

Share Performance Plan 2017

To continue to 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 the Share Performance Plan 2017 ("**SPP 2017**") proposed in the resolution is based on the concept of the share performance programmes adopted by the Annual General Meetings on 14 June 2012 and 09 June 2015 ("SPP 2012" or "SPP 2015") and is intended to replace them. These share performance programmes are characterised by the fact that participating executives are entitled to a variable remuneration in shares when they achieve demanding targets. In contrast to a common stock option programme, when targets are attained, shares are not issued at a price that at least corresponds to the share price of the Company shares at the time of granting the subscription rights, but at the respectively lowest issue amount of currently € 1.00, as in the programmes for 2012 and 2015. The main reason for this lies in the fact that in a Share Performance Programme, the entire value of the respective share is used to calculate the value of the remuneration, so making it easier to estimate and so more valuable for the participants. There is no special economic advantage in this for the participants, compared with a common stock option programme, since 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), 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. Setting an issue amount of currently € 1.00 is imperative from a corporate law perspective, as the issue of new shares under the respective pro-rata amount of the share capital is not permitted.

For this reason, the Management Board and the Supervisory Board propose that the following resolutions be passed:

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

The Management Board, with the agreement of the Supervisory Board, is authorised until 13 June 2022 ("**Authorisation Period**") to set up 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 (SPP), and to grant, once or repeatedly, subscription rights in the form of "**Share Performance Awards**" to up to 6,000,000 bearer shares with no nominal amount (no-par-value shares) of the Company, with an arithmetic share of share capital of up to € 6,000,000.00. One Share Performance Award entitles the bearer to subscribe for up to two Company shares. If Share Performance Awards expire because a Beneficiary leaves Evotec AG or an affiliated company, or because an affiliated company leaves the Evotec Group within the authorisation period, a corresponding number of Share Performance Awards may be re-issued within the Authorisation Period. For the issue of stock options to members of the Management Board of Evotec AG, this authorisation applies solely to the Supervisory Board. A subscription right for shareholders of the Company does not exist. Subscription rights for Company shares are granted and the shares are issued according to the following provisions:

(1) Beneficiaries and distribution

The group 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 divided among the individual groups of Beneficiaries as follows:

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

If the Beneficiaries simultaneously belong to different groups they only receive Share Performance Awards for their membership of one group.

(2) Issue period (Acquisition period)

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 within a period of twelve weeks from the beginning of each calendar year. In the first year (2017), Share Performance Awards may be issued in the period from the close of the Annual General Meeting until the completion of 16 weeks after entry of the contingent capital in the Commercial Register. Share Performance Awards must always be issued and, if relevant, exercised after the respective Waiting Period in accordance with the rules on closed periods defined in Regulation No. 596/2016 of the European Parliament and Council of 16 April 2014 (Market Abuse Regulation) and the delegated acts adopted in this context or any legislation replacing them.

(3) Waiting period and term of the subscription rights

Share Performance Awards may only be exercised for the first time after the waiting period has expired. 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 deemed to be the time at which the Company offers the Share Performance Awards to the Beneficiaries, regardless of the time of receipt, or the acceptance of the offer (*Grant*). Another time within the acquisition period of the respective tranche can be determined as the Issue Date by the offer.

The term of each Share Performance Award is four years and one month (including the Exercise Period after expiry of the Waiting Period), starting at the Issue Date.

If Share Performance Awards are not exercised by the end of the term or cannot be exercised for reasons beyond the Company's control, they expire without replacement or compensation. This does not affect the authorisation to re-issue Share Performance Awards that are forfeit prematurely.

(4) Key performance indicators

Share Performance Awards can only be exercised, if and when the two defined *Key Performance Indicators* are achieved.

Within each of the key performance indicators set forth below there also is a "**Minimum Target**" that has to be reached for Share Performance Awards to be exercised (partially), as well as a "**Maximum Target**" that, once it is reached, allows for all Share Performance Awards for the respective key performance indicator (100%) to be exercised to the full amount, after the Waiting Period has expired (one Share Performance Award entitles the holder to subscribe for no more than two whole shares in Evotec AG).

"**Performance Measurement Period**" for the Key Performance Indicators is each of the four consecutive calendar years, beginning with 01 January of the year in which the individual tranche of the Share Performance Award is issued.

Key performance indicator "**Share Price**"

100% of the key performance indicator "*Share Price*" (the "**Target Share Price**") is achieved for a calendar year if the average share price of the Company stock in the closing auction of XETRA trading (or a corresponding successor system) on the last thirty (30) trading days of the Frankfurt stock exchange in the respective Performance Measurement Period, i.e. a calendar year (the "**Closing Price**") exceeds by 8% the average share price of the Company stock in the closing auction of XETRA trading (or a corresponding successor system) on the last thirty (30) trading days of the Frankfurt stock exchange before the start of the respective Performance Measurement Period (the "**Opening Price**").

