



## **Annual General Meeting 2016 of STADA Arzneimittel AG**

### **Information on the rights of the shareholders**

**(in accordance with section 122, para. 2, section 126, para. 1, section 127, section 131, para. 1 of the German Stock Corporation Act (*Aktiengesetz - AktG*))**

The convening notice to the Annual General Meeting already contains information on the rights of the shareholders in accordance with section 122, para. 2, section 126, para. 1, section 127, section 131, para. 1 of the German Stock Corporation Act. The following details serve to give further information.

#### **1. Requests for supplements to the agenda (section 122, para. 2 of the German Stock Corporation Act)**

Shareholders whose shares amount in aggregate to not less than one-twentieth of the share capital or represent an amount of the share capital corresponding to EUR 500,000 (this corresponds – rounded to the next higher full number of shares – to 192,308 shares), may demand that items are put on the agenda and be published. Any new item shall be accompanied by an explanation or a draft proposal. Those submitting such requests must document they have been the owners of the shares for the duration of at least 90 days prior to the day of the receipt of the request and hold the shares until such time as a decision of the Executive Board is rendered regarding their request (sections 122 para. 2, 122 para 1 sentence 3 of the German Stock Corporation Act as well as section 70 of the German Stock Corporation Act).

Such request is to be addressed in writing to the Executive Board of STADA Arzneimittel AG. It must be received by the Company in writing at least 30 days before the Annual General Meeting, i.e., at the latest by July 26, 2016, 24:00 (CEST).

Please send such requests to the following address

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

Supplements to the agenda will be published - to the extent that they have not yet been published with the convening notice - immediately upon receipt by the Company in Federal Gazette (*Bundesanzeiger*) and forwarded to such media capable of distributing them in the en-

tire European Union. They will also be immediately made available on the Company's Internet page at [www.stada.com/agm2016](http://www.stada.com/agm2016).

The regulations in the German Stock Corporation Act stipulating this shareholders' right are as follows:

### **Section 122 Calling of a Meeting at the Request of a Minority (Excerpt)**

- (1) The shareholders' meeting shall be called if shareholders, whose holding in aggregate equals or exceeds one-twentieth of the share capital, demand such meeting in writing, stating the purpose and the reasons of such meeting; such demand shall be addressed to the Executive Board. The articles may provide that the right to demand a shareholders' meeting shall require another form or the holding of a lower proportion of the share capital.. Those submitting such demands must document they have been the owners of the shares for the duration of at least 90 days prior to the day of the receipt of the demand and hold the shares until such time as a decision of the Executive Board is rendered regarding their request. Section 121, para. 7 shall apply accordingly.
- (2) In the same manner, shareholders whose shares amount in aggregate to not less than one-twentieth of the share capital or represent an amount of the share capital corresponding to 500,000 Euros, may demand that items are put on the agenda and published. Each new item shall be accompanied by an explanation or a draft proposal. The demand in the sense of sentence 1 shall be provided to the company at least 24 days, in case of listed companies at least 30 days, prior to the meeting; the day of receipt shall not be included in this calculation.

### **Section 70 Computation of the Period of Shareholding**

If the exercise of rights arising from a share requires that the shareholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institutions, or an enterprise operating under section 53, para. 1, sentence 1 or section 53b, para. 1, sentence 1 or para. 7 of the German Banking Act (*Gesetz über das Kreditwesen*) shall be deemed equivalent to ownership. The period during which the share was owned by a predecessor shall be attributed to the shareholder, provided that he has acquired the share without consideration from his fiduciary, as a successor in legal interest by operation of law, in connection with the liquidation of a community of interest, or as a result of a transfer of assets pursuant to section 13 of the German Insurance Supervision Act (*Versicherungsaufsichtsgesetz*) or section 14 of the Building Loan Associations Act (*Gesetz über Bausparkassen*).

