of one-hundred percent achievement of all targets in this system shall amount to 75% of the individual fixed remuneration and be limited to a figure of 150% of the individual fixed remuneration (see illustration).¹⁾

The ratio of short-term to long-term performance-related remuneration in the case of achievement of all underlying targets shall amount to 40% (STI) to 60% (LTI).

Share of the individual remuneration components in fixed remuneration of Dr. Barthold Piening in %



Share of the individual remuneration components in total remuneration of Dr. Barthold Piening in %



In the interests of greater transparency and comprehensibility, the annual and multi-year performance-related remuneration components are clearly separated from one another in terms of their structure in this system. In this system, there is no link between STI and LTI by the same mathematical starting amount as was the case in previously valid remuneration systems as a result of the LTIP deferrals.

Non-performance related components

Annual basic remuneration

The non-performance related remuneration consists of an agreed basic salary paid out in twelve equal monthly installments. This fixed annual salary is determined in accordance with the requirements of the German Stock Corporation Act under consideration of usual market remuneration as well as the position and responsibility of the member of the Executive Board.

1) Smaller deviations in the amount of a few percentage points can arise from the rounding up or down of target amounts to round figures.

Fringe benefits

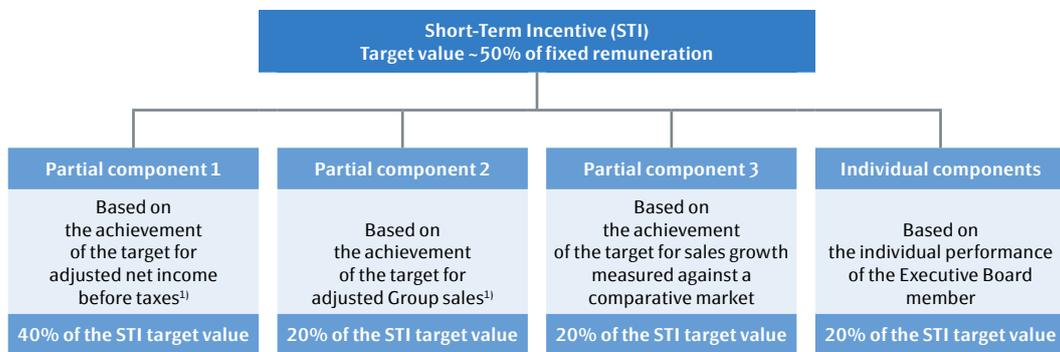
The Executive Board member receives fringe benefits such as a company car, contributions to health and nursing care insurance, conclusion and payment of premiums for accident insurance and other payments in kind that are part of the salary as well as further contributions and payments necessary for the fulfillment of the Executive Board responsibilities. The taxable benefit arising from the private use of the company car is to be taxed by the member of the Executive Board.

There is no company pension for the member of the Executive Board.

Performance-related component

Annual performance-related components

Components of the short-term performance-related remuneration (STI) of Dr. Barthold Piening



The short-term performance-related remuneration is oriented toward the achievement of four partial targets of which three partial components are geared toward differently weighted Group targets and one partial component is measured on personal targets of the member of the Executive Board derived from the corporate strategy of STADA Arzneimittel AG. The Group components make up a total of 80% of the STI target amount for the short-term performance-related remuneration. The three Group-related partial components are:

- adjusted net income before taxes¹⁾ (40% of the STI target amount),
- adjusted Group sales¹⁾ (20% of the STI target amount) as well as
- sales growth as compared to the comparative market defined by the Supervisory Board (20% of the STI target amount).

The payment amount of the individual partial components is oriented toward the achievement of measurable defined individual targets that are derived from the corporate strategy of STADA Arzneimittel AG and which allow the Supervisory Board to objectively determine the target achievement of the member of the Executive Board. Prior to the beginning of the financial year, the Supervisory Board defines the target requirements for the so-called Group-related and individual STI assessment bases.

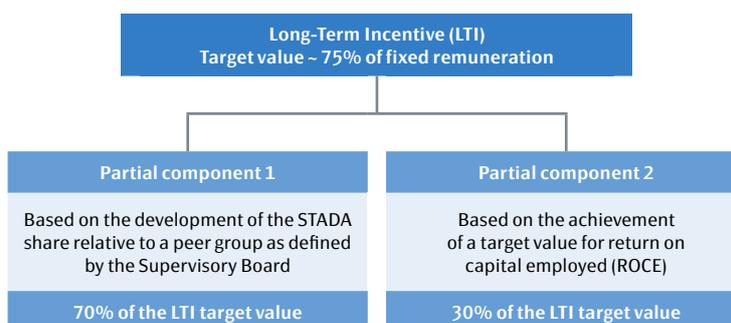
The payment amount of all partial components of the STI is capped at 200% of the target amount. If the degree of achievement of the individual STI partial components is less than 80% of the target requirement, there will be no payment with regard to the relevant STI share. The individual components each stand alone and cannot compensate for one another. The total volume of the STI payment amount for the respective financial year is the result of adding the calculated payment amounts of the four STI partial components. Payment of the STI is made exclusively in cash.

1) Adjusted for extraordinary effects.

Multi-year performance-related components

The multi-year performance-related remuneration consists of a rolling bonus system with a performance period of three years. The amount of the payment for the respective performance period is oriented toward the achievement of two partial components:

Components of the long-term performance-related remuneration (LTI) of Dr. Barthold Piening



The LTI payment is measured, on the one hand, based on the development of the STADA share price in comparison to a selected peer group (70% of the LTI target amount). The peer group as well as the relevant stock exchange for the determination of the respective share prices of these companies are defined by the Supervisory Board prior to the beginning of a performance period. In the performance period that is relevant for financial year 2017 (2017 to 2019) the peer group consists of 13 comparable national and international companies in the pharma, chemicals and health care industries.¹⁾ If the Supervisory Board redefines a peer group prior to the beginning of a performance period, the peer groups from current performance periods shall remain unaffected by this change from the Supervisory Board.

The degree of target achievement is defined by the Supervisory Board following the conclusion of the third and last financial year of each performance period, initially separately for each of the financial years. In this regard, a comparison of the share prices of the Company along with the companies in the peer group is undertaken at the beginning and end of a financial year. On the basis of the percentage development of the STADA share and the development of the share prices of the companies in the peer group that results from a comparison of the respective beginning and final price, a range is prepared from among the companies (including STADA). The company with the highest percentage price increase is put in first place, the other companies follow in the places afterwards in descending order according to the percentage share price development.

The degree of target achievement for the partial component 1 of the LTI is calculated as follows for the respective financial year:

Position	Degree of target achievement
1	200%
2	200%
3	180%
4	160%
5	140%
6	120%
7	100%

Position	Degree of target achievement
8	80%
9	60%
10	0%
11	0%
12	0%
13	0%
14	0%

¹⁾ The Supervisory Board can decide, prior to the beginning of each performance period, that companies shall be added to the peer group or that companies shall no longer be a part of the peer group. Such a change in the make-up of the peer group can also be associated with an increase or reduction in the number of companies that are part of the peer group, whereby the number may not be lower than ten.

