

**PLEASE NOTE: This document exists in English and German. In case of discrepancies, the German text is decisive and shall prevail to the exclusion of the English text.**

**ARTICLES OF ASSOCIATION  
OF  
PAION AG**

## **A. GENERAL**

### **Section 1**

#### **NAME, REGISTERED OFFICE OF THE COMPANY**

- (1) The Company bears the name

PAION AG.

- (2) The Company's registered office is in Aachen.

### **Section 2**

#### **OBJECT OF THE COMPANY**

- (1) The objects of the Company are research, development, production, sales and marketing of pharmaceutical and medical products.
- (2) The Company may do anything and engage in any business which it deems necessary and useful to achieve and realize its object as defined in paragraph (1). In particular, it may establish branch offices in Germany and abroad and found, acquire or invest in companies of the same or a similar nature, carve out parts of its business to associated companies including joint ventures with third parties, dispose of holdings in companies, enter into Company agreements and/or restrict itself to managing the investment(s).

### **Section 3**

#### **PUBLICATION OF NOTICES AND INFORMATION**

- (1) Notifications by the Company will be published in the Electronic Federal Gazette issued by the Federal Republic of Germany unless the law stipulates the disclosure of notifications in a different publication.
- (2) The Company may send shareholders information via remote data transmission, and via electronic media in particular, subject to their consent.

## **B. CAPITAL STOCK AND SHARES**

### **Section 4**

#### **CAPITAL STOCK**

- (1) The Company has a capital stock of EUR 7,133,699.00 (in words: seven million one hundred thirty-three thousand six hundred ninety-nine Euros).

- (2) The share capital is divided into 7,133,699 shares with no par value.
- (3) The Management Board, with the approval of the Supervisory Board, is authorized to increase the Company's share capital by a total of up to EUR 35.668.496.00 by issuing up to 35.668.496 new bearer shares with no-par value (*Stückaktien*) in one or more tranches against contribution in cash and/or in kind through 26 May 2026 (Authorized Capital 2021).

The shareholders must generally be granted subscription rights. The shares may also be assumed by one or more banks with the obligation to offer these to shareholders of the Company for subscription (so-called indirect subscription rights), in accordance with Section 186 para. 5 of the AktG. However, the Management Board, with the approval of the Supervisory Board, is entitled to exclude shareholders' subscription rights for one or more capital increases under the Authorized Capital 2021,

- a) in order to exclude fractional amounts from subscription rights;
- b) insofar as it is required in order to grant a subscription right to no-par value bearer shares in the Company to holders or creditors of convertible bonds (Wandelschuldverschreibungen), option bonds (Optionsschuldverschreibungen), profit participation rights (Genussrechten) and/or participating bonds (Gewinnschuldverschreibungen) (or any combination of those instruments) (in the following together "Bonds") with conversion or option rights (Wandlungs- oder Optionsrechten) or mandatory conversion or option features (Wandlungs- oder Optionspflichten) and which have been or are to be issued by the Company or a company which is dependent on the Company or in which the Company has a direct or indirect majority shareholding, to the extent the holders or creditors would be entitled to as shareholders after exercising the option or conversion rights, or after performance of a mandatory conversion or option;
- c) for the issuance of shares against cash contributions, if the issue price of new shares is not, within the meaning of Sections 203 paras. 1 and 2, 186 para. 3 sent. 4 AktG, substantially below the stock market price of shares already listed and the pro rata amount of the share capital attributable to the new shares issued under the exclusion of subscription rights in accordance with Section 186 para. 3 sent. 4 AktG does not exceed a total of 10% of the share capital, neither at the time at which this authorization becomes effective nor at the time at which it is exercised. This limitation of 10% of the share capital shall include shares that are issued for the fulfilment of Bonds with conversion or option rights or mandatory conversion or option features, provided these Bonds were issued in accordance with Section 186 para. 3 sent. 4 AktG or are issued during the term of this authorization. The same applies to other shares that can still be issued to service bonds with conversion or option rights or with conversion or option obligations during the term of this authorization, provided that these bonds were

issued in accordance with Section 186 para 3 sent. 4 of the AktG or are issued during the term of this authorization under the exclusion of subscription rights. The limit of 10% of the share capital shall further include those treasury shares of the Company which are issued during the term of this authorization under exclusion of the shareholders' subscription rights in accordance with Section 71 para. 1 no. 8 sent. 5 sub-sent. 2 in connection with Section 186 para. 3 sent. 4 AktG. Shares issued against cash contributions during the term of this authorization under the exclusion of shareholders' subscription rights pursuant to Section 186 para. 3 sent. 4 AktG (applied accordingly) on the basis of other corporate actions are likewise to be included in this limit of 10% of the share capital;