## **2. Motions and nominations of shareholders (section 126, para. 1 and section 127 of the German Stock Corporation Act)**

Shareholders of the Company may submit countermotions against proposals of the Executive Board and the Supervisory Board with respect to specific agenda items as well as nominations for the election of the auditor and the Supervisory Board. If countermotions are meant to be made accessible, they must include an explanatory statement; nominations do

not require an explanatory statement. Countermotions regarding the agenda and nominations by shareholders must be exclusively forwarded to the Company's following address:

STADA Arzneimittel AG  
Legal Department  
Stadastrasse 2–18  
61118 Bad Vilbel  
Germany  
Fax: +49 (0) 6101/603 611970  
E-mail: hv2016@stada.de

Any countermotions and nominations received by the Company at the aforementioned address no later than 14 days before the day of the Annual General Meeting, i.e. by August 11, 2016, 24:00 (CEST), will be published without undue delay after receipt in the Internet at [www.stada.com/agm2016](http://www.stada.com/agm2016) including the name of the shareholder and – in case of motions – including the explanatory statement subject to the further conditions set out in section 126 and section 127 of the German Stock Corporation Act. Possible statements of the management will also be published at the same internet address.

The Executive Board reserves the right to combine countermotions and their explanations if several shareholders present countermotions on the same subject matter of a resolution.

Any countermotions and nominations that are not addressed to the aforementioned address as well as countermotions without an explanation do not have to be made accessible.

Pursuant to the conditions of section 126, para 2 of the German Stock Corporation Act, the Company is not obliged to make a countermotion or the explanation for a countermotion or a nomination accessible. Moreover, the explanation for a permissible countermotion does not need to be made accessible if it is longer than 5,000 characters in total.

In addition to the reasons stated in section 126, para 2 of the German Stock Corporation Act, a nomination also does not need to be made accessible if it does not include the proposed candidates' name(s), current profession(s) and place(s) of residence. In case of nominations for the election of supervisory board members, the publication may as well be omitted if the proposal does not contain details on their memberships in other supervisory boards to be established pursuant to statutory provisions. In addition, details on their memberships in comparable domestic and foreign controlling bodies of enterprises should be added.

Motions and nominations by shareholders, regardless whether they are made available or not, can only come to the vote if they are made during the Annual General Meeting. The right of every shareholder to make countermotions regarding the agenda items during the Annual General Meeting (even without prior communication to the Company) remains unaffected.

The regulations of the German Stock Corporation Act stipulating these shareholders' rights, which also regulate the conditions under which the Company may refrain from making available the motions and nominations, are as follows:

## **Section 126 Motions by Shareholders**

- (1) Motions by shareholders together with the shareholder's name, the grounds and any position taken by the management shall be made available to the persons entitled pursuant to section 125, para. 1 to 3 under the conditions stated therein if at least 14 days before the meeting the shareholder sends to the address indicated in the notice convening the meeting a motion counter to a proposal of the executive board and supervisory board as to an item on the agenda. The date of receipt shall not be taken into account. In the case of listed companies, access shall be provided via the company's Internet page. Section 125, para. 3 shall apply accordingly.
- (2) A countermotion and the grounds for this need not be made available, if:
  1. the Executive Board would by reason of such communication become criminally liable;
  2. the countermotion would result in a resolution of the shareholders' meeting which would be illegal or would violate the articles of association;
  3. the grounds contain statements which are manifestly false or misleading in material respects or which are libelous;
  4. a countermotion from the shareholder based on the same facts was already communicated at the shareholders' meeting in accordance with section 125;
  5. the same countermotion of such shareholder on essentially identical grounds has already been communicated pursuant to section 125 to at least two shareholders' meetings of the company within the past five years and at such shareholders' meetings less than one-twentieth of the share capital represented has voted in favor of such countermotion;
  6. the shareholder indicates that he will neither attend nor be represented at the shareholders' meeting; or
  7. within the past two years at two shareholders' meeting the shareholder has failed to make or cause to be made on his behalf a countermotion communicated by him.

The statement of the grounds need not be communicated if it exceeds 5,000 characters in total.

- (3) If several shareholders make countermotions in respect to the same subject matter of a resolution, the Executive Board may combine such countermotions and the respective statements of the grounds.

