

# ARTICLES OF ASSOCIATION OF STRATEC BIOMEDICAL AG

---

as amended on November 17, 2011

## **I. General Provisions**

### **§ 1 Company Name, Domicile and Financial Year**

- 1.1. The company operates under the name STRATEC Biomedical AG.
- 1.2. Its legal domicile is in 75217 Birkenfeld.
- 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 all kinds of biomedical and medical technology systems (hardware and software), including accessories and peripheral appliances.
- 2.2. The company is entitled to perform all business transactions and take all measures serving its object. Within such framework, the company may establish or acquire other companies, acquire participating interests in such, establish outlets and take all other measures and perform all other legal transactions necessary or appropriate to achieve or promote the purpose of the company. It may assign its operations to such companies in full or in part.

### **§ 3 Announcements, notification duties**

- 3.1. Company announcements are published exclusively in the electronic Federal Official Gazette, unless otherwise required by law.
- 3.2. The company is entitled to convey information to its shareholders using data telecommunications pursuant to Section 30b (3) of the German Securities Trading Act (WpHG).
- 3.3. No application is made of Section 27a (1) of the German Securities Trading Act (WpHG).
- 3.4. Information may also be communicated to bearers of listed securities in the company using data telecommunications. The communication of notifications made under Sections 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 EUR 11,674,895.00 (in words: eleven million six hundred and sixty-nine thousand eight hundred and ninety-five euros). It is divided into 11,674,895 ordinary shares with a nominal value of EUR 1.00 each.
- 4.2. The shares are bearer shares.
- 4.3. Only one certificate is issued for all shares in the company (global certificate); shareholders are not entitled to claim individual certificates. The right of each shareholder to demand the issue of a global certificate for all shares held by such shareholder at his own expense remains unaffected.
- 4.4. Profit participation rights for new shares issued upon capital increases may be governed in ways other than those set out in Section 60 of the German Stock Corporation Act (AktG).
- 4.5. The Board of Management is authorized, subject to the consent of the Supervisory Board, to increase the share capital on one or more occasions prior to June 22, 2011 by a total of up to EUR 5,500,000.00 by issuing a maximum of 5,500,000 new ordinary bearer shares with a nominal value of EUR 1.00 each in return for cash or non-cash contributions (Authorized Capital). Shareholders are generally to be granted subscription rights. However, the Board of Management is entitled:
  - To exclude residual amounts from such subscription rights, subject to the consent of the Supervisory Board, and to exclude related subscription rights
  - To exclude subscription rights, subject to the consent of the Supervisory Board, to the extent that the capital increase is executed in return for non-cash contributions for the purpose of acquiring companies or shareholdings in companies
  - To exclude subscription rights, subject to the consent of the Supervisory Board, to the extent that the proportion of share capital allocable to the shares for which the subscription rights are excluded does not exceed a total of ten percent of the share capital available upon initial utilization and that the issue amount of the new shares does not fall significantly short of the stock market price of shares already publicly listed.

The Board of Management is further authorized to determine other details relating to the capital increase and its execution subject to the consent of the Supervisory Board. The Supervisory Board is authorized to amend the Articles of Association upon the execution of the capital increase.

- 4.6. The share capital is conditionally increased by up to EUR 30,150.00, divided into up to 30,150 ordinary bearer shares in the company with a nominal value of EUR 1.00 each (Conditional Capital I). This conditional capital increase serves to grant subscription rights (stock option rights) up to May 15, 2012 in accordance with the resolution adopted by the Annual General Meeting on May 16, 2007. The conditional capital increase is only executed to the extent that bearers of stock options exercise their subscription rights. The new shares have profit participation rights from the beginning of the financial year in which they are issued.

The share capital is conditionally increased by up to EUR 17,300.00, divided into up to 17,300 ordinary bearer shares in the company with a nominal value of EUR 1,00 each (Conditional Capital III). The conditional capital increase serves to grant subscription rights (stock option rights) up to June 22, 2011 in accordance with the resolution adopted by the Annual General Meeting on June 23, 2006. The conditional capital increase is only executed to the extent that bearers of stock options exercise their subscription rights. The new shares have profit participation rights from the beginning of the financial year in which they are issued.

The share capital is conditionally increased by up to EUR 766,000.00, divided into up to 766,000 ordinary bearer shares in the company with a nominal value of EUR 1,00 each (Conditional Capital V). The conditional capital increase serves to grant subscription rights (stock option rights) up to May 19, 2014 in accordance with the resolution adopted by the Annual General Meeting on May 20, 2009. The conditional capital increase is only executed to the extent that bearers of stock options exercise their subscription rights. The new shares have profit participation rights from the beginning of the financial year in which they are issued.