- d) insofar as is necessary to issue shares to persons who are or were in an employment relationship with the Company and/or its affiliated companies subject to the limitation that the proportionate share of the shares to be issued of the share capital must in total not exceed 5% of the share capital, neither at the time the authorization is adopted nor at the time it is exercised. The limit of 5% of the share capital shall also include treasury shares of the Company as well as shares of the Company from conditional capital which are issued to employees or members of management bodies of the Company or its affiliated companies during the term of this authorization;
- e) to issue shares against contributions in kind, particularly – but not limited to this – for the purpose of (also indirectly) acquiring companies, parts of companies, investments in companies or other assets. This authorization to exclude subscription rights in the case of capital increases against contributions in kind is limited to an amount totaling 20% of the share capital neither at the time it comes into effect nor at the time it is used this authorization exceeds.

- (4) The Management Board is further authorized, with the approval of the Supervisory Board, to determine the other features of the shares and the terms for the issue of shares.

The Supervisory Board is authorized to amend the Articles of Association in accordance with the respective scope of share capital increase from the Authorized Capital 2021.

The share capital is conditionally increased by up to EUR 31,000,000.00 through the issue of up to 31,000,000 new no-par value bearer shares with participation rights (Gewinnberechtigung) (Conditional Capital 2021). The conditional capital increase serves the purpose of granting shares to the holders or creditors of convertible bonds (Wandelschuldverschreibungen), warrant-linked bonds (Optionsschuldverschreibungen), profit participation rights (Genussrechten) and/or participating bonds (Gewinnschuldverschreibungen) (or combinations of these instruments) (hereinafter collectively (“Bonds”) issued under the aforementioned

authorisation resolution of 27 May 2021 in the event of the exercise of conversion or option rights or the fulfilment of conversion of option obligations.

The new shares are issued at the conversion or option price to be determined in each case pursuant to the aforementioned authorisation. The conditional capital increase shall only be effected insofar as the holders/creditors of Bonds issued or guaranteed by the Company, by a dependent company or by a company in which the Company directly or indirectly has a majority shareholding, under the aforementioned authorisation resolution of the Annual General Meeting exercise their conversion or option rights or fulfil the conversion or option obligations inherent to such Bonds, or insofar as the Company grants Company shares as a replacement for the payment of the sum due and insofar as the conversion or option rights or obligations are not satisfied by treasury shares, shares from authorised capital or other consideration.

The new shares bear dividend rights from the beginning of the financial year in which they are created due to the exercising of conversion or option rights, the fulfilling of conversion or option obligations or their granting in replacement of the payment of the sum due and continue to do so in the financial years that follow; by way of derogation, with the approval of the Supervisory Board and to the extent legally permissible, the Management Board may stipulate that the new shares shall bear dividend rights from the beginning of the financial year for which no resolution of the Annual General Meeting regarding the appropriation of the net profit had been passed at the time at which the conversion or option rights were exercised, the conversion or option obligations were fulfilled or the shares were granted in replacement of the sum due. With the approval of the Supervisory Board, the Management Board is authorised to stipulate the further details of effecting the conditional capital increase.

