



Merck KGaA  
Darmstadt, Germany

# Articles of Association of Merck KGaA, Darmstadt, Germany

As of January 29, 2024



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ARTICLES OF ASSOCIATION  
OF MERCK KOMMANDITGESELLSCHAFT AUF AKTIEN, DARMSTADT, GERMANY  
AS OF January 29, 2024

# Articles of Association of Merck KGaA, Darmstadt, Germany

Only the German version is legally binding

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## Section 1. General Provisions

### Article 1\_Company Name, Registered Office and Fiscal Year

- [1] The name of the Company is “Merck Kommanditgesellschaft auf Aktien”.
- [2] The registered office of the Company is in Darmstadt, Germany.
- [3] The Company’s fiscal year is the calendar year.

### Article 2\_Object of the Company

- [1] The object of the Company is
  - the manufacture and distribution of chemical and biotechnological products, particularly pharmaceuticals, basic substances for medicinal products, specialty chemicals, industrial chemicals, pigments and cosmetic substances,
  - the manufacture, distribution and trade in laboratory preparations and equipment, particularly reagents and diagnostic agents,
  - the development, acquisition and exploitation of chemical processes and facilities.
- [2] <sup>1</sup>The Company is entitled to enter into all transactions and take all actions that appear suited to achieve the object of the Company. <sup>2</sup>For this purpose the Company may in particular provide services; acquire, manage and sell properties; set up, acquire or invest in other companies, and manage such companies or limit itself to the management of its investments.
- [3] <sup>1</sup>The Company is also entitled to conduct its business activities through subsidiaries, associated companies and joint ventures. <sup>2</sup>It can spin off or transfer its operations to affiliated companies either in full or in part.

### Article 3\_Announcements, Information

- [1] <sup>1</sup>The Company announcements shall be published in the electronic Federal Gazette (*elektronischer Bundesanzeiger*). <sup>2</sup>Statutory publication requirements beyond the scope of company announcements shall remain unaffected.
- [2] The Company is authorized to use electronic means to transmit information to shareholders with their consent.

## Section 2. Capital and Shares

### Article 4\_Total Capital

- [1] The Company’s Total Capital (*Gesamtkapital*) amounts to € 565,211,241.95 (in words: five hundred and sixty-five million two hundred eleven thousand two hundred forty-one euros and ninety-five cents).
- [2] The Total Capital consists of
  - the Share Capital (*Grundkapital*) (Article 5 (1)) of € 168,014,927.60 (in words: one hundred sixty-eight million fourteen thousand nine hundred twenty-seven euros and sixty cents) divided into shares and

- the Equity Interest (*Kapitalanteil*) held by the General Partner E. Merck Kommanditgesellschaft, Frankfurter Strasse 250, 64293 Darmstadt, Germany (hereinafter referred to as “E. Merck”) (Article 8 (1)) of € 397,196,314.35 (in words: three hundred ninety- seven million one hundred ninety-six thousand three hundred fourteen two euros and thirty- five cents).

## Article 5\_Share Capital

- [1] The Company’s Share Capital amounts to € 168,014,927.60 (in words: one hundred sixty-eight million fourteen thousand nine hundred twenty-seven euros and sixty cents).
- [2] The Company’s Share Capital is divided into 129,242,252 shares.
- [3] <sup>1</sup>The Executive Board is authorized to increase the Share Capital with the approval of the Supervisory Board and of E. Merck, Darmstadt, Germany, once or repeatedly up to and including April 21, 2027 by up to a total of € 56,521,124.19 (in words: fifty-six million five hundred twenty-one thousand one hundred twenty-four euros and nineteen cents) by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorized Capital 2022). Limited liability shareholders shall generally be granted the statutory right to subscribe to the new shares. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude the subscription rights of limited liability shareholders in full or in part, once or repeatedly, subject to the provisions set out below:
  - a) in case of a capital increase against cash contributions pursuant to or by analogous application of section 186 (3) sentence 4 AktG, if the issue price of the new shares is not substantially lower than the stock exchange price of the company’s shares already listed and if the new shares which are issued under the exclusion of subscription rights in aggregate do not exceed a proportional amount of 10% of the share capital either at the time of the Authorized Capital 2022 taking effect or at the time of the Authorized Capital 2022 being utilized. This restriction to 10% of the share capital shall also include the proportional amount of the share capital that is attributable to shares which are issued under the exclusion of subscription rights or sold during the term of the Authorized Capital 2022 based on an authorization to issue new shares or sell own shares by direct or analogous application of section 186 (3) sentence 4 AktG. Further, this restriction shall also include the proportional amount of the share capital that is attributable to shares which may or must be issued in order to service bonds carrying a conversion or option right or a conversion or option obligation, if the bonds are issued during the term of the Authorized Capital 2022 under the exclusion of subscription rights of limited liability shareholders by analogous application of section 186 (3) sentence 4 AktG;
  - b) in case of capital increases against non-cash contributions, in particular for the purpose of acquiring enterprises, parts of enterprises, or interests in enterprises;
  - c) to enable E. Merck, Darmstadt, Germany, to exercise its right pursuant to Article 32 (3) of the Articles of Association of the company to participate in a capital increase by issuing shares or freely transferable share subscription rights;
  - d) to enable E. Merck, Darmstadt, Germany, to exercise its right pursuant to Article 33 of the Articles of Association of the company to convert, in full or in part, its equity interest into share capital;
  - e) if and to the extent that this is necessary to grant the holders or creditors of conversion or option rights and/or the holders or creditors of financing instruments carrying conversion or option obligations, which were or are issued by the company or by a domestic or foreign company in which the company directly or indirectly holds the majority of the votes and capital, a subscription right to the extent to which they would be entitled after the exercise of the conversion or option rights or after the performance of a conversion or option obligation;
  - f) in order to exclude fractional amounts from the limited liability shareholders’ subscription right.

<sup>4</sup>The sum of shares issued on the basis of the Authorized Capital 2022 under the exclusion of subscription rights of limited liability shareholders must not exceed a proportional amount of 10% of the Share Capital, taking into account other shares of the company which, during the term of the Authorized Capital 2022, are sold or issued under the exclusion of subscription rights or are to be issued under bonds issued after April 22, 2022 under the exclusion of subscription rights; this limitation shall apply both at the time of this authorization taking effect and at the time of this authorization being exercised.

<sup>5</sup>To the extent that subscription rights are not excluded under the aforementioned provisions, it may also be granted to the limited liability shareholders by way of an indirect subscription right pursuant to section 186 (5) AktG or, in part, by way of a direct subscription right, and otherwise by way of an indirect subscription right pursuant to section 186 (5) AktG.

