

Share Performance Plan 2012

To further bind executives to Evotec AG and its affiliated companies in Germany and abroad through variable components of compensation with a long-term incentive and share-based risk elements, an opportunity is to be created to issue subscription rights to Evotec AG shares to members of the Management Board of Evotec AG, to members of the executive bodies of affiliated companies in Germany and abroad, and to selected executives of Evotec AG and affiliated companies in Germany and abroad.

The concrete design of Share Performance Plan 2012 ("**SPP 2012**") proposed in the resolution leans on the concept of a Performance Share Programme. It is characterized by the fact that participating executives are entitled to a variable remuneration in shares, when attaining a demanding target. In contrast to a common stock option programme, when attaining a target, shares are not issued in an amount that at least corresponds to the market rate of the company stock at the time of granting the subscription rights, but at the respectively lowest issue amount of currently 1.00 Euro. The essential reason for this lies in the fact that in a Performance Share Programme, the value of the respective stock takes the place of cash compensation, so that stocks ideally should be issued without counter performance. A special economic advantage, compared to a common stock option programme, does not result for the participants as at the time the subscription rights are granted, and therefore at the outset, it is taken into consideration that the participants receive the total value of the shares (minus the respectively lowest issue amount of currently 1,00 Euro), and not only, as in regular stock option plans, the difference between the market rate when granting subscription rights and the market rate at issue of the shares. The determination of an issue amount of currently 1,00 Euro is from a corporate law perspective imperative, as the issue of new shares under the respective pro-rata amount of the share capital is not permitted.

The Management and Supervisory Boards therefore propose to make the following resolution:

a) Authorisation to issue stock options with subscription rights to Evotec AG shares

The Management Board, with agreement from the Supervisory Board, is authorised until 13 June 2017 ("**Authorisation Period**") to issue a stock option programme for members of the Management Board of Evotec AG, members of the executive bodies of affiliated companies in Germany and abroad, and for selected executives of Evotec AG and affiliated companies in Germany and abroad ("**Beneficiaries**"), in the form of a Share Performance Plan, and to grant, once or repeatedly, subscription rights in the form of "**Share Performance Awards**" to up to 4.000.000 bearer shares with no nominal amount (no-par-value shares) of the company, with a calculated share in the share capital of up to €4 million, with a runtime of up to five years. A Share Performance Award grants up to two subscription rights to company shares, which in turn entitle to the subscription of one company share. If Share Performance Awards are forfeited, based on the retirement of Beneficiaries from Evotec AG or an affiliated company, or based on the divestiture of an affiliated company from the Evotec Group within the authorisation period, a respective amount of Share Performance Awards can be additionally issued. For the issue of stock options to members of the Management Board of Evotec AG, this authorisation solely applies to the Supervisory Board. A subscription right for shareholders of the company does not exist. The fulfilment of exercised subscription rights can occur by choice of the company either through making use of the contingent capital proposed for resolution under letter b) below, or through treasury shares of the company. The granting of subscription rights for the purchase of company shares,

and the issue of these shares shall occur in accordance with the following provisions.:

(1) Beneficiaries and distribution

The circle of Beneficiaries includes members of the Management Board of the company ("**Group 1**"), members of the executive bodies of affiliated companies, in Germany and abroad ("**Group 2**"), and selected executives of the company and affiliated companies in Germany and abroad ("**Group 3**").

The total volume of subscription rights is distributed to the individual Groups of Beneficiaries as follows:

- Beneficiaries of Group 1 together receive maximum 50% of the Share Performance Awards and the resulting subscription rights;
- Beneficiaries of Group 2 together receive maximum 10% of the Share Performance Awards and the resulting subscription rights; and
- Beneficiaries of Group 3 together receive maximum 40% of the Share Performance Awards and the resulting subscription rights.

Should the Beneficiaries belong to several Groups, they will receive Share Performance Awards exclusively based on their affiliation with one Group.

