

Active Ownership Capital

PRESS RELEASE

Active Ownership Capital proposes to the AGM of STADA Arzneimittel AG the complete replacement of the shareholder representatives in the Supervisory Board

- AOC proposes four new, independent candidates and supports two candidates put forward by STADA
- The four new candidates have been chosen by a renowned executive search firm in a professional process with participation of major shareholders
- Supervisory Board proposed by AOC possesses the necessary independence, experience and expertise to enable STADA to develop positively long-term

Luxembourg/Bad Vilbel, July 25, 2016 – Active Ownership Capital, an independent, partner-managed investment company, today announced that it has submitted a supplementary motion as well as counter motions for the agenda of the Annual General Meeting of STADA Arzneimittel AG (ISIN DE0007251803) on August 26, 2016. The objective is to enable a comprehensive restart of the company's corporate governance by completely replacing the shareholder representatives in the Supervisory Board.

According to AOC's supplementary motion, the Supervisory Board members Dr. Martin Abend and Carl Ferdinand Oetker shall be replaced. Instead of Dr. Martin Abend, Dr. Eric Cornut (born 1957) stands for election. The graduated lawyer was previously Chief Ethics, Compliance and Policy Officer at Novartis AG. Before that, he held several managing position at Novartis, amongst others he was Chief Commercial Officer, Head of Novartis' European Pharma business and CEO of Novartis France, where he was also responsible for Sandoz' French operations. He possesses comprehensive industrial expertise as well as management expertise with a distinctive focus on good corporate governance. It is AOC's opinion that after seven years as Chairman of the Supervisory Board of STADA and a total of 13 years of being a member of the Supervisory Board, Dr. Martin Abend is not suitable to lead or support the necessary fresh start in the corporate governance of STADA.

Instead of Carl Ferdinand Oetker, Dr. Ursula Schütze-Kreilkamp (born 1959) is proposed for election. Since 2012, she has been Head of Group HR Development at DB Mobility Logistics AG and prior to this since 2006 she has been e.g. Head of Executive Development at REWE-Group. The consultant physician for gynecology and doctor for psychotherapy and psychosomatic medicine has comprehensive healthcare-know-how. In the course of her 16 years working experience as a medical practitioner as well as in her academic work, she has focused on Psychooncology/ Psychotraumatology, the coping with distressing life situations and the coaching of managers. Dr. Ursula Schütze-Kreilkamp is specialized on the composition of effective (management) teams.

According to AOC's counter motions, it is proposed that instead of Dr. Gunnar Riemann, a Supervisory Board candidate put forward by STADA, Hans-Helmut Fabry (born 1956), former Global Commercial Head Novartis Consumer Health, is being put up for election. Previously the qualified psychologist and independent business consultant has been working for Novartis AG with responsibility for Sandoz Germany and as CEO at Hexal AG. From 1991 to 2004 he held various positions at L'OREAL. In contrast to Dr. Gunnar Riemann, Hans-Helmut Fabry possesses comprehensive experience in the generics,

branded product and consumer health business. Instead of Dr. Birgit Kudlek, who was put forward by STADA, Klaus-Joachim Krauth (born 1961), former CFO of Hexal and Athos is being put up for election. The qualified industrial engineer is a truly experienced manager and possesses comprehensive experience in the generics business and additional experience from management positions in various companies in the supply chain of companies active in the generics business. As former CFO of several international groups, he possesses a wide range of finance, controlling and treasury skills.

The four new candidates have been chosen by a renowned executive search firm in a professional process with participation of those major shareholders that followed AOC's call for shareholder participation in the Aktionärsforum in the German Bundesanzeiger and got in contact with the executive search firm.

The two candidates proposed by STADA, Tina Müller, currently Chief Marketing Officer at Opel, and Rolf Hoffmann, in his previous position member of the extended management board of Amgen, bring the necessary experience and expertise, their candidacy is thus supported by AOC. Going forward, the necessary continuity in the Supervisory Board of STADA will be ensured by the three experienced representatives of the employee side.

In this context, Active Ownership Capital made the following statement:

„The complete replacement of the representatives of the shareholders in STADA's Supervisory Board is an important step to STADA's long-term positive development. We are convinced that the Supervisory Board in the composition we propose possesses an ideal combination of independent managers with operative skills in the pharma and healthcare industry as well as experts in finance, human resources, governance and marketing.“

The previous public demand by AOC to reclassify STADA's registered shares with restricted transferability to registered shares has been taken up by the company and put on the agenda of the AGM on August 26, 2016. After AOC furthermore demanded to mandate a new auditor that is appropriate for STADA's size, the company announced that it intends to mandate a new auditor on next year's AGM. AOC is currently evaluating whether this time frame is appropriate and reserves the right to submit a counter motion in this regards in the coming weeks.

Further information as well as comprehensive CVs of the candidates proposed by AOC can be found on the following website: www.saz-governance.de

Shareholders of STADA Arzneimittel AG who wish to support the proposals of Active Ownership Capital, can grant voting proxy rights for the Annual General Meeting of STADA Arzneimittel AG on August 26, 2016 at no charge. A corresponding form is anticipated to be available as of August 2, 2016 at the website www.saz-governance.de

Currently, more than 5% and less than 10% of the voting rights in STADA Arzneimittel AG are attributed to AOC. AOC has published the voting rights that are attributed to the investment company in line with legal requirements.¹ The supplementary motion and the counter motions are submitted solely by the Active Ownership Fund.

¹ The voting rights announcement from March 29, 2016, (published April 1, 2016) can be found on the website of STADA

About Active Ownership Capital

Active Ownership Capital is an independent, partner-managed investment company which acquires significant minority stakes in publicly listed, undervalued small- and mid-size companies in German speaking countries (Germany, Switzerland, Austria) and the Nordics (Sweden, Finland, Denmark, Norway). Active Ownership Capital follows an active ownership approach and fosters value creation through operational, strategic and structural improvements.

For us, active ownership means that we act as the company's partner and support it long-term. Together with management, we define value-enhancing strategies and measures and are ready to support their implementation as supervisory board members and advisors. As equity investors we add long-term oriented entrepreneurial thinking to publicly listed companies. Our investor base consists of European family offices and selected institutional investors.

For further information: www.activeownershipcapital.de and www.saz-governance.de

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