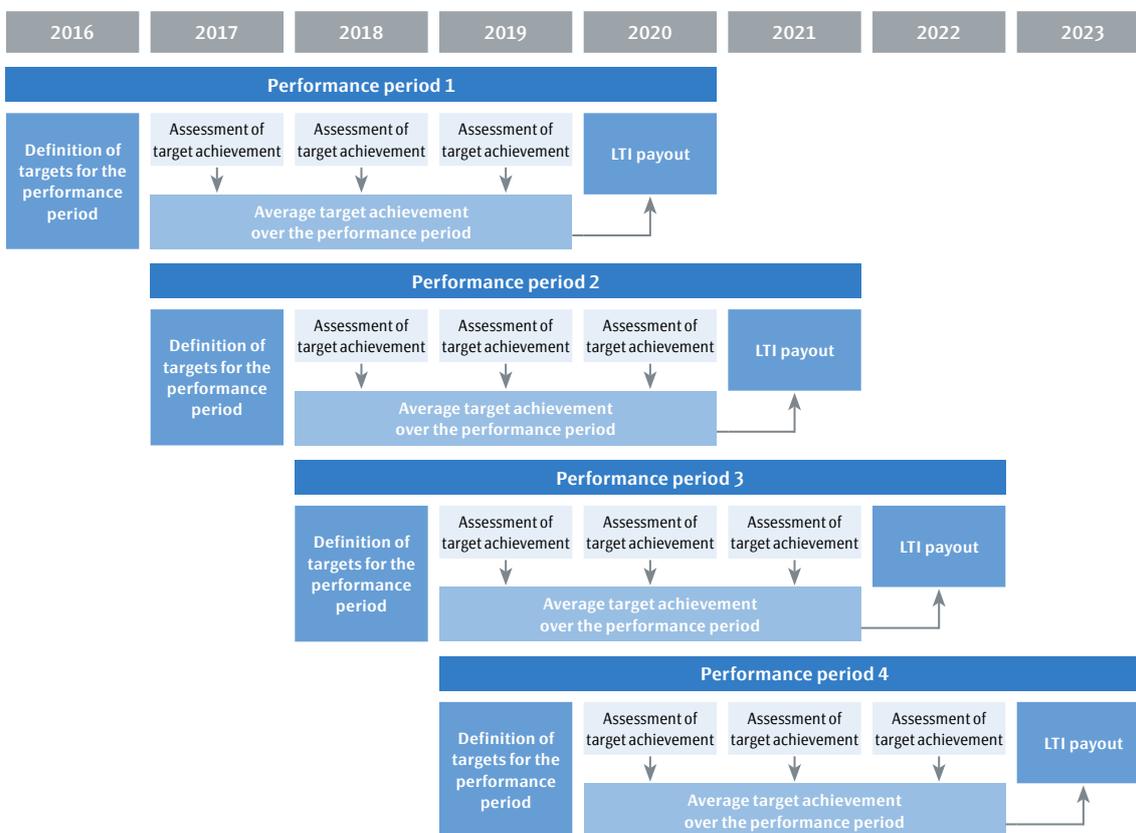
Following the determination of the degree of target achievement for the three financial years in a performance period, the target achievement for the entire performance period is determined using the arithmetic mean of the target achievement for the three financial years. The degree of target achievement is capped at 200% in each financial year and each performance period. Below position 9, the target achievement falls to 0%.

The extent of the LTI payment amount of 30% of the LTI target amount is calculated on the basis of the return on capital employed (ROCE) in the three financial years of a performance period.¹⁾ The ROCE for the respective financial year is the result of the earnings before interest and taxes (EBIT) divided by the capital employed in the respective financial year. Prior to the beginning of a performance period, the Supervisory Board defines a target requirement for the respective ROCE ("target ROCE") for the three financial years of a performance period.

The degree of target achievement is defined by the Supervisory Board for the relevant financial year following the adoption of the Consolidated Financial Statements from the third and final financial year of a performance period. The degree of target achievement is the result of the average percentage ratio between the actual achieved ROCE ("actual ROCE") and the target ROCE in the three financial years of a performance period. In the calculation of the target achievement, it should be observed that the target achievement falls to zero if the actual ROCE in one financial year is less than 80% of the target ROCE. If the ratio of the actual ROCE to the target ROCE is at least 80% and maximum 200%, the degree of target achievement corresponds to the ratio of actual ROCE to target ROCE. The degree of target achievement is capped at 200% in each financial year and each performance period.

The total volume of the LTI payment amount for the respective financial year or the respective performance period is the result of adding the calculated payment amounts of the two LTI partial components. Payment of the LTI is made exclusively in cash.

Presentation of the performance periods of the LTI program of Dr. Barthold Piening



1) As a key figure, ROCE covers the perspective of the investors because it provides information on the performance for the total capital employed and allows for a management effect with regard to an efficient capital employed. In addition, the key figure is easily derived from the Consolidated Financial Statements.

The amount of severance in the case of a change of control is limited to a maximum of two annual remunerations as well as the remuneration from the remaining period of the employment contract.

Beyond this, the employment contract calls for so-called “hold back” and “claw back” clauses. In accordance with these clauses, the Supervisory Board can determine, at its discretion, that not yet paid out remuneration components of the STI and LTI can be partially or entirely withheld (“hold back”). The condition for such a step is serious misconduct on the part of the member of the Executive Board as a result of which material or immaterial damage to the disadvantage of STADA (particularly damage to reputation) is incurred or, due to specific evidence can be expected with a sufficient degree of certainty.

In certain cases in which a hold back is considered, there is also the possibility of a “claw back”. The Supervisory Board can, as a reaction to certain cases of serious misconduct, at its discretion demand that already paid out amounts of the LTI for up to three preceding financial years be returned.

III. Structure of the remuneration for departed Executive Board members Engelbert Coster Tjeenk Willink and Dr. Bernhard Düttmann

For Executive Board members Engelbert Coster Tjeenk Willink and Dr. Bernhard Düttmann, who were appointed only on an interim basis and who departed in 2017, the Supervisory Board believed that a remuneration system that deviates from the one to be used for Dr. Barthold Piening was appropriate. With a view to the short period of the appointment, this in particular does not include any performance-related remuneration. Engelbert Coster Tjeenk Willink and Dr. Bernhard Düttmann served as members of the Executive Board at STADA Arzneimittel AG from July 4, 2017 until September 27, 2017.

Basic monthly remuneration

The agreed non-performance related remuneration consists of a fixed basic monthly salary. This fixed monthly salary was determined in accordance with the requirements of the German Stock Corporation Act under consideration of usual market remuneration as well as the position and responsibility of the respective member of the Executive Board.

Fringe benefits

Other remuneration in the form of fringe benefits with the exception of the private use of a company car are not part of the remuneration agreed with Engelbert Coster Tjeenk Willink and Dr. Bernhard Düttmann. The taxable benefit arising from the private use of the company car is to be taxed by the member of the Executive Board. Dr. Bernhard Düttmann was also granted the limited assumption of costs for a second apartment.