<sup>6</sup>The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation, in particular the content of the rights attached to the shares and the terms and conditions of the issue of shares. The Supervisory Board is authorized to amend the wording of Article 5 (3) of the Articles of Association to reflect the issue of new shares from the Authorized Capital 2022 and, if the Authorized Capital 2022 has not been utilized or not been utilized in full on or before April 21, 2027, after the expiry of the authorization.

- [4] <sup>1</sup>The Share Capital is contingently increased by up to € 66,406,298.40 (in words: sixty-six million four hundred and six thousand two hundred ninety-eight euros and forty cents), divided into 51,081,768 shares (Contingent Capital I). <sup>2</sup>The contingent capital increase serves to grant exchange rights to E. Merck in accordance with Article 33 to enable the conversion of its Equity Interest. <sup>3</sup>The shares carry dividend rights from the beginning of the fiscal year following the year in which the conversion option is exercised.
- [5] <sup>1</sup>The share capital is contingently increased by up to € 16,801,491.20 (in words: sixteen million, eight hundred and one thousand, four hundred and ninety-one euros and twenty cents), divided into up to 12,924,224 no-par value bearer shares (Contingent Capital II). <sup>2</sup>The increase in contingent capital is only to be implemented insofar as the bearers or creditors of option or conversion rights or the conversion or option obligations on warrant bonds, option participation certificates, option participation bonds, convertible bonds, convertible participation certificates or convertible participation bonds issued against contributions that are issued or guaranteed by the company or a subordinate Group company on the basis of the authorization resolution of the Annual General Meeting of April 28, 2023, to April 27, 2028, utilize their option or conversion rights or, to fulfill their conversion or option obligation insofar as they are obliged to fulfill their conversion or option obligation, or insofar as the company exercises an option, wholly or in part, of granting shares in the company instead of paying the sum of money due and to the extent, that in each case a cash settlement is not granted, or own shares or other forms of fulfillment are used. <sup>3</sup>Each issue of new shares shall take place at the determined option or conversion price, pursuant to the aforementioned authorization resolution. <sup>4</sup>The new shares participate in the profit from the beginning of the fiscal year in which they are created; insofar as this is legally permissible, the Executive Board may, with the approval of the Supervisory Board, stipulate that the new shares also participate in the profit for this and, in deviation from section 60 (2) AktG, also for a past fiscal year. <sup>5</sup>The Executive Board is authorized, with the approval of the Supervisory Board and of E. Merck KG, Darmstadt, Germany, to stipulate the further details of the implementation of the increase in contingent capital.

## Article 6\_Shares

- [1] <sup>1</sup>The Company's shares are no-par value shares. <sup>2</sup>The share with the number one is a registered share; the remaining shares are bearer shares.
- [2] <sup>1</sup>The Executive Board determines the form and content of the share certificates, coupons and renewal coupons. <sup>2</sup>The right of limited liability shareholders to individual certification of his or her shares and any coupons and renewal coupons is excluded, provided certification is not necessary under the rules of a stock market on which the shares are admitted. <sup>3</sup>However, the company is authorized to issue share certificates that embody single shares (individual shares)

or multiple shares (global shares).

- [3] In the event of an increase in the Share Capital, the dividend rights of holders of new shares may be determined deviating from the provisions of Section 60 (2) of the German Stock Corporation Act (*Aktiengesetz – “AktG”*).
- [4] <sup>1</sup>The transfer of the registered share requires the Company’s approval. <sup>2</sup>The approval is granted at E. Merck’s sole discretion.
- [5] <sup>1</sup>The holder of the registered share is entitled and obliged to appoint one-third of the members of the Supervisory Board representing the limited liability shareholders. <sup>2</sup>If the holder of the registered share is a General Partner, he or she has no such right of appointment.

## Section 3. Constitution of the Company

### Article 7\_Executive Bodies

The executive bodies are

- the General Partners,
- the Supervisory Board,
- the General Meeting.

### Subsection 1. General Partners

### Article 8\_General Partner holding an Equity Interest

- [1] E. Merck is the General Partner holding an equity interest, with a contribution that has not been paid in to the Share Capital (hereinafter referred to as the “Equity Interest”) in the nominal amount of € 397,196,314.35 (in words: three hundred and ninety-seven million one hundred ninety-six thousand three hundred and fourteen euros and thirty-five cents).
- [2] <sup>1</sup>On formation of the Company, E. Merck invested a nominal amount (rounded) of € 306,775,128.72 (in words: three hundred and six million seven hundred and seventy-five thousand one hundred and twenty-eight euros and seventy-two cents) as a contribution in kind by transferring its assets as a whole to the Company by way of a spin-off and new formation pursuant to Section 123 (3) no. 2 of the German Reorganization and Transformation Act (*Umwandlungsgesetz – “UmwG”*), in line with the spin-off plan dated July 6, 1995 (doc. number 397/1995 of German notary Dr. Wolfgang Ebner, Darmstadt).
- <sup>2</sup>The transfer of assets does not include the following items from the assets and liabilities of E. Merck as reported in the year-end balance sheet dated December 31, 1994.

#### Assets

- Limited partnership interest in Merck & Cie, Altdorf, Switzerland with a fixed equity interest in the amount of CHF 1,890,000.00 (in words: one million eight hundred and ninety thousand Swiss francs),
- Loans to General Partners including interest receivable amounting to (rounded) € 38,887.10 (in words: thirty-eight thousand eight hundred and eighty-seven euros and ten cents),
- Bank balances totaling (rounded) € 141,465.77 (in words: one hundred and forty-one thousand four hundred and sixty-five euros and seventy-seven cents).

#### Equity and Liabilities

- Miscellaneous partners’ accounts totaling (rounded) € 79,066,427.55 (in words: seventy-nine million sixty-six thousand four hundred and twenty-seven euros and fifty-five cents),
- Liabilities from pension commitments to members of the Executive Board and other General Partners of E. Merck in accordance with the provision (*Rückstellung*) of (rounded) € 14,132,605.08 (in words: fourteen million one hundred and thirty-two thousand six hundred

and five euros and eight cents).

- [3] <sup>1</sup>The total value of the contribution in kind assumed by the Company corresponds to the book value under German commercial law of the assets transferred by E. Merck as of January 1, 1995, 0:00 hours, and totals (rounded) € 418,998,824.82 (in words: four hundred and eighteen million nine hundred and ninety-eight thousand eight hundred and twenty-four euros and eighty-two cents). <sup>2</sup>The amount in excess of the nominal amount of the Share Capital has been recognized in the capital reserves.
- [4] E. Merck grants to the Company a right of first refusal to acquire the remaining limited partnership interest in Merck & Cie in accordance with (2) at the book value under German commercial law of the limited partnership interest.
- [5] E. Merck is excluded from management and representation unless otherwise stipulated in the Articles of Association. E. Merck is not subject to the prohibition on competition pursuant to Section 284 AktG.

