



**Supplement to the agenda
of the Annual General Meeting
of STADA Arzneimittel AG
on August 26, 2016**

STADA Arzneimittel AG
Bad Vilbel

WKN 725180
ISIN DE0007251803

The Annual General Meeting of STADA Arzneimittel AG was convened for Friday August 26, 2016 in Frankfurt am Main by means of notification published in the German Federal Gazette of July 20, 2016,

Upon request of shareholder Active Ownership Fund SICAV-FIS SCS, Luxembourg, and in accordance with section 122 para. 2 and section 124 para. 1 of the German Stock Corporation Act (AktG), the following items for resolution have been added to the agenda of the Annual General Meeting on August 26, 2016 and are hereby duly made public.

Item 9 on the agenda

“Resolution on a dismissal of members of the Supervisory Board in accordance with Section 103 Article 1 of the German Stock Corporation Act (AktG)

Submission for resolution, each in a separate vote:

- (a) Dr. Martin Abend, Member of the Supervisory Board, will be dismissed from his position effective from the end of the Annual General Meeting.
- (b) Carl Ferdinand Oetker, Member of the Supervisory Board, will be dismissed from his position effective from the end of the Annual General Meeting.”

Item 10 on the agenda

“Resolution on subsequent elections of members of the Supervisory Board

Notice to be published:

The Supervisory Board of the Company consists of nine members pursuant to section 96, para. 1, section 101, para. 1 of the German Stock Corporation Act (AktG), section 1, para. 1, no. 1, section 4, para. 1 of the German One Third Participation Act (Drittelbeteiligungsgesetz) and section 12, para. 1 of the company’s Articles of Association. Of these, six shall be elected by the Annual General Meeting.

The term of office of all current members of the Supervisory Board elected by the Annual General Meeting ends with the conclusion of the Annual General Meeting which decides upon the approval of activities for the 2017 financial year. If a member of the Supervisory Board elected by the Annual General Meeting leaves the Supervisory Board before the completion of their term of office, the term of office for the newly elected member continues for the remainder of the term of office of the departing member, in accordance with Section 12, Article 3 of the company’s Articles of Incorporation.

Submission for resolution, each in a separate vote:

- (a) Insofar as the Annual General Meeting dismisses the current Member of the Supervisory Board Dr. Martin Abend or insofar as his membership in the Supervisory Board is otherwise terminated

Mr. Eric Cornut, Binningen, Switzerland, self-employed consultant, former Chief Ethics, Compliance and Policy Officer, Novartis AG, Basel, Switzerland, former Chief Commercial Officer and Head of Pharma, Europe, Novartis Pharma AG, Basel, Switzerland,

shall be elected as a shareholder representative to the company's Supervisory Board for the period from the end of this Annual General Meeting until the end of the Annual General Meeting which decides upon the approval of activities for the 2017 financial year.

The candidate is not a member of other statutory supervisory boards or comparable monitoring boards of other German or foreign companies.

- (b) Insofar as the Annual General Meeting dismisses the current Member of the Supervisory Board Carl Ferdinand Oetker or insofar as his membership in the Supervisory Board is otherwise terminated

Dr. Ursula Schütze-Kreilkamp, Cologne, Head of Group HR Development and Group Executives (HD), DB Mobility Logistics AG, Berlin,

shall be elected as a shareholder representative to the company's Supervisory Board for the period from the end of this Annual General Meeting until the end of the Annual General Meeting which decides upon the approval of activities for the 2017 financial year.

The candidate is a member of the following (i) other supervisory boards that are to be constituted by law or (ii) comparable domestic and foreign boards with controlling authority:

- (i) DB Fernverkehr AG, Frankfurt am Main, Member of the Supervisory Board,

DB Regio AG, Frankfurt am Main, Member of the Supervisory Board,

Schenker AG, Essen, Member of the Supervisory Board,

(ii) none.

With regard to this request for amendment, to the knowledge of AOF and pursuant to clause 5.4.1 of the German Corporate Governance Code, none of the recommended candidates have personal or commercial relationships to the Company or its Group companies, Boards of the Company or a shareholder with a significant stake in the Company.”