- (5) Intentionally omitted.
- (6) Intentionally omitted.
- (7) The share capital of the Company is conditionally increased by a further amount of up to EUR 676,626.00 by issuing a total of up to 676,626 new no-par value bearer shares (Conditional Capital 2010 I). The conditional capital increase will only be implemented to the extent that the holders of option rights issued under the Stock Option Plan 2010 exercise their option rights. The new shares shall carry dividend rights from the beginning of the fiscal year for which, at the time the subscription right is exercised, no resolution has yet been passed by the Annual General Meeting on the appropriation of net income. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.
- (8) The share capital of the Company is conditionally increased by a further amount of up to EUR 530,010.00 by issuing a total of up to 530,010 new no-par value bearer shares (Conditional Capital 2014). The conditional capital increase will only be implemented to the extent that the holders of option rights issued under the Stock Option Plan 2014

exercise their option rights. The new shares will participate in the profits from the beginning of the financial year for which, at the time the subscription right is exercised, no resolution has yet been passed by the Annual General Meeting on the appropriation of net income. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

- (9) The share capital of the Company is conditionally increased by up to EUR 702,672.00 by issuing a total of up to 702,672 new no-par value bearer shares (Conditional Capital 2016). The conditional capital increase will only be implemented to the extent that the holders of option rights issued under the Stock Option Plan 2016 exercise their option rights. The new shares will participate in the profits from the beginning of the financial year for which, at the time the subscription right is exercised, no resolution has yet been passed by the Annual General Meeting on the appropriation of net income. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.
- (10) The share capital of the Company is conditionally increased by up to EUR 806,250.00 by issuing a total of up to 806,250 new no-par value bearer shares (Conditional Capital 2018 II). The conditional capital increase will only be implemented to the extent that the holders of option rights issued under the Stock Option Plan 2018 exercise their option rights. The new shares will participate in the profits from the beginning of the financial year for which, at the time the subscription right is exercised, no resolution has yet been passed by the Annual General Meeting on the appropriation of net income. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.
- (11) The share capital of the Company is conditionally increased by up to EUR 1,200,000.00 by issuing an aggregate of up to 1,200,000 new bearer shares of no par value (Conditional Capital 2020). The conditional capital increase shall only be implemented to the extent to which holders of option rights issued within the framework of the Stock Option Plan 2020 exercise such option rights. The new shares participate in the profits from the beginning of the financial year onwards for which, at the time of exercising the subscription right, the Annual General Meeting has not adopted any resolutions in respect of the appropriation of the retained earnings. The Management Board shall be authorized to determine the further details of the implementation of the conditional capital increase with the approval of the Supervisory Board. The Supervisory Board is authorized to amend Section 4 para. 11 of the Articles of Incorporation to reflect the relevant drawdown of the Conditional Capital 2020.

## **Section 5 SHARES**

- (1) Unit shares are issued to the bearer.
- (2) Should any resolution to increase the Company's capital not specify whether the new shares are to be bearer or registered, they will be bearer.
- (3) If the capital stock is increased, dividend entitlements for new shares may be determined contrary to Section 60 para. 2 German Stock Corporation Act.

## **Section 6 SHARE CERTIFICATES, EXCLUSION OF CERTIFICATE ISSUANCE**

- (1) The Management Board determines the form and content of the share certificates, as well as any dividend and renewal certificates. This also applies to any other securities the Company issues.
- (2) Shareholders are not entitled to demand issuance of share certificates or any dividend or renewal coupons, unless they must be issued under the rules applicable on a stock exchange to which the shares are admitted for trading. The Company may issue share certificates representing individual shares (individual shares) or multiple shares (collective shares).

## **C. CONSTITUTION AND MANAGEMENT OF THE COMPANY**

### **Section 7 EXECUTIVE BODIES**

The executive bodies of the company are as follows:

- The Management Board
- The Supervisory Board and
- The General Meeting

### **I. MANAGEMENT BOARD**

#### **Section 8 COMPOSITION**

- (1) The Management Board shall consist of one or several person(s). The Supervisory Board determines the number of members on the Management Board.

- (2) The Supervisory Board may appoint a member of the Management Board as CEO and one member as vice-chairman. Deputy Management Board members may be appointed.

### **Section 9**

#### **RESOLUTIONS BY THE MANAGEMENT BOARD, RULES OF PROCEDURE**

- (1) Votes on the Management Board are decided by a simple majority of the votes cast unless the Management Board's rules of procedure stipulate otherwise. Should a vote be tied, the chairman will have a casting vote; this does not apply if the Management Board is comprised of two people. He is also responsible for convening Management Board meetings.
- (2) The Management Board may set its own rules of procedure by unanimous vote, subject to the Supervisory Board's consent, insofar as the Supervisory Board does not exercise its own right to define rules of procedure. Any rules of procedure agreed by the Management Board must be approved by the Supervisory Board.