## **Section 127 Nominations by Shareholders (Excerpt)**

Section 126 shall apply mutatis mutandis to a proposal by a shareholder for the election of members of the supervisory board or independent auditors. Such nomination does not need to be supported by an explanation. The executive board does not need to make such nomination proposal accessible if the proposal fails to contain infor-

mation pursuant to section 124, para 3, sentence 4, and section 125, para. 1, sentence 5.

**Section 124 Publication of requests for supplements; proposals for resolutions (Excerpt)**

(the following sentence 4 of para. 3, left in its context here, is relevant)

(3) <sup>4</sup>The proposal for the election of members of the supervisory board or auditors shall state their name, profession and place of residence.

**Section 125 Communications to Shareholders and Members of the Supervisory Board (Excerpt)**

(the following sentence 5 of para. 1, left in its context here, is relevant)

(1) <sup>5</sup>In case of listed companies details on the membership in other supervisory boards to be established pursuant to statutory provisions must be added to any nomination for the election of supervisory board members; details on their membership in comparable domestic and foreign controlling bodies of enterprises should be added.

**3. Right to information (section 131, para. 1 of the German Stock Corporation Act)**

Each shareholder shall upon request be provided with information regarding the Company's affairs by the Executive Board at the Annual General Meeting, if this is required for a proper evaluation of a certain item on the agenda. The Executive Board's duty to inform the shareholders shall also extend to the Company's legal and business relations with any affiliated enterprise as well as the outlook of the Group and the companies included in the consolidated financial statements.

In the cases stipulated in section 131, para. 3 of the German Stock Corporation Act, the Executive Board may refuse to give information.

If information has been given to a shareholder outside the Annual General Meeting because of that person or entity being a shareholder, this information is also to be provided to each other shareholder, upon demand, in the Annual General Meeting, even if it is unnecessary for a proper evaluation of the relevant agenda item. In such a case, the Executive Board may not refuse to give the information on the grounds of section 131, para. 3, sentence 1, No. 1 through 4 of the German Stock Corporation Act.

If information is refused to a shareholder, the shareholder can demand that the question and the reason for which the information was refused are stated in the notarial minutes of the Annual General Meeting.

The regulations of the German Stock Corporation Act stipulating this shareholders' right, which also regulate the conditions under which the Company may refrain from providing information, are as follows:

## **Section 131 Right of Shareholders to Information**

- (1) Each shareholder shall upon request be provided with information at the shareholders' meeting by the Executive Board regarding the company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. The duty to provide information shall also extend to the company's legal and business relations with any affiliated enterprise. If a company makes use of the simplified procedure pursuant to section 266, para. 1, sentence 3, section 276 or section 288 of the German Commercial Code (*Handelsgesetzbuch – HGB*), each shareholder may request that the annual financial statements be presented to him at the shareholders' meeting on such annual financial statements in the form they would take without these simplifications. A parent enterprise's (section 290, para. 1 and 2 of the German Commercial Code) Executive Board's duty to inform in the shareholders' meeting that considers the consolidated financial statements and consolidated management report shall extend to the outlook of the group and the enterprises included in the consolidated financial statements.
- (2) The information provided shall comply with the principles of conscientious and accurate accounting. The articles of association or the rules of procedure pursuant to section 129 may authorize the chairperson of the meeting to limit the number of questions and speaking time of shareholders as appropriate and to lay down general rules thereon.
- (3) The Executive Board may refuse to provide information:
  1. to the extent that providing such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated enterprise;
  2. to the extent that such information relates to tax valuations or the amount of certain taxes;
  3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the shareholders' meeting is to approve the annual financial statements;
  4. with regard to the accounting and valuation principles, if disclosure of such methods in the notes suffices to provide a clear view of the actual condition of the company's assets, financial position and profitability within the meaning of section 264, para. 2 of the German Commercial Code; the foregoing shall not apply if the shareholders' meeting is to approve the annual financial statements;
  5. if provision thereof would render the Executive Board criminally liable;
  6. if in the case of a credit institution or financial services institution information about the applied accounting and valuation principles or calculations made in the annual financial statements, the management report, the consolidated annual financial statements or the group's management report need not be given;

7. if the information is continuously available on the company's internet page seven or more days prior to the shareholders' meeting as well as during the meeting.