### **Article 9\_General Partners not holding an Equity Interest**

- [1] General Partners not holding an equity interest are  
 Dr. Kai Beckmann, Darmstadt, Germany  
 Freifrau Röder von Diersburg, Helene Dorothea Editha, Frankfurt, Germany  
 Belén Garijo Lopez, Frankfurt, Germany  
 Peter Guenter, Frankfurt, Germany  
 Dr. Matthias Heinzl, Weinheim, Germany
- [2] <sup>1</sup>General Partners not holding an equity interest are admitted by E. Merck with the consent of a simple majority of the other General Partners. <sup>2</sup>A person may only be a General Partner not holding an equity interest if he or she is also a General Partner of E. Merck.
- [3] <sup>1</sup>The legal relationship between the Company and the General Partners not holding an equity interest is regulated by separate agreements between the individual General Partners and E. Merck in accordance with these Articles of Association and mandatory statutory provisions. <sup>2</sup>E. Merck represents the Company vis-à-vis the General Partners not holding an equity interest, unless the Supervisory Board is required to legally represent the Company pursuant to Section 287 (2) AktG.
- [4] <sup>1</sup>General Partners not holding an equity interest do not participate in the profits and assets of the Company. <sup>2</sup>E. Merck pays the remuneration of the activities of the General Partners not holding an equity interest, including their pensions and surviving dependants' pensions. <sup>3</sup>The Company bears the miscellaneous costs of the General Partners not holding an equity interest which are incurred in connection with their activities as members of the Executive Board (Article 13).
- [5] General Partners not holding an equity interest are subject to the prohibition on competition pursuant to Section 284 AktG except insofar as they manage the business of E. Merck and except insofar as E. Merck gives its consent for specific types of transactions or specific companies.

### **Article 10\_Withdrawal of the General Partner holding an Equity Interest**

- [1] E. Merck will withdraw as General Partner of the Company  
 a) if E. Merck's Equity Interest has been completely converted into Share Capital by issuing shares pursuant to Article 33 (2) and (3),  
 b) if E. Merck has completely terminated its Equity Interest pursuant to Article 33 (4).



- [2] If the nominal amount of E. Merck's Equity Interest falls below 10% of the Total Capital, E. Merck is obliged to demand the complete conversion of its Equity Interest into Share Capital by issuing shares pursuant to Article 33.
- [3] <sup>1</sup>If E. Merck withdraws as General Partner of the Company for another reason, E. Merck's Equity Interest shall be converted into Share Capital pursuant to Article 33 by issuing shares to E. Merck. <sup>2</sup>In any event E. Merck is only entitled to a cash compensation under the conditions set forth in Article 33 (5).
- [4] <sup>1</sup>If E. Merck withdraws as General Partner of the Company, the Company may demand, by way of a resolution of the Supervisory Board within three months of E. Merck's withdrawal, that E. Merck transfers its noncurrent assets, with the exception of its  
 – its interest in the Company  
 – financial investments financed using capital borrowed from banks to finance an increase in the equity interest in the Company or to purchase shares or subscription rights in the Company to the Company with economic effect as of the time of withdrawal and against payment of the book value under German commercial law of these noncurrent assets at that time. <sup>2</sup>In this event, E. Merck may request that the Company assumes at the same time all the obligations from the agreements concluded between E. Merck and the General Partners not holding an equity interest pursuant to Article 9 (3) and (4), as well as all obligations from Merck's pension commitments to current and former members of the Company's Executive Board and the Board of Management of E. Merck. <sup>3</sup>If the Company does not exercise its right of acquisition in accordance with sentence 1, the right of first refusal pursuant to Article 8 (4) shall not apply.
- [5] <sup>1</sup>If E. Merck withdraws as General Partner of the Company, the Company will be continued by the remaining General Partners and the limited liability shareholders. <sup>2</sup>In this event, the General Meeting may resolve the transformation of the Company into a stock corporation (*Aktiengesellschaft*) by a simple majority of the votes cast. <sup>3</sup>The resolution by the General Meeting requires the approval of the General Partners not holding an equity interest by way of a simple majority vote pursuant to Article 25 (2) sentence 2. <sup>4</sup>A resolution by the General Meeting, which as a result of the withdrawal of E. Merck grants the rights to which E. Merck is entitled pursuant to Articles 9, 11, 12 and 13 to another executive body of the Company in part or in full by amending the Articles of Association, does not require the approval of the General Partners not holding an equity interest.
- [6] In the event of its withdrawal as General Partner, E. Merck may not request to be released from the Company's liabilities or from requirements to provide security; however, the Company guarantees that E. Merck will not be held responsible for the Company's liabilities.

### **Article 11\_Withdrawal of General Partners not holding an Equity Interest**

- [1] <sup>1</sup>A General Partner not holding an equity interest withdraws from the Company when the agreement made with him or her pursuant to Article 9 (3) terminates. <sup>2</sup>Both the General Partner not holding an equity interest and E. Merck can terminate the agreement prematurely for good cause. <sup>3</sup>A termination is considered to be valid until its invalidity is established by law.
- [2] Moreover, a General Partner not holding an equity interest withdraws from the Company in the event of death, bankruptcy proceedings being opened on his or her assets, a court ruling, termination, or an event as defined in Article 10 (5) sentence 2.
- [3] <sup>1</sup>The Company will be continued by the remaining General Partners and the limited liability shareholders. <sup>2</sup>The General Partner not holding an equity interest who has withdrawn from the Company is not entitled to a settlement credit (*Auseinandersetzungsguthaben*). <sup>3</sup>He or she may not demand to be released from the Company's liabilities or from requirements to provide security; however, the Company guarantees that he or she will not be held responsible for the Company's liabilities.

## Article 12\_Representation

- [1] <sup>1</sup>The Company is legally represented by two General Partners not holding an equity interest or by one General Partner not holding an equity interest together with an authorized signatory (*Prokurist*). <sup>2</sup>If there is only one General Partner not holding an equity interest, he or she represents the Company alone.
- [2] E. Merck may grant a General Partner not holding an equity interest the right to represent the Company alone.
- [3] General Partners not holding an equity interest are exempted from the restrictions under Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch – “BGB”*) when representing the Company.

