

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 Chairman's Committee and reviews these regularly. The objective of the various Executive Board remuneration systems relevant in the reporting 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 2018

Different remuneration systems were applied in financial year 2018. 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 member Dr. Barthold Piening

Dr. Barthold Piening was a member of the Executive Board for STADA Arzneimittel AG from April 1, 2017 to May 31, 2018. The core elements of the system used for Dr. Barthold Piening included (originally) non-performance related annual remuneration that took 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 annual performance-related remuneration, the employment contract provided for the Executive Board member to receive a long-term remuneration component ("Long-Term Incentive", LTI), which was largely measured according to the increase in value of STADA shares and thus provided an incentive for Executive Board members to seek a sustainable increase in enterprise value. The aim of long-term variable remuneration was also to consider the interests of shareholders in the remuneration incentive structure in a generally sustainable manner. There were no stock option plans. The individual performance-related components were limited to a maximum amount.

As a result of a termination agreement concluded between STADA Arzneimittel AG and Dr. Barthold Piening, the Executive Board contract was terminated as of May 31, 2018 and his remuneration adjusted (see point 2 for more information).

1. Original remuneration structure (until conclusion of the termination agreement)

As a result of a review of the remuneration system in December 2017, 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 was 50% of the overall remuneration awarded, the share of the fixed (non-performance related) remuneration in this remuneration system is approximately 44% of the overall remuneration awarded. The Supervisory Board therefore increased the proportion of performance-related remuneration in the overall remuneration in comparison to the previous system in order to align remuneration more strongly overall towards the company's performance.

a) Non-performance related component

Annual base remuneration

Non-performance related remuneration consists of an agreed fixed base salary to be paid in twelve equal monthly installments. This annual fixed salary is established according to requirements for stock corporations in consideration of customary remuneration for the market and the conferred function and responsibilities of the members of the Executive Board.

Fringe benefits

Executive Board members receive fringe benefits such as a company car, subsidies for medical and nursing care insurance, contributions to accident insurance, and other contributions in kind associated with their salary such as additional facilities and services required to fulfill the duties of the Executive Board. Members of the Executive Board must pay tax on the cash value benefit from the private use of company cars.

Members of the Executive Board do not receive any work pension.

b) Performance related component

If all underlying targets are achieved, the short-term performance-related remuneration ("Short-Term Incentive", STI) amounts to 50% of individual fixed salaries. If all targets are achieved, the annual bonus is limited to an amount of 100% of individual fixed remuneration. The multi-year performance-related remuneration ("Long-Term Incentive", LTI) amounts, in this system, to 75% of individual fixed remuneration if all targets are achieved and is limited to a value of 150% of individual fixed remuneration.

The ratio of short-term to long-term performance-related remuneration is 40% (STI) to 60% (LTI) for 100% achievement all underlying targets.

2. Change due to termination agreement

A termination agreement was concluded between STADA Arzneimittel AG and Dr. Barthold Piening, after which the Executive Board contract with Dr. Barthold Piening was terminated as of May 31, 2018. The termination agreement provides for the payment of the monthly, non-performance related base remuneration plus fringe benefits until the termination date of May 31, 2018 and a severance payment. Dr. Barthold Piening does not have any claim to an additional (pro rata) performance-related remuneration for financial year 2018, and in particular does not have any claim to an STI or LTI. The claim to a (pro rata) STI (exceeding the amount already paid in 2017) and a (pro rata) LTI for 2017 and all claims from the STI or LTI for 2018 and previous financial years not yet paid in 2017 are voided.

II. Remuneration structure of Executive Board member Dr. Claudio Albrecht

Dr. Claudio Albrecht was appointed with effect from September 27, 2017 until September 26, 2018 as Chairman of the Executive Board and member of the Executive Board for STADA Arzneimittel AG. He resigned from his position as member of the Executive Board and Chairman of the Executive Board of STADA Arzneimittel AG effective September 1, 2018. As this was only an interim appointment, the Supervisory Board deemed remuneration that took the specific situation into account to be adequate. In particular, this did not include any performance-related remuneration as a result of the short appointment term. The agreed remuneration was paid via Albrecht, Prock & Partners AG to Dr. Claudio Albrecht.

Monthly base remuneration

The agreed non-performance related remuneration consisted of a fixed agreed monthly salary. This monthly fixed salary was established according to requirements for stock corporations in consideration of customary remuneration for the market and the conferred function and responsibilities of the members of the Executive Board.

Fringe benefits

Dr. Claudio Albrecht did not receive any payments in the form of fringe benefits for his activity as member of the Executive Board. Dr. Claudio Albrecht was also granted a limited assumption of costs for his accommodation.