There is no company pension for the members of the Executive Board.

IV. Structure of the remuneration for member of the Executive Board Dr. Claudio Albrecht

Dr. Claudio Albrecht was appointed as Chairman and a member of the Executive Board at STADA Arzneimittel AG with effect from September 27, 2017 for a limited period until September 26, 2018. As a result of this only interim appointment, the Supervisory Board believed a remuneration to be appropriate which reflects the specific situation. With a view to the short period of the appointment, this in particular does not include any performance-related remuneration. The agreed remuneration will be paid to Dr. Claudio Albrecht through Albrecht, Prock & Partners AG.

Basic monthly remuneration

The agreed non-performance related remuneration consists of a fixed basic monthly salary. This fixed monthly salary was determined in accordance with the requirements of the German Stock Corporation Act under consideration of usual market remuneration as well as the position and responsibility of the member of the Executive Board.

Fringe benefits

Dr. Claudio Albrecht does not receive any other remuneration for his service on the Executive Board in the form of fringe benefits. Dr. Claudio Albrecht was also granted the limited assumption of costs for accommodations.

There is no company pension for the member of the Executive Board.

V. Structure of the remuneration for Executive Board member Mark Keatley

Mark Keatley has served on the Executive Board of STADA Arzneimittel AG since September 27, 2017. With a view to the changed shareholder structure of the Company and the associated already significantly reduced free float of the shares of the Company, the Supervisory Board believes, following a detailed review, that application of the remuneration system valid for Dr. Barthold Piening was not appropriate and therefore, with effect from January 1, 2018, planned a new system.

The core elements of the system for Mark Keatley from January 1, 2018 include non-performance related remuneration that takes the tasks and performance of the member of the Executive Board into consideration along with a component that depends on the achievement of annual performance goals ("Short-Term Incentive", STI). In addition to annual performance-related remuneration, the member of the Executive Board receives a long-term oriented remuneration component ("Long-Term Incentive", LTI). The individual performance-related components are limited to a maximum amount. In the case of a 100% achievement of all targets, the performance-related remuneration for one financial year (STI + LTI) corresponds to the annual fixed salary. Because at the time of the appointment financial year 2017 was nearly completed, the remuneration for the service of Mark Keatley only foresees a non-performance related remuneration in financial year 2017.

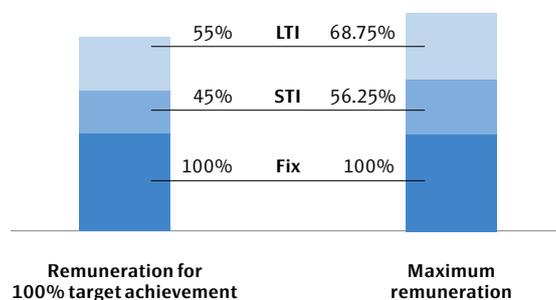
Remuneration structure

As a result of the previously mentioned review of the remuneration system, the Supervisory Board also considered the remuneration structure, and subsequently redesigned the structure of the variable, performance-related remuneration components. The variable remuneration in the case of a 100% achievement of all targets thus amounts to 50% of the total remuneration and is thus closely aligned with the success of the company.

The Supervisory Board also defined future target amounts for the short and long-term performance-related remuneration. In the case of a 100% achievement of all underlying targets, with short-term performance-related remuneration ("Short-Term Incentive", STI) shall account for 45% of the individual fixed salary. For maximum target achievement, the annual bonus shall be limited to an amount of 56.25% of the individual fixed remuneration. The multi-year performance-related remuneration ("Long-Term Incentive", LTI) in the case of 100% achievement of all target in this system shall amount to 55% of the individual fixed remuneration and be limited to a figure of 68.75% of the individual fixed remuneration (see illustration).¹⁾ In the case of a 100% achievement of all underlying targets, the performance-related remuneration (STI + LTI), in terms of amount thus corresponds to the annual fixed salary; in the case of the maximum target achievement of all underlying targets, a performance-related remuneration (STI+ LTI) of 125% of the fixed salary can be achieved.

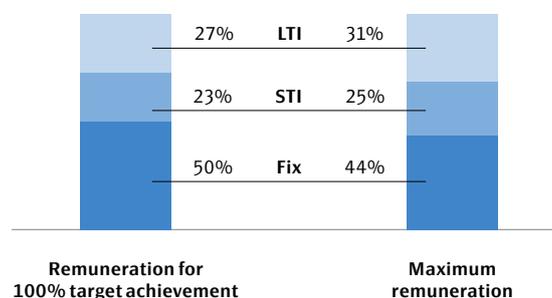
The ratio of short-term to long-term performance-related remuneration in the case of a one-hundred percent achievement of all underlying targets shall amount to 45% (STI) to 55% (LTI).

Share of the individual remuneration components in fixed remuneration of Mark Keatley in %



¹⁾ Smaller deviations in the amount of a few percentage points can arise from the rounding up or down of target amounts to round figures.

Share of the individual remuneration components in total remuneration of Mark Keatley in %



Non-performance related components
Annual basic remuneration

The non-performance related remuneration consists of an agreed basic salary paid out in twelve equal monthly installments. This fixed annual salary is determined in accordance with the requirements of the German Stock Corporation Act under consideration of usual market remuneration as well as the position and responsibility of the member of the Executive Board.

Fringe benefits

The Executive Board member receives fringe benefits such as a company car, contributions to health and nursing care insurance, conclusion and payment of premiums for accident insurance and other payments in kind that are part of the salary as well as further contributions and payments necessary for the fulfillment of the Executive Board responsibilities. The taxable benefit arising from the private use of the company car is to be taxed by the member of the Executive Board. For the period of up to six months, the member of the Executive Board also receives a limited contribution for accommodations at the location of the Company. The Executive Board member is also given a one-time reimbursement for any necessary moving costs up to a defined maximum amount.

There is no company pension for the member of the Executive Board.

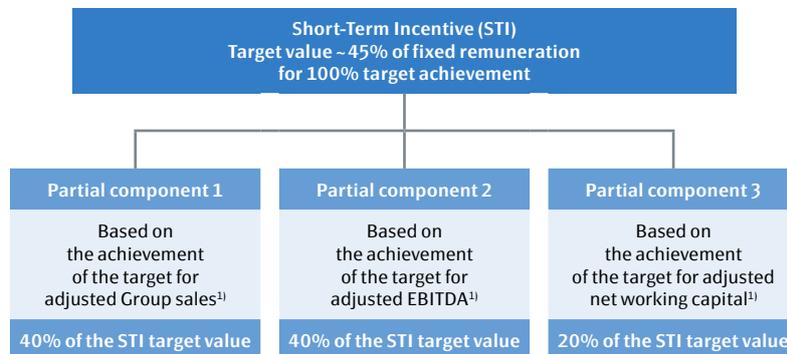
Performance-related component
Annual performance-related components

The short-term performance-related remuneration is structured toward the achievement of three partial targets which are measured based on differently weighted Group-oriented targets. The three partial components are:

- Adjusted Group sales¹⁾ (40% of the STI target amount)
- Adjusted EBITDA¹⁾ (40% of the STI target amount)
- Adjusted net working capital¹⁾ (20% of the STI target amount).