(2) Issuing periods (acquisition periods)

Share Performance Awards may be issued within the Authorisation Period in annual tranches. The individual tranches of Share Performance Awards may be offered for purchase to Beneficiaries always within the time period of 16 weeks after the General Meeting of the company. In the first year (2012) an issue of Share Performance Awards may occur in the time period from the end of the General Meeting until the completion of 16 weeks after entry of the contingent capital in the Commercial Register.

(3) Waiting period and term of the subscription rights

Share Performance Awards may be exercised for the first time after expiry of the waiting period. The "**Waiting Period**" for a tranche of Share Performance Awards always starts with the determined issue date, and ends with the expiry of the fourth anniversary after the issue date. The "**Issue Date**" is determined by the point in time, when the company offers the Share Performance Awards to the Beneficiaries, regardless of the time of receipt, or the acceptance of the offer (Grant). A different point in time within the acquisition period of the respective tranche can be determined as the Issue Date by the offer.

The term of Share Performance Awards is five years each, starting at the Issue Date.

Share Performance Awards that are not exercised or could not be exercised until the end of the term expire or forfeit without compensation. The above provision about the authorisation of a repeated issue of prematurely forfeited Share Performance Awards remains unaffected.

(4) Key performance indicators

Share Performance Awards can only be exercised, if and when key performance indicators are achieved. Key performance indicators for each individual tranche of the Share Performance Awards are determined by the Supervisory Board, and exist in combination of at least 3 to 4 subsequently determined key performance indicators and their development.

Within each individual tranche of Share Performance Awards the key performance indicators have equal weight (i.e. the determination of three key performance indicators means approximately 33.333% each, the determination of four key performance indicators means 25% each). Within each of the key performance indicators set forth below there also is a "**Minimum Target**" that has to be reached, so Share Performance Awards can be exercised (partially), as well as a "**Maximum Target**" that, once it is reached, allows for all Share Performance Awards to be exercised to the full amount within the framework of weighting the respective key performance indicator

Key performance indicator "**Group Revenues**"

The key performance indicator "Group Revenues" is 100% achieved (the "**Target Group Revenues**"), once the accumulated consolidated annual revenues of Evotec AG in the Performance Measurement Period have reached the accumulated consolidated annual revenues of Evotec AG projected by the Management Board, with agreement of the Supervisory Board on the basis of a Mid-Range Plan for the Performance Measurement Period. The Mid-Range Plan is to be made annually by the Management Board with agreement of the Supervisory Board for a five-year time period, and should achieve sustained corporate development with ambitious, relevant goal parameters. "**Performance Measurement Period**" is the three-year time period, beginning with January 1 of the year in which the individual tranche of the subscription rights is issued.

"**Group Annual Revenues**" are the sales revenues based on the consolidated statement of income. Basis for the determination of accumulated consolidated annual revenues are the audited and approved consolidated annual financial statements (IFRS) of Evotec AG of the respective Performance Measurement Period, minus sales from licensed development programmes. Accumulated group revenues thus determined must be adjusted by projected special effects from acquisitions and divestments, respectively, as determined by generally accepted accounting principles. Essential for the determination of special effects is the projection made by the Management Board with the due diligence of a prudent businessman on the basis of adequate information, which is submitted to and approved by the Supervisory Board within the framework of the required consent for the respective acquisition or divestment.

The Minimum Target for the key performance indicator "Group Revenues" is reached once the accumulated consolidated annual revenues of Evotec AG have reached or exceeded 75% of the Target Group Revenues of the respective Performance Measurement Period. The Maximum Target for the key performance indicator "Group Revenues" is reached once the accumulated consolidated annual revenues of Evotec AG have reached or exceeded 125% of the Target Group Revenues for the respective Performance Measurement Period.