## Article 13\_Executive Board

- [1] <sup>1</sup>The General Partners not holding an equity interest and the persons defined in (2) are responsible for the management of the Company’s business. <sup>2</sup>Together, they form the Company’s Executive Board. <sup>3</sup>If no persons have been appointed to the Executive Board pursuant to (2), the General Partners not holding an equity interest form the Executive Board.
- [2] <sup>1</sup>At the proposal of E. Merck and with the approval of all General Partners not holding an equity interest, further persons may be appointed to the Executive Board as members pursuant to (1). <sup>2</sup>The legal relationship between the Company and these persons will be regulated by a separate agreement. <sup>3</sup>These persons shall retire from the Executive Board when this agreement expires.
- [3] <sup>1</sup>At the proposal of the Chairman of the Executive Board, E. Merck issues rules of procedure for the Executive Board and assigns responsibilities for the Company’s business among the members of the Executive Board. <sup>2</sup>Executive Board decisions are taken by simple majority of the votes cast. <sup>3</sup>The Chairman has the casting vote in the event of a parity of votes.
- [4] <sup>1</sup>The Executive Board requires the approval of E. Merck for transactions that are beyond the scope of the Company’s ordinary business activities.  
<sup>2</sup>Section 164 sentence 1 half-sentence 2 of the German Commercial Code (*Handelsgesetzbuch – “HGB”*) and Section 111 (4) sentence 2 AktG do not apply to the management of the business. The right of approval with regard to management measures within the meaning of Sections 111b (1), 111a (1) AktG is vested in the Supervisory Board of the Company. If the Supervisory Board refuses to give its consent in accordance with sentence 3, the Executive Board may demand that the Annual General Meeting resolve on such consent. The related parties involved in the transaction may not exercise their voting rights in the resolution of the General Stockholders’ Meeting pursuant to sentence 4 either for themselves or for another person.

### Subsection 2. Supervisory Board

## Article 14\_Tasks

- [1] The Supervisory Board fulfills the obligations stipulated by law and the Articles of Association.
- [2] In addition to the supervisory obligations under Section 171 AktG, the Supervisory Board shall examine the auditors’ report presented to it pursuant to Article 27 (2) and report on its findings to the Annual General Meeting in writing.
- [3] The Supervisory Board is authorized to resolve on purely formal amendments of these Articles of Association.

## Article 15\_ Composition and Term of Office

- [1] <sup>1</sup>The composition of the Supervisory Board reflects the statutory provisions and the provisions of these Articles of Association.
- [2] <sup>1</sup>The members of the Supervisory Board are appointed for the period ending with the conclusion of the Annual General Meeting resolving on the approval of their acts for the fourth fiscal year following the beginning of their term of office, if the Annual General Meeting does not stipulate a shorter term of office when electing the members of the Supervisory Board. <sup>2</sup>The fiscal year in which their term of office begins is not included. <sup>3</sup>Members appointed to succeed a Supervisory Board member retiring prior to the end of his or her term of office are appointed for the remaining term of the retired Supervisory Board member.
- [3] <sup>1</sup>When a Supervisory Board member is appointed a replacement member may be appointed at the same time; the latter then succeeds to the Supervisory Board if the Supervisory Board member concerned retires prior to the end of his or her term of office without a successor having been appointed. <sup>2</sup>The term of office of a replacement member representing the limited liability shareholders who has joined the Supervisory Board expires as soon as a successor is appointed for the retired Supervisory Board member, and at the latest at the end of the remaining term of the retired Supervisory Board member.
- [4] The members and the replacement members of the Supervisory Board may resign from office subject to a notice period of two weeks by submitting a written declaration to the Chairman of the Supervisory Board or to the Executive Board.

## Article 16\_ Chairman and Vice Chairman

- [1] <sup>1</sup>The Supervisory Board elects a Chairman and a Vice Chairman from among its members pursuant to Section 27 (1) and (2) MitbestG. <sup>2</sup>The term of office of the Chairman and the Vice Chairman corresponds with their term of office as members of the Supervisory Board, insofar as no shorter term of office is specified at their election. <sup>3</sup>The election takes place immediately following the Annual General Meeting at which the Supervisory Board members to be elected by the Annual General Meeting have been appointed, in a meeting that does not have to be specially convened.
- [2] If the Chairman or Vice Chairman retires from office prior to the end of his or her term, the Supervisory Board must hold an election to replace the retired member for the remainder of his or her term of office without delay.

## Article 17\_ Convening

- [1] <sup>1</sup>The meetings of the Supervisory Board are convened in writing by the Chairman, giving 14 days' notice, whenever so required by law or the Company's business; they must be convened if the General Partners not holding an equity interest request this in writing. <sup>2</sup>When calculating the period of notice required, the day on which the invitation is sent and the day of the meeting itself are not included. <sup>3</sup>In urgent cases, the Chairman may reduce the period of notice and convene the meeting verbally, by telephone, or by telex, telegram, or fax.
- [2] The agenda must be announced together with the invitation.
- [3] The Chairman may cancel or postpone a meeting that has been convened for important reasons.

## Article 18\_Resolutions

- [1] <sup>1</sup>As a rule, resolutions of the Supervisory Board are passed at meetings. <sup>2</sup>The Chairman stipulates the order of the agenda items as well as the type of voting procedures to be used and the order in which items will be voted on. <sup>3</sup>Resolutions on agenda items that were not announced in the invitation are only permitted if no member of the Supervisory Board objects. <sup>4</sup>Absent Supervisory Board members must be given the opportunity to submit an objection after the event within a reasonable period of time to be stipulated by the Chairman; the resolution shall only take effect if no absent Supervisory Board member objects to the resolution within this period.
- [2] <sup>1</sup>Outside the meetings, resolutions are permitted by way of votes cast in writing, by telegram, telex, or fax, or by telecommunication, if no member objects to this procedure within a reasonable period of time to be stipulated by the Chairman. <sup>2</sup>Such decisions are documented by the Chairman in writing and are conveyed to all members.
- [3] The Supervisory Board is quorate if at least half of its members as required by law and the Articles of Association take part in the resolution; only three Supervisory Board members are required to take part in resolutions by the first Supervisory Board, in contrast to Section 31 (2) AktG.
- [4] <sup>1</sup>The Chairman may postpone a resolution on individual or all items on the agenda at the request of two Supervisory Board members for a maximum of four weeks if an unequal number of shareholder and employee representatives take part in the meeting or if there is another important reason for the postponement. <sup>2</sup>The Chairman is not authorized to postpone the resolution again.
- [5] <sup>1</sup>Resolutions by the Supervisory Board require a majority of the votes cast, unless another majority is required by law or the Articles of Association. <sup>2</sup>If a vote results in a parity of votes, each member is entitled to request a second vote on the same issue. <sup>3</sup>If this second vote also results in a parity of votes, the Chairman of the Supervisory Board has two votes. <sup>4</sup>The second vote may also be cast in writing in accordance with (2) sentence 1.
- [6] The Chairman is authorized to submit declarations of intent on behalf of the Supervisory Board which are required for the implementation of resolutions by the Supervisory Board and its committees.