There was no company pension for this member of the Executive Board.

III. Remuneration structure of members of the Executive Board Peter Goldschmidt, Mark Keatley, and Miguel Pagan Fernandez

With a view to the change in the Company’s shareholder structure and the considerable associated reduced free float of the company’s shares, the Supervisory Board following a thorough review no longer deemed the application of the remuneration system that applied in 2017 for Dr. Barthold Piening to be appropriate. It therefore provided a new system with effect from January 1, 2018.

The new remuneration system was the basis for the Executive Board agreements with Mark Keatley, member of the Executive Board since September 27, 2017, Miguel Pagan Fernandez, member of the Executive Board since July 1, 2018 and Peter Goldschmidt, who was appointed with effect from September 1, 2018 as Chairman of the Executive Board and member of the Executive Board of STADA Arzneimittel AG.

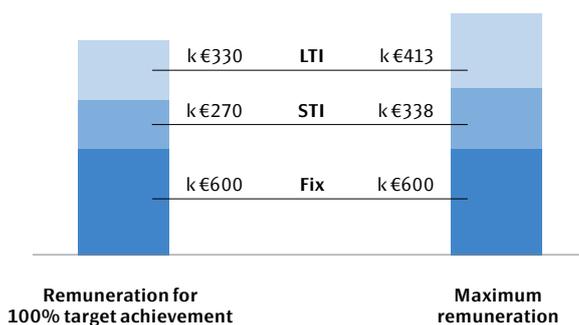
The core elements of the system used for Mark Keatley since January 1, 2018, for Miguel Pagan Fernandez since July 1, 2018, and for Peter Goldschmidt since January 1, 2019, include non-performance related remuneration that takes the tasks and performance of members of the Executive Board into consideration along with a component based on the achievement of annual performance targets (“Short-Term Incentive”, STI). In addition to the annual performance-related remuneration, members of the Executive Board receive a long-term planned remuneration component (“Long-Term Incentive”, LTI). The individual performance-related components are limited to a maximum amount. As Peter Goldschmidt’s agreement came into force in an ongoing financial year, he did not have any claim to an STI or LTI with regard to financial year 2018 and received in addition to his non-performance related remuneration, a one-off fixed bonus and a one-off signing bonus.

Remuneration structure

As a result of the aforementioned review of the remuneration system, the Supervisory Board also considered the remuneration structure and subsequently redesigned the variable, performance-related remuneration components.

The Supervisory Board also established target amounts for the short-term and long-term performance-related remuneration. For one hundred percent achievement of all underlying targets, the short-term performance-related remuneration (“Short-Term Incentive”, STI) amounts to between k €131 and k €325 (Peter Goldschmidt: k €325, Mark Keatley: k €270, Miguel Pagan Fernandez: k €131). If all goals are achieved, the annual bonus is limited to an amount between k €163 and k €488 (Peter Goldschmidt: k €488, Mark Keatley: k €338, Miguel Pagan Fernandez: k €163). The multi-year performance-related remuneration (“Long-Term Incentive”, LTI) in this system for one hundred percent achievement of all targets amounts to between k €160 and k €400 (Peter Goldschmidt: k €400, Mark Keatley k €330, Miguel Pagan Fernandez: k €160) for 100% achievement of all targets and is limited to an amount between k €200 and k €600 (Peter Goldschmidt: k €600, Mark Keatley k €413, Miguel Pagan Fernandez: k €200) (see diagram for Mark Keatley as an example).

Illustration of the individual remuneration components taking Mark Keatley as an example (in k €)



Non-performance related components

Annual base remuneration

Non-performance related remuneration consists of an agreed fixed base salary to be paid in twelve equal monthly installments. This annual fixed salary is established according to requirements for stock corporations in consideration of customary remuneration for the market and the conferred function and responsibilities of the members of the Executive Board.

Peter Goldschmidt received a one-off signing bonus payable in two equal installments at the end of the first and sixth month after his agreement entered into effect.

Fringe benefits

Executive Board members receive fringe benefits such as a company car, subsidies for medical and nursing care insurance, contributions to accident insurance, and other contributions in kind associated with their salary such as additional facilities and services required to fulfill the duties of the Executive Board. Members of the Executive Board must pay tax on the cash value benefit from the private use of company cars. If contractually agreed, new members of the Executive Board also receive one-time benefits in connection with their commencement of work, such as necessary relocation costs, school fees for children and a subsidy for accommodation at the location of company headquarters.

Members of the Executive Board do not receive a company pension.