The Minimum Target for the key performance indicator "Share Price" is reached if the Closing Price is higher than the Opening Price. The Maximum Target for the key performance indicator "Share Price", which entitles all Share Performance Awards for this key performance indicator to be exercised for the respective Performance Measurement Period, is reached if the Closing Price is 16% or more above the Opening Price.

Key performance indicator "**Total Shareholder Return**"

Total Shareholder Return is a measure to determine the performance of an investment in the shares of a company. Total Shareholder Return measures the return on a share investment over a period of time, including dividends as well as share price performance (positive and negative) and adjusted for any equity issues or share-splits.

100% of the key performance indicator "Total Shareholder Return" is achieved for a calendar year (the "**Target Total Shareholder Return**"; Target Share Price and Target Total Shareholder Return are each also known hereafter as a "**Target Performance Indicator**"), when the Total Shareholder Return for the shares of the Company (average share price of the Company at the closing auction of XETRA trading (or a successor

system) on the thirty (30) trading days at Frankfurt Stock exchange prior to the relevant date plus dividends, and adjusted for any equity issuance or share-splits, matches the average Total Shareholder Return of the companies listed in the German TecDAX index (or a comparable stock index) during the same period. The minimum target for the performance target "Total Shareholder Return" is achieved when the annual average Total Shareholder Return for the shares of the Company is less than 10% below the average Total Shareholder Return of the companies listed in the TecDAX during the respective performance period. The maximum target, at which all the Share Performance Awards for the performance indicator "Total Shareholder Return" can be exercised, is achieved when the annual average Total Shareholder Return for the shares of the Company is at least 10% above the average Total Shareholder Return of the companies listed in the TecDAX during the respective performance period.

Relevant values of the Total Shareholder Return of the Company and of the average Total Shareholder Return of the companies listed in the TecDAX will be calculated annually and based on the average TecDAX (Total Return Index) during the thirty (30) trading days at Frankfurt Stock exchange prior to the relevant date.

(5) Determination of exercisable subscription rights for each performance indicator within a tranche

The following applies to the exercise (also partial) of the number of Share Performance Awards in each tranche that corresponds to each performance indicator:

- (i) If one of the target performance indicators is achieved in full (100%) for a performance period, i.e. one calendar year, then 12.5% of the entire Share Performance Awards in each tranche may be exercised after expiry of the waiting period in a ratio of 1:1, i.e. one Share Performance Award entitles the holder to subscribe for one whole share in Evotec AG.
- (ii) If the maximum target for a performance indicator is achieved in full (100%) for a performance period, i.e. one calendar year, then 12.5% of the entire Share Performance Awards in each tranche may be exercised after expiry of the waiting period in a ratio of 1:2, i.e. one Share Performance Award entitles the holder to subscribe for two whole shares in Evotec AG.

If at least the minimum target for a performance indicator is achieved, but not the target performance indicator, then the ratio of subscription rights for the number of Share Performance Awards allocated to this performance indicator that can be exercised after expiry of the waiting period increases on a straight-line basis between 1:0 and 1:1. A corresponding linear interpolation (between 1:1 and 1:2) applies if the respective target performance indicator is achieved, but not the maximum target. If the calculation does not produce an integral percentage, the percentage is to be commercially rounded to one decimal place.

(6) Determination of exercisable subscription rights per tranche after the waiting period, limitation of subscription rights

After each of the four performance periods (i.e. each calendar year) for a tranche of Share Performance Awards has ended, the target achievement for the two performance indicators is determined as described for the re-

spective calendar year and the corresponding number of subscription rights are calculated and provisionally set. At the end of all the performance periods, i.e. the four calendar years in a tranche, the subscription rights determined for each year are added and represent the total number of exercisable subscription rights. If this does not produce an integral number of exercisable subscription rights, the figure is commercially rounded. Fractional amounts of shares cannot be subscribed and no compensation is paid for any fractional amounts.

The number of subscription rights that can be exercised after expiry of the waiting period may be reduced or forfeit altogether in accordance with any special provisions applying if the Beneficiary's service or employment contract ends before the waiting period expires.

(7) Compensation cap

In the event that the proceeds of selling the exercisable subscription rights calculated as described above at the exercise date, less the exercise price, exceeds the issue value at which the respective tranche was granted by more than 350%, the exercisable number of subscription rights for members of the Company's Management Board is capped so that the sales proceeds obtainable, less the exercise price, do not exceed 350% of the issue value at which the respective tranche was granted. The surplus subscription rights are forfeit without compensation.

In the event of extraordinary, unforeseeable developments, the Supervisory Board may fully or partially limit the content and extent of the subscription rights granted to the members of the Management Board.

(8) Exercise date and exercise price

After expiry of the Waiting Period, Share Performance Awards issued in a tranche and the resulting subscription rights may only be exercised once. Subscription rights are exercised automatically via the stock exchange, without the Beneficiary taking any action, by an agent appointed by the Company, over no more than ten (10) trading days after the Waiting Period has expired. For this purpose the Beneficiary has given corresponding instructions to an agent appointed by the Company before the Waiting Period expires.