## Article 19\_Confidentiality Obligation

- [1] The members of the Supervisory Board shall not disclose confidential information and Company secrets, especially Company secrets and business secrets that have been become known to them in the course of their activities for the Supervisory Board – even after their retirement from office.
- [2] If a member of the Supervisory Board wishes to pass information on to third parties and it is not absolutely certain that the information is not confidential or that it does not relate to Company secrets, he or she must inform the Chairman of this in advance and give the latter the opportunity to express an opinion.

## Article 20\_Compensation

- [1] <sup>1</sup>In addition to being reimbursed for their expenses, the members of the Supervisory Board receive fixed compensation of € 47,000.00 (in words: forty-seven thousand euros), payable every year following the end of the fiscal year. <sup>2</sup>The Chairman receives double this amount and the Vice Chairman receives one and a half times this amount.
- [2] For membership of the Audit Committee, the members of the Supervisory Board shall receive, in addition to their basic remuneration, an annual remuneration of 15,000.00 euros (in words: fifteen thousand euros) and the 8th Chairman of the Audit Committee shall receive, in addition to his basic remuneration, an annual remuneration of 30,000.00 euros (in words: thirty thousand euros).
- [3] <sup>1</sup>The members of the Supervisory Board also receive € 750.00 (in words: seven hundred and fifty euros) in meeting fees for each Supervisory Board meeting that they attend. <sup>2</sup>If multiple meetings are held on one day, the meeting fee will only be paid once for that day.
- [4] Supervisory Board members who have been members of the Supervisory Board or the Audit Committee for only part of the fiscal year shall receive a correspondingly lower remuneration.
- [5] The Company reimburses the value added tax levied on the compensation.

### Subsection 3. General Meeting

## Article 21\_Convening Meetings

- [1] The General Meeting takes place in the city where the Company has its registered office or at the domicile of a German stock exchange.
- [2] <sup>1</sup>The General Meeting is convened by the Executive Board. <sup>2</sup>The General Meeting must be convened at least 30 days prior to the date by which the shareholders are required to register to attend the Meeting pursuant to Article 22 para 1 of the Articles of Association. <sup>3</sup>The day on which the meeting is called and the day of the Annual General Meeting are not to be included in this calculation.
- [3] <sup>1</sup>The Annual General Meeting shall be held within the first eight months of the fiscal year. <sup>2</sup>The annual financial statements, the management report, the report of the Supervisory Board and the proposal on the appropriation of net retained profit must be submitted to the Annual General Meeting and discussed during the Annual General Meeting. <sup>3</sup>In particular, the Annual General Meeting resolves on:
1. the adoption of the annual financial statements,
  2. the appropriation of net retained profit,
  3. the approval of the acts of the members of the Executive Board and the Supervisory Board,
  4. the appointment of the auditor of the annual accounts.
- [4] <sup>1</sup>The Executive Board should convene an Extraordinary General Meeting without delay, taking into account the state of, and developments on, the capital market if E. Merck exercises the right to which it is entitled pursuant to Article 32 (2) sentence 1 to increase its Equity Interest (Article 8 (1)) unless the Executive Board resolves, with the approval of the Supervisory Board, to issue new shares from Authorized Capital. <sup>2</sup>The Executive Board must present a proposal for resolution to this General Meeting to increase the Share Capital against contributions in the same proportion and subject to the same terms and conditions, and in particular at the same issuing amount, as the increase in Equity Interest. <sup>3</sup>If an Extraordinary General Meeting cannot be convened in view of market developments, the Executive Board must present a proposal in accordance with sentence 2 to the Annual General Meeting following the increase in the Equity Interest.
- [5] <sup>1</sup>The Executive Board is authorized to stipulate that Annual General Meetings that take place within two years of the entry of this provision in the Articles of Association in the commercial

register will be held without the physical presence of the shareholders or their proxies at the location of the Annual General Meeting (virtual Annual General Meeting). <sup>2</sup>At the virtual Annual General Meeting, all provisions of these Articles of Association for the Annual General Meetings are used as long as the law does not obligatorily stipulate otherwise or something else is not expressly stipulated in these Articles of Association.

- [6] In the case of the virtual Annual General Meeting, members of the Supervisory Board are permitted to participate in the Annual General Meeting by means of audio and video transmission.

## **Article 22\_Right of Participation and Voting Rights**

- [1] <sup>1</sup>Only those shareholders who have registered with the company to attend at least six days prior to the date of the General Meeting are entitled to participate in the General Meeting and to exercise voting rights. <sup>2</sup>The notice of the General Meeting can specify a shorter deadline measured in days. <sup>3</sup>The registration to attend must be submitted in text form (Section 126b German Civil Code), either in German or English. <sup>4</sup>The day of the registration and the day of the Annual General Meeting are not to be included in this calculation.
- [2] <sup>1</sup>In addition, shareholders must prove their eligibility to participate in the General Meeting and to exercise their voting rights. <sup>2</sup>Written evidence of their shareholding in either German or English from the custodial bank or financial institution must be provided for this purpose. <sup>3</sup>This evidence must relate to the start of the 21st day prior to the General Meeting and must be received by the Company at the address specified in the invitation at least six days prior to the Meeting.
- [3] Each share grants the holder one vote at the General Meeting.
- [4] <sup>1</sup>Voting rights can be exercised by proxies with power of attorney. <sup>2</sup>Powers of attorney must be granted in text form or by electronic means to be determined by the Company in detail. <sup>3</sup>The same applies to the revocation of power of attorney as well as to providing evidence of power of attorney to the company. <sup>4</sup>The Executive Board is authorized to specify in the notice of the Annual General Meeting ways to facilitate the revocation of power of attorney. <sup>5</sup>The details of how to issue powers of attorney electronically will be announced in the publications in which the Company's announcements are published together with the invitation to the General Meeting; Section 135 of the German Stock Corporation Act remains unaffected. <sup>6</sup>If a shareholder authorizes more than one person, the company may reject one or more of them.
- [5] <sup>1</sup>Insofar as General Partners hold shares, they cannot exercise the voting rights deriving from their shares in the election and dismissal of the Supervisory Board, the approval of the actions of the Executive Board members and the Supervisory Board members, the choice of the auditor, the appointment of special auditors and the resolution on compensation. <sup>2</sup>In addition, their voting rights cannot be exercised by someone else and they themselves cannot exercise voting rights on behalf of someone else.
- [6] As long as share certificates are not issued, the Executive Board shall determine the conditions under which the limited liability shareholders may exercise their rights to propose motions and their voting rights in the invitation to the General Meeting.