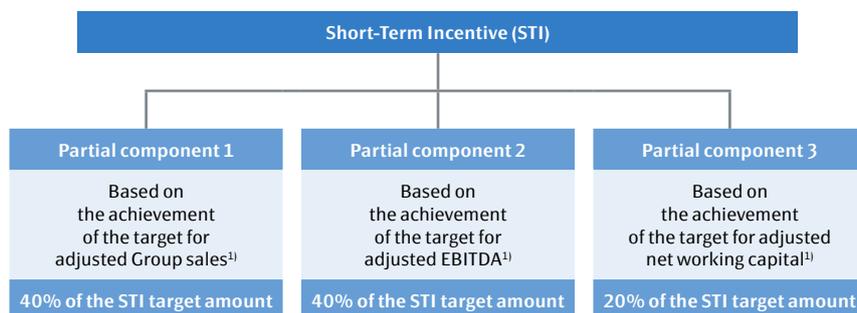
Performance-related components

Annual performance-related components

The short-term performance-related remuneration is geared towards achieving three partial targets that are calculated based on differently weighted Group-related targets. The three part 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)

Components of the short-term performance-related remuneration (STI) of Peter Goldschmidt, Mark Keatley and Miguel Pagan Fernandez



The disbursement amount of individual partial components is therefore based on achieving calculable defined individual objectives that are derived from STADA Arzneimittel AG's corporate strategy and allow the Supervisory Board to objectively determine the target achievement by the Executive Board member. The Supervisory Board establishes the targets for the STI calculations mentioned before each financial year.

1) Adjusted for extraordinary items.

The disbursement of the STI amount is determined based on the degree of target achievement of the three partial components. The degree of target achievement is calculated according to the ratio of the actual target achievement to the relevant target of the three part components; it is however capped contractually at 150% of the target amount for Peter Goldschmidt and at 125% of the target amount for Mark Keatley and Miguel Pagan Fernandez. If the degree of target achievement of each STI component is less than 90% of the target, an operand of 0% is recorded with regard to the relevant STI share and no amount will therefore be paid out. The following calculation is made:

Degree of target achievement	Operand for Peter Goldschmidt	Operand for Mark Keatley and Miguel Pagan Fernandez
≥ 110%	150% (cap)	125% (cap)
105%	125%	110%
100%	100%	100%
95%	90%	90%
≥ 90%	80%	80%
< 90%	0%	0%

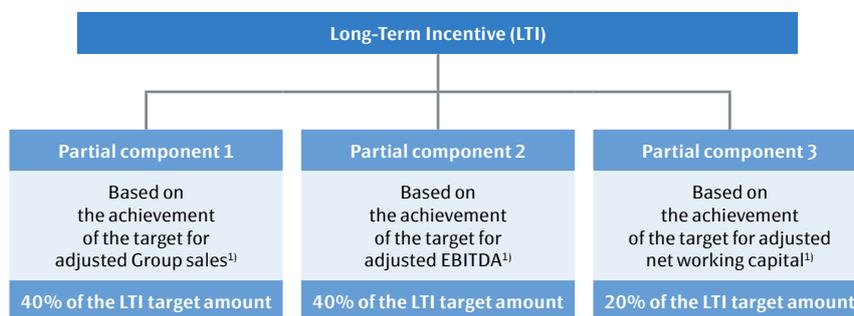
The individual components are independent and cannot compensate for each other. The overall amount of the STI disbursement amount for each financial year is a result of adding the calculated disbursement amounts of the three STI partial components together. The STI is paid exclusively in cash.

Multi-year performance-related components

Multi-year performance-related remuneration consists of a rolling bonus system with a performance period of two years. The amount of the disbursement amount for each performance period is based on achieving three partial components: The three partial components here are:

- 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)

Components of the long-term performance-related remuneration (LTI) of Peter Goldschmidt, Mark Keatley and Miguel Pagan Fernandez



The Supervisory Board establishes the targets for the named LTI calculations before each financial year. The LTI is initially determined in the same way as the STI, but is complemented by the multi-year effect.