### **Section 10**

#### **REPRESENTING THE COMPANY**

- (1) The Company is represented by only one member of the Management Board if only one Management Board member is appointed; if the Management Board consists of several members, then the Management Board is represented:
  - jointly by two Management Board members or
  - by one Management Board member jointly with an authorized representative or
  - by only one Management Board member if a representative authority was granted by the Supervisory Board.
- (2) The Supervisory Board may release one or all members of the Management Board from the limitations of multiple representation (Section 181 option 2 of the German Civil Code (*Bürgerliches Gesetzbuch*, BGB)), without prejudice to the provisions of Section 112 German Stock Corporation Act.

### **Section 11**

#### **MANAGEMENT**

- (1) The Management Board manages the Company under its own responsibility. It shall conduct the business in accordance with the statutory provisions, the Articles of Incorporation and the Management Board's rules of procedure and it shall comply with any restrictions imposed thereby pertaining to the scope of its powers of management.



- (2) The Management Board's rules of procedure stipulate those acts of management that require the Supervisory Board's consent.
- (3) The Management Board is obliged to keep the Supervisory Board informed on an ongoing basis to the extent required by law. In accordance with statutory provisions, further reporting obligations may be laid out in the Management Board's rules of procedure."

## **II. SUPERVISORY BOARD**

### **Section 12 COMPOSITION**

- (1) The Supervisory Board shall have five (5) members.
- (2) Supervisory Board members are appointed until the end of the General Meeting which adopts a resolution to formally approve the actions of the Supervisory Board in the fourth financial year following commencement of their term of office begins, unless the resolution appointing them specifies a shorter term of office. The financial year in which office is assumed is not counted. Should a Supervisory Board member depart before completion of the term of office, a successor will be appointed for the remainder of the term of office, unless the General Meeting resolves to appoint them for a longer term.
- (3) Ex-members of the Company's Management Board may not be members of the Supervisory Board if two Supervisory Board members are already ex-members of the Management Board. Supervisory Board members may not be directors of publicly listed companies or already hold five Supervisory Board appointments in publicly listed companies outside the group, or hold executive or advisory positions with major competitors of the Company. The statutory provisions regarding the composition and qualification of members of the Supervisory Board remain unaffected.
- (4) The General Meeting may appoint one or more replacement members for all Supervisory Board members who will become members of the Supervisory Board in the order in which they are appointed as soon as any Supervisory Board member retires from the Supervisory Board before their term of office ends, unless the General meeting appoints a successor before a Supervisory Board member retires. The term of office of replacement members succeeding to the Supervisory Board ends at the end of the General Meeting at which a successor to the departed Supervisory Board member is appointed or when the departed Supervisory Board member's term of office ends, whichever is the sooner.
- (5) Any Supervisory Board member may resign their office for no particular reason by giving the Chairman of the Supervisory Board and the Management Board at least one month's notice in writing. This period of notice may be waived if the Chairman of the

Supervisory Board consents. They may resign their office with immediate effect for pertinent cause.

### **Section 13**

#### **CHAIRING THE SUPERVISORY BOARD**

- (1) The Supervisory Board will appoint a Chairman and Vice-chairman from amongst its numbers. Insofar as a shorter term was not agreed upon during their election, the Chairman and the Vice-chairman's term of office corresponds to their term of office as members of the Supervisory Board.
- (2) Should no simple majority be obtained when electing the Chairman or his deputy in the first round of voting, a more limited election will be held between the two applicants who obtained the most votes. Should the second round vote be tied, the vote of the oldest member of the Supervisory Board will count twice.
- (3) Should the Chairman leave office before his term of office ends, this will not affect his deputy's term of office, and vice versa. Should the Chairman or deputy leave office before their term of office ends, the Supervisory Board will elect a new Chairman or Vice-chairman for the departing member's remaining term of office.
- (4) The Chairman of the Supervisory Board, or, his deputy should he be incapacitated, chairs Supervisory Board meetings, and decides the order of the agenda and the voting rules. The Chairman, or his deputy should he be incapacitated, issues declarations by the Supervisory Board and its committees on the Supervisory Board's behalf. The Chairman and his deputy may also receive notices intended for the Supervisory Board.