In view of the (also partial) exercisability of the amount of Share Performance Awards in each tranche corresponding to the weighting of each key performance indicator, the following applies:

- (i) If the Minimum Target is reached, the Share Performance Awards can be exercised in the amount of 25% of the respective tranche (i.e. one Share Performance Award authorises the purchase of half a share of Evotec AG);
- (ii) If the Key Performance Indicator is reached by 100%, then Share Performance Awards of the respective tranche can be exercised in the amount of 50% (i.e. one Share Performance Award authorises the purchase of one whole share of Evotec AG);
- (iii) If the Maximum Target is reached, 100% of the Share Performance Awards of the respective tranche can be exercised (i.e. one Share Performance Award authorises the purchase of two shares of Evotec AG).

If the Minimum Target is exceeded, but the Target Group Revenues have not been reached, the exercisable portion of the amount of Share Performance Awards corresponding to the weighting of the key performance indicator increases in a linear fashion. The same applies in a case when Target Group Revenues are exceeded, but the Maximum Target is not reached. If the calculation does not provide an integral percentage, then the percentage has to be rounded to the next decimal point after the comma, according to commercial principles.

Key performance indicator "**Operating Income Before Impairments**"

The key performance indicator "Operating Income Before Impairments" is 100% achieved (the "**Target Income**"), once the accumulated consolidated Operating Income Before Impairments in the Performance Measurement Period of Evotec AG reaches the accumulated consolidated Operating Income before Impairments of Evotec AG as projected by the Management Board, with consent of the Supervisory Board, on the basis of a Mid-Range Plan for the Performance Measurement Period.

The "**Consolidated Operating Income before Impairments**" is the operating result in the consolidated statement of income. Basis for the determination of the accumulated Consolidated Operating Income before Impairments are the audited and approved consolidated annual financial statements (IFRS) of Evotec AG from the respective Performance Measurement Period, minus impairment losses on intangible assets and the consolidated operating result from licensed development programmes. The accumulated Consolidated Operating Income before Impairments thus determined must be adjusted by projected special effects of acquisitions and divestments, respectively, determined by generally accepted accounting principles. Essential for the determination of the special effects is the projection made by the Management Board with the due diligence of a prudent businessman on the basis of adequate information, which is submitted to and approved by the Supervisory Board, in the framework of its required consent for the respective acquisition or divestment.

The Minimum Target for the key performance indicator "Operating Income before Impairment" is reached, once the accumulated consolidated Operating Income of Evotec AG in the Performance Measurement Period reaches or exceeds 75% of the Target Income of the respective Performance Measurement Period. The Maximum Target for the key perfor-

mance indicator "Operating Income before Impairment" is reached, once the accumulated consolidated Operating Income before Impairment in the Performance Measurement Period of Evotec AG reaches or exceeds 125% of the Target Income for the respective Performance Measurement Period.

In view of the (also partial) exercisability of the amount of Share Performance Awards of the respective tranche corresponding to the weighting of each key performance indicator, the following applies:

- (i) If the Minimum Target is reached, the Share Performance Awards can be exercised in the amount of 25% of the respective tranche (i.e. one Share Performance Award authorises the purchase of half a share of Evotec AG);
- (ii) If the key performance indicator is reached 100%, then the Share Performance Awards of the respective tranche can be exercised in the amount of 50% (i.e. one Share Performance Award authorises the purchase of one whole share of Evotec AG);
- (iii) If the Maximum Target is reached, 100% of the Share Performance Awards of the respective tranche can be exercised (i.e. one Share Performance Award authorises the purchase of two shares of Evotec AG).

If the Minimum Target is exceeded, but the Target Income has not been reached, the exercisable portion of the amount of Share Performance Awards corresponding to the weighting of the key performance indicator increases in a linear fashion. The same applies in a case when Target Group Revenues are exceeded, but the Maximum Target is not reached. If the calculation does not provide an integral percentage, then the percentage has to be rounded to the next decimal point after the comma, according to commercial principles.