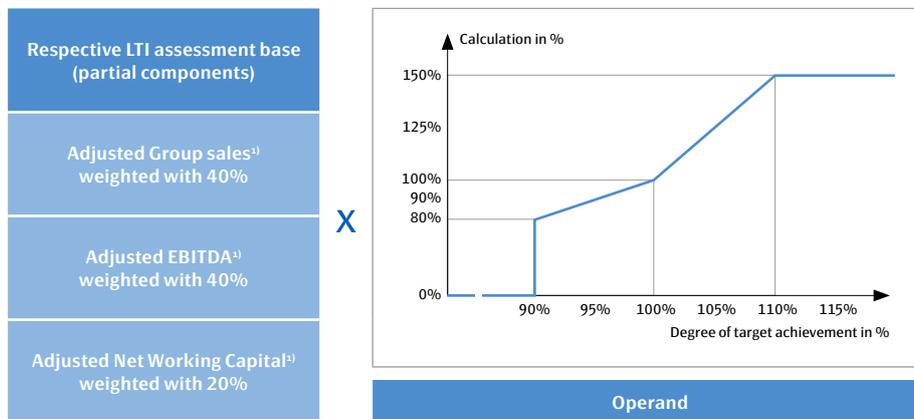
1) Adjusted for extraordinary items.

The degree of target achievement is calculated according to the ratio of the actual target achievement to the relevant target and is determined for the three LTI calculations before each of the two financial years of each performance period expires and is initially determined separately for each financial year by the Supervisory Board. If the degree of target achievement of the relevant LTI calculation in a financial year is at least 90% and at most 110%, the operands for this financial year to be determined are determined according to the scheme outlined in the following table:

Degree of target achievement	Operand for Peter Goldschmidt	Operand for Mark Keatley and Miguel Pagan Fernandez
≥ 110%	150% (Cap)	125% (Cap)
105%	125%	110%
100%	100%	100%
95%	90%	90%
≥ 90%	80%	80%
< 90%	0%	0%

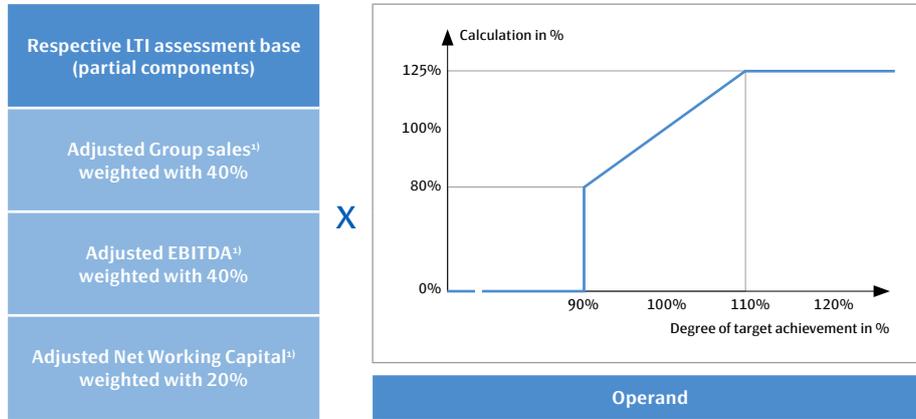
If the degree of target achievement of the relevant LTI calculation in a financial year is more than 110%, the operand for the relevant LTI calculation is capped contractually at a value of 150% for Peter Goldschmidt and of 125% for Mark Keatley and Miguel Pagan Fernandez. If the degree of target achievement is less than 90%, an operand of 0% is recorded. The determined operands are included in the annual value to be determined in this way according to the weight of each components.

Calculation of the respective annual value LTI of Peter Goldschmidt



1) Adjusted for extraordinary items.

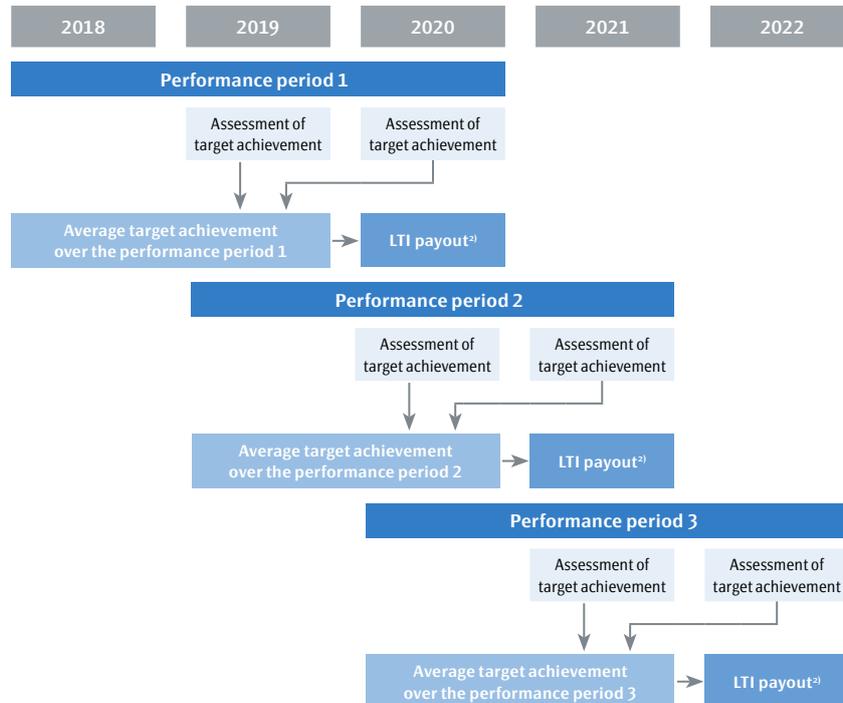
Calculation of the respective annual value LTI of Mark Keatley and Miguel Pagan Fernandez