### **Section 14**

#### **RULES OF PROCEDURE**

The Supervisory Board may stipulate its own rules of procedure to the extent permitted by law and these Articles of Association.

### **Section 15**

#### **SUPERVISORY BOARD MEETINGS**

- (1) The Supervisory Board should meet every calendar quarter and must meet twice in any calendar half-year. Furthermore, the Supervisory Board shall meet as often and as soon as is in the Company's best interest.
- (2) Supervisory Board meetings are convened by the Chairman, or by his deputy if he is incapacitated. They may be convened in writing, by fax, telephone or e-mail, at 14 days' notice, not including the date on which the notice of meeting is sent and the date of the meeting itself. The Chairman may reduce the notice period in an emergency if the notice

of meeting has demonstrably reached all Supervisory Board members. The Chairman may suspend or defer meetings once called.

- (3) Notices of meetings must be accompanied by details of the agenda. Applications for resolutions must be submitted in good time and in a form that permits written voting.
- (4) No amendments or additions may be made to the agenda once the notice period for convening a meeting ends unless none of the Supervisory Board members object.
- (5) The Supervisory Board is quorate if not less than half its members, and not less than three members, including the Chairman or deputy, participate in the adoption of resolutions. Members are deemed to participate in the adoption of resolutions even if they abstain from voting. If Supervisory Board members are absent, they may participate in the adoption of resolutions by the Supervisory Board by submitting written votes through other Supervisory Board members.

### **Section 16**

#### **RESOLUTIONS BY THE SUPERVISORY BOARD**

- (1) Supervisory Board resolutions are generally adopted at meetings. Resolutions on items not included in the agenda as communicated with notices of meetings cannot be adopted unless no members object. In that event, any members who are absent must be given an opportunity of objecting to the adoption of a resolution retrospectively within such a reasonable period of time as the Chairman may decide; the resolution will then only be binding if no absent member objects to it within the time allowed.
- (2) Outside meetings, resolutions may be adopted in writing, by telephone, fax or e-mail if determined so by the Chairman and if at least half of the members of which the Supervisory Board shall consist take part in the passing of the resolution. Resolutions are also permitted by way of transmitting votes through use of different communication channels as well as by votes being partially cast in the meeting and partially cast – also afterwards – through other permitted communication channels by absent members. The Chairman shall determine a reasonable time period for casting votes. The Supervisory Board members shall have no right to object against the orders made by the Chairman pursuant to this Section 16.2. The Chairman will record resolutions adopted outside meetings in writing and communicate them to all Supervisory Board members.
- (3) Resolutions by the Supervisory Board require a simple majority of the votes cast unless another majority is required by law. This also applies to elections. Abstentions count as votes against.

### **Section 17**

#### **MINUTES OF SUPERVISORY BOARD MEETINGS AND RESOLUTIONS**

- (1) Minutes must be produced of Supervisory Board meetings and signed by the Chairman, stating where and when the meeting was held, who was present, items on the agenda, the essence of the proceedings and the resolutions adopted by the Supervisory Board. The Chairman, or, if he is incapacitated, his deputy, must send signed copies of the minutes out to all Supervisory Board members.
- (2) Where Supervisory Board resolutions are adopted outside meetings, the provisions of para. (1) apply *mutatis mutandis*, except that the minutes must also state the means by which the resolution was adopted.

### **Section 18**

#### **DUTIES OF THE SUPERVISORY BOARD**

- (1) The Supervisory Board has all the duties and rights assigned to it by law, these Articles of Association and otherwise. Supervisory Board members are not bound by orders or instructions.
- (2) The Supervisory Board may stipulate rules of procedure for the Management Board stating that its consent is required for certain acts of business relating to the Company or its subsidiaries, especially such acts of business that fundamentally change the Company's assets, financial condition or results of earnings or risk exposure. Should the Management Board issue its own results of procedure pursuant to Section 9 para. (2), the Supervisory Board may not consent to this unless it includes a list of transactions for which consent is required pursuant to (1) above. The Supervisory Board may also resolve to subject other transactions to its consent.
- (3) The Supervisory Board may resolve amendments to the Articles of Association that only affect the wording.

