



## Press Release

### STADA announces agenda for the Annual General Meeting 2016

- Dividend proposal: Euro 0.70 per share
- New election of four shareholder representatives as Supervisory Board candidates
- Remuneration system for the Executive Board reviewed and adjusted
- Restricted transferability of registered shares to be canceled
- Selection process for 2017 annual auditor planned

Bad Vilbel, July 20, 2016 – STADA Arzneimittel AG released the invitation and agenda to its regular Annual General Meeting 2016 today. At the meeting to be held on August 26, 2016, in the Congress Center Messe Frankfurt in Frankfurt am Main, the Supervisory Board and Executive Board will propose to the Annual General Meeting to approve a dividend of Euro 0.70 per share, among other things. This would represent a 6 percent increase in the dividend from last year, a total dividend payment of Euro 43.6 million (previous year: Euro 40.0 million) and a distribution ratio of about 39 percent of reported net income.

The agenda also calls for the new election of four of the six shareholder representatives to the company's Supervisory Board for five-year terms. Supervisory Board members Dr. Eckhard Brüggemann, Dr. K. F. Arnold Hertzsch, Dieter Koch and Constantin Meyer have resigned from their positions as shareholder representatives effective at the end of the Annual General Meeting on August 26, 2016. To ensure an orderly, transparent and structured selection process for suitable successors in the interest of all shareholders, STADA decided at the end of May to postpone the Annual General Meeting.

Working on the basis of requirements profiles published on the company website and with the assistance of the renowned personnel consulting company Egon Zehnder, the Supervisory Board's Nomination Committee engaged with four exceptional candidates who, in addition to their proven international industry expertise, have shown themselves to be ideally suited in personal terms for service on the Supervisory Board of STADA. The Supervisory Board is confident that the following individuals ideally complement the

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remaining shareholder representatives in the Supervisory Board, Dr. Martin Abend and Ferdinand Oetker. They will work together with the company's operational management team to lead STADA to a successful long-range future:

- **Rolf Hoffmann** (57), most recently a member of the expanded Executive Board of Amgen, Senior Vice President of U.S. Commercial Operations at Amgen Inc. and, since June 2016, an adjunct professor at the University of North Carolina's Kenan-Flagler Business School in Chapel Hill, USA, for strategy and international business development. In Mr. Hoffmann, STADA will gain a proven pharmaceutical and biotech expert who demonstrates comprehensive operational responsibility on all continents. Mr. Hoffmann is experienced in the process of tapping and expanding the world's largest pharmaceutical markets, including Brazil, Russia, China and Japan.
- **Dr. Birgit Kudlek** (49), a member of the Supervisory Board of WILEX AG and most recently the Chief Operating Officer of Aenova Holding GmbH. Dr. Kudlek is a pharmacist, economist and a proven expert in the generic drug industry. She also has many years of international management experience in the areas of development, approval and production. She has held managing positions for well-known generic companies such as Sandoz, known by the name Hexal in Germany, and Ratiopharm.
- **Tina Müller** (47), Director of Marketing and Chief Marketing Officer at the Opel Group GmbH. Ms. Müller is one of Germany's most prominent marketing and sales executives. In addition to the many years of work she has done in the areas of consumer goods/fast-moving consumer goods, she also has broad international know-how, including in the skin and oral care segments important for STADA, through her previous activities at Henkel, Wella and L'Oréal. She is also in charge of digitalization, a relevant topic for STADA.
- **Dr. Gunnar Riemann** (58), an independent business consultant in the life sciences industry and the former President (managing director) of the global Environmental Science Division at Bayer CropScience AG. In Dr. Riemann, STADA will gain an

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individual who is both a licensed pharmacist with more than 30 years of experience in the international life sciences industry and a highly respected expert for pharmaceuticals, consumer care, biological products and animal health.

Dr. Riemann holds extensive international experience, including in the US, Asia and South America. He was active for many years as a member of the Executive Board of Bayer Schering Pharma and was responsible for the integration after the takeover by Bayer. In addition, Dr. Riemann can draw on extensive experience in the fields of production, development, marketing and management in the OTC market, also a relevant market for STADA.

The detailed resumés of the candidates are available on the company's website. The candidates will also introduce themselves personally at the Annual General Meeting on August 26, 2016.

In a reflection of good corporate governance, the Supervisory Board plans to retain its committee structure of Audit, Human Resources and Nomination committees and to ensure that the majority of their members are independent when appointments are made to the committees.

In agenda item 6, the Supervisory Board will present the remuneration system for members of the Executive Board to the Annual General Meeting for approval. Remuneration systems are currently the focus of intense debate in corporate governance circles and among the general public. In response to these discussions and specific suggestions made by investors and voting rights advisors, the Supervisory Board initiated work to further modify the remuneration system for STADA's Executive Board to reflect the latest developments. With regard to variable remuneration this means that the conditions for a discretionary bonus for the Executive Board were specified and tightened by the Supervisory Board. The multi-year, long-term incentive portion of performance-based compensation is now structured in such a way that payment of the stock-based portion can also be spread out over three years. In addition, the Supervisory Board has also responded to the investors'

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desire for more transparency: In the future, the Supervisory Board will release the targets for the Executive Board variable remuneration that are based on the company's announced guidance for adjusted net income. For the ongoing financial year, this target is slightly above the previous year's level.

The new remuneration system took effect on January 1, 2016, and was developed with the assistance of Ernst & Young. The Supervisory Board has now had the system evaluated by the experts of the business law firm Freshfields Bruckhaus Deringer and the human resources consulting firm Willis Towers Watson. The summary of the evaluations have been made available on the company's website. Experts have confirmed that the amount and form of the remuneration system are appropriate and customary for the industry and that STADA complies with all regulatory requirements for the remuneration system. Furthermore, the company has systematically implemented the recommendations for facultative improvements in the manner described above.

Other agenda items include the cancellation of the restricted transferability of registered shares of STADA Arzneimittel AG and the resolution on the election of the auditor of the consolidated financial statements for financial year 2016. The Executive Board and the Supervisory Board recommend the election of auditors PKF Deutschland. The audit of key STADA international companies for financial year 2016 will be conducted by the auditing firm Ernst & Young. At next year's Annual General Meeting, the Supervisory Board also intends to propose a new annual auditor. As planned for some time, STADA will soon initiate a selection process for an annual auditor following the introduction of the audit reform in June 2016 in accordance with the stricter new requirements.

The complete agenda for the Annual General Meeting on August 26, 2016, is available on STADA's website.

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