The actual LTI disbursement amount for each performance period is determined by first adding both annual values before dividing the total by two and then multiplying the result by the LTI target amount. The LTI of a performance period is only paid out if the arithmetical mean of both annual values of this performance period is more than 75%.

The LTI is paid exclusively in cash.

Presentation of the performance periods of the LTI²⁾ of Peter Goldschmidt, Mark Keatley and Miguel Pagan Fernandez



1) Adjusted for extraordinary items.

2) Disbursement of the LTI only if the arithmetical mean of both annual values of this LTI tranche $\geq 75\%$, i.e.: $(\text{Annual value 1} + \text{annual value 2}) : 2 \geq 75\%$.

In the event of an early termination of an employment agreement, members of the Executive Board receive a severance payment of at most 1.5 their annual salary, and variable remuneration is paid out in a lump sum. If the remaining term of the agreement is less than 1.5 years when the agreement is terminated, the severance payment is reduced pro rata temporis.

The remuneration system also provides for a post-contractual non-competition and non-solicitation period which is remunerated based on the member's fixed salary at the point of leaving the Company. For Peter Goldschmidt, the non-competition and non-solicitation agreement applies for up to 18 months after the end of the contract; for Mark Keatley and Miguel Pagan Fernandez, this period is up to two years.

Presentation of Executive Board remuneration for financial year 2018

The Executive Board remuneration for financial year 2018 is presented separately below in accordance with two different sets of regulations: the German Corporate Governance Code and the applicable German Accounting Standard No. 17 (DRS 17).

Executive Board remuneration for financial year 2018 in accordance with the German Corporate Governance Code

The following details of the Executive Board remuneration awarded and paid in financial year 2018 are presented in accordance with the recommendations of the German Corporate Governance Code as published on February 7, 2017.

The benefits received to be reported in accordance with the German Corporate Governance Code, represent the payment amount for the respective financial year – irrespective of the exact date of the actual payment received. For the multi-year variable remuneration, the LTI, the payout amount is indicated for the year in which the planned term ended.

Remuneration of the individual members of the Executive Board active in financial year 2018, in accordance with the German Corporate Governance Code, is as follows:

Dr. Barthold Piening, Chief Technical Officer until May 31, 2018 (member of the Executive Board since April 1, 2017)

in k €	Benefits granted				Benefits received	
	2018	2017	2018 (min)	2018 (max)	2018	2017
Fixed remuneration	250	450	250	250	250	450
Fringe benefits	9	14	9	9	9	14
Total	259	464	259	259	259	464
One-year variable remuneration	300	225	0	600	–	225
Multi-year variable remuneration	450	338	0	900	–	–
Other	–	–	–	–	1,900 ¹⁾	–
Total	1,009	1,027	259	1,759	2,159	689
Pension expense	–	–	–	–	–	–
Total remuneration	1,009	1,027	259	1,759	2,159	689

Explanations:

In the reporting year, for his five-month period in office until May 31, 2018, Dr. Barthold Piening received a proportionate fixed salary of k €250 p.a. plus fringe benefits. Additionally, he received a one-time settlement payment in the amount of €1.9 million. The target amount for the STI was k €300, the target amount for the LTI was k €450. Dr. Piening did not receive any variable remuneration for the reporting year, in particular no (pro rata) STI or LTI.

1) Settlement payment in accordance with the termination agreement.

Dr. Claudio Albrecht, Chairman of the Executive Board until August 31, 2018
(member of the Executive Board since September 27, 2017)

in k €	Benefits granted				Benefits received	
	2018	2017	2018 (min)	2018 (max)	2018	2017
Fixed remuneration	1,000	388	1,000	1,000	1,000	388
Fringe benefits	-	-	-	-	-	-
Total	1,000	388	1,000	1,000	1,000	388
One-year variable remuneration	-	-	-	-	-	-
Multi-year variable remuneration	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	1,000	388	1,000	1,000	1,000	388
Pension expense	-	-	-	-	-	-
Total remuneration	1,000	388	1,000	1,000	1,000	388

Explanations:

In the reporting year, Dr. Claudio Albrecht received a pro rata fixed salary of €1 million for his term of office through Albrecht, Prock & Partners AG.