Key performance indicator "Net Cash Generated by Operating Activities"

The key performance indicator "Net Cash Generated by Operating Activities" is 100% achieved (the "**Target Net Cash**") once the accumulated Consolidated Net Cash in the Performance Measurement Period of Evotec AG reaches the accumulated Consolidated Net Cash of Evotec AG as projected by the Management Board, with the consent of the Supervisory Board, on the basis of a Mid-Range Plan for the Performance Measurement Period.

The "**Consolidated Net Cash**" is the net cash inflow (outflow) from current business activities as shown in the consolidated cash flow statement. The basis for determining the accumulated Consolidated Net Cash are the audited and approved consolidated annual financial statements (IFRS) of Evotec AG from the respective Performance Measurement Period, minus the Net Cash from licensed development programmes. In addition, the Net Cash is adjusted by the acquisition of tangible fixed assets and intangible assets and by proceeds from the sale of tangible fixed assets and intangible assets. The accumulated Consolidated Net Cash thus determined must be adjusted by projected special effects of acquisitions and divestments, respectively, determined by generally accepted accounting principles. Essential for the determination of the special effects is the projection made by the Management Board with the due diligence of a prudent businessman on the basis of adequate information, which is submitted to and

approved by the Supervisory Board, in the framework of its required consent for the respective acquisition or divestment.

The Minimum Target for the key performance indicator "Net Cash Generated by Operating Activities" is reached, once the accumulated Consolidated Net Cash of Evotec AG in the Performance Measurement Period reaches or exceeds 75% of the Target Net Cash of the respective Performance Measurement Period. The Maximum Target for the key performance indicator "Net Cash Generated by Operating Activities" is reached, once the accumulated Consolidated Net Cash in the Performance Measurement Period of Evotec AG reaches or exceeds 125% of the Target Net Cash for the respective Performance Measurement Period.

In view of the (also partial) exercisability of the amount of Share Performance Awards of the respective tranche corresponding to the weighting of each key performance indicator, the following applies:

- (i) If the Minimum Target is reached, the Share Performance Awards can be exercised in the amount of 25% of the respective tranche (i.e. one Share Performance Award authorises the purchase of half a share of Evotec AG);
- (ii) If the key performance indicator is reached 100%, then the Share Performance Awards of the respective tranche can be exercised in the amount of 50% (i.e. one Share Performance Award authorises the purchase of one whole share of Evotec AG);
- (iii) If the Maximum Target is reached, 100% of the Share Performance Awards of the respective tranche can be exercised (i.e. one Share Performance Award authorises the purchase of two shares of Evotec AG).

If the Minimum Target is exceeded, but the Target Net Cash has not been reached, the exercisable portion of the amount of Share Performance Awards corresponding to the weighting of the key performance indicator increases in a linear fashion. The same applies in a case when Target Group Revenues are exceeded, but the Maximum Target is not reached. If the calculation does not provide an integral percentage, then the percentage has to be rounded to the next decimal point after the comma, according to commercial principles.

Key performance indicator "**Share Price**"

100% of the key performance indicator "Share Price" (the "**Target Share Price**") has been reached if the average share price of the company stock in the closing auction of the XETRA trade (or a respective successor system) on the last twenty (20) trading days of the Frankfurt stock exchange of the respective Performance Measurement Period and the first twenty (20) trading days after expiry of the respective Performance Measurement Period (the "**Closing Price**") exceeds the average share price of the company stock in the closing auction of the XETRA trade (or a respective successor system) on the last twenty (20) trading days at the Frankfurt stock exchange, before the start of the respective Performance Measurement Period, and the first twenty (20) trading days after the start of the respective Performance Measurement Period (the "Opening Price") by 30%.

The Minimum Target for the key performance indicator "Share Price" is reached if the Closing Price is 20% or more above the Opening Price. The

Maximum Target for the key performance indicator "Share Price" is reached if the Closing Price is 40% or more above the Opening Price.

