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**STRATEC Biomedical AG  
Birkenfeld**

**ISIN DE000STRA555 – WKN STRA55**

**Invitation to the Annual General Meeting**

We hereby invite our shareholders to attend the

**Annual General Meeting  
of STRATEC Biomedical AG**

to be held at CongressCentrum Pforzheim, Mittlerer Saal,  
Am Waisenhausplatz 1-3, 75172 Pforzheim  
at 1.00 p.m. (CEST) on Wednesday, May 30, 2018.

**Agenda**

**1. Presentation of the adopted annual financial statements, the approved consolidated financial statements, the management report of STRATEC Biomedical AG and the Group as of December 31, 2017, the report of the Board of Management in respect of the disclosures made pursuant to § 289a (1) and § 315a (1) of the German Commercial Code (HGB), and the report of the Supervisory Board for the 2017 financial year**

The aforementioned documents are available on the Company's website at [www.stratec.com/agm](http://www.stratec.com/agm). In accordance with the applicable statutory provisions, no resolution is proposed to be adopted by the Annual General Meeting, since the Supervisory Board has already approved the annual financial statements and the consolidated financial statements prepared by the Management Board.

**2. Resolution on the appropriation of balance sheet profit**

The Management Board and the Supervisory Board propose that the balance sheet profit reported in the adopted annual financial statements of STRATEC Biomedical AG as of December 31, 2017 amounting to € 67,575,291.43 be appropriated as follows:

Payment of a dividend of € 0.80 per no-par value share entitled to a dividend payable on June 5, 2018 corresponding to a total amount of € 9,532,760.00 as well as profit carried forward in the amount of € 58,042,531.43.

The proposal regarding the appropriation of profit takes into account the treasury shares held directly or indirectly by the Company at the time of the convocation, which are not entitled to a dividend payment pursuant to § 71(b) AktG. The number of shares entitled to a dividend may change prior to

the Annual General Meeting. In such instance, an amended resolution proposal on the appropriation of profit will be submitted to the Annual General Meeting without changing the proposed payment of € 0.80 per no-par value share entitled to a dividend.

### **3. Resolution on the ratification of the actions of the members of the Management Board**

The Management Board and the Supervisory Board propose that the members of the Management Board officiating during the financial year 2017 be ratified for the financial year 2017.

### **4. Resolution on the ratification of the actions of the members of the Supervisory Board**

The Management Board and the Supervisory Board propose that the members of the Supervisory Board officiating during the financial year 2017 be ratified for the financial year 2017.

### **5. Resolution on the appointment of the auditors for the annual financial statements and the consolidated financial statements**

The Supervisory Board proposes that Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, Germany, be appointed as auditor and Group auditor of the financial statements for the financial year 2018. In addition, the auditor will carry out the audit or review of the interim financial report as of June 30, 2018, if any.

### **6. Resolution on reducing Conditional Capital VI/2013 and authorization to grant stock options and create new Conditional Capital VIII/2018 to service stock option rights, as well as related amendments to Articles of Association**

The Board of Management and Supervisory Board propose adopting the following resolution:

#### **I. Reduction in Conditional Capital VI/2013**

After June 5, 2018, no further stock options can be issued from the stock option program adopted by the Annual General Meeting on June 6, 2013. Remaining capital of € 190,000.00 from Conditional Capital VI/2013 will suffice to service the options already issued. Conditional Capital VI/2013, which still amounts to € 877,250.00, should therefore be reduced to € 190,000.00, with the adoption of a new authorization to grant new stock options and create new conditional capital for this purpose.

§ 4 No. 4.6. (2) of the Articles of Association shall be reformulated as follows:

“The share capital has been conditionally increased by up to € 190,000.00, divided into up to 190,000 shares (Conditional Capital VI/2013). The conditional increase in capital serves for granting subscription rights (share option rights) up to June 5, 2018 in accordance with the resolution passed by the Annual General Meeting on June 6, 2013. The conditional increase in capital will only be carried out to the extent that the holders of share options make use of their subscription rights. The new shares will in each case participate in the profit as from the start of the financial year in which they are issued.”

#### **II. Authorization to grant stock options**

The company's Board of Management shall be authorized until May 29, 2023, subject to approval by the Supervisory Board, to issue stock options to employees of the company or of associated companies as defined in § 15 et seq. of the German Stock Corporation Act (hereinafter: “associated companies”) or to members of the management of associated companies. The Supervisory Board shall be authorized to issue stock options to members of the company's Board of Management. This authorization provides for the issuing of stock options for up to a total of 810,000 shares in the company. Shareholders in the company shall not be entitled to subscription rights. The specific structure and implementation of the stock option program shall be determined by the Board of Management, subject to approval by the Supervisory Board. The stock options may also be assumed by a financial institution obliged to transfer the options to individuals with option entitlement in line with the company's instructions. Here too, the stock options may only be exercised by the option beneficiaries. The granting of stock options for shares in the company and the issuing of these shares shall be performed in accordance with the following terms and conditions:

(1) Persons entitled

Persons belonging to one of the following groups of individuals shall be entitled to acquire the stock options and to subscribe shares in the company:

- a) Members of the company's Board of Management
- b) Company employees
- c) Members of the management of companies associated with the company
- d) Employees at companies associated with the company.

The company's Board of Management shall specify the precise group of persons entitled and the volume of stock options to be granted in each case. In deviation to this provision, the company's Supervisory Board shall specify the details for members of the company's Board of Management.

The total volume of stock options shall be distributed to the persons entitled to subscribe as follows:

- 75% to company employees and the employees of associate companies;
- 25% to members of the company's Board of Management and to members of the management at associate companies.

New stock options may be issued to replace stock options that are no longer exercisable or that have already been exercised.

(2) Right to subscribe shares

Each stock option entitles its bearer to acquire one share in the company in return for payment of the exercise price set out in § 4.

(3) Acquisition and exercise windows

The stock options may be issued to entitled persons at any time in a given financial year through to May 29, 2023. The total volume of stock options is to be issued in no fewer than two annual tranches. No single annual tranche may exceed 50% of the total volume of option rights. Following the conclusion of the waiting period and should the performance targets have been met, entitled persons may only exercise their option rights in the ten trading days in the electronic trading system of the Frankfurt Stock Exchange (XETRA)

- After the holding of the Annual General Meeting (exercise window),  
– or –
- After publication of definitive 6-months results, provided that these are published after the Annual General Meeting for the previous financial year, and 9-month results (exercise window),  
– and –
- Independently of each other during several of the aforementioned exercise windows.

(4) Exercise price

The exercise price for subscribing a share in the company basically corresponds to the average closing price of STRATEC's share in the electronic trading system of the Frankfurt Stock Exchange (XETRA) on the five stock market trading days preceding the decision to allocate the option rights and, as a minimum, to the arithmetic minimum amount of € 1.00 for each share.

In cases where stock options were granted to members of the company's Board of Management and where the closing price of STRATEC's share in the electronic trading system of the Frankfurt Stock Exchange (XETRA) exceeds the exercise price by more than 200% on the stock market trading day preceding the stock option exercise date, then the exercise price shall only increase to the extent that the difference amounts to 200% of the original exercise price.

(5) Adjustment due to capital-related measures

The exercise price may be adjusted by the Board of Management, subject to approval by the Supervisory Board, in the event of capital-related measures not involving any inflow or outflow of funds (for example: capital increase from company funds, capital reduction, reallocation of share capital). § 9 (1) of the German Stock Corporation Act (AktG) shall apply irrespective of this.

(6) Waiting periods

- a) Should the performance target set out in § (7) be met, the stock options granted may be exercised in full for the first time following the expiry of four years (“minimum waiting period”) after allocation of the respective options.
- b) The stock options have respective terms of seven years following allocation. Upon expiry of this term, the stock options shall lapse without any entitlement to compensation.

(7) Performance target

The stock options may be exercised following expiry of the relevant waiting period and achievement of the following performance targets:

- a) On the date of the expiry of the minimum waiting period of four years after allocation of the respective option rights and/or on the next stock market trading day following such expiry, the closing price of STRATEC’s share in the electronic trading system of the Frankfurt Stock Exchange (XETRA) must have risen by at least 20% compared with the exercise price.  
Should this performance target not have been met at the aforementioned deadline, then the respective stock options may be exercised in the following exercise windows should the closing price of STRATEC’s share in the electronic trading system of the Frankfurt Stock Exchange (XETRA) on the final stock market trading date preceding the respective exercise date have risen by an average of 0.417% of the exercise price per completed calendar month since the stock option issue date.
- b) On the day preceding the option right exercise date, the closing price of STRATEC’s share in the electronic trading system of the Frankfurt Stock Exchange (XETRA) must have risen by at least 20% compared with the exercise price.