### **Section 19**

#### **COMMITTEES**

- (1) The Supervisory Board may form committees from amongst its numbers and define their powers in its rules of procedure, and may delegate its executive powers to such committees insofar as the law allows (executive committees).
- (2) Committees must report to the Supervisory Board regularly on their work.
- (3) Internally, committees are subject to the provisions of Sections 15, 16 and 17 *mutatis mutandis*.

**Section 20**  
**CONFIDENTIALITY**

- (1) Supervisory Board members may not disclose any confidential information and secrets which become known to them through being on the Supervisory Board, even once they leave office. Should a Supervisory Board member intend to disclose information to third parties where it cannot be ruled out with any certainty that such information is confidential or represents Company secrets, they must inform the Chairman first and allow him opportunity to comment.
- (2) Departing Supervisory Board members must return all confidential documents relating to the Company in their possession to the Chairman or the Vice-chairman of the Supervisory Board.

**Section 21**  
**REMUNERATION OF THE SUPERVISORY BOARD**

- (1) In addition to the reimbursement of his expenses, each member of the Supervisory Board shall receive a remuneration of EUR 25,000 per financial year. If a member of the Supervisory Board did not work for the Company as a member of the Supervisory Board for the entire financial year, he/she shall only be entitled to a corresponding proportion of the remuneration in proportion to the actual term of office to the entire financial year. In addition, the members of the Supervisory Board receive EUR 1,000 for each Supervisory Board meeting (attendance fee) they attend in person, but for no more than five meetings per financial year. The chairperson receives double and the deputy chairperson 1.5 times this remuneration. For committee work, the chairperson of a committee receives EUR 7,000.00 per financial year, the other committee members each receive EUR 1,000.00 per financial year. If a member of the committee was not active as a committee member for the entire financial year, he/she shall only be entitled to a correspondingly proportional remuneration in the ratio of the actual time as a committee member to the entire financial year. The remuneration is payable quarterly in arrears. The provisions of this paragraph 1, as approved by the Annual General Meeting held on 25 May 2022, shall apply for the first time in respect of the financial year commencing on 1 January 2022 and with effect for the period commencing on 1 January 2022.
- (2) Supervisory Board members will also receive reimbursement for any value added tax they incur on their disbursements and/or Supervisory Board remunerations insofar as they are entitled to charge the company VAT separately and exercise that right.
- (3) The company will ensure that the members of its Supervisory Board are included in an insurance policy against financial loss liability as part of a D&O insurance policy taken out by the Company in its own interests for its executive bodies and certain directors, insofar as such an insurance policy exists. The company will pay the premiums on such insurance.

### **III. GENERAL MEETING**

#### **Section 22**

#### **VENUE OF THE GENERAL MEETING**

General meetings of the Company are held at the Company's registered office, in a German city with a population over 100,000 or at a German stock exchange.

#### **Section 23**

#### **CONVENING GENERAL MEETINGS**

- (1) General meetings are convened by the Management Board and by the Supervisory Board where required by law.
- (2) Unless any other period is stipulated by law the General Meeting must be convened at least 30 days prior to the date of the meeting. The notice period must be extended to include the days of the registration period (Section 24 para. 1). Statutory provisions apply to the calculation of this period.

#### **Section 24**

#### **ATTENDANCE AT THE GENERAL MEETING**

- (1) Shareholders are entitled to attend the Annual General Meeting and to exercise their voting rights if they have registered prior to the meeting. The registration must be received by the Company or another place specified in the invitation in text form in the German or English language within the statutory period prior to the Annual General Meeting. The Management Board is authorized to provide for a shorter period of registration, to be measured in days, instead of the statutory period.