1) Adjusted for extraordinary effects.

Components of the short-term performance-related remuneration (STI) of Mark Keatley



The payment amount of the individual partial components is thus oriented toward the achievement of measurable defined individual targets that are derived from the corporate strategy of STADA Arzneimittel AG and which allow the Supervisory Board to objectively determine the target achievement of the member of the Executive Board. Prior to the beginning of the financial year, the Supervisory Board defines the target requirements for the so-called STI assessment bases.

The payment amount of the STI is determined according to the respective degree of target achievement of the three partial components. The degree of target achievement is calculated on the basis of the relation between the actual target achievement for the respective targets of the three partial components; it is, however, capped at 125% of the target amount. If the degree of achievement of the individual STI partial components is less than 90% of the target requirement, an operand of 0% will be applied and thus there will be no payment with regard to the relevant STI share. The following calculation will be undertaken:

Degree of target achievement	Operand
110% ≥	125%
105%	110%
100%	100%
95%	90%
90% ≥	80%
< 90%	0%

The individual components each stand alone and cannot compensate for one another. The total volume of the STI payment amount for the respective financial year is the result of adding the calculated payment amounts of the three STI partial components. Payment of the STI is made exclusively in cash.

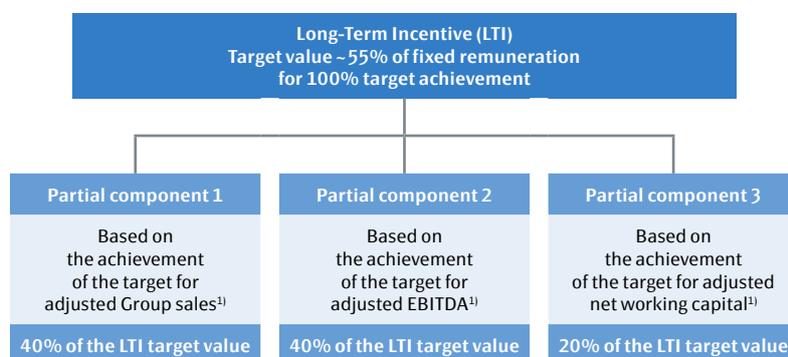
Multi-year performance-related components

The multi-year performance-related remuneration consists of a rolling bonus system with a performance period of two years. The amount of the payment for the respective performance period is oriented toward the achievement of three partial components. The three partial components are here also:

- Adjusted Group sales¹⁾ (40% of the LTI target amount)
- Adjusted EBITDA¹⁾ (40% of the LTI target amount)
- Adjusted net working capital¹⁾ (20% of the LTI target amount).

1) Adjusted for extraordinary effects.

Components of the long-term performance-related remuneration (LTI) of Mark Keatley



Prior to the beginning of the financial year, the Supervisory Board defines the target requirements for the so-called LTI assessment bases. The LTI is initially determined in the same manner as the STI but is supplemented by a multi-year effect.

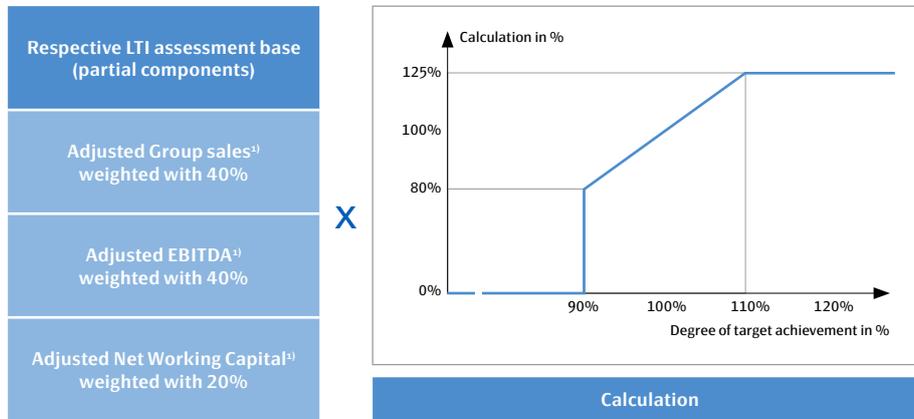
The degree of target achievement is calculated on the basis of the relation between the actual target achievement for the respective targets and is determined by the Supervisory Board for the three LTI assessment bases after the conclusion of each of the two financial years of each performance period separately for each financial year. If the degree of target achievement for the respective LTI assessment base in one financial year is at least 90% and at most 110%, the operands to be calculated as a result are determined for this financial year in accordance with the scheme presented in the following table:

Degree of target achievement	Operand
110% ≥	125%
105%	110%
100%	100%
95%	90%
90% ≥	80%
< 90%	0%

If the degree of target achievement for the respective LTI assessment base in a financial year is more than 110%, an operand for the respective LTI assessment base of 125% is applied (cap), if the degree of target achievement is less than 90%, an operand of 0% is applied. The calculated operands flow with the respective weighting of the partial components into the annual value to be calculated.

1) Adjusted for extraordinary effects.

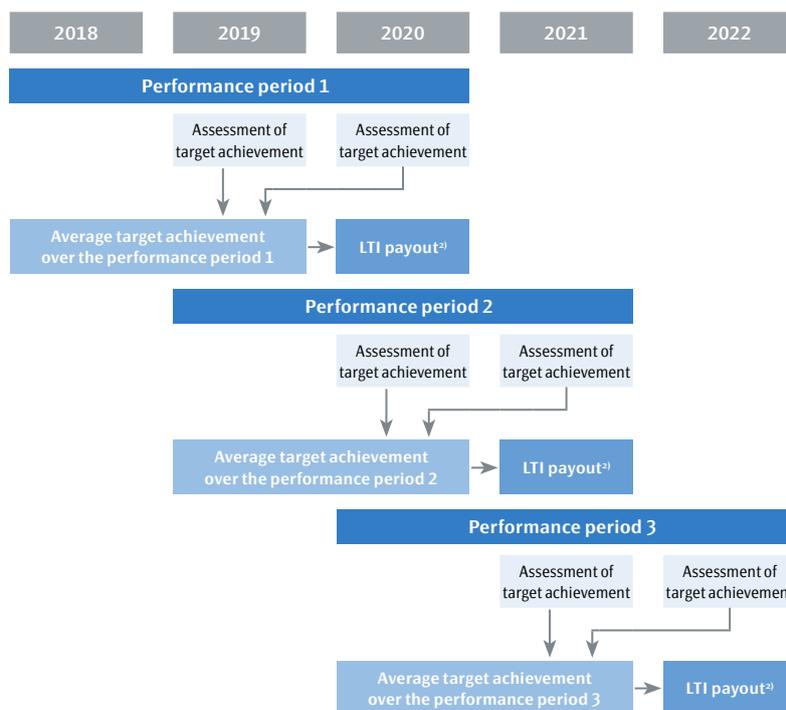
Calculation of the respective annual value LTI of Mark Keatley



The actual LTI payment amount for each performance period is calculated by first adding the two annual values and dividing the total by two and subsequently multiplying the resulting figure by the target amount of the LTI. There will, however, only be a payment of the LTI for a performance period if the mathematical mean for the two annual values of this performance period is more than 75%.