(8) Personal rights

The stock options may only be exercised by persons thereby entitled themselves. No powers of disposal over the stock options may be assigned. The stock options may be bequeathed. The stock options may only be exercised as long as an employment or work relationship still pertains between the option beneficiary and the company or one of its associates. The terms and conditions for the options may nevertheless provide for special regulations governing the fatality of the option beneficiary and cases of inability or reduced ability to work.

(9) Agreement of details

The Board of Management shall be entitled to specify the further details governing the issue of stocks from conditional capital and the further terms and conditions governing the stock option program, including the option terms and conditions, for the option beneficiaries; for options granted to members of the company’s Board of Management the Supervisory Board will specify the respective details. The Board of Management shall further be entitled, subject to approval by the Supervisory Board, to adjust the terms and conditions governing the stock options should the existing regulations prove to be no longer enforceable due to factual or legal changes. Such new regulations must approximate as closely as possible in economic terms to the purpose of the existing regulations.

(10) Conditional capital

The share capital of the company shall be conditionally increased by up to € 810,000.00 by issuing up to 810,000 new shares in the company with profit entitlement from the beginning of the year in which they are issued (Conditional Capital VIII/2018).

The conditional capital serves to satisfy stock options issued through to May 29, 2023 on the basis of the authorization granted by the Annual General Meeting on May 30, 2018 in accordance with the aforementioned provisions.

The Supervisory Board shall be authorized to amend the wording of the Articles of Association in line with the extent to which the capital increase from conditional capital is executed.

III. § 4 No. 4.6. of the Articles of Association shall be supplemented with the following Paragraph 3, while existing Paragraph 3 shall be newly designated as Paragraph 4:

“The share capital has been conditionally increased by up to € 810,000.00, divided into up to 810,000 shares (Conditional Capital VIII/2018). The conditional increase in capital serves for granting subscription rights (share option rights) up to May 29, 2023 in accordance with the resolution passed by the Annual General Meeting on May 29, 2023. The conditional increase in capital will only be carried out to the extent that the holders of share options make use of their subscription rights. The new shares will in each case participate in the profit as from the start of the financial year in which they are issued.”

## **7. Resolution on the conversion of STRATEC Biomedical AG into a European Company (Societas Europaea, SE)**

a) The Board of Management and Supervisory Board propose the adoption of the following resolution. Pursuant to § 124 (3) Sentence 1 of the German Stock Corporation Act (AktG), the Supervisory Board alone proposes the appointment of the auditor for the first financial year of the future STRATEC SE (§ 12 of the Conversion Plan of STRATEC Biomedical AG):

The Conversion Plan dated April 19, 2018 in respect of the conversion of STRATEC Biomedical AG into a European Company (Societas Europaea, SE) is approved; the Articles of Association of STRATEC SE appended as an annex to the Conversion Plan are approved.

b) The Supervisory Board proposes electing the following persons to the first Supervisory Board of STRATEC SE:

- 1) Fred K. Brückner, Marburg, Chemical Engineer and Independent Management Consultant
- 2) Prof. Dr. Stefanie Remmele, Landshut, Professor of Medical Technology at the University of Applied Sciences in Landshut;

Neither Fred K. Brückner nor Prof. Dr. Stefanie Remmele hold positions on any other statutory supervisory boards or comparable supervisory bodies at German or foreign companies as defined in § 125 (1) Sentence 3 of the German Stock Corporation Act (AktG).

3) Rainer Baule, Überlingen, Entrepreneur, Managing Director of Baule GmbH.

Rainer Baule is a member of the following statutory supervisory boards or comparable supervisory bodies at German or foreign companies:

- Metechon AG, Munich, Germany (Chairman),
- DITABIS Digital Biomedical Imaging Systems AG, Pforzheim, Germany,
- Amann Girrbach AG, Koblach, Austria,
- Vorwerk & Co. KG, Wuppertal, Germany (Chairman),
- Else Kröner-Fresenius-Stiftung, Bad Homburg, Germany.

Subject to the respective elections by the Annual General Meeting and notwithstanding the statutory competence of the future Supervisory Board of STRATEC SE, it is pointed out that the current Supervisory Board Chairman of STRATEC Biomedical AG, Fred K. Brückner, is expected to be elected as Supervisory Board Chairman of STRATEC SE and that the current Deputy Supervisory Board Chairman of STRATEC Biomedical AG, Rainer Baule, is expected to be elected as Deputy Supervisory Board Chairman of STRATEC SE. Subject to the election of Rainer Baule, the Supervisory Board intends to designate him as its financial expert pursuant to § 100 (5) of the German Stock Corporation Act (AktG).

The term in office ends upon the conclusion of the Annual General Meeting releasing the Supervisory Board from responsibility for the first full or short financial year at STRATEC SE.

The CVs of these individuals can be downloaded at the company's website.

c) The Conversion Plan and the Articles of Association of STRATEC SE are worded as follows:

## CONVERSION PLAN

pursuant to Article 37 (4) of Regulation (EC) No. 2157/2001 on the Statute for a European Company, ABI.EG No. L 294 dated November 10, 2001, S. 1 (the "SE Regulation")

in respect of the change in legal form and conversion of

STRATEC Biomedical AG

Gewerbestr. 37

75217 Birkenfeld

entered in the Commercial Register at Mannheim District Court under HRB 504390  
(hereinafter also "STRATEC AG")

into

the legal form of *Societas Europaea* (SE)  
(hereinafter also "STRATEC SE")

(STRATEC AG and STRATEC SE: each also referred to hereinafter as the "company")

### Preliminary remarks

- (A) STRATEC Biomedical AG is a publicly listed stock corporation under German law with its legal domicile in Birkenfeld, Germany. It is registered in the Commercial Register of Mannheim District Court under HRB 504390. It is the topmost holding company of the consolidated STRATEC group (hereinafter also the "STRATEC Group"). The STRATEC Group designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and biotechnology. Furthermore, the company offers sample preparation solutions, integrated laboratory software, and complex consumables for diagnostic and medical applications. STRATEC covers the entire value chain – from development to design and production through to quality assurance.
- (B) The STRATEC Group has held participating interests for at least two years in the following companies: Diatron Medicinai Instrumentumok Laboratóriumi Diagnosztikai Fejlesztő-Gyártó Zrt, Budapest, Hungary, STRATEC Biomedical S.R.L, Cluj-Napoca, Romania, and STRATEC Biomedical UK, Ltd., Burton on Trent, United Kingdom. These companies are all governed by the laws of another member state of the European Union. The STRATEC Group holds a further participating interest in Hungary, namely in Mod-n-More Korlátolt Kft.
- (C) It is now intended convert STRATEC AG to the legal form of a European Company (*Societas Europaea*, SE) by way of conversion pursuant to Article 2 (4) in conjunction with Article 37 of the SE Regulation.
- (D) Given the increasingly international structure of the STRATEC Group, the Board of Management believes that a European Company (SE) is the most suitable contemporary legal form for a company with global operations and Europe as its home market. This also represents a further step in the company's development and in consistently expanding its international business. The conversion of STRATEC AG into an SE clearly reflects the STRATEC Group's international alignment, not least since around 83.4% of consolidated sales were generated with customers outside Germany in the 2017 financial year and a majority of the Group's employees now work outside Germany.

This being so, the Board of Management of STRATEC AG has compiled the following Conversion Plan pursuant to Article 37 (4) of the SE Regulation:

1. Conversion of STRATEC AG into STRATEC SE
  - 1.1 STRATEC AG is to be converted into a European Company (Societas Europaea, SE) pursuant to Article 2 (4) in conjunction with Article 37 of the SE Regulation. With participating interests in companies including Diatron Medicinai Instrumentumok Laboratóriumi Diagnosztikai Fejlesztő-Gyártó Zrt, Budapest, Hungary, STRATEC Biomedical S.R.L, Cluj-Napoca, Romania, and STRATEC Biomedical UK, Ltd., Burton on Trent, United Kingdom, STRATEC AG has for more than two years had several subsidiaries that are governed by the laws of other member states of the European Union, namely of Hungary, Romania, and the United Kingdom. STRATEC AG acquired the shares in Diatron Medicinai Instrumentumok Laboratóriumi Diagnosztikai Fejlesztő-Gyártó Zrt, Budapest, Hungary, as of April 1, 2016, those in STRATEC Biomedical S.R.L, Cluj-Napoca, Romania, as of December 22, 2007, those in STRATEC Biomedical UK, Ltd., Burton on Trent, United Kingdom, as of March 10, 2006 and those in STRATEC Consumables GmbH, Austria, as of June 8, 2016. The requirements for the conversion of STRATEC into an SE are therefore met.