Peter Goldschmidt, Chairman of the Executive Board (member of the Executive Board since September 1, 2018)

in k €	Benefits granted				Benefits received	
	2018	2017	2018 (min)	2018 (max)	2018	2017
Fixed remuneration	575	-	575	575	575	-
Fringe benefits	173	-	173	173	173	-
Total	748	-	748	748	748	-
One-year variable remuneration	-	-	-	-	-	-
Multi-year variable remuneration	-	-	-	-	-	-
Other	500 ¹⁾	-	500 ¹⁾	500 ¹⁾	500 ¹⁾	-
Total	1,248	-	1,248	1,248	1,248	-
Pension expense	-	-	-	-	-	-
Total remuneration	1,248	-	1,248	1,248	1,248	-

Explanations:

In the reporting year, Peter Goldschmidt received a pro rata salary of k €575 for his four-month term of office from September 1, 2018 (fixed remuneration of k €333 and one-off fixed bonus payment of k €242) plus fringe benefits and a signing bonus of k €500.

1) Signing bonus.

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

in k €	Benefits granted				Benefits received	
	2018	2017	2018 (min)	2018 (max)	2018	2017
Fixed remuneration	600	314	600	600	600	314
Fringe benefits	40	10	40	40	40	10
Total	640	324	640	640	640	324
One-year variable remuneration	270	-	0	338	292	-
Multi-year variable remuneration	330	-	0	413	-	-
Other	-	-	-	-	-	-
Total	1,240	324	640	1,391	932	324
Pension expense	-	-	-	-	-	-
Total remuneration	1,240	324	640	1,391	932	324

Explanations:

In the reporting year, Mark Keatley received a fixed salary of k €600 plus fringe benefits. The target value for the one-year variable remuneration amounted to k €270, the multi-year variable remuneration was k €330 (period from 2018–2019). He received k €292 as variable remuneration (STI 2018).

Miguel Pagan Fernandez, Chief Technical Officer (member of the Executive Board since July 1, 2018)

in k €	Benefits granted				Benefits received	
	2018	2017	2018 (min)	2018 (max)	2018	2017
Fixed remuneration	244	-	244	244	244	-
Fringe benefits	31	-	31	31	31	-
Total	275	-	275	275	275	-
One-year variable remuneration	65	-	0	82	71	-
Multi-year variable remuneration	120	-	0	150	-	-
Other	-	-	-	-	-	-
Total	460	-	275	507	346	-
Pension expense	-	-	-	-	-	-
Total remuneration	460	-	275	507	346	-

Explanations:

In the reporting year, Miguel Pagan Fernandez received a pro rata fixed salary of k €244 plus fringe benefits for his six-month term of office from July 1, 2018. The target value for the one-year variable remuneration amounted to k €65, the multi-year variable remuneration was k €120 (period from 2018–2019). He received k €71 k as variable remuneration (STI 2018).

Executive Board remuneration for financial year 2018 in accordance with DRS 17

The following details of remuneration granted to members of the Executive Board in financial year 2018 are presented in accordance with the requirements of DRS 17. In contrast with the requirements previously presented from the German Corporate Governance Code, the payments for multi-year variable remuneration components, which are not granted as share-based payment, are disclosed in full in the year the final target is achieved in accordance with DRS 17, rather than on a pro rata basis. If a payment is made in the year before the final target is 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 serving with the Company in financial year 2018, in accordance with DRS 17, is as follows:

Dr. Barthold Piening, Chief Technical Officer (member of the Executive Board since April 1, 2017 until May 31, 2018)

in k €	2018	2017
Fixed remuneration	250	450
Fringe benefits	9	14
Total fixed remuneration	259	464
One-year variable remuneration	-	225
Multi-year variable remuneration	-	-
Other	1,900	-
Total variable remuneration/other	1,900	225
Total remuneration	2,159	689

In the reporting year, Dr. Barthold Piening received a pro rata fixed salary of k €250 plus fringe benefits in addition to a one-off severance payment of €1.9 million.