In view of the (also partial) exercisability of the amount of Share Performance Awards corresponding to the weighting of the respective key performance indicator of the respective tranche, the following applies:

- (i) If the Minimum Target is reached, the Share Performance Awards can be exercised in the amount of 25% in the respective tranche (i.e., one Share Performance Award authorizes the purchase of half a share of Evotec AG);
- (ii) If 100% of the key performance indicator is reached, then the Share Performance Awards of the respective tranche can be exercised in the amount of 50% (i.e., one Share Performance Award authorizes the purchase of one whole share of Evotec AG);
- (iii) If the Maximum Target is reached, 100% of the Share Performance Awards of the respective tranche can be exercised (i.e., one Share Performance Award authorizes the purchase of two shares of Evotec AG).

If the Minimum Target is exceeded, but the Target Share Price has not been reached, the exercisable portion of the amount of Share Performance Awards corresponding to the weighting of the key performance indicator increases in a linear fashion. The same applies in a case when Target Consolidated Revenues are exceeded, but the Maximum Target is not reached. If the calculation does not provide an integral percentage, then the percentage has to be rounded to the next decimal point after the comma, according to commercial principles.

(5) Determination of exercisable subscription rights per tranche, limitation of subscription rights

The amount of exercisable subscription rights per tranche corresponds, subject to special regulations for the termination of the employment or work contract of the beneficiary before expiry of the Waiting Period, to the amount of all subscription rights of the respective tranche (amount of granted Share Performance Awards x 2), multiplied by the average percentage that results from the sum total of the percentage amount of exercisability of the Share Performance Awards of the respective tranche, subject to the provisions set forth above, divided by the amount of key performance indicators. If no integral amount of exercisable subscription rights results, then the amount of the exercisable subscription rights is determined by rounding according to commercial principles. A subscription to fractional shares is excluded; potential "tax capping" does not occur.

(6) Exercise periods

After expiry of the Waiting Period, Share Performance Awards issued in a tranche and the resulting subscription rights can only be exercised once subject to the provisions set forth above.

The exercise must occur within a maximum time period of twelve months from the end of the respective Waiting Period ("**Exercise Period**").

Share Performance Awards and resulting subscription rights can always be exercised continuously within the Exercise Period. Lockup periods are excluded. The following time periods are considered lockup periods: (i) those three-week time periods that each end on the day of the annual

press conference and on the day on which a quarterly report or semi-annual report of the company is made available to the public; (ii) the time period from the beginning of the day, on which the company publishes an offer for the purchase of new shares, or bonds with conversion and/or option right or conversion obligation, in the company publications, until the expiration of the (extended, if need be) subscription period; and (iii) the time period from expiry of the 37th day before a General Meeting until the beginning of the 21st day before a General Meeting (not counting the day of the General Meeting).

(7) Exercise price

The exercise price has to be paid for each subscribed share when exercising subscription rights.

The "**Exercise Price**" per share corresponds to the amount of the share capital attributable to each individual share at the point in time when subscription rights are exercised, currently € 1.00.

(8) Company's right of replacement

The company has the right to pay the value of shares to be issued when exercising individual or all subscription rights of individual tranches, minus the Exercise Price, or deliver shares that originate from its treasury, or are acquired for this purpose; in the latter case, the beneficiary's obligation to pay the Exercise Price shall lapse. Otherwise, the above-mentioned provisions remain unaffected.

(9) Personal right

Subscription rights can only be exercised by the Beneficiaries themselves, or their heirs. Subscription rights are legally nontransferable; they can, however, be inherited. Subscription rights can only be exercised as long as an untermiated service or employment relationship exists between the Beneficiary and the company. If subscription rights can no longer be exercised subject to the provisions set forth above, they will forfeit without compensation. The provisions as to the authorization for a renewed issue of forfeited subscription rights remain unaffected. Special provisions can be agreed upon in the event of death, retirement, disability, and other special circumstances for resignation, including the divestment of affiliated companies, businesses or parts of businesses from the Evotec Group, and in the case of a Change of Control, and for the fulfillment of legal requirements, including reduction on a pro rata-basis of the exercisable subscription rights.