The company has further subsidiaries in Luxembourg, Switzerland, and the USA.
  - 1.2 Pursuant to Article 37 (2) of the SE Regulation, the conversion of STRATEC AG into the legal form of an SE will neither lead to the liquidation of the company nor to the formation of a new legal entity. The holding of the shareholders in the company will remain unchanged even once the conversion has become effective, as the identity of the legal entity itself will be preserved.
  - 1.3 The conversion to the new legal form will be effective upon entry in the Commercial Register of the company.
  - 1.4 Upon the conversion becoming effective, shareholders in STRATEC AG will become shareholders in STRATEC SE. They will hold the same scope and the same type and number of shares in the share capital of STRATEC SE as they did in the share capital STRATEC AG immediately prior to the conversion becoming effective. The prorated amount of share capital attributable to each no-par share at the time at which the conversion becomes effective will be preserved. All shares in STRATEC AG are no-par registered shares and will become no-par registered shares in STRATEC SE. The shares in STRATEC are securitized in global certificates. These will be replaced by global certificates made out to STRATEC SE.

Like STRATEC AG, STRATEC SE will have a dual management structure comprising a Board of Management (management body pursuant to Article 38 of the SE Regulation) and a Supervisory Board (supervisory body pursuant to Article 38 of the SE Regulation).
2. Legal form, company name, legal domicile, and Articles of Association
  - 2.1 STRATEC AG is a stock corporation under German law with its legal domicile in Birkenfeld, Germany, and is entered under HRB 504390 in the Commercial Register at Mannheim District Court. STRATEC AG operates under the name "STRATEC Biomedical AG". The conversion will provide STRATEC AG with the legal form of a European Company (Societas Europaea, SE).
  - 2.2 STRATEC SE operates under the name "STRATEC SE".
  - 2.3 The legal domicile of STRATEC SE pursuant to the Articles of Association and its headquarters is in Birkenfeld, Germany.
  - 2.4 STRATEC SE will be provided with the Articles of Association appended as an annex to this Conversion Plan, which are also a component of this Conversion Plan.
3. Share capital
  - 3.1 All share capital at STRATEC AG in the amount existing upon entry of the conversion in the Commercial Register and in the allocation and prorated amount of share capital allocable to individual no-par shares existing upon entry of the conversion in the Commercial Register will become the share capital of STRATEC SE.
  - 3.2 STRATEC AG currently has share capital of € 11,920,945.00. This is divided into 11,920,945 no-par registered shares with a prorated amount of share capital of € 1.00 each.
  - 3.3 After the conversion, the company's authorized capital, currently € 5,500,000, will continue to exist without amendment for the term specified in the Articles of Association.

- 3.4 The company's current Conditional Capitals VI/2009, VI/2013, and VII (2015) will also continue to exist without amendment after the conversion. Irrespective of the SE conversion, a reduction in Conditional Capital VI/2013 and the creation of new Conditional Capital VIII/2018 have been proposed for approval by the 2018 Annual General Meeting.
- 3.5 The authorization to issue convertible and warrant bonds granted by the Annual General Meeting on May 22, 2015 will continue to apply for STRATEC SE through to May 21, 2020, as will the associated authorization to exclude subscription rights.
- 3.6 The authorization to grant subscription rights (stock option rights) adopted by the Annual General Meeting on June 6, 2013 applies through to June 5, 2018 and will therefore expire before the SE conversion becomes effective. The authorization to grant subscription rights (stock option rights) through to May 29, 2023 proposed for approval by the 2018 Annual General Meeting will continue to apply for STRATEC SE.
- 3.7 The Supervisory Board of STRATEC SE will be authorized by the Annual General Meeting to make any amendments to the wording of the Articles of Association appended as an annex to this Conversion Plan prior to the entry of the conversion in the Commercial Register of STRATEC AG. That is particularly the case should the actual level of share capital of STRATEC AG upon the conversion becoming effective not correspond to the amount of share capital or number of shares stated in the Articles of Association of STRATEC SE appended as an annex to this Conversion Plan, for example due to the issuing of further shares from conditional capitals or due to the use of authorized capital.

#### 4. Authorization to acquire and use treasury stock

Item 9 of the agenda for the Annual General Meeting of STRATEC AG held on May 22, 2015 proposed that the company should be authorized pursuant to § 71 (1) No. 8 of the German Stock Corporation Act (AktG) to issue treasury stocks on one or several occasions through to May 21, 2020 up to a total of 10 % of the share capital at that time and subject to certain further conditions specified in the authorization. Furthermore, the Board of Management was authorized to use the treasury stocks for all legally permissible purposes, and in particular for the purposes specifically stated in the authorization. This authorization will continue to apply without amendment for the future STRATEC SE, and in particular with regard to the exclusion of subscription rights permitted by the authorization in respect of the use of treasury stocks.

#### 5. No cash compensation offer

Shareholders who object to the conversion will not receive any offer to acquire their shares in return for cash compensation as the law does not provide for this kind of cash compensation offer upon the conversion of a stock corporation (AG) into an SE.

#### 6. Bearers of special rights and of other securities

With the exception of stock options resulting from conditional capitals, STRATEC AG has not granted any special rights or issued other securities. Subsequent to the conversion, the stock options will entitle their beneficiaries to subscribe shares in STRATEC SE at the same subscription ratio and at an unchanged exercise price.

#### 7. Board of Management

7.1 The positions of all members of the Board of Management of STRATEC AG will expire upon the conversion becoming effective, i.e. upon the entry of the conversion in the Commercial Register of the company.

7.2 Notwithstanding the statutory competence of the future Supervisory Board of STRATEC SE pursuant to Article 39 (2) Sentence 1 of the SE Regulation, it is hereby pointed out that the current members of the Board of Management of STRATEC AG are also expected to be appointed as the members of the first Board of Management of STRATEC SE. These members are Marcus Wolfinger, Dr. Robert Siegle, and Dr. Claus Vielsack.



8. Supervisory Board
- 8.1 The positions held by the Supervisory Board members of STRATEC AG expire upon the conversion becoming effective.
- 8.2 Pursuant to § 8 No. 8.1 of the Articles of Association of STRATEC SE (see annex to this Conversion Plan), STRATEC SE will form a Supervisory Board that comprises three members.
- 8.3 The following individuals are to be proposed to the Annual General Meeting on May 30, 2018 for approval as members of the first Supervisory Board of STRATEC SE:
  - a) Fred K. Brückner, Marburg, Chemical Engineer and Independent Management Consultant;
  - b) Prof. Dr. Stefanie Remmele, Landshut, Professor for Medical Technology at the University of Applied Sciences in Landshut;
  - c) Rainer Baule, Überlingen, Entrepreneur, Managing Director of Baule GmbH.

These three individuals also comprise the current Supervisory Board of STRATEC AG.

The term in office of the first Supervisory Board of STRATEC SE will end upon the conclusion of the Annual General Meeting releasing the Supervisory Board from responsibility for the first full or short financial year at STRATEC SE.

Subject to the respective elections by the Annual General Meeting and notwithstanding the statutory competence of the Supervisory Board of STRATEC SE, it is pointed out that the current Supervisory Board Chairman of STRATEC AG, Fred K. Brückner, is expected to be elected as Supervisory Board Chairman of STRATEC SE and that the current Deputy Supervisory Board Chairman of STRATEC AG, Rainer Baule, is expected to be elected as Deputy Supervisory Board Chairman of STRATEC SE. Furthermore, the Supervisory Board intends to designate Rainer Beule as its financial expert.