**Dr. Claudio Albrecht, Chairman of the Executive Board
(member of the Executive Board since September 27, 2017 until August 31, 2018)**

in k €	2018	2017
Fixed remuneration	1,000	388
Fringe benefits	-	-
Total fixed remuneration	1,000	388
One-year variable remuneration	-	-
Multi-year variable remuneration	-	-
Other	-	-
Total variable remuneration/other	-	-
Total remuneration	1,000	388

In the reporting year, Dr. Claudio Albrecht received a pro rata fixed salary of €1 million from Albrecht, Prock & Partners AG.

Peter Goldschmidt, Chairman of the Executive Board (member of the Executive Board since September 1, 2018)

in k €	2018	2017
Fixed remuneration	575	-
Fringe benefits	173	-
Total fixed remuneration	748	-
One-year variable remuneration	-	-
Multi-year variable remuneration	-	-
Other	500	-
Total variable remuneration/other	500	-
Total remuneration	1,248	-

In the reporting year, Peter Goldschmidt received a pro rata salary of k €575 (fixed remuneration of k €333 and one-off fixed bonus payment of k €242) plus fringe benefits in the amount of k €173 and a signing bonus of k €500.

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

in k €	2018	2017
Fixed remuneration	600	314
Fringe benefits	40	10
Total fixed remuneration	640	324
One-year variable remuneration	292	-
Multi-year variable remuneration	-	-
Other	-	-
Total variable remuneration/other	292	-
Total remuneration	932	324

In the reporting year, Mark Keatley received a pro rata fixed salary of k €600 plus fringe benefits in the amount of k €40. He also received k €292 as one-year variable remuneration.

Miguel Pagan Fernandez, Chief Technical Officer (member of the Executive Board since July 1, 2018)

in k €	2018	2017
Fixed remuneration	244	-
Fringe benefits	31	-
Total fixed remuneration	275	-
One-year variable remuneration	71	-
Multi-year variable remuneration	-	-
Other	-	-
Total variable remuneration/other	71	-
Total remuneration	346	-

In the reporting year, Miguel Pagan Fernandez received a pro rata fixed salary of k €244 plus fringe benefits in the amount of k €31. He also received k €71 as one-year variable remuneration.

The percentage ratio of non-performance related and performance-related remuneration to total remuneration of members of the Executive Board ranges between approximately 69% to 100% non-performance related and 0% to approximately 31% 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 in financial year 2018, only the contract of Dr. Barthold Piening contained a severance agreement for a change of control (defined in detail), 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. Of the Executive Board contracts in place as of the balance sheet date, no contract contains a severance agreement for a change of control (defined in detail).

In the case of a premature termination of Executive Board service, there is also a severance guarantee in the Executive Board contracts of Peter Goldschmidt, Mark Keatley and Miguel Pagan Fernandez, for a premature termination of the employment contract, whereby they receive a severance payment in the maximum amount of 1.5 annual salaries, and 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. In addition, the remuneration systems for all three members of the Executive

Board also calls for a post-contractual non-competition and non-solicitation agreement which is remunerated on the basis of the fixed salary at the time of departure. For Peter Goldschmidt, the non-competition and non-solicitation agreement applies for up to 18 months after the end of the contract; for Mark Keatley and Miguel Pagan Fernandez, this period is up to two years.

A severance payment can also result from a termination agreement, which is taken on a case-by-case basis. Insofar as the Executive Board contracts in place in the reporting year, except in case of a change of control in the contract of Dr. Barthold Piening, 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 contract of Dr. Barthold Piening included the provision that, in the case of invalidity due to illness or accident, the Company would 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 plus the variable remuneration and, in the second and third year of invalidity, to the fixed annual salary only. Payment was to be continued until the end of the Executive Board contract at the most.

The Executive Board contracts of Peter Goldschmidt, Mark Keatley and Miguel Pagan Fernandez stipulate that the Company, in the case of invalidity of the relevant Executive Board member due to illness, accident, or other reasons beyond the control of the member of the Executive Board, shall continue to pay the pro rata fixed remuneration for the duration of the invalidity. However, the pro rata fixed remuneration shall continue to be paid for a maximum period of four months and not beyond the term of the respective Executive Board contract.

The Executive Board contract of Dr. Claudio Albrecht did not provide for any 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 2018, this applied for all members of the Executive Board with the exception of the interim member of the Executive Board Dr. Claudio Albrecht.

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 2018, to the Company's knowledge, third parties outside the Group have neither promised nor granted benefits to members of the Executive Board with regard to their Executive Board service in the financial year.