(10) Other regulations

For the implementation of this resolution toward executives of affiliated companies abroad, the company has the right to deviate from the provisions of the resolution, to the extent that corporation law does not mandate that the content of this resolution be decided by the General Meeting or to the extent that the resolution exceeds minimum requirements under corporation law.

(11) Regulation of details

The Supervisory Board is authorized to determine further details for the granting and fulfillment of Share Performance Awards and resulting subscription rights, and for the issue of shares from the contingent capital in-

crease and further conditions of the SSP 2012, including the determination of conditions for subscription rights, to the extent that members of the Management Board of Evotec AG are affected. Otherwise, the Management Board is authorized to determine these details. These additional details, particularly, include provisions for the execution and procedure of granting and exercising subscription rights, exercise time periods, the granting of subscription rights to individual Beneficiaries, determination of the Issue Date within the respective issue time period, as well as provisions for the treatment of subscription rights in special cases, particularly in the event of retirement, death, disability, divestiture of a company, a business, or part of a business from the Evotec Group, or in the event of a Change of Control, and to meet legal obligations. Conditions for subscription rights shall further contain appropriate provisions for the observation of legal or Evotec-internal insider regulations, as well as customary anti-dilution clauses, which essentially secure the economic value of the subscription rights, particularly by taking into account any stock splits, merging of shares, capital increases from company funds with the issue of new shares, decreases of share capital, or other measures with comparable effects for purposes of determining the key performance indicators; in this process, there will be no adjustment of the exercise price.

b) Contingent capital

The share capital of the company will be increased by up to €4 million through the issue of up to 4 million new bearer shares of the company with no nominal value (no-par-value shares). The contingent capital serves the fulfillment of subscription rights that were issued and exercised based on the authorization decided by the General Meeting on 14 June 2012 under agenda item 7, letter a). The contingent capital increase is only made to the degree that holders of subscription rights make use of their right to subscribe to company shares. The issue of shares occurs at the determined (according to agenda item 7, letter a), subparagraph 7 of the General Meeting resolution of 14 June 2012) exercise price as the issue amount; § 9, Par. 1 AktG remains unaffected.

The new shares are entitled to dividends for the first time for the fiscal year for which, at the time of their issue, no General Meeting resolution as to the appropriation of the net income has taken place.

The Supervisory Board is authorized to determine further details of the contingent capital increase and its implementation.

The Supervisory Board is further authorized to adjust § 5 of the Articles of Association according to the respective implementation of the capital increase, as well as after expiry of the authorization or after expiry of the term set for exercising the option rights.

c) Amendment to the Articles of Association

§ 5 of the Articles of Association is amended by the following new paragraph 9:

"(9) The share capital of the company is increased by up to €4 million through the issue of up to 4 million new bearer shares of the company with no nominal value (no-par-value shares). The contingent capital serves the fulfillment of subscription rights that were issued and exercised based on the authorization decided by the General Meeting on 14 June 2012, under agenda item 7, letter a). The contingent capital increase only occurs to the degree that holders of subscription rights make use of their subscription rights for the purchase of company shares. The issue of shares occurs at the set

exercise price as the Issue Amount, according to agenda item 7, letter a), subparagraph 7 of the General Meeting resolution of 14 June 2012; § 9, Par. 1 AktG remains unaffected. The new shares are entitled to dividends for the first time for the fiscal year for which, at the time of their issue, no General Meeting resolution for the appropriation of the net income has taken place. The Supervisory Board is authorized to determine further details of the contingent capital increase and its implementation. The Supervisory Board is further authorized to adjust § 5 of the Articles of Association according to the respective implementation of the capital increase, as well as after expiry of the authorization or after expiry of the term set for exercising the option rights."