9. Special advantages
  - 9.1 In the course of the conversion, no special benefits will be granted to the expert appointed by court pursuant to Article 37 (6) of the SE Regulation to review and confirm that company's net assets are at least equivalent in value to its capital plus those reserves which by law or statute may not be distributed.
  - 9.2 Furthermore, in the course of the conversion no special advantages will be granted to members of the Board of Management or Supervisory Board of STRATEC AG.
10. Information on the procedure for by which arrangements for employee involvement are determined at STRATEC SE
  - 10.1 Basis for determining employee involvement at STRATEC SE
    - 10.1.1 The involvement of the employees at STRATEC SE will be determined using the procedures set out in the German legislation governing the involvement of employees in a European Company (SE Participation Act - "SEBG"). The SEBG provides for negotiations between the company management – in this case, the Board of Management of STRATEC AG – and a so-called special negotiating body (Besonderes Verhandlungsgremium – "bVG"), which represents the body of employees (details of the negotiation procedure can be found below under 10.4). The special negotiating body comprises representatives of employees at the company directly participating in the conversion, as well as of its subsidiaries and establishments to the extent that their employees are employed in a member state of the European Union or a signatory state to the European Economic Area Treaty (the "member state"). Pursuant to the requirements of the SEBG legislation, the number of positions on the special negotiating body attributable to individual member states is based on the number of employees in the respective member states (see also the information provided under 10.3).

- 10.1.2 The purpose of the negotiation procedure is to conclude an agreement concerning employee involvement in STRATEC SE. The potential contents of such agreement are presented under 10.4.1.

Employee involvement refers to all procedures – including information, consultation, and participation – with which representatives of employees are able to exercise influence on decisions taken by the company. Rights of involvement are rights to which employees and their representatives are entitled in terms of information, consultation, participation, and other forms of involvement. These may also include exercising such rights at group companies of the SE.

Information refers to the information provided to the SE works council or other employee representatives by the management of the SE on matters concerning the SE itself or any of its subsidiaries or establishments situated in another member state or which exceed the powers of the decision-taking bodies in a single member state. The time, manner, and content of the information is to be provided in such a way so that it is possible for the employee representatives to conduct an in-depth assessment of the possible impact and, where appropriate, prepare consultations with the SE management.

Consultation means the establishment of a dialogue and an exchange of views between the SE works council or other employee representatives, and the SE management or any other competent management level vested with its own decision-making powers. The time, manner, and content of the consultation must allow the SE works council or other employee representatives to express an opinion on measures planned by the SE management, so that it may be taken into account in the decision-making process within the SE.

- 10.1.3 The special negotiating body (bVG) may resolve not to open negotiations or to terminate any such negotiations. Such resolution requires a two-third majority of its members representing at least two thirds of the employees in at least two member states. The legal consequences of a resolution of this nature are set out under 10.4.2.

- 10.1.4 If an agreement regarding the involvement of employees in STRATEC SE is not reached within six months and if the special negotiating body also does not adopt any resolution not to open negotiations or to terminate any negotiations already commenced, then application is made of the statutory default provision for employee involvement. As STRATEC SE has its legal domicile in Germany, the provisions of SEBG legislation would apply. The Board of Management of STRATEC AG and the special negotiating body may, by mutual consent, decide to extend the negotiating period up to a total of one year. The statutory default provision requires the establishment of an SE works council with specific information and consultation rights and, in the case of an SE founded by a conversion process, the retention following conversion of any employee participation rights such as participation in supervisory or management bodies, should such rights have been in place prior to the conversion. The statutory default provision may also be applied in full or to parts of the agreement concerning employee involvement. The implications for STRATEC SE of any application of the statutory default provision are presented in greater detail under 10.4.3.

- 10.2 Opening of the negotiation procedure

The procedure for organizing employee involvement is initiated in accordance with the requirements of the SEBG legislation. This states that the management of the company participating in the conversion – in this case the Board of Management of STRATEC AG – should initially inform the employees and their representative bodies about the proposed conversion and request them to form a special negotiating body. Pursuant to § 4 SEBG, the notification provided to employees and their representative bodies must cover (a) the identity and structure of the company participating in the conversion – in this case STRATEC AG – and of the concerned subsidiaries and concerned establishments and their distribution among the member states, (b) the employee representative bodies existing in these companies and establishments, (c) the number of persons employed in these companies and establishments respectively at the time of such notification, and the total number of employees in a given member state calculated on this basis, and (d) the number of employees having participation rights in the management bodies of these companies.

By notification dated March 31, 2018, the Board of Management of STRATEC AG informed the employees and their representative bodies in Germany and in the member states in which the STRATEC Group has employees (total number of employees in member states: 986) about the proposed conversion of STRATEC AG to the legal form of an SE and about the details required by law and requested the employees to form a special negotiating body.

### 10.3 Formation and composition of the special negotiating body

The formation and composition of the special negotiating body are based in this case on § 5 (1) SEBG. Members are elected or appointed to the special negotiating body for each of the member states in which the participating company and its subsidiaries and establishments have employees. For every share of the employees in a member state comprising (i) ten percent of the total number of employees of the participating company and its subsidiaries and establishments in all member states or (ii) a fraction thereof, one member from this member state is to be elected or appointed to the special negotiating body.

The identification of those persons deemed employees for the purposes of the aforementioned paragraph is based on the legal provisions and customs in the respective member states. The employees of a domestic company or operation comprise workers and salaried employees including those employed for their vocational training and the senior employees listed in § 5 (3) Sentence 2 of the German Works Constitution Act (BetrVG) irrespective of whether they work at the company, as field staff or via telework. Employees also include individuals working at home who chiefly work for the company or establishment. Due consideration must also be taken of temporary employees deployed at domestic companies and establishments.

At the time of the notification provided to employees and their representative bodies pursuant to 10.2, the companies of the STRATEC Group had a total of 986 employees at its companies in the member states (including Germany). These statistics result in the following allocation of seats in the special negotiating body:

Member state	Number of employees	Percent	Number of bVG employees
Germany	479	48.58 %	5
of which			
STRATEC Biomedical AG:	452		
of which			
STRATEC Molecular GmbH:	27		
Hungary	210	21.30 %	3
of which Diatron MI	190		
of which Mod-n-More	20		
Romania	100	10.14 %	2
Austria	143	14.50 %	2
United Kingdom	54	5.48 %	1
Luxembourg	0	0 %	0
Total	986	100.00 %	13

Should any changes in the structure or the number of employees at STRATEC AG or one of the concerned subsidiaries arise during the term of office of the special negotiating body which would alter its composition, then the body must be reconstituted accordingly (§ 5 (4) SEBG). The Board of Management of STRATEC AG would inform the special negotiating body without delay of any such changes.

The election or appointment of members to the special negotiating body is based on the

respective national provisions. The election or appointment of members and the constitution of the special negotiating body are basically the responsibility of the employees and their representative bodies.

#### 10.4 Negotiation procedure and involvement of employees in STRATEC SE by virtue of an agreement

Once all the members of the special negotiating body have been appointed or if ten weeks have passed since the employees or their representative bodies were informed during which time not all members of the special negotiating body have been appointed for reasons for which the employees are responsible, the company management – in this case the Board of Management of STRATEC AG – invites the members to attend the constituent meeting of the special negotiating body. The date on which the management issues such invitation marks the beginning of the six-month negotiating period pursuant to § 20 SEBG. The special negotiating body and the company management may, by mutual consent, extend this period up to a total of one year.

##### 10.4.1 Involvement of employees by virtue of an agreement

The objective of the negotiations is to conclude an agreement with the contents set out in § 21 SEBG. Accordingly, the agreement should in particular include provisions concerning the following points:

- a) Scope of agreement;
- b) If an SE works council is to be formed:
  - (1) Composition of the SE works council, the number of its members and the allocation of seats, including the impact of any significant changes in the number of persons employed in the SE;
  - (2) The functions and the procedure for information and consultation of the SE works council;
  - (3) The frequency of the meetings of the SE works council;
  - (4) The financial and material resources to be made available to the SE works council;
- c) If no SE works council is to be formed, the arrangements for implementing the procedure(s) for information and consultation of the employees;
- d) The date as of which the agreement becomes effective and its term; furthermore, those cases in which the agreement has to be renegotiated and the procedure to be adopted in such cases.

The agreement may also include further provisions.

##### 10.4.2 Consequences of not opening or of terminating negotiations

Any resolution by the special negotiating body not to open or to terminate the negotiations terminates the process to conclude an agreement concerning employee involvement. The default provisions in respect of the SE works council in § 22 et seq. SEBG or in respect of participation by operation of law in § 34 et seq. SEBG are not applicable in this case.