Payments to former Executive Board members

Payments to former Executive Board member Hartmut Retzlaff

Hartmut Retzlaff resigned from the Executive Board on December 31, 2016. He was paid €1,358,353.75 in the reporting year. This amount is comprised of Hartmut Retzlaff's payment claims as part of his termination agreement in the amount of €1,589,091.95 (one-year variable remuneration for the second half of 2016: €417,507.92, long-term special remuneration: €990,663.93, the first pro rata deferral of variable remuneration in the second half of 2016: €180,920.10), plus interest in the amount of €89,261.80 less the compensation of STADA Arzneimittel AG in the amount of €320,000. The second and third deferral of the variable remuneration for the second half of 2016 are due in spring 2019 and 2020.

Payments to former Executive Board member Dr. Matthias Wiedenfels

Dr. Matthias Wiedenfels resigned from the Executive Board on July 4, 2017. In the reporting year, he received a severance commitment of €5,554,000 due to his contractual provision in connection with his termination agreement, from which an amount of €4,954,000 was paid in 2018. The commitment of over €5,554,000 is comprised of a severance payment paid in December 2018 for his claims for remuneration from 2016 to September 2018 in the amount of €2,965,000 (2016 deferral: €425,000; 2017 remuneration: €1,190,000, of which €340,000 is fixed for July 5, 2017 to December 31, 2017 and €850,000 variable remuneration; 2018 remuneration: €1,350,000, of which €675,000 is fixed for January 1, 2018 to September 30, 2018 and €675,000 variable remuneration), plus a severance payment for his claims for remuneration from October 2018 to December 2020. With regard to the latter remuneration, i.e. the severance payment for his claim for compensation from October 2018 to December 2020, €1,989,000 was already paid in December and €600,000 was reduced and shall be paid from April 1, 2021 onwards in consideration of possible qualifying income.

In addition, Dr. Matthias Wiedenfels received payment in lieu of his vacation claims in the amount of €156,224.86. Attorney fees amounted to €89,802.24 (€47,168.63 for actual attorney fees and €42,633.61 for associated ancillary costs to be paid by the employer). An amount of €17,468 is calculated as a monetary benefit for the use of the company car.

Payments to former Executive Board member Helmut Kraft

Helmut Kraft resigned from the Executive Board on July 4, 2017. In 2018, he received a severance commitment of €2,593,671.60 plus €85,780.18 in interest due to his contractual provision in connection with his termination agreement and a judicial ruling.

Attorney fees amounted to €117,505.23 (€61,720.00 for actual attorney fees and €55,785.23 for associated ancillary costs to be paid by the employer).

Supervisory Board remuneration

Remuneration system for the Supervisory Board in accordance with 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 remuneration 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 services 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.

Members of the Supervisory Board who only sat on the Supervisory Board or a committee for part of the financial year shall receive remuneration on a pro rata basis.

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

Remuneration of the Supervisory Board in financial year 2018

Remuneration of the individual members of the Supervisory Board serving with the Company in financial year 2018 is as follows:

- Dr. Günter von Au €304,014.96 (thereof €180,410.96 non-performance-related and €123,604.00 performance-related) (previous year: €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 €193,402.67 (thereof €111,000.00 non-performance-related and €82,402.67 performance-related) (previous year: €167,616.54, thereof €109,890.41 non-performance-related and €57,726.13 performance-related)
- Dr. Eric Cornut €92,406.81 (thereof €51,205.48 non-performance-related and €41,201.33 performance-related) (previous year: €109,986.35, thereof €81,123.29 non-performance-related and €28,863.06 performance-related)
- Halil Duru €104,201.33 (thereof €63,000.00 non-performance-related and €41,201.33 performance-related) (previous year: €90,753.48, thereof €61,890.41 non-performance-related and €28,863.07 performance-related)
- Jan-Nicolas Garbe €0 (previous year: €0) (Supervisory Board member waives remuneration entitlement)
- Benjamin Kunstler €0 (previous year: €0) (Supervisory Board member waives remuneration entitlement)
- Dr. Ute Pantke €92,406.81 (thereof €51,205.48 non-performance-related and €41,201.33 performance-related) (previous year: €98,972.66, thereof €70,109.59 non-performance-related and €28,863.07 performance-related)
- Bruno Schick €0 (previous year: €0) (Supervisory Board member waives remuneration entitlement)
- Dr. Michael Siefke €0 (previous year: €0) (Supervisory Board member waives remuneration entitlement)

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 €1,500 per meeting day of the Advisory Board, plus sales tax and reimbursement of their expenses. Time for traveling to and from meetings is not considered part of the meeting day and is paid at €100 per hour up to a maximum of €500. The Chairman of the Advisory Board also receives annual compensation at a flat rate for allowances in the amount of €3,000 plus sales tax and his deputy receives €2,500 plus sales tax.