## **Article 23\_Chairman**

- [1] <sup>1</sup>The General Meeting is chaired by the Chairman of the Supervisory Board or another Supervisory Board member representing the limited liability shareholders nominated by the Chairman. <sup>2</sup> In the event that neither the Chairman of the Supervisory Board nor a member of the Supervisory Board nominated by the Chairman chairs the meeting, the Chair will be selected by the General Meeting, which will be chaired for this purpose by the oldest member in years of the Executive Board present.
- [2] <sup>1</sup>The Chairman presides over the meeting. <sup>2</sup>He determines the order in which to discuss the items on the agenda, as well as the type of voting procedures to be used and the order in which agenda items are voted on. <sup>3</sup>He may suitably limit the amount of time available to shareholders

to exercise the right to ask questions and speak. <sup>4</sup>He may also permit the recording and broadcasting of the General Meeting via electronic media, insofar as this is permitted by law.

- [3] In the case of elections to the Supervisory Board, the Chairman is entitled to allow the election of several Supervisory Board members to be voted on together.

#### **Article 24\_Resolutions**

- [1] The resolutions of the General Meeting are, notwithstanding any statutory provisions to the contrary, adopted by a simple majority of the votes cast and, where the law requires a capital majority in addition to the voting majority, by a simple majority of the Share Capital represented in the vote.
- [2] <sup>1</sup>The resolutions of the General Meeting are implemented by the Executive Board. <sup>2</sup>The representation of the limited liability shareholders by the Supervisory Board in line with Section 287 (2) AktG remains unaffected by this.

#### **Article 25\_Agreement of the General Partners**

- [1] With the exception of the measures listed in Section 285 (2) sentence 2 AktG, the resolutions of the General Meeting require the agreement of the General Partners.
- [2] <sup>1</sup>Agreement or rejection is expressed collectively for all General Partners. <sup>2</sup>For this purpose, the General Partners shall pass a resolution outside the General Meeting on the agreement by way of a simple majority of all General Partners. <sup>3</sup>The declaration of agreement or rejection is made by E. Merck or, if E. Merck has withdrawn as a General Partner, by the Chairman or the Vice Chairman of the Executive Board, or, if a Chairman or Vice Chairman has not been appointed, by the oldest member in years of the Executive Board.

### **Section 4. Share in E. Merck's Net Profit/Loss**

#### **Article 26\_Share in Net Profit/Loss**

- [1] <sup>1</sup>In view of E. Merck's remaining interest in Merck & Cie pursuant to Article 8 (2), E. Merck is obliged to share the net profit/loss (*Ergebnis*) calculated pursuant to Article 27, which E. Merck generates outside of its equity investment in the Company, with the Company in the proportion stipulated in Article 28. <sup>2</sup>Pursuant to Article 30 (2), the Company's share of E. Merck's net profit/loss is allocated exclusively to the limited liability shareholders during the allocation of the Company's profit to E. Merck and the limited liability shareholders.
- [2] The share in the net profit/loss of E. Merck does not extend to E. Merck's income from the sale of all or part of shares in the Company (Equity Interest or shares), nor to any cash settlement to which E. Merck is entitled pursuant to Article 33 (5).
- [3] <sup>1</sup>The share in the net profit of E. Merck applies for the first time to the net profit for fiscal year 1995. <sup>2</sup>It ends when E. Merck withdraws as General Partner and applies for the last time to the full fiscal year in which or at the end of which E. Merck withdraws from the Company as General Partner.

#### **Article 27\_Net Profit/Loss of E. Merck**

- [1] The net income (*Jahresüberschuss*)/net loss (*Jahresfehlbetrag*) for the period reported in E. Merck's income statement (Section 275 (2) No. 17 or Section 275 (3) No. 16 of the German Commercial Code ("HGB") represents E. Merck's authoritative net profit/loss for the purpose of the Company's share in the net profit/loss

- after the deduction of the income reported under income from investments (*Erträge aus Beteiligungen*) (Section 275 (2) No. 9 or Section 275 (3) No. 8 HGB) from E. Merck's interest in the Company,
- after the addition of interest and similar expenses for capital borrowed from banks to finance an increase in the equity interest in the Company or to purchase shares or subscription rights in the Company (Section 275 (2) No. 13 or Section 275 (3) No. 12 HGB),
- after the deduction of any types of income (including income from disposals) from the investment of capital borrowed from banks to finance an increase in the equity interest in the Company or to purchase shares or subscription rights in the Company (Section 275 (2) Nos. 4, 10, 11 or Section 275 (3) Nos. 6, 9, 10 HGB),
- modified by including trade earnings tax (*Gewerbeertragsteuer*) (Section 275 (2) No. 14 or Section 275 (3) No. 13 HGB),
- after the deduction of possible losses resulting from past losses of E. Merck calculated in accordance with (1) which have been carried forward for the purpose of the profit/loss participation and not yet been eliminated against the net profit determined in accordance with (1).

[2] <sup>1</sup>E. Merck's income statement must be prepared pursuant to the provisions of German commercial law according to which E. Merck is governed. <sup>2</sup>The income statement for E. Merck audited by the latter's auditor and issued with an unqualified audit opinion forms the basis of the calculation of the Company's share in the net profit/loss. <sup>3</sup>The Company's auditor must examine the calculation of the share in the net profit/loss and provide the Supervisory Board with a report of his examination.

#### **Article 28\_The Company's Share in Net Profit/Loss**

<sup>1</sup>The Company's share in E. Merck's net profit/loss calculated pursuant to Article 27 is determined on the basis of the ratio of the Share Capital (Article 5 (1)) to the Company's Total Capital (Article 4 (1)). <sup>2</sup>Insofar as limited partnership shares or a portion of E. Merck's Equity Interest only carry dividend rights for part of a fiscal year in accordance with the resolutions passed under Article 32, the nominal amounts of capital concerned must be taken into account for the relevant period only when calculating the ratio of Share Capital to Total Capital.

### **Section 5. Annual Financial Statements, Allocation and Appropriation of Profit**

#### **Article 29\_Annual Financial Statements**

- [1] <sup>1</sup>The Executive Board must prepare the annual financial statements and the management report for the past fiscal year and submit them to the auditor in the first three months of the fiscal year. <sup>2</sup>The share in E. Merck's net profit pursuant to Article 26 (1) must be accounted for in the Company's income statement as income (in the event of a profit) or as an expense (in the event of a loss).
- [2] <sup>1</sup>Upon receipt of the auditors' report, the annual financial statements, the management report, the auditors' report and the proposal for the appropriation of net retained profit must be submitted to the Supervisory Board for its review. <sup>2</sup>Following the receipt of the Supervisory Board's report, the Executive Board must convene the Annual General Meeting.
- [3] The annual financial statements are adopted by the Annual General Meeting with the approval of the General Partners.