##### 10.4.3 Statutory default provision concerning employee involvement

Should, pursuant to § 21 SEBG, no agreement be concluded within the statutory negotiating period of six months or within any mutually agreed extended deadline of one year, application is made by operation of law of the default provisions in respect of the formation of an SE works council (§ 22 et seq. SEBG) and participation (§ 34 et seq. SEBG). For the involvement of employees in STRATEC SE, application of the default provisions would have the following implications:

###### a) In respect of employee participation

The Board of Management is convinced that, based on current circumstances and legal aspects, STRATEC AG is not subject to any participation on company level.

b) In respect of employee information and consultation

Where application is made of the statutory default provisions the information and consultation are based on § 22 et seq. SEBG. Accordingly, an SE works council would be established. Its task would be to ensure that the employees of STRATEC SE were informed and consulted. It would be responsible for all matters concerning STRATEC SE itself or any of STRATEC's subsidiaries or establishments in another member state which exceed the powers of the decision-taking bodies in a single member state. The SE works council would have to be informed and consulted once a year about the business situation and prospects of the SE. It would also have to be informed and consulted about exceptional circumstances which had a considerable impact on the interests of employees, and in particular about the transfer, relocation or closure of companies, establishments, or significant parts thereof, as well as about any planned mass dismissals. In the absence of employee representatives, the SE works council would in turn have to inform the employees of the SE, its subsidiaries, and its establishments about the contents and results of these information and consultation procedures.

STRATEC SE would have to bear the costs incurred for the establishment and activities of the SE works council.

The SE works council and the appointment of its members would basically be implemented in accordance with the provisions for appointing members of the special negotiating body. It would therefore also be composed of representatives of the employees in member states in which the STRATEC Group has employees. The allocation of seats would be based on the number of employees in the respective member states. If the SE works council were to be established pursuant to § 22 (1) No. 2 SEBG due to the failure to reach agreement within the period provided for negotiations, then the number of employees would be based on the end of the negotiating period (c.f. § 23 (1) Sentence 4 SEBG). The procedure for appointing individual members would be governed by the laws of the member state for which they were to be appointed. In Germany, application would therefore be made of the relevant provisions of the SEBG legislation.

Were application to be made of the statutory default provisions, for as long as the SE existed the management of the SE – in this case the Board of Management of STRATEC SE – would be required to review every two years, calculated as of the date of the constituent meeting of the SE works council, whether changes to the SE and its subsidiaries and establishments, and in particular in the number of its employees, necessitated any amendment to the composition of the SE works council. Four years after its establishment, the SE works council would have to adopt a resolution by a majority of its members on whether negotiations for an agreement in respect of employee involvement in the SE should be opened or whether the previous arrangements should continue to apply. Where a resolution to open negotiations is adopted, the SE works council takes the place of the special negotiating entity for these negotiations.

National employee representations would not be affected by the establishment of the SE works council.

#### 10.4.4 Costs of negotiation procedure and establishment of special negotiating body

The costs already incurred for the formation and activities of the special negotiating body and those still due to be incurred will be borne by STRATEC AG, and by STRATEC SE once the conversion has become effective. This duty to bear the costs includes the material and personnel costs incurred in connection with the activity of the special negotiating body, including negotiations, and in particular the costs of premises and material resources (e.g. telephone, fax, literature), interpreters, and office staff required for the negotiations, as well as the required travel and subsistence expenses of members of the special negotiating body.

#### 10.4.5 Protection of employee representatives

When performing their duties, the members of the special negotiating body in particular and members of the SE works council who are employees of the participating company, concerned subsidiaries or concerned establishments or who are employees of the SE, its subsidiaries or establishments shall enjoy the same protection and the same security as the employee representatives in accordance with the laws and customs of the member state in which they are employed. In particular, this shall apply to protection against unjust dismissal, participation in meetings of the respective bodies, and continued payment of wages.

#### 11. Other implications of the conversion for employees and their representatives

The conversion will otherwise have the following implications for the employees and their representative bodies:

- 11.1. The rights and obligations of employees of the STRATEC Group in connection with existing employment contracts will continue to apply without amendment. This also applies in respect of the participating company itself. No application is made of § 613a of the German Civil Code (BGB) as the identity of the legal entities involved means that the conversion does not involve any transfer of operations.
- 11.2. The company agreements, collective bargaining agreements, and other collective employment arrangements applicable to employees of the STRATEC Group in Germany will continue to apply without amendment subject to the provisions of the respective agreements.
- 11.3. The conversion will not result in any changes to existing employee representation at the companies and establishments of the STRATEC Group in Germany. The existing employee representations will be retained.
- 11.4. Finally, no measures which could affect the situation of the employees are intended or planned as a result of the conversion.

#### 12. Auditor

Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, is appointed as auditor and group auditor for the first financial year at STRATEC SE. The first financial year at STRATEC SE is the calendar year in which the change in legal form to a European stock corporation is entered in the Commercial Register.

#### 13. Formation/conversion costs

The company will bear the costs of conversion up to an amount of € 250,000.

Birkenfeld, April 19, 2018

STRATEC Biomedical AG

The Board of Management

## Annex

### Articles of Association of STRATEC SE

#### I. General provisions

##### § 1 Company name, legal domicile and financial year

- 1.1. The company operates under the name STRATEC SE.
- 1.2. Its legal domicile is in 75217 Birkenfeld, Germany.
- 1.3. The company's financial year is the calendar year.
- 1.4. The company is founded for an indefinite term. The company exists as of its entry in the Commercial Register.

##### § 2 Object of the company

- 2.1. The object of the company is the industrial development, manufacture and sale of various kinds of biomedical and medical technology systems (hardware and software), including accessories and peripheral appliances.
- 2.2. The company is entitled to perform any business transactions and take any measures serving its object. Within this framework, the company may establish or acquire other companies, acquire participating interests in such, establish outlets and take any other measures and perform any other legal transactions necessary or appropriate to achieve or promote the purpose of the company. It may delegate its operations to such companies in full or in part.

##### § 3 Announcements, notification duties

- 3.1. Announcements by the company will be published exclusively in the Federal Gazette, unless the law prescribes otherwise.
- 3.2. Information may also be communicated to bearers of listed securities in the company using data telecommunications in accordance with the relevant legal requirements. The communication of notifications made under § 125 and § 128 of the German Stock Corporation Act (AktG) is limited to electronic media. The Board of Management is entitled – at its own discretion – to forward such notifications in hardcopy as well.

#### II. Share capital and shares

##### § 4 Share capital

- 4.1. The share capital amounts to € 11,920,945.00 (in words: eleven million nine hundred and twenty thousand nine hundred and forty five euros). It is divided into 11,920,945 no-par value shares (shares without a nominal amount). The share capital is paid up by way of conversion of STRATEC Biomedical AG into a European Company (societas europaea, SE).
- 4.2. The shares are registered shares. In the case of capital increases, the same applies to the new shares, provided that a resolution to the contrary has not been passed. In order to be entered in the share register the shareholders must, if they are natural persons, provide the company with their name, address and date of birth and, if they are legal persons, with their company name, business address and registered office and in both cases with the number of shares held by them and their e-mail address, if they have one. The shareholders must notify the company without undue delay in the case of a change of address. The entry of shareholders acting in their own name in the share register for shares belonging to another person will only be permitted and valid vis-à-vis the company if the fact that the shares belong to another person as well as the name and address of the owner have been entered in the share register. The same also applies should the persons entered in the share register or the owners transfer their ownership of the shares to another person after entry in the share register.
- 4.3. The shareholders' right to have their shares embodied in certificates is excluded insofar as this is permitted by law and certificates are not required pursuant to the rules of a stock exchange on which the shares are listed.