Payment of the LTI is made exclusively in cash.

Presentation of the performance periods of the LTI program of Mark Keatley



1) Adjusted for extraordinary effects.
 2) Payment of the LTI only if the mathematical mean of the two annual values for this LTI performance period $\geq 75\%$, i.e.: $(\text{annual value 1} + \text{annual value 2}) : 2 \geq 75\%$.

The Executive Board member, in the case of a premature termination of the employment contract, receives a severance payment in the maximum amount of 1.5 annual salaries, whereby a lump sum is taken for the variable remuneration. If the remaining period of the contract at the time of the termination is less than 1.5 years, a pro-rata cut in the severance payment is carried out.

The remuneration system also calls for a post-contractual competition and non-solicitation agreement for a period of two years which is remunerated on the basis of the fixed salary at the time of departure.

Presentation of Executive Board remuneration for financial year 2017

The Executive Board remuneration for financial year 2017 is subsequently presented separately in accordance with two different sets of regulations: The German Corporate Governance Code on the one hand and the applicable German Accounting Standard No. 17 (DRS 17) on the other hand.

Executive Board remuneration for financial year 2017 in accordance with the German Corporate Governance Code (exemplary charts)

The following presentation of the Executive Board remuneration awarded and paid in financial year 2017 is in accordance with the recommendations of the German Corporate Governance Code, as published on February 7, 2017.

The payment, to be reported in accordance with the German Corporate Governance Code, represents the payment for the respective financial year – irrespective of the exact date of the actual payment. In addition, in 2016 the LTIP deferrals for Dr. Matthias Wiedenfels and Helmut Kraft were share-based remuneration the allocation of which, in accordance with German tax law, is recognized at the time it is actually paid out.

The **remuneration** of the individual members of the Executive Board who were active for the Company in financial year 2017, in accordance with the German Corporate Governance Code, is as follows:

Dr. Matthias Wiedenfels, Chairman of the Executive Board until July 4, 2017 (on the Executive Board since May 3, 2013)

in € k	Benefits granted				Allocation	
	2017	2016	2017 (min)	2017 (max)	2017	2016
Fixed remuneration	557	1,136	557	557	557	1,136
Fringe benefits	14	36	14	14	14	36
Total	571	1,172	571	571	571	1,172
One-year variable remuneration	-	390	-	-	-	390
Multi-year variable remuneration						
• Long-term targets 2016	-	-	-	-	-	761
• LTIP (2016)	-	160 ¹⁾	-	-	-	-
Other	-	-	-	-	-	-
Total	571	1,722	571	571	571	2,323
Service cost	-	-	-	-	-	-
Total remuneration	571	1,722	571	571	571	2,323

Explanations:

Under consideration of the time of departure from the Executive Board of Dr. Matthias Wiedenfels, in terms of the presentation of all grants and disclosures within the code table, a pro rata figure is derived for the time until the end of his Executive Board mandate on July 4, 2017.

1) Summary of the three figures of the LTIP deferral (2016) as reported in the remuneration report 2016 (separately) on the basis of the Monte Carlo Model.

In the reporting year, for the period until the end of his Executive Board mandate on July 4, 2017, Dr. Matthias Wiedenfels received a fixed salary in the amount of € 557 k¹⁾ plus fringe benefits.

Because negotiations with Dr. Matthias Wiedenfels on the consequences of the termination of his period in office are not yet completed, with regard to the employment relationship, the remuneration resulting from it (including the pro rata one-year and multi-year variable remuneration for financial year 2017) and fringe benefits as well as any potential severance payment, it is currently not possible to make any further entries in the code table or any other disclosures.

Helmut Kraft, Chief Financial, Marketing & Sales Officer until July 4, 2017 (on the Executive Board since January 1, 2010)

in € k	Benefits granted				Allocation	
	2017	2016	2017 (min)	2017 (max)	2017	2016
Fixed remuneration	545	1,097	545	545	545	1,097
Fringe benefits	15	34	15	15	15	34
Total	560	1,131	560	560	560	1,131
One-year variable remuneration	233	425	-	233 ²⁾	233	425
Multi-year variable remuneration						
• Long-term goals 2018 ³⁾ for FY 2015	-	-	-	-	346	-
• LTIP (2016)	-	173 ⁴⁾	-	552 ²⁾	552 ⁵⁾	-
• LTIP (2017)	233	-	-	233 ²⁾	233	-
Other	-	-	-	-	-	-
Total	1,026	1,729	560	1,578	1,924	1,556
Service cost	-	-	-	-	-	-
Total remuneration	1,026	1,729	560	1,578	1,924	1,556

Explanations:

Under consideration of the time of departure from the Executive Board of Helmut Kraft, in terms of the presentation of all grants and disclosures within the code table, a pro rata figure is derived for the time until the end of his Executive Board mandate on July 4, 2017.

In the reporting year, for the period until the end of his Executive Board mandate on July 4, 2017, Helmut Kraft received a fixed salary in the amount of € 545 k⁶⁾ plus fringe benefits.

The table also shows the pro rata granting of benefits accounted for by the period from January 1, 2017 until July 4, 2017 or inflows from the variable remuneration for the past financial year 2017 (pro rata annual bonus 2017 as one-year variable remuneration component as well as a pro rata LTIP deferral 2017 as multi-year variable remuneration component), for which in the termination contract with Helmut Kraft a 100% target achievement was agreed.

In connection with the termination of his employment on July 4, 2017, as a result of employment contract provisions (termination of contract as of September 30, 2017), it was agreed with Mr. Kraft that he would also continue to receive salary in the total amount of € 463 k (thereof € 224 k non-performance related plus € 6 k in fringe benefits as well as € 233 k performance-related) as well as a severance payment in the amount of € 997 k.

1) The pro rata amount for the period from January 1, 2017 until July 4, 2017 on the basis of an annual fixed salary of € 850 k plus monthly supplementary remuneration in the amount of € 41.6 k per month for the period from January 1, 2017 until March 31, 2017 until the addition of Dr. Piening as third member of the Executive Board.

2) Due to the agreement in the termination contract with Mr. Kraft, for "max" the actual amount paid out is also shown, which is identical to the "Inflow".

3) From the previous Executive Board employment contract with Mr. Kraft which was valid from January 1, 2015, there was, for financial year 2015, still a pro rata entitlement from the final calculation of the multi-year variable long-term special remuneration "long-term goals 2018" which would have been payable at the end of the 2018 financial year. In the termination contract with Helmut Kraft it was agreed that his entitlement from this would be settled early with an amount of € 346 k as of September 30, 2017.

4) Summary of the three figures of the LTIP deferral (2016) as reported in the remuneration report 2016 (separately) on the basis of the Monte Carlo Model.