The provision of information may not be denied for other reasons.

- (4) If information has been provided outside a shareholders' meeting to a shareholder by reason of his status as a shareholder, such information shall upon request be provided to any other shareholder at the shareholders' meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The Executive Board may not refuse to provide such information on the grounds of para. 3, sentence 1, No. 1 through 4. sentences 1 and 2 shall not apply if a subsidiary (section 290, para. 1, 2 of the German Commercial Code), a cooperative enterprise (section 310, para. 1 of the German Commercial Code) or an affiliate (section 311, para. 1 of the German Commercial Code) provides the information to a parent company (section 290, para. 1, 2 of the German Commercial Code) for the purpose of inclusion in the consolidated annual financial statements of the parent company and the information is required for this purpose.
- (5) A shareholder who has been denied information may request that his question and the reason for which the information was denied be recorded in the minutes of the meeting.

Pursuant to section 131, para. 2, sentence 2 of the German Stock Corporation Act in conjunction with section 21, para. 5 through 7 of the STADA's Articles of Association, the Chairman of the Annual General Meeting may set an appropriate time limit with respect to the right of shareholders to speak and ask questions.

The respective provision in the Articles of Association reads as follows:

#### **Section 21 Attendance (Excerpt)**

- (5) The chairman of the meeting is entitled to restrict the shareholders right to pose questions and hold the floor (*Frage- und Rederecht*) in terms of time subject to the following provisions:
  - (a) If, pursuant to the agenda (including minority requests (if any) in accordance with § 122 German Stock Corporation Act), a resolution merely needs to be adopted in relation to issues pertaining to the appropriation of the annual balance sheet profits, formal approval of the acts of members of the Executive Board, formal approval of the acts of members of the Supervisory Board, the election of an auditor and authorisation to acquire own shares or in relation to any of the aforementioned individual agenda items, the chairman of the meeting may limit the shareholders' right to pose questions and hold the floor in terms of time to ensure that the Shareholders' Meeting does not exceed six hours in total. When determining the duration of the Shareholders' Meeting, time lost due to interruptions to the Shareholders' Meeting and due to the speech given by a member of the Executive Board as well as the comments by the chairman of the meeting prior to the commencement of the general debate, shall not be taken into account.

- (b) If, according to the agenda, (including minority requests (if any) in accordance with § 122 German Stock Corporation Act), a resolution also needs to be adopted in relation to issues other than under letter (a), the chairman of the meeting may limit the shareholders' right to pose questions and hold the floor in terms of time to ensure that the Shareholders' Meeting does not exceed ten hours in total. Letter (a), sentence 2 shall apply mutatis mutandis.
  - (c) The chairman of the meeting may set a time limit of 15 minutes per shareholder for asking questions and speaking for each request for leave to speak and, to 10 minutes if at the time of the beginning of his speech at least three other speakers have applied for time. The chairman of the meeting may limit a shareholder's right to pose questions and hold the floor, to which he is entitled in total during the Shareholders' Meeting, to 45 minutes.
  - (d) The restrictions of letters (a) to (c) may be stipulated by the chairman at any time, including at the beginning of the meeting.
  - (e) The restrictions pursuant to the above letters (a) to (d) are deemed to be fair and reasonable within the meaning of § 131 para. 2 sentence 2 German Stock Corporation Act.
- (6) Notwithstanding the right of the chairman of the meeting to restrict the shareholders' right to pose questions and hold the floor in accordance with section 5, the chairman may at 10:30 p.m. on the day of the meeting, order that the debate be concluded and may commence with the casting of votes in relation to the items on the agenda. Upon the ordering of the conclusion of the debate, further questions in relation to the cases set out in sentence 1 are no longer permissible.
- (7) The right of the chairman of the meeting to further limit the shareholders' right to pose questions and hold the floor beyond section 5 and 6 in accordance with the statutory provisions or in accordance with other principles recognized by established case law shall remain unaffected by the provisions in section 5 and 6.

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