## Article 30\_Allocation of Profit

[1] <sup>1</sup>The basis for the allocation of the Company's profit between E. Merck and the limited liability shareholders is the net income/net loss for the period reported in the Company's income statement (Section 275 (2) No. 17 or Section 275 (3) No. 16 HGB)

- excluding the share of profit attributable to the Equity Interest of E. Merck pursuant to (2) as expense or income,
- excluding the income or expense from the Company's share in E. Merck's net profit or net loss (Article 26 (1)),
- adjusted for corporation tax (*Körperschaftsteuer*) and wealth tax (*Vermögenssteuer*) payable by the Company.

<sup>2</sup>If, due to the receipt of dividends from an equity investment in a foreign company, foreign corporation tax owed by this company is refunded by foreign or German fiscal authorities, the Company is entitled to the amount refunded as income from its equity investment in the foreign company. <sup>3</sup>In addition, in the event that corporation tax paid by the investee is reimbursed in addition to the dividends from an equity investment, the Company is entitled to the amount reimbursed.

[2] <sup>1</sup>The profit calculated pursuant to (1) is allocated between E. Merck and the limited liability shareholders in line with the ratio of the Equity Interest (Article 8 (1)) to the Share Capital (Article 5 (1)). <sup>2</sup>Insofar as limited partnership shares or a portion of E. Merck's Equity Interest carry dividend rights for only part of a fiscal year in accordance with the resolutions passed under Article 32, the nominal amounts of capital concerned must be taken into account for the relevant period only when calculating the ratio of Share Capital to Total Capital. <sup>3</sup>The limited liability shareholders' share in the Company's profit or loss resulting from the allocation is increased or decreased by the Company's share in E. Merck's net profit or net loss (Article 26 (1)).

[3] <sup>1</sup>The appropriable limited liability shareholders' share of the profit results from the deduction of the Company's corporation tax and wealth tax expense from the share of the profit attributable to the limited liability shareholders pursuant to (2). <sup>2</sup>The wealth tax on E. Merck's Equity Interest and the income tax (*Einkommensteuer*) on E. Merck's share of the profit are not Company expenses but must be borne by E. Merck directly.

## Article 31\_Appropriation of Profit

[1] With the approval of E. Merck, the Executive Board can, when preparing the annual financial statements, allocate up to half of the net profit (*Jahresüberschuss*) (appropriable limited liability shareholders' share of the profit (*Ergebnisanteil*) pursuant to Article 30 (3) sentence 1) and a corresponding partial amount from E. Merck's share of the profit (Article 30 (2) sentence 1) to other retained earnings (*andere Gewinnrücklagen*) so that the allocation to retained earnings (*Gewinnrücklagen*) reduces the limited liability shareholders' and E. Merck's shares of the profit in line with the ratio of the Share Capital (Article 5 (1)) to the Equity Interest (Article 8 (1)).

[2] <sup>1</sup>With the approval of E. Merck, the Executive Board may withdraw sums from the other retained earnings when it is preparing the annual financial statements. <sup>2</sup>The withdrawal must be made in accordance with the ratio between the Share Capital (Article 5 (1)) and the Equity Interest (Article 8 (1)) in favor of the limited liability shareholders' and E. Merck's shares of the profit.

[3] <sup>1</sup>With the approval of E. Merck, the General Meeting can in its resolution on the appropriation of net retained profit allocate additional amounts to other retained earnings or carry them forward as profit; otherwise, net retained profit is distributed to the limited liability shareholders. <sup>2</sup>Insofar as the General Meeting resolves to allocate net retained profit to the other retained earnings or to carry them forward as profit, an additional partial amount in accordance with (1)

must be allocated from E. Merck's share of the profit (Article 30 (2) sentence 1) to the other retained earnings or carried forward as profit; otherwise; E. Merck may withdraw the share of the profit attributable to its Equity Interest.

- [4] <sup>1</sup>If the share of the net profit of E. Merck calculated pursuant to Article 30 (2) sentence 1 is negative and is not offset by a withdrawal from retained earnings in accordance with (2) or by profit brought forward, it is reported as a loss carryforward (*Verlustvortrag*) from E. Merck without any change in the nominal amount of the Equity Interest. <sup>2</sup>Loss carryforwards must be offset against positive shares in the net profit in the following years.

## Section 6. Increase and Conversion of the Equity Interest

### Article 32\_Increase of the Equity Interest

- [1] <sup>1</sup>In the event that the Share Capital is increased against contributions, E. Merck is entitled, without the approval of the General Meeting, either to increase its Equity Interest (Article 8 (1)) in the same proportion and at the same conditions, in particular at the same issuing price, or to participate in the increase in Share Capital against contributions in accordance with the provisions of (3) up to the amount of the Equity Interest calculable according to this. <sup>2</sup>E. Merck can exercise its right under sentence 1 in whole or in part. <sup>3</sup>In particular, E. Merck is entitled to partially increase its Equity Interest and to partially participate in the increase in Share Capital against contributions in accordance with (3) up to the amount applicable under sentence 1. <sup>4</sup>In each case, E. Merck must exercise its right in accordance with the provisions of sentences 1 to 3

- within one month of the resolution of the General Meeting on a capital increase against contributions,
- within one month of the notification of the issue of new shares in the event of a contingent capital increase,
- or no later than one month after a resolution by the Executive Board and the Supervisory Board concerning the utilization of Authorized Capital.

- [2] <sup>1</sup>Notwithstanding an increase in the Share Capital against contributions, E. Merck is entitled, with the approval of the General Partners not holding an equity interest, to increase its Equity Interest via an appropriate premium, without the approval of the General Meeting being required for these measures. <sup>2</sup>The premium is appropriate if it does not exceed or fall below the average share price for the last 20 exchange trading days by more than 10%. <sup>3</sup>The nominal amount applicable for the increase in the Equity Interest must not exceed 50% of the nominal amount stipulated in Article 8 (1) in each case. <sup>4</sup>In the event that E. Merck exercises its right under sentence 1, the General Meeting that must be convened under Article 21 (4) is entitled, without the approval of the General Partners, to wholly or partly offset a reduction in the ratio of Share Capital (Article 5 (1)) to Total Capital (Article 4 (1)), by increasing the Share Capital in the same proportion and at the same conditions, in particular at the same issuing price; instead of based on a resolution by the General Meeting pursuant to Article 21 (4), to increase the Share Capital new shares can also be issued from Authorized Capital.

- [3] <sup>1</sup>In the event that E. Merck exercises its right under (1) to participate in the increase in the Share Capital against contributions, the equity investment by way of a capital increase will be implemented by issuing bearer shares for E. Merck or freely transferable share subscription rights. <sup>2</sup>The number of shares or share subscription rights to be issued corresponds to the nominal amount to be used to increase the Equity Interest in accordance with (1) sentence 1 in each case, multiplied by the total number of shares to be issued and divided by the Share Capital composed of shares. <sup>3</sup>The new shares are either issued from Authorized Capital with the exclusion of subscription rights or on the basis of a resolution by the General Meeting to increase the Share Capital, in which case the limited liability shareholders' subscription rights must be excluded. <sup>4</sup>A premium paid by E. Merck when its Equity Interest is increased pursuant to (1) or on the occasion of its participation in the increase in Share Capital against contributions in

accordance with (1) will be transferred to the capital reserves, as will the premium generated from the issue of new shares to the limited liability shareholders.