5) Amount of the payment which results from application of the termination contract with Mr. Kraft for the settlement of the LTIP 2016.

6) The pro rata amount for the period from January 1, 2017 until July 4, 2017 on the basis of an annual fixed salary of € 925 k plus month supplementary remuneration in the amount of € 25 k per month for the period from January 1, 2017 until March 31, 2017 until the addition of Dr. Piening as third member of the Executive Board.

Dr. Barthold Piening, Chief Technical Officer (on the Executive Board since April 1, 2017)

in € k	Benefits granted				Allocation	
	2017	2016	2017 (min)	2017 (max)	2017	2016
Fixed remuneration	450	–	450	450	450	–
Fringe benefits	14	–	14	14	14	–
Total	464	–	464	464	464	–
One-year variable remuneration	225	–	0 ¹⁾	450 ²⁾	225	–
Multi-year variable remuneration	338 ³⁾	–	0 ¹⁾	675 ³⁾	–	–
Other	–	–	–	–	–	–
Total	1,027³⁾	–	464¹⁾	1,589¹⁾	689	–
Service cost	–	–	–	–	–	–
Total remuneration	1,027³⁾	–	464¹⁾	1,589¹⁾	689	–

Explanations:

In the reporting year, for his nine-month period in office from April 1, 2017, Dr. Barthold Piening received a proportionate fixed salary of € 450 k p.a. plus fringe benefits. Benefits granted from variable remuneration for the past financial year 2017 are listed as one-year variable remuneration for the STI 2017 as well as the value of the multi-year variable remuneration (LTI) with a three-year performance period (2017–2019) (each on a pro-rata basis for the nine-month period in office from Dr. Piening in financial year 2017). For financial year 2017, the Supervisory Board set the degree of target achievement for Dr. Barthold Piening, in relation to both his variable remuneration with a one-year performance period as well as in relation to his variable remuneration with a three-year performance period each at a fixed level of 100%. Thus, for the nine-month period in office of Dr. Piening in financial year 2017, there is a payment of € 225 k in relation to the STI. The LTI for the nine-month period in office with 100% target achievement is currently € 338 k and, pursuant to current contract provisions, would be due for payment in 2020.⁴⁾

**Engelbert Coster Tjeenk Willink, Chairman of the Executive Board until September 27, 2017
(on the Executive Board since July 4, 2017)**

in € k	Benefits granted				Allocation	
	2017	2016	2017 (min)	2017 (max)	2017	2016
Fixed remuneration	952	–	952	952	952	–
Fringe benefits	10	–	10	10	10	–
Total	962	–	962	962	962	–
One-year variable remuneration	–	–	–	–	–	–
Multi-year variable remuneration	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total	962	–	962	962	962	–
Service cost	–	–	–	–	–	–
Total remuneration	962	–	962	962	962	–

1) For financial year 2017, the Supervisory Board set the degree of target achievement for Dr. Barthold Piening, in relation to both the STI and the LTI at a fixed level of 100%.

2) The annual target amount for Dr. Barthold Piening for the STI with a 100% target achievement is € 300 k; a maximum STI of 200%, i.e. € 600 k, can be achieved in the year. Under consideration of the nine-month period in office of Dr. Barthold Piening in financial year 2017, this results in a proportionate maximum amount of € 450 k.

3) For a 100% target achievement, the target amount for the LTI over the three-year performance period is € 450 k. On the basis of a target achievement capped at 200% (or more), pursuant to current contractual provisions, a maximum value amount of € 900 k can be achieved for the entire three-year performance period. The maximum amount shown in the table of € 675 k is based on a proportionate consideration of financial year 2017 for the nine-month period in office of Dr. Piening. In the case of the retention of the current LTI regulation, this amount can rise, fall or be eliminated depending on the target achievement.

4) In the case of the retention of the current LTI regulation, this amount could rise, fall or be eliminated depending on the determined degree of target achievement. According to the current status of planning, it is intended to replace the previous LTI regulations with a new multi-year remuneration component (in particular without a relation to the share price). In this case, no further performance periods would begin.

Explanations:

Under consideration of the date of departure from the Executive Board of Mr. Tjeenk Willink, in terms of the presentation of all grants and disclosures within the code table, a pro rata figure is derived for the time until the end of his Executive Board mandate on September 27, 2017.

In the reporting year, for the period until the end of his Executive Board mandate on September 27, 2017, Mr. Tjeenk Willink received a fixed salary in the amount of € 952 k (pro rata amount on the basis of a monthly fixed salary of € 333 k) plus fringe benefits.

In **connection with the termination** of his employment on September 27, 2017, as a result of employment contract provisions (termination of contract as of September 30, 2017), as part of his termination contract, Mr. Tjeenk Willink also continued to receive salary in the total amount of € 32 k as well as a severance payment in the amount of € 1.0 million.

Dr. Bernhard Düttmann, Chief Financial Officer until September 27, 2017 (on the Executive Board since July 4, 2017)

in € k	Benefits granted				Allocation	
	2017	2016	2017 (min)	2017 (max)	2017	2016
Fixed remuneration	429	-	429	429	429	-
Fringe benefits	8	-	8	8	8	-
Total	437	-	437	437	437	-
One-year variable remuneration	-	-	-	-	-	-
Multi-year variable remuneration	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	437	-	437	437	437	-
Service cost	-	-	-	-	-	-
Total remuneration	437	-	437	437	437	-

Explanations:

Under consideration of the time of departure from the Executive Board of Dr. Düttmann, in terms of the presentation of all grants and disclosures within the code table, a pro rata figure is derived for the time until the end of his Executive Board mandate on September 27, 2017.

In the reporting year, for the period until the end of his Executive Board mandate on September 27, 2017, Dr. Düttmann received a fixed salary in the amount of € 429 k (pro rata amount on the basis of a monthly fixed salary of € 150 k) plus fringe benefits.

In **connection with the termination** of his employment on September 27, 2017, as a result of employment contract provisions (termination of contract as of September 30, 2017), as part of his termination contract, Dr. Düttmann also continued to receive salary in the total amount of € 14 k as well as a severance payment in the amount of € 450 k.

Dr. Claudio Albrecht, Chairman of the Executive Board (on the Executive Board since September 27, 2017)

in € k	Benefits granted				Allocation	
	2017	2016	2017 (min)	2017 (max)	2017	2016
Fixed remuneration	388	-	388	388	388	-
Fringe benefits	-	-	-	-	-	-
Total	388	-	388	388	388	-
One-year variable remuneration	-	-	-	-	-	-
Multi-year variable remuneration	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	388	-	388	388	388	-
Service cost	-	-	-	-	-	-
Total remuneration	388	-	388	388	388	-

Explanations:

In the reporting year, Dr. Albrecht received a fixed salary of € 388 k through Albrecht, Prock & Partners AG.