- 4.4. Profit participation rights for new shares issued upon capital increases may be governed in ways other than those set out in § 60 of the German Stock Corporation Act (AktG).
- 4.5. The Board of Management has been authorized, with the consent of the Supervisory Board, to increase the company's share capital once or several times up to May 21, 2020, however by no more than € 5,500,000.00 in total, by issuing up to a maximum of 5,500,000 new shares against cash and/or non-cash contributions (Authorized Capital 2015/I). In this regard, the shareholders are in principle to be granted subscription rights; the Board of Management has, however, been authorized, with the consent of the Supervisory Board:
- a) to exclude subscription rights for fractional amounts,
  - b) to exclude subscription rights insofar as the capital is increased to grant shares against non-cash contributions for the purpose of acquiring companies, parts of companies or participations in companies or other assets,
  - c) to exclude subscription rights if this is necessary to grant the bearers or creditors of warrant and/or convertible bonds with option or conversion rights or conversion obligations issued by the company or companies in which the company directly or indirectly holds the majority stake a right to subscribe to new shares to the extent to which they would be entitled after exercising the option or conversion rights or after fulfilling conversion obligations,
  - d) to exclude subscription rights insofar as the part of the share capital attributable to the shares for which subscription rights are excluded does not exceed a total of 10% of the share capital which the company has at the time of the coming into force of this authorization or – if this value is lower – at the time of the utilization of this authorization and the issue price for the new shares is not substantially lower than the stock exchange price for the already listed shares; shares that are issued or that must be issued to service bonds with conversion or option rights are to be counted towards the aforesaid 10% cap if and insofar as the bonds are issued during the term of this authorization in analogous application of § 186 (3), Sentence 4 of the German Stock Corporation Act (AktG) subject to the exclusion of subscription rights. Furthermore, own shares are to be counted towards this cap if and insofar as they were sold in analogous application of § 186 (3), Sentence 4 of the German Stock Corporation Act (AktG) subject to the exclusion of the shareholders' subscription rights, and/or
  - e) to implement a so-called scrip dividend where the shareholders are given the option of contributing their dividend entitlement either wholly or partially to the company as a non-cash contribution in return for the granting of new shares from the Authorized Capital.

The authorizations to exclude subscription rights referred to in paragraphs a) to e) above are limited to a total amount that does not exceed 20% of the share capital existing at the time of the coming into force of this authorization or – if this value is lower – at the time of the utilization of this authorization. In addition, shares that are issued or that must be issued to service bonds with conversion or option rights are also to be counted towards the aforesaid 20% cap if and insofar as the bonds are issued during the term of this authorization in analogous application of § 186 (3), Sentence 4 of the German Stock Corporation Act (AktG) subject to the exclusion of subscription rights. Furthermore, own shares are to be counted towards this cap if and insofar as they were sold in analogous application of § 186 (3), Sentence 4 of the German Stock Corporation Act (AktG) subject to the exclusion of the shareholders' subscription rights.

The Board of Management has furthermore been authorized to lay down the further details of the capital increase and how it is to be carried out with the consent of the Supervisory Board. The Supervisory Board is authorized to amend the Articles of Association in line with how the capital increase is implemented.

- 4.6. The share capital has been conditionally increased by up to € 48,600.00, divided into up to 48,600 shares (Conditional Capital V/2009). The conditional increase in capital serves for granting subscription rights (share option rights) up to May 19, 2014 in accordance with the resolution passed by the Annual General Meeting on May 20, 2009. The conditional increase in capital will only be carried out to the extent that the holders of share options make use of their subscription rights. The new shares will in each case participate in the profit as from the start of the financial year in which they are issued.



The share capital has been conditionally increased by up to € 190,000.00, divided into up to 190,000 shares (Conditional Capital VI/2013). The conditional increase in capital serves for granting subscription rights (share option rights) up to June 5, 2018 in accordance with the resolution passed by the Annual General Meeting on June 6, 2013. The conditional increase in capital will only be carried out to the extent that the holders of share options make use of their subscription rights. The new shares will in each case participate in the profit as from the start of the financial year in which they are issued.

The share capital has been conditionally increased by up to € 810,000.00, divided into up to 810,000 shares (Conditional Capital VIII/2018). The conditional increase in capital serves for granting subscription rights (share option rights) up to May 29, 2023 in accordance with the resolution passed by the Annual General Meeting on May 30, 2018. The conditional increase in capital will only be carried out to the extent that the holders of share options make use of their subscription rights. The new shares will in each case participate in the profit as from the start of the financial year in which they are issued.

The Supervisory Board is authorized to amend the wording of the Articles of Association after all or part of the conditional capital has been utilized or once the authorization period has expired.

- 4.7. The share capital of the company is conditionally increased by up to € 800,000.00 through an issuance of up to 800,000 new shares (Conditional Capital VII/2015)). Conditional Capital VII/2015 serves only for granting new shares to bearers or creditors of convertible or warrant bonds that are issued based on the resolution of the Annual General Meeting on May 22, 2015 by the company or by a domestic or foreign company, in which STRATEC SE directly or indirectly owns the majority of the voting rights and the share capital, up to May 21, 2020. The shares will be issued at the conversion or option price to be determined in each case on the basis of the above resolution as well as the resolutions to be passed by the Board of Management and Supervisory Board. The conditional increase in capital will be performed only insofar as the bearers or creditors of the convertible or warrant bonds make use of their conversion or option rights in respect of shares of the company or conversion obligations that are based on such bonds are fulfilled. The new shares will – insofar as they come into existence through the exercise of conversion or subscription rights up to the start of the company's Annual General Meeting – participate in the profit as of the beginning of the previous financial year, otherwise in each case as of the beginning of the financial year in which the shares come into existence through the exercise of conversion or subscription rights.

The Supervisory Board is authorized to amend the wording of the Articles of Association after all or part of the conditional capital has been utilized or once the authorization period has expired.

### III. Board of Management

#### § 5 Composition, Code of Procedure

- 5.1. The Board of Management consists of one or several individuals.
- 5.2. The Supervisory Board determines the number of members of the Board of Management and the term in office of individual members, which may not exceed five years. It may appoint a Chairman and a Deputy Chairman of the Board of Management.
- 5.3. The management of the business by the Board of Management is governed by a Code of Procedure proposed by the Board of Management or the Supervisory Board that in either case requires approval by the Supervisory Board.

#### § 6 Adoption of resolutions

When the Board of Management comprises several members, resolutions are adopted on the basis of simple voting majorities. Voting parities are resolved by reference to the vote cast by the Chairman.

#### § 7 Representation

When the Board of Management comprises several members, the company is represented by two members of the Board of Management or by one member of the Board of Management acting jointly with an authorized representative (Prokurist). The Supervisory Board may authorize each member of the Board of Management with rights of sole representation. If only one member of the Board of Management is appointed, he shall manage the company on his own.

#### IV. Supervisory Board

##### § 8 Composition, term in office

- 8.1. The Supervisory Board consists of three members.
- 8.2. Members of the Supervisory Board are elected for the period up to the conclusion of the Annual General Meeting releasing them from responsibility for the 4<sup>th</sup> financial year following the beginning of their term in office. The financial year in which the term in office begins is excluded from this calculation.
- 8.3. A substitute member may be elected at the same time as the full members of the Supervisory Board. The substitute member replaces any full member retiring from his position for the remaining term in office of such members.
- 8.4. A resolution of the Annual General Meeting removing members of the Supervisory Board elected by it before the end of their term in office will require a majority of at least three quarters of the votes cast.
- 8.5. The Supervisory Board organizes its internal processes on the basis of a self-imposed Code of Procedure.

##### § 9 Resignation from office

- 9.1. Members of the Supervisory Board may resign from office by notifying the Supervisory Board Chairman or the Board of Management of the company in writing with a notice period of 4 weeks.
- 9.2. The appointment of Supervisory Board members elected by the Annual General Meeting may be revoked at subsequent Annual General Meetings prior to the expiry of the respective term in office.

##### § 10 Chairman and Deputy Chairman

- 10.1. The Supervisory Board elects a Chairman and a Deputy Chairman from among its members immediately after its election by the Annual General Meeting. Their term in office is consistent with that of their respective Supervisory Board mandates. No separate invitation to this first meeting of the Supervisory Board is required.
- 10.2. Should the Chairman or the Deputy Chairman retire from their positions prematurely, the Supervisory Board must immediately hold a by-election for the remaining term in office of the retiring member.