### Article 33\_Conversion of the Equity Interest

- [1] <sup>1</sup>E. Merck can demand that its Equity Interest is converted in whole or in part to Share Capital via the issue of shares. <sup>2</sup>The demand for a partial conversion must relate to a nominal amount of the Equity Interest of at least € 10,000,000 (in words: ten million euros). <sup>3</sup>The conversion option can first be exercised on December 31, 1999.
- [2] <sup>1</sup>The conversion option must be exercised in writing to the other General Partners and the Supervisory Board. <sup>2</sup>The conversion takes economic effect at the beginning of the fiscal year following receipt of the exercise of the conversion option. <sup>3</sup>In accordance with this, the share in net profit relating to the converted Equity Interest applies for the last time for the fiscal year in which the conversion option was exercised; the shares granted as a result of the conversion carry dividend rights for the first time in the fiscal year following the exercise of the conversion option.
- [3] <sup>1</sup>The conversion is performed by way of a capital increase via the issue of bearer shares. <sup>2</sup>The number of shares to be issued corresponds to the nominal amount of the converted Equity Interest or portion of Equity Interest in each case, multiplied by the total number of shares issued and divided by the Share Capital composed of shares. <sup>3</sup>The new shares are either issued from existing contingent capital created for this purpose, or from Authorized Capital or on the basis of a resolution by the General Meeting to increase the Share Capital. <sup>4</sup>The resolution to increase the capital must be passed at the latest at the annual General Meeting in the fiscal year following exercise of the conversion option.
- [4] <sup>1</sup>Insofar as the Company does not issue the number of shares to E. Merck corresponding to the conversion option in accordance with (2) and (3) within eight months of the beginning of the fiscal year following exercise of the conversion option, E. Merck can terminate the Equity Interest without notice with effect from the end of the fiscal year following exercise of the conversion option. <sup>2</sup>E. Merck withdraws as General Partner of the Company as of the date on which its termination takes effect. <sup>3</sup>The termination can be restricted to the portion of the Equity Interest that was referred to in the conversion option. <sup>4</sup>In this case, E. Merck remains General Partner with the reduced Equity Interest.
- [5] <sup>1</sup>In the event of termination in accordance with (4), the Equity Interest or portion of Equity Interest terminated is settled in cash. <sup>2</sup>The settlement amount is calculated using the listed price of the shares on the Frankfurt Stock Exchange on the last exchange trading day before the conversion option was exercised, multiplied by the nominal amount of the Equity Interest terminated, multiplied by the total number of shares issued and divided by the Share Capital composed of shares. <sup>3</sup>The cash settlement is payable eight months after the withdrawal of E. Merck and bears interest at 2% p.a. in excess of the base rate in each case for the period from withdrawal until maturity. <sup>4</sup>After the end of the transfer period on December 31, 2001, the base rate will be replaced by the interest rate provided for by law.
- [6] <sup>1</sup>Subject to the conditions mentioned in (4), instead of terminating the portion of the Equity Interest referred to in the conversion option, E. Merck is entitled to assign its interest without adhering to a termination period. <sup>2</sup>The transfer does not require the approval of the General Meeting, the Supervisory Board, or the other General Partners. <sup>3</sup>The acquirer assumes E. Merck's legal status proportionately; however, this excludes the particular rights assigned to E. Merck under Article 6 (4), Article 8 (5) sentence 2, Article 9, Article 11, Article 12 and Article 13. <sup>4</sup>The acquirer withdraws from the Company, without the requirement for termination, at the end of the fiscal year following the assignment subject to the payment of a cash settlement to the acquirer in accordance with (5).

## Section 7. Concluding Provisions

### Article 34\_Liquidation

- [1] In the event of the liquidation of the Company, the latter will be wound up by the General Partners not holding an equity interest.
- [2] The Company's assets remaining after the deduction of liabilities will be divided between E. Merck and the limited liability shareholders in line with the ratio of the nominal amounts of the Equity Interest to the shares.

### Article 35\_Interest in Assets

- [1] <sup>1</sup>With regard to E. Merck's remaining interest in Merck & Cie pursuant to Article 8 (2), E. Merck is obliged in the event of the liquidation of the Company to grant the Company a share of the assets calculated under (2) that E. Merck owns in addition to
- its interest in the Company,
  - capital borrowed from banks to finance an increase in the equity interest in the Company or to purchase shares or subscription rights in the Company and
  - financial investments/receivables and other assets/marketable securities/cash-in-hand and balances with the Bundesbank, cash in banks, and cheques acquired using capital borrowed from banks to finance an increase in the equity interest in the Company or to purchase shares or subscription rights in the Company

by making a settlement payment in line with the share calculated in accordance with (3).

<sup>2</sup>The settlement payment will be allocated exclusively to the limited liability shareholders in the course of the allocation of the Company's assets to E. Merck and the limited liability shareholders pursuant to Article 34 (2).

- [2] <sup>1</sup>The value of the assets that E. Merck owns in addition to its interest in the Company must be calculated at the time of the Company's liquidation as if E. Merck was being liquidated at the same time. <sup>2</sup>Insofar as the partners of E. Merck have made the contributions to E. Merck's equity following the transfer of assets pursuant to Article 8 (2), such assets shall be excluded from the valuation under sentence 1.
- [3] The Company's share in E. Merck's assets as calculated under (2) is determined using the percentage corresponding to the ratio of Share Capital (Article 5 (1)) to the Company's Total Capital (Article 4 (1)) at the time of liquidation.

### Article 36\_Severability Clause

<sup>1</sup>If a provision of these Articles of Association is wholly or partially invalid or subsequently becomes invalid, or if an omission is discovered in these Articles of Association, this shall not affect the validity of the remaining provisions. <sup>2</sup>Instead of the invalid provision, or the omission to be eliminated, an appropriate provision shall apply, which approximates as closely to the aim and purpose of these Articles of Association as is permitted by law. <sup>3</sup>If the invalidity of a provision is due to a measure of performance or time (notice period or deadline) therein, the legally permitted measure most closely approximating to the provision shall replace the provision originally agreed on.

### Article 37\_Formation Expenses

The formation expenses pursuant to Section 26 (2) AktG amount to € 4,595,014.78 (rounded) (in words: four million five hundred and ninety-five thousand and fourteen euros and seventy-eight cents).