Mark Keatley, Chief Financial Officer (on the Executive Board since September 27, 2017)

in € k	Benefits granted				Allocation	
	2017	2016	2017 (min)	2017 (max)	2017	2016
Fixed remuneration	314	-	314	314	314	-
Fringe benefits	10	-	10	10	10	-
Total	324	-	324	324	324	-
One-year variable remuneration	-	-	-	-	-	-
Multi-year variable remuneration	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	324	-	324	324	324	-
Service cost	-	-	-	-	-	-
Total remuneration	324	-	324	324	324	-

Explanations:

In the reporting year, Mr. Keatley received a fixed remuneration of € 314 k plus fringe benefits.

Executive Board remuneration for financial year 2017 in accordance with DRS 17

The following details on the remuneration granted to Executive Board members in financial year 2017 are provided in accordance with the requirements of DRS 17. In contrast with the requirements previously presented from the German Corporate Governance Code, disclosure of the payments for multi-year variable remuneration components, which are not granted as share-based payment, in accordance with DRS 17 is made in full in the year the final target is reached, rather than on a pro rata basis. If a payment is made in the year before the final targets are achieved (e.g. as a progress payment), then the amount is to be recorded as an advance in the year of payment.

Remuneration of the individual members of the Executive Board active for the Company in financial year 2017, in accordance with DRS 17, is as follows:

Dr. Matthias Wiedenfels, Chairman of the Executive Board until July 4, 2017 (on the Executive Board since May 3, 2013)

in € k	2017	2016
Fixed remuneration	557	1,136
Fringe benefits	14	36
Total	571	1,172
One-year variable remuneration	-	390
Multi-year variable remuneration		
• Long-term targets 2016	-	1,061
• LTIP deferral (2016)	-	160
• LTIP deferral (2017)	-	-
Other	-	-
Total	-	1,611
Total remuneration	571	2,783

Helmut Kraft, Chief Financial, Marketing & Sales Officer until July 4, 2017 (on the Executive Board since January 1, 2010)

in € k	2017	2016
Fixed remuneration	545	1,097
Fringe benefits	15	34
Total	560	1,131
One-year variable remuneration	233	425
Multi-year variable remuneration		
• Long-term goals 2018	346	-
• LTIP deferral (2016)	379	173
• LTIP deferral (2017)	233	-
Other	-	-
Total	1,191	598
Total remuneration	1,751	1,729

Pursuant to the termination agreement concluded with Mr. Kraft, remuneration in lieu of the long-term targets 2018 in the amount of € 346 k was agreed. Non share-based remuneration, in accordance with DRS 17, is recognized as remuneration in the year in which the service was provided that effects the remuneration entitlement. This is carried out through the closed termination agreement in 2017 for the long-term targets 2018. In addition, in the termination agreement, compensation for the LTIP 2016 in the amount of € 552 k was agreed. Because this is a change to the exercise conditions of the LTIP 2016, a recalculation of the fair value in the amount of the compensation of € 552 k is carried out. The remuneration listed in the table

above in the amount of € 379 k corresponds to the difference between the total amount of € 552 k as well as the fair value of the remuneration reported in the previous year in the amount of € 173 k. In addition, in the termination agreement, compensation for the LTIP 2017 in the amount of € 233 k was agreed.

Dr. Barthold Piening, Chief Technical Officer (on the Executive Board since April 1, 2017)

in € k	2017	2016
Fixed remuneration	450	-
Fringe benefits	14	-
Total	464	-
One-year variable remuneration	225	-
Multi-year variable remuneration	-	-
Other	-	-
Total	225	-
Total remuneration	689	-

The multi-year variable remuneration of Dr. Piening will be reported in the year in which the service was provided that effects the remuneration entitlement.

**Engelbert Coster Tjeenk Willink, Chairman of the Executive Board until September 27, 2017
(on the Executive Board since July 4, 2017)**

in € k	2017	2016
Fixed remuneration	952	-
Fringe benefits	10	-
Total	962	-
One-year variable remuneration	-	-
Multi-year variable remuneration	-	-
Other	-	-
Total	-	-
Total remuneration	962	-

Dr. Bernhard Düttmann, Chief Financial Officer until September 27, 2017 (on the Executive Board since July 4, 2017)

in € k	2017	2016
Fixed remuneration	429	-
Fringe benefits	8	-
Total	437	-
One-year variable remuneration	-	-
Multi-year variable remuneration	-	-
Other	-	-
Total	-	-
Total remuneration	437	-

Dr. Claudio Albrecht, Chairman of the Executive Board (on the Executive Board since September 27, 2017)

in € k	2017	2016
Fixed remuneration	388	-
Fringe benefits	-	-
Total	388	-
One-year variable remuneration	-	-
Multi-year variable remuneration	-	-
Other	-	-
Total	-	-
Total remuneration	388	-

Mark Keatley, Chief Financial Officer (on the Executive Board since September 27, 2017)

in € k	2017	2016
Fixed remuneration	314	-
Fringe benefits	10	-
Total	324	-
One-year variable remuneration	-	-
Multi-year variable remuneration	-	-
Other	-	-
Total	-	-
Total remuneration	324	-

The percentage ratio between non-performance related and performance-related remuneration of members of the Executive Board ranges in the area of approximately 32% to approximately 100% non-performance related and approximately 0% to approximately 68% performance-related remuneration.

Commitments to members of the Executive Board**Commitments to members of the Executive Board in case of premature or regular termination of their activity and any corresponding benefits**

Of the Executive Board contracts in place as of the reporting date, only the contract of Dr. Barthold Piening contains a severance payment regulation for a more closely defined change of control, which, in accordance with the German Corporate Governance Code, is not higher than the value of the remaining term of the Executive Board contract, and is limited in amount to a maximum of two years' remuneration.

In the case of a premature termination of the Executive Board service, there is also a severance payment guarantee in the Executive Board contract of Mark Keatley which, for a premature termination of the employment contract, receives a severance payment in the maximum amount of 1.5 annual salaries, whereby a lump sum is taken for the variable remuneration. If the remaining period of the contract at the time of the termination is less than 1.5 years, a pro rata cut in the severance payment is carried out. The remuneration system for Mark Keatley also calls for a post-contractual competition and non-solicitation agreement for a period of two years which is remunerated on the basis of the fixed salary at the time of departure.

A severance payment can also result from a termination agreement, which is made in individual cases. Insofar as the Executive Board contracts in place in the reporting year, except in cases of a change of control, there is no severance payment provision, it was agreed that any payments to Executive Board members with early termination of contract including fringe benefits may not exceed a maximum of two years' remuneration (severance cap) and may not be compensated with more than the remuneration for the remaining period of the contract in accordance with the specifications of the German Corporate Governance Code.

Other commitments

The Executive Board contracts of Dr. Barthold Piening, Dr. Matthias Wiedenfels and Helmut Kraft include or included the provision that, in the case of invalidity due to illness or accident, the Company will continue to pay the salary, for the duration of the invalidity, up to a maximum of three years, whereby the amount of the continued payment in the first year after the occurrence of invalidity corresponds to the fixed annual salary and the variable remuneration and, in the second and third year of invalidity, to the fixed annual salary. Payment continues until the end of the Executive Board contract at the latest.