Summarized statement of the Supervisory Board on the supplement motion and nominations of the shareholder Active Ownership Fund SICAV-FIS SCS

The request for supplements to item 9 of the agenda by shareholder Active Ownership Fund SICAV-FIS SCS relating to the dismissal of Dr. Martin Abend (Chairman of the Supervisory Board) and Mr. Carl Ferdinand Oetker (Chairman of the Audit Committee) and the request for supplements to item 10 relating to the new election of Mr. Eric Cornut and Dr. Ursula Schütze-Kreilkamp are directly connected. Moreover, the two requests for supplements are to be viewed in the context of two nominations, which AOF submitted to the Company at the same time. AOF subsequently proposes that two candidates nominated by AOF, namely Mr. Klaus-Joachim Krauth and Mr. Hans-Helmut Fabry, be elected in place of the candidates proposed by the Supervisory Board under items 8a) and 8c), Dr. Birgit Kudlek and Dr. Gunnar Riemann. These two nominations are available on the Company’s website at www.stada.de/hv2016.

The Supervisory Board thus makes the following statement as regards the requests for supplements of AOF on item 9 and item 10 of the agenda as well as the two nominations.

The complete replacement of all six shareholder representatives in the STADA Supervisory Board by AOF results in discontinuity in the supervision of the Company, which is not in the interests of the Company or the shareholders.

The complete replacement of the shareholder representatives would expose the Company to an irresponsible risk, as the knowledge transfer from the Supervisory Board members familiar with the Company to the new members would not be guaranteed. AOF also particularly seeks discontinuity in the position of the Chairman of the Supervisory Board and in the position of the Chairman of the important Audit Committee. The three employee representatives, who according to AOF are to ensure a transfer of knowledge, have only been in their positions for around two years. The Supervisory Board would therefore not be able to work in the months of the necessary introduction period. A complete replacement of all shareholder representatives is unprecedented in Germany, even in the case of a hostile takeover.

The new shareholder team proposed by the Supervisory Board (four new members as well as the Chairman of the Supervisory Board and the Chairman of the Audit Committee) guarantees continuity and ensures that the Supervisory Board as a whole has all of the necessary competences for the future of the Company. The good balance between new and remaining members ensures a smooth transfer of knowledge and supports the strategic restructuring through the Executive Board.

The candidate proposal by the administration has been developed in a structured, transparent and professional process by the Nomination Committee together with renowned personnel consulting Company Egon Zehnder. The team proposed by the Supervisory Board for election has been selected on the basis of discussions with several investors in the interests of all shareholders. The Supervisory Board in its entirety will unite relevant specialist and market knowledge, long-standing international experience and profound expertise in financial, accounting and legal issues as well as personal independence following its new positioning.

The four candidates for the Supervisory Board proposed by AOF do not pass comparison with the candidates proposed by the Supervisory Board. The candidates proposed by AOF do not meet with the Company's publicly accessible selection criteria.

They also do not meet with the selection criteria set by AOF itself. In addition, there is no transparency regarding how the nominated people were selected. Although AOF used a selection profile from Spencer Stuart, both sides deny that AOF commissioned Spencer Stuart. It remains unclear which person should assume the position

of the Chairman of the Supervisory Board and which person should become the Chairman of the Nomination Committee.

Overall, the process so far casts doubt over the suitability of the nominated candidates: Of the five people originally proposed by AOF, only one is among those now nominated. There is also doubt regarding the legally required independence of the financial expert proposed for the position of the Chairman of the Nomination Committee.

Overall, there is the impression that the proposed alternative list has not been put forward in the interests of all shareholders, rather first and foremost in the interests of one individual shareholder.

The Supervisory Board therefore recommends that the resolution proposed for item 9 be rejected.

Furthermore, the Supervisory Board also recommends that the resolution proposed for item 10 be rejected.

As regards the counter-motions on items 8a) and 8c), the Supervisory Board stands by the proposed resolutions it published in the Federal Gazette on July 20, 2016.

Bad Vilbel, in July 2016

STADA Arzneimittel AG ***The Executive Board***

STADA Arzneimittel Aktiengesellschaft

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Chairman Supervisory Board:
Dr. Martin Abend

Executive Board: Dr. Matthias Wiedenfels (Chief Executive Officer)
Helmut Kraft
Hartmut Retzlaff (exempted from duty)

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