- 4.7. The share capital of the company is conditionally increased by up to EUR 800,000.00 by issuing up to 800,000 new ordinary bearer shares (Conditional Capital IV). The conditional capital serves exclusively to grant new shares to the bearers or creditors of convertible or warrant bonds issued by the company or by companies in which it directly or indirectly holds majority participating interests in accordance with the resolution adopted by the Annual General Meeting on April 14, 2011. Such shares are issued on the basis of the option or conversion price to be set in accordance with the aforementioned resolution and with resolutions adopted by the Board of Management and Supervisory Board. The conditional capital increase is only executed to the extent that bearers or creditors of convertible or warrant bonds exercise their option or conversion rights to ordinary bearer shares in the company or to the extent that the conversion obligations resulting from such bonds are met. The new shares have profit participation rights from the beginning of the previous financial year – where they arise as a result of rights being exercised prior to the beginning of the company's Annual General Meeting – and otherwise from the beginning of the financial year in which they arise due to subscription rights being exercised.

The Supervisory Board is authorized to reformulate the Articles of Association following the complete or partial utilization of conditional capital or the expiry of the period of authorization.

### **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. 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 and in either case requiring approval by the Supervisory Board.

#### **§ 6 Adoption of Resolutions**

- 6.1. 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**

- 7.1. When the Board of Management comprises several members, the company is represented by two members of the Board of Management. 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 member.
- 8.4. 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 position 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 procedure. In such case, absent members of the Supervisory Board are to be granted the opportunity of objecting to the resolution or of casting their vote 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 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 videoconference) 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 way 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 corresponding application of the provisions set out in Article 11 Paragraphs 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 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 commissioning 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.

#### § 13 Compensation of the Supervisory Board

13.1. In addition to the reimbursement of his expenses and the benefits of a pecuniary damage liability insurance policy concluded by the company for members of the Supervisory Board at its own expense and at appropriate conditions customary to the market, each Supervisory Board member receives fixed compensation amounting to EUR 8,000.00 per financial year. Furthermore, each member of the Supervisory Board receives performance-related compensation for each financial year, the total amount of which is limited to double (i.e. twice) the level of fixed compensation. The variable compensation is structured as follows:

- EUR 500.00 per complete EUR 500,000.00 "Result of ordinary business activities" (pursuant to IFRS)  
and an additional amount to be offset of
- EUR 500.00 per complete EUR 500,000.00 "Cash flow from operating activities" (pursuant to IFRS, calculated pursuant to German Accounting Standard (DRS) 2, Clause 27).

The Deputy Chairman of the Supervisory Board receives one and a half times (1.5 times) the aforementioned compensation and the Chairman of the Supervisory Board receives twice (two times) such amount.

Moreover, each member of the Supervisory Board receives a meeting allowance of EUR 750.00 for each meeting of the Supervisory Board attended in person, with such allowance being limited to a maximum of EUR 4,500.00 per financial year.

- 13.2. The company reimburses each member of the Supervisory Board for the sales tax incurred on his compensation.
- 13.3. Fixed compensation is due for payment upon the conclusion of the financial year. Variable compensation is due upon the approval or adoption of the annual financial statements.

## V. Annual General Meeting

### § 14 Venue and Convening

- 14.1. The Annual General Meeting is held at a location in the same Federal State as the company domicile or in a German town of at least 50,000 inhabitants.
- 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. To participate in the Annual General Meeting and exercise their voting rights, shareholders must register punctually and in writing (Section 126b of the German Civil Code – BGB) in a text formulated either in German or in English. Furthermore, shareholders must provide documentary evidence of their entitlement to participate in the Annual General Meeting and exercise their voting rights. Separate proof of ownership issued in writing (Section 126b of the German Civil Code – BGB) by the account-holding financial institution is adequate for this purpose. This proof of ownership must refer to the beginning of the twenty-first day prior to the Annual General Meeting. The registration and proof of ownership must have been received by the company at the address communicated for this purpose at the latest six days prior to the Annual General Meeting. The date of the Annual General Meeting and date of receipt are not counted in this calculation. Should it have any doubts as to the accuracy or genuineness of the documentary evidence submitted, the company is entitled to request further suitable evidence. Should this evidence not be submitted, or only in inadequate form, then the company may turn away the shareholder.
- 14.5. When calculating deadlines and other dates back from the date of the Annual General Meeting, the date of the meeting itself is not counted. It is not possible to move such deadline from a Sunday, Saturday or public holiday to the previous or following working day. No corresponding application is made of Sections 187 to 193 of the German Civil Code (BGB).
- 14.6. 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 transmission 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, then 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. Each ordinary share with a nominal amount of EUR 1.00 entitles its bearer to one vote. The shareholder is entitled to vote following payment of the statutory minimum deposit. Unless otherwise required by law, resolutions are adopted by the Annual General Meeting on the basis of simple voting majorities. Where the law stipulates that a majority of the share capital is required, the 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 proxy may also be a voting proxy appointed by the company to act in accordance with shareholders' instructions. The company is authorized to determine 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 the issuing of powers 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 way 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 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, then 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.