##### § 11 Convening of meetings and adoption of resolutions

- 11.1. Meetings of the Supervisory Board are convened in writing by the Supervisory Board Chairman, or by the Deputy Chairman should the Chairman be indisposed, with a notice period of 14 days. The date on which the meeting is convened and the date of the meeting are not included in this calculation. In urgent cases, the Chairman may curtail this notice period as appropriate and convene meetings orally, by telephone, by fax or by e-mail.
- 11.2. The venue and time of the meeting, as well as the agenda, are to be included with the notification of the convening of the meeting. The adoption of resolutions on items not properly announced upon the meeting being convened is only permitted in cases where no Supervisory Board member present objects to such a procedure. In this case, absent members of the Supervisory Board are to be granted the opportunity of objecting to the resolution or of casting their votes in writing within an appropriate period to be stipulated by the Chairman. The resolution only enters into effect if the absent Supervisory Board members do not object within the given period, or once they have voted in favor of such a resolution.
- 11.3. In general, the Supervisory Board adopts resolutions at meetings. Meetings are chaired by the Chairman. Resolutions may be adopted in writing, by fax, telephone or other means (such as e-mail or video conference) outside the framework of meetings at the instigation of the Supervisory Board Chairman, provided that no member objects to this procedure within an appropriate period to be stipulated by the Chairman or if all members of the Supervisory Board consent to this method of adopting resolutions. Such resolutions are laid down in writing by the Chairman and forwarded to all members. Voting outside the framework of meetings requires the application of the provisions set out in § 11, Nos. 4 to 8.

- 11.4. The Supervisory Board has a quorum when at least three members are invited to a Supervisory Board meeting or requested to vote outside the framework of a meeting and these members then participate in the adoption of such a resolution. Supervisory Board members are also deemed to participate in the adoption of resolutions in cases where they abstain.
- 11.5. Absent Supervisory Board members may also participate in Supervisory Board voting procedures at a given meeting by appointing other Supervisory Board members in writing, orally, by telephone, by fax, or by e-mail to cast their votes on their behalf.
- 11.6. Unless otherwise required by law, Supervisory Board resolutions are adopted on the basis of simple majority voting. Abstentions do not count as votes cast. Relative majorities are sufficient for elections. Voting parities are resolved by reference to the vote cast by the Supervisory Board Chairman; this is also the case for elections. Should the Supervisory Board Chairman not participate in the voting, then reference is made to the vote cast by the Deputy Chairman.
- 11.7. The Supervisory Board Chairman is authorized on behalf of the Supervisory Board to issue the statements of intent required for the execution of resolutions adopted by the Supervisory Board and to accept any such statements submitted to the Supervisory Board.
- 11.8. The negotiations and resolutions adopted by the Supervisory Board are to be recorded in written protocols to be signed by the chairman of the meeting or by the voting chairman in the case of voting procedures held outside the framework of meetings.

## § 12 Duties of the Supervisory Board

- 12.1. The Supervisory Board is required to monitor the management of the business by the company's Board of Management.
- 12.2. The Supervisory Board is authorized to adopt amendments to the Articles of Association which only affect the respective wording.
- 12.3. The following transactions and measures require prior approval by the Supervisory Board:
  - a) The compilation of the company's planning (annual budget);
  - b) The acquisition and disposal of companies, as well as of participating interests in companies, including investment-like cooperations, to the extent that such transactions are of substantial significance to the company;
  - c) The assumption of guarantees and liability outside the usual course of business.

Furthermore, the Supervisory Board may at any time make further types of transactions and measures dependent on its approval by amending the Code of Procedure for the Board of Management or adopting resolutions as appropriate.

## § 13 Compensation of the Supervisory Board

- 13.1. Each Supervisory Board member receives fixed compensation amounting to € 25,000.00 per financial year. The Chairman of the Supervisory Board receives twice (two times) and the Deputy Chairman of the Supervisory Board receives one and a half times this fixed compensation. Supervisory Board members who have sat on the Supervisory Board for only part of the financial year receive one twelfth of this remuneration for each full or partial month of service.
- 13.2. Moreover, each member of the Supervisory Board receives a meeting allowance of € 750.00 for each meeting of the Supervisory Board attended in person. This allowance is paid only once should several meetings occur on the same day, and it is limited to a maximum of six meetings per financial year.
- 13.3. Fixed compensation and the meeting allowance are due for payment upon the conclusion of the financial year.
- 13.4. Furthermore, the company reimburses each member of the Supervisory Board the expenses necessary or useful for the performance of his duties, in addition to the sales tax incurred on his compensation and reimbursed expenses.
- 13.5. In the interests of the company, Supervisory Board members can be included in a liability insurance policy held in an appropriate amount. The company pays the associated premiums.

## V. Annual General Meeting

### § 14 Venue and convening

- 14.1. The Annual General Meeting will be held at the registered office of the company, at a location in Baden-Württemberg with at least 100,000 inhabitants or in a German city with a stock exchange.
- 14.2. It is convened by the Board of Management or the Supervisory Board.
- 14.3. The convening of the meeting must be announced in accordance with the relevant legal requirements.
- 14.4. Only those shareholders who have registered with the company in text form (§ 126b of the German Civil Code (BGB)) in either German or English and in a timely manner and who are entered in the share register for the registered shares will be entitled to attend the Annual General Meeting and exercise their voting right. The registration must be received by the company at the address given for this purpose in the notice convening the meeting at least six days prior to the meeting. The Board of Management may set a shorter period for this. The day of the meeting and the day on which the registration is received will not be taken into account.
- 14.5. Where such intention is announced in the invitation to the Annual General Meeting, the chairman of the meeting may permit the partial or complete audiovisual transmission of the Annual General Meeting via electronic media. The details of such transmissions may be determined by the chairman of the meeting.

### § 15 Procedures at the Annual General Meeting

- 15.1. The Annual General Meeting is chaired by the Chairman of the Supervisory Board, and by the Deputy Chairman should the Chairman be indisposed. Should the Deputy Chairman also be indisposed, the meeting is led by a chairman elected by the Annual General Meeting.
- 15.2. The Chairman determines the order in which the agenda items are addressed and the type and sequence of voting procedures.
- 15.3. Every no-par value share will confer one vote. The shareholder is entitled to vote following payment of the statutory minimum deposit. Resolutions of the Annual General Meeting will be passed with a simple majority of the votes cast, unless the law prescribes otherwise; this will not affect the provisions of § 8, No. 8.4. Where the law stipulates that a majority of the share capital is required, voting is undertaken on the basis of a simple majority of capital, unless mandatory legal requirements stipulate otherwise.
- 15.4. Voting rights may be exercised by an authorized proxy in accordance with legal requirements. Such a proxy may also be a voting proxy appointed by the company to act in accordance with shareholders' instructions. The company is authorized to decide that powers of attorney may be issued not only in writing, but also by fax or electronic media, as well as stipulating further details concerning the issuing of powers of attorney. Details for issuing power of attorney for voting rights will be announced to shareholders together with the notification of the convening of the Annual General Meeting, or made available to shareholders in a manner stipulated in the invitation to the Annual General Meeting.
- 15.5. Members of the Board of Management and the Supervisory Board should attend the Annual General Meeting in person. Should they be prevented from doing so for any compelling reason or should it not be possible to make the journey to and from the venue of the Annual General Meeting on the same day, they may also participate in the meeting by video or audio transmission.
- 15.6. The Chairman may set suitable time limits on shareholders' rights to pose questions and make statements.

\* \* \*

## **Prerequisites for attending the Annual General Meeting and for exercising voting rights**

Only those shareholders of the Company who are entered in the Company's share register as shareholders of the Company and register with the Company prior to the Annual General Meeting are entitled to participate in the Annual General Meeting and to exercise their voting rights.

Such notification of registration must be received by the Company in text form by May 23, 2018 (24:00 CEST) at the following address, telefax number or e-mail address:

STRATEC Biomedical AG  
c/o Computershare Operations Centre  
80249 Munich  
Germany

Telefax: +49 89 30903-74675

E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Credit institutions, shareholders' associations as well as persons, institutions or companies deemed as equivalent to such pursuant to § 135 (8) or § 135 (10) in conjunction with § 125 (5) AktG may exercise voting rights respective to shares which do not belong to them, but for which they are registered as the holder in the share register, only by virtue of an authorization issued by the person who owns the shares.

Following the receipt of the registration documentation by the company, shareholders will be sent admission tickets for the Annual General Meeting. To ensure the timely receipt of the admission tickets, we kindly request shareholders to provide for an early submission of their registration documentation to the Company.

Contrary to the registration to the Annual General Meeting, the admission ticket is not a prerequisite for attending the Annual General Meeting. It rather serves to facilitate access control to the Annual General Meeting.

## **Disposals of shares and transfers in the share register**

Registration for the Annual General Meeting will not result in shares being deactivated or blocked. Shareholders may, therefore, continue to freely dispose of their shares following their registration.