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 time the subscription rights are exercised, currently € 1.00.

(9) Company's replacement right

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.

(10) Personal right

Subscription rights can only be exercised by the Beneficiaries themselves, or their heirs. Subscription rights are legally non-transferable; they can, however, be inherited. Special provisions can be agreed upon in the event

of death, retirement, disability, and other special circumstances for departure, 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 fulfilment of legal requirements, including the pro-rata reduction or forfeiture of the subscription rights exercisable after expiry of the Waiting Period.

(11) Other rules

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.

(12) Regulation of details

The Supervisory Board is authorised to determine further details for the granting and fulfilment of Share Performance Awards and resulting subscription rights, and for the issue of shares from the contingent capital increase and further conditions of the SPP 2017, 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 authorised to determine these details. These additional details particularly include provisions for consideration or not of special effects of acquisitions or divestments in connection with the measurement of performance targets, provisions for the execution and procedure of granting and exercising subscription rights, the granting of subscription rights to individual Beneficiaries, determination of the Issue Date, determination prior to the deadline by which the Beneficiary must give instructions to the agent appointed by the Company, 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 statutory or Evotec-specific insider-dealing 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 € 6,000,000.00 through the issue of up to 6,000,000 new bearer shares of the Company with no nominal value (no-par-value shares). The contingent capital serves to fulfil subscription rights that were issued and exercised based on the authorisation decided by the Annual General Meeting on 14 June 2017 under agenda item 8 a). The contingent capital increase will only take place to the extent that holders of subscription rights actually make use of their right to subscribe to Company shares. The issue of shares takes place at the exercise price determined according to agenda item 8 a) subparagraph (8) of the Annual General Meeting resolution of 14 June 2017 as the issue amount; § 9, para. 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 Annual General Meeting resolution as to the appropriation of the net income has taken place.

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

The Supervisory Board is further authorised to alter § 5 of the Articles of Association in line with the respective implementation of the capital increase, as well as after expiry of the authorisation or after expiry of the deadline set for exercising the option rights.

c) Discontinuation of the Share Performance Programmes 2012 and 2015

No further subscription rights to shares of the Company will be issued to members of the Management Board of Evotec AG, members of the executive bodies of affiliated companies in Germany and abroad, and selected executives of Evotec AG and affiliated companies in Germany and abroad on the basis of the authorisations given according to agenda item 7 a) of the Annual General Meeting on 14 June 2012 and agenda item 6 a) of the Annual General Meeting on 09 June 2015 to issue subscription rights in the course of the Share Performance Programmes SPP 2012 and SPP 2015. This does not affect subscription rights issued before 14 June 2017.

d) Amendments to the Articles of Association

- (1) Contingent capital as defined in § 5 para. 14 of the Articles of Association is reduced to € 3,000,000.00 following the discontinuation of the Share Performance Programme based on the authorisation given by the Annual General Meeting on 09 June 2015 (c) above). § 15 para. 14 of the Articles of Association is therefore reworded as follows:

"(14) The share capital of the Company is increased on a contingent basis by up to € 3,000,000.00 through the issue of up to 3,000,000 new bearer shares of the company with no nominal value (no-par-value shares). The contingent capital serves to fulfil subscription rights that were issued and exercised based on the authorisation decided by the Annual General Meeting on 09 June 2015 under agenda item 6 a). The contingent capital increase will only take place to the extent that holders of subscription rights make use of their right to subscribe for company shares. The issue of shares takes place at the exercise price determined according to agenda item 6 a) Subparagraph (8) of the Annual General Meeting resolution of 09 June 2015 as the issue amount; § 9, para. 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 Annual General Meeting resolution as to the appropriation of the net income has taken place. The Supervisory Board is authorised to determine further details of the contingent capital increase and its implementation. The Supervisory Board is further authorised to alter § 5 of the Articles of Association in line with the respective implementation of the capital increase, as well as after expiry of the authorisation or after expiry of the deadline set for exercising the option rights."

- (2) § 5 of the Articles of Association is expanded by the following new paragraph 15:

"(15) The share capital of the Company is increased on a contingent basis by up to € 6,000,000.00 through the issue of up to 6,000,000

new bearer shares of the company with no nominal value (no-par-value shares). The contingent capital serves to fulfil subscription rights that were issued and exercised based on the authorisation decided by the Annual General Meeting on 14 June 2017 under agenda item 8 a). The contingent capital increase will only take place to the extent that holders of subscription rights make use of their right to subscribe for company shares. The issue of shares takes place at the exercise price determined according to agenda item 8 a) subparagraph (8) of the General Meeting resolution of 14 June 2017 as the issue amount; § 9, para. 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 Annual General Meeting resolution as to the appropriation of the net income has taken place. The Supervisory Board is authorised to determine further details of the contingent capital increase and its implementation. The Supervisory Board is further authorised to alter § 5 of the Articles of Association in line with the respective implementation of the capital increase, as well as after expiry of the authorisation or after expiry of the deadline set for exercising the option rights."