Shareholders must further provide evidence of their entitlement to attend the Annual General Meeting and to exercise their voting rights. For this purpose, a proof of share ownership in text form issued by the last intermediary according to § 67c Section 3 AktG is required. The evidence must refer to a date to be determined in the invitation in accordance with the statutory requirements and must be received by the Company or one of the other offices specified in the invitation within the statutory period before the Annual General Meeting. The Management Board is authorized to provide for a shorter period, to be measured in days, instead of the statutory period

- (2) Votes may be cast by a proxy. If and to the extent that the assignment of proxy is not subject to the application of Section 135 German Stock Corporation Act, the assignment, revocation and proof of proxy must be provided to the Company in text form. In the event that the Company authorizes designated voting proxies, the invitation may also define a simplified procedure for assigning and revoking proxy. Proof of proxy

can also be transmitted to the Company using a means of electronic communication to be defined in more detail by the Management Board.

- (3) Subject to corresponding notification in the invitation to the General Meeting, the chairman of the meeting may permit the full or partial video and audio transmission of the General Meeting in a form to be determined in more detail by the chairman of the meeting.
- (4) Subject to prior notification in the invitation to the General Meeting, the Management Board may permit shareholders to participate without actually attending the General Meeting or appointing a proxy, and may further permit them to exercise in part or in whole some or all of their rights using electronic means of communication.
- (5) The Management Board is authorized to provide that shareholders may cast their votes in writing or by means of electronic communication (postal voting) even without participating in the Annual General Meeting.
- (6) The members of the Management Board and the Supervisory Board should personally attend the Annual General Meeting. If a member of the Supervisory Board is unable to attend the Annual General Meeting because he/she is abroad for an important reason or would have to make considerable journeys to the place of the Annual General Meeting due to his/her residency abroad, he/she may also participate in the Annual General Meeting by means of video and audio transmission.

## **Section 25 VOTING RIGHTS**

Each share carries one vote at the General Meeting.

## **Section 26 CHAIRING GENERAL MEETINGS**

- (1) General Meetings are chaired by the Chairman of the Supervisory Board or another Supervisory Board member he nominates. Should neither the Chairman nor another Supervisory Board member nominated for this purpose by the Chairman be present or prepared to chair the General Meeting, the Supervisory Board will appoint the chairman of the general meeting. If a chairman of the general meeting cannot be determined in accordance with the aforementioned procedure, the General Meeting will elect the chairman of the general meeting.
- (2) The chairman of the general meeting chairs the meeting and determines the order of consultation and voting procedures. The chairman of the general meeting may limit

shareholders' rights to ask questions and speak to a reasonable time. In particular, he may set a reasonable timeframe for the proceedings of the meeting as a whole, individual items on the agenda and individual times for speaking and asking questions at the start of the General Meeting or while it is in progress.

**Section 27**  
**ADOPTION OF RESOLUTIONS**

- (1) Resolutions by the General Meeting are adopted by a simple majority of the votes cast, and, where a majority of the capital is required, by a simple majority of the capital represented at the adoption of the resolution, unless otherwise stipulated by the law or these Articles of Association. To the extent legally permissible, a simple majority is also required for amendments to the Articles of Association and capital increases or decreases.
- (2) Should the first round of voting not produce a majority in accordance with para. (1), a second round will be held during which the candidate obtaining the greater number of votes wins. Should the second round be tied between the applicants, the matter will be decided by the chairman drawing lots.



## **D. PREPARATION OF ACCOUNTS AND APPLICATION OF PROFITS**

### **Section 28 FINANCIAL YEAR**

The financial year is the calendar year.

### **Section 29 PREPARATION OF ACCOUNTS AND APPLICATION OF PROFITS**

Each year, the Management Board must produce the annual financial statements, consolidated financial statements and management report for the financial year just ended and present them to the auditors within the time allowed by law. It must also submit these documents to the Supervisory Board, together with the proposals it wishes to make to the General Meeting in respect of the balance sheet profit.

## **E. MISCELLANEOUS**

### **Section 30 INCORPORATION COSTS**

The Company will bear the costs and disbursements incurred in incorporating the Company and entering it in the commercial register (notary public, commercial register, publications, consultants, etc.). These incorporation costs are estimated at EUR 5,000.00 in total.