The share portfolio entered in the share register on the day of the Annual General Meeting is relevant for the exercise of the right to attend and vote. Such number will correspond to the portfolio resulting from the transfer applications received by the Company by May 23, 2018 (24:00 CEST). For technical reasons, transfer applications received by the Company from this time until the day of the Annual General Meeting (both dates inclusive) shall result in a stoppage of transfers, i.e. neither registrations nor de-registrations shall be carried out up to and including May 30, 2018.

## **Voting procedures for authorized parties**

Shareholders who are entered in the share register and have registered their attendance in the Annual General Meeting and do not wish to exercise their voting rights in person during the Annual General Meeting may authorize a credit institution, a shareholders' association or another person of their choice to exercise their voting rights. Also in the event of granting an authorization to exercise voting rights, shareholders have to ensure that they comply with the prerequisites for attending the Annual General Meeting and for exercising the voting rights as specified in the section above. If a shareholder grants power of attorney to more than one person, then the Company may reject one or several of these persons.

**If neither a credit institution nor a shareholders' association** or any other persons, institutions or companies deemed as equivalent to such (§ 135 (8) and (10), § 125 (5) AktG) are given authorization, any issuance of a power of attorney, the revocation thereof and the proof of authorization vis-à-vis the Company requires text form (§ 126b of the German Civil Code (BGB – Bürgerliches Gesetzbuch)). Issuance/revocation or provision of proof may be effected by using the registration form or the admission ticket and sending it to the address stated therein/thereupon, or otherwise in text form by specifying the person making the declaration and sending it to the address, telefax number or e-mail address specified below:

STRATEC Biomedical AG  
c/o Computershare Operations Centre  
80249 Munich  
Germany  
Telefax: +49 89 30903-74675  
E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

An authorization may also be evidenced by the authorized party showing the power of attorney at the access control on the day of the Annual General Meeting.

§ 135 AktG shall apply to the issuance of a power of attorney to **credit institutions, shareholders' associations** and any other persons, institutions or companies deemed as equivalent to such pursuant to § 135 (8) or § 135 (10) and § 125 (5) AktG with respect to the exercise of voting rights as well as to the revocation and the proof of such authorization. Under this section, the authorized party is required to keep a verifiable record of such power of attorney. It must be complete and may contain only declarations relating to the exercise of voting rights. Furthermore, the respective authorized party may have stipulated special regulations for their own authorization; this should be clarified with the respective authorized party in advance.

We offer our shareholders the option of authorizing **a proxy appointed by the Company** to represent them during the vote in accordance with their instructions. For this purpose, proxies must be issued (a) power(s) of attorney and instructions for the exercise of voting rights. In this context, it is important to note that proxies may not accept instructions pertaining to procedural motions or proposals or candidate nominations submitted for the first time in the Annual General Meeting prior to or during the Annual General Meeting. Moreover, they may not lodge any motions or queries on behalf of the shareholder nor clarify contradictions. Further, they may exercise voting rights only on such agenda items on which they have received instructions from the shareholder.

Shareholders may issue (a) power(s) of attorney and instructions to proxies appointed by the Company on the registration form provided with the invitation by sending it to the address stated therein. In addition, it is possible to issue (a) power(s) of attorney and instructions by way of the admission ticket, sent to the shareholder upon request, by submitting it to the address stated thereupon. Furthermore, power(s) of attorney and instructions may be issued in text form by specifying the person making the declaration no later than May 28, 2018 (16:00 CEST) by sending them to the following address, telefax number or e-mail address:

STRATEC Biomedical AG  
c/o Computershare Operations Centre  
80249 Munich  
Germany  
Telefax: +49 89 30903-74675  
E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Power(s) of attorney and instructions may also be revoked or amended in text form as indicated above prior to the Annual General Meeting and be received no later than May 28, 2018 (16:00 CEST).

Shareholders may exercise their rights in person even after granting a power of attorney. **Attendance in person** shall be deemed to constitute a revocation of any power of attorney previously granted.

## **Requests for items to be added to the agenda pursuant to § 122 (2) AktG**

Shareholders whose aggregate shares make up one twentieth of the share capital or achieve the pro rata amount of € 500,000.00 (corresponding to 500,000 shares) may request that items be added to the agenda and published. Each new item must be accompanied by an explanation or a draft resolution. Such requests must be received by the Company's Management Board at latest by April 29 2018 (24:00 CEST). Please direct such request in writing to the following address:

STRATEC Biomedical AG  
Vorstand  
Stichwort „Hauptversammlung“  
Gewerbestr. 37  
75217 Birkenfeld  
Germany

Unless made public together with the invitation, additions to the agenda which require disclosure are published immediately upon receipt of the request in the German Federal Gazette. Moreover, they are published on the Company's website at [www.stratec.com/agm](http://www.stratec.com/agm) and communicated to the shareholders in accordance with statutory provisions.

## **Motions and candidate nominations submitted by shareholders pursuant to § 126 (1) and § 127 AktG**

Even prior to the Annual General Meeting, every shareholder has the right to submit countermotions to the resolutions proposed by the Management Board and/or Supervisory Board on specific agenda items as well as to submit nominations. Such countermotions and nominations including the name of the shareholder are to be made available by the Company pursuant to § 126 (1) and § 127 AktG if they are received by the Company at following address, telefax number or e-mail address:

STRATEC Biomedical AG  
Stichwort „Hauptversammlung“  
Gewerbestr. 37  
75217 Birkenfeld  
Germany  
Telefax: +49 7082 7916-999  
E-mail: [hauptversammlung@stratec.com](mailto:hauptversammlung@stratec.com)

by May 15, 2018 (24:00 CEST) and are in accordance with the statutory requirements. This includes, in particular, the requirement to substantiate countermotions (but not nominations). § 126 (2) and § 127 Sentences 1 and 3 AktG govern the preconditions which, if met, preclude countermotions and nominations from being made mandatorily available. In accordance with statutory regulations, access is provided on the Company's website at [www.stratec.com/agm](http://www.stratec.com/agm). Comments or statements by the Management Board and/or Supervisory Board with regard to countermotions and nominations, if any, will also be published there.

In order to be considered at the Annual General Meeting, countermotions and nominations must be submitted at the Annual General Meeting, even if they have been sent to the Company and made accessible by it pursuant to § 126 (1) and § 127 AktG.

## **Right to information pursuant to § 131 (1) AktG**

At the Annual General Meeting, each shareholder or shareholder representative may request the Management Board to provide information about the Company's affairs to the extent that such information is necessary for the proper evaluation of an item on the agenda. The duty to provide information also extends to the legal and business relations of the Company with an affiliated company as well as the position of the Group and of the companies included in the consolidated financial statements. The information shall comply with the principles of conscientious and faithful accounting. As a rule, information is to be supplied verbally; in this respect, shareholders shall not be entitled to receive information in writing.

The Management Board may refrain from responding to individual questions for the reasons set forth in § 131 (3) AktG, for instance, if the information based on prudent commercial assessment is likely to cause a substantial disadvantage to the Company or any of its affiliated companies (e.g. no disclosure of business secrets).

## **Further explanations as to shareholders' rights**

Further explanations of shareholders' rights pursuant to § 122 (2), § 126 (1), § 127 and § 131 AktG can be found on the Company's website at [www.stratec.com/agm](http://www.stratec.com/agm).

## **Total number of shares and voting rights**

At the time of the convocation of the Annual General Meeting, the share capital of the Company amounts to € 11,920,945.00 and is divided into 11,920,945 no-par value registered shares. Each share grants one vote. The total number of shares and voting rights therefore amounts to 11,920,945 at the time the meeting is convened. Such total also includes 4,995 treasury shares held at that time which do not confer any rights on the Company.

## **Annual General Meeting documents; publication on the Company's website**

Following the convocation of the Annual General Meeting, the present invitation to the Annual General Meeting, the documents which are to be made available to the Annual General Meeting, in particular such documents pertaining to agenda items 1 and 7, as well as further information relating to the Annual General Meeting are available on the Company's website at [www.stratec.com/agm](http://www.stratec.com/agm).

The documents to be made available to the Annual General Meeting will also be available at the Annual General Meeting on May 30, 2018.

## **Company information**

Extensive information about STRATEC is provided on the Company's website at [www.stratec.com](http://www.stratec.com).

Birkenfeld, April 2018

STRATEC Biomedical AG

The Management Board