The Executive Board contracts with Engelbert Coster Tjeenk Willink and Dr. Bernhard Düttmann stipulate that the Company, in the case of invalidity due to illness or accident, shall continue to pay the remuneration for the duration of the invalidity, at maximum however the duration of six weeks, whereby the amount of payment corresponds to the fixed monthly salary. Payment continues until the end of the Executive Board contract at the latest.

The Executive Board contract with Mark Keatley stipulates that the Company, in the case of invalidity due to illness or accident, shall continue to pay the remuneration for the duration of the invalidity, at maximum however the duration of four months, whereby the amount of payment corresponds to the proportionate share of the annual fixed salary and the proportionate share of the variable remuneration. Payment continues until the end of the Executive Board contract at the latest.

Dr. Claudio Albrecht receives no remuneration from Albrecht, Prock & Partners AG in the case of invalidity due to illness or accident.

The Company generally arranges accident insurance for all members of the Executive Board. In financial year 2017, this applied for all members of the Executive Board with the exception of the three interim members of the Executive Board Engelbert Coster Tjeenk Willink, Dr. Bernhard Düttmann and Dr. Claudio Albrecht as well as Mark Keatley.

In the context of a group insurance for all of the Executive Board members, a so-called D&O insurance exists with a deductible for the Executive Board members within the legal framework. The amount of the deductible for the D&O insurance is based on the currently valid legal regulations and at this time amounts to 10% of the respective total damages up to at least the level of one and a half times the annual fixed salary.

Benefits from third parties outside the Group, which were promised or granted to members of the Executive Board in the reporting year with regard to their position in the Executive Board

In financial year 2017, to the Company's knowledge, third parties outside the Group have neither promised nor granted benefits to Executive Board members with regard to their position in the Executive Board in the financial year.

Supervisory Board remuneration

Remuneration system for the Supervisory Board according to the Articles of Incorporation

The remuneration system of the Supervisory Board is governed by Section 18 of STADA Arzneimittel AG's Articles of Incorporation. In accordance with this, the members of the Supervisory Board receive the following remuneration, in addition to the reimbursement of their expenses in the previous financial year:

- an annual fixed sum of € 48,000.00 and
- a remuneration based on the long-term success of the Company (long-term variable remuneration) in the amount of 0.02% of the average Group earnings before taxes as reported in the Consolidated Financial Statements of the past three financial years. The annual cap for long-term variable remunerations is € 48,000.00.

The Chairman of the Supervisory Board receives triple this amount and his deputy double the amount.

Supervisory Board members receive an annual fixed remuneration of € 15,000.00 for their committee activities for the past financial year. The Chairman of a committee receives twice this amount in remuneration. Members of the Nomination Committee as well as the Compliance Committee receive no separate remuneration.

In addition, sales tax is payable on all Supervisory Board remuneration.

Remuneration of the Supervisory Board in financial year 2017

The remuneration of the individual members of the Supervisory Board who were active for the Company in financial year 2017 is as follows:

Current members of the Supervisory Board

- Dr. Günter von Au € 72,786.72 (thereof € 49,775.34 non-performance related and € 23,011.38 performance-related)
(Member of the Supervisory Board since September 26, 2017)
- Jens Steegers € 167,616.54 (thereof € 109,890.41 non-performance related and € 57,726.13 performance-related)
(previous year: € 116,672.71 thereof € 79,786.89 non-performance related and € 36,885.82 performance-related)
- Dr. Eric Cornut € 109,986.35 (thereof € 81,123.29 non-performance related and € 28,863.06 performance-related)
(previous year: € 34,295.17 thereof € 24,737.70 non-performance related and € 9,557.47 performance-related)
- Halil Duru € 90,753.48 (thereof € 61,890.41 non-performance related and € 28,863.07 performance-related)
(previous year: € 90,328.37 thereof € 63,000.00 non-performance related and € 27,328.37 performance-related)
- Jan-Nicolas Garbe € 0 (Supervisory Board member waives remuneration entitlement)
(Member of the Supervisory Board since September 26, 2017)
- Benjamin Kunstler € 0 (Supervisory Board member waives remuneration entitlement)
(Member of the Supervisory Board since September 26, 2017)
- Dr. Ute Pantke € 98,972.66 (thereof € 70,109.59 non-performance related and € 28,863.07 performance-related)
(previous year: € 79,303.78 thereof € 51,975.41 non-performance related and € 27,328.37 performance-related)
- Bruno Schick € 0 (Supervisory Board member waives remuneration entitlement)
(Member of the Supervisory Board since September 26, 2017)
- Dr. Michael Siefke € 0 (Supervisory Board member waives remuneration entitlement)
(Member of the Supervisory Board since September 26, 2017)

Members of the Supervisory Board who left the Board in financial year 2017

- Carl Ferdinand Oetker € 218,788.78 (thereof € 155,210.96 non-performance related and € 63,577.82 performance-related) (previous year: € 210,976.49 thereof € 146,762.30 non-performance related and € 64,214.19 performance-related) (Member of the Supervisory Board until the end of September 25, 2017)
- Rolf Hoffmann € 78,463.84 (thereof € 57,271.23 non-performance related and € 21,192.61 performance-related) (previous year: € 34,295.17 thereof € 24,737.70 non-performance related and € 9,557.47 performance-related) (Member of the Supervisory Board until the end of September 25, 2017)
- Dr. Birgit Kudlek € 86,683.02 (thereof € 65,490.41 non-performance related and € 21,192.61 performance-related) (previous year: € 34,295.17 thereof € 24,737.70 non-performance related and € 9,557.47 performance-related) (Member of the Supervisory Board until the end of September 25, 2017)
- Tina Müller € 86,683.02 (thereof € 65,490.41 non-performance related and € 21,192.61 performance-related) (previous year: € 34,295.17 thereof € 24,737.70 non-performance related and € 9,557.47 performance-related) (Member of the Supervisory Board until the end of September 25, 2017)
- Dr. Gunnar Riemann € 78,463.84 (thereof € 57,271.23 non-performance related and € 21,192.61 performance-related) (previous year: € 34,295.17 thereof € 24,737.70 non-performance related and € 9,557.47 performance-related) (Member of the Supervisory Board until the end of September 25, 2017)

Beyond this remuneration no additional monies or benefits have been granted to members of the Supervisory Board for personally rendered services in the context of their activities as Supervisory Board members; however, in the context of a group insurance, a so-called D&O insurance exists for all members of the Supervisory Board, with a deductible for the Supervisory Board members, which reflects the legal framework of the deduction of the Executive Board members.

Advisory Board remuneration

In accordance with Section 9 of the bylaws of the Advisory Board of STADA Arzneimittel AG, members of the Advisory Board receive a flat fee of € 1,000 per meeting of the Advisory Board and for participation in General Meetings, plus sales tax and reimbursement of their expenses. Time for travel to and from meetings is not considered part of the meeting. The Chairman of the Advisory Board also receives a flat rate annual compensation for allowances in the amount of € 3,000 plus sales tax and his deputy receives € 2,500 plus sales tax.