

“Best Team in Industry – What best looks like”

Topic
<p>1) STADA Purpose: “Caring for people’s health as a trusted partner”</p>
<p>2) STADA Vision: To be the partner of choice in Generics and Consumer Health in Europe, while continuously outgrowing the industry in terms of growth and profitability</p>
<p>3) Vision of Legal (consisting of (1) Commercial Legal (including trademarks), (2) Governance, (3) Compliance, (4) Risk Management and (5) Patents) based on STADA Values:</p> <p>To be the go-to and trusted partner for the business.</p> <p>How?</p> <ul style="list-style-type: none"> ➤ We do not limit ourselves to being mere advisors ➤ We provide excellent advice at a quality provided by reputable external firms or better at lower costs due to our in-depth specific knowledge of the life-science industry and our internal clients and organization ➤ We act in a reliable, proactive business-minded, fast and pragmatic way. <ul style="list-style-type: none"> ➔ Integrity: trusted reliable partner, high quality advice to make sure to comply with laws/regulations ➔ Entrepreneurship: cost consciousness, proactive approach ➔ Agility: fast and pragmatic advice ➔ One STADA: alliance with our clients to achieve the best result
<p>4) Strategy: Based on our Values, we are both an enabler to achieve the STADA Vision and fulfill the STADA Purpose and at the same time a shield against risk:</p> <p>Help creating value and trust of STADA by (1) best supporting all growth drivers and daily operations at reasonable cost and high quality, (2) creating additional value, (3) increasing operational freedom and (4) shielding STADA against risk or supporting an appropriate risks/opportunities assessment.</p> <ul style="list-style-type: none"> ➔ Integrity: create trust and shielding STADA against risk & proper risk assessment ➔ Entrepreneurship: support growth drivers and create value at reasonable cost ➔ Agility: increase of operational freedom ➔ One STADA: alliance with our clients by best support <p>In detail:</p> <p>a) Supporting all growth drivers, e.g. M&A activities, co-operations (such as co-developments of biosimilars) and daily operations (such as in-licensing and supply) at lower cost than reputable law firms and high quality, e.g. through competitive business orientated legal services; this means also in an optimized way, i.e. being efficient agile, flexible and doing more without compromising on quality</p>

- b) Help creating **additional value**, e.g. by contractual stipulations or starting our IP activities much earlier and in a more aggressive way and by securing an exclusive IP position on the market such as through circumventing 3rd party's patents or filing own IP rights to generate own revenues through in- and out-licensing and/or enforcing own IP rights and by securing a market entry as early as possible by creating early opportunities, challenging much earlier originator's IP rights, launching products at risk, and safeguarding at least a day 1 launch upon patent/SPC expiry as well as by supporting and accelerating the brand growth and increase their recognition
- c) **Increasing operational freedom**, e.g. by contractual options (such as right of first refusals) or freedom-to-operate, and
- d) **shielding STADA against risk** (e.g. contractually such as in liability or in other risk allocation clauses, or through compliance, risk management or IP) or supporting an **appropriate risks/opportunities assessment**

Process-related topics:

The following overview relates to all work streams, i.e. (1) Commercial Legal (including trademarks), (2) Governance, (3) Compliance, (4) Risk Management and (5) Patents and technical IP (collectively "Work streams")

<u>Topic</u>	<u>Description</u>	<u>Comments and timeline</u>
<u>Internal positioning</u>		
Concentration on core business whilst outsourcing non-core business	<ul style="list-style-type: none"> 1) Business along main value chain can be better supported by internal lawyers such as (co-) development, licensing, supply, distribution, marketing and sales related request and contracts (including agreements with pharmacy chains, buying cooperations, etc.), clinical trials / CRO agreements, consortium agreement, regulatory law (to some degree), etc. 2) Other business which requires a high degree of specialization to be out-sourced (e.g. Trademark Law, Public Procurement Law, IT-Law) or Indirect Procurement 3) Based on the business growth & strategic approach, ongoing review where an internal member of the Work Stream should be hired/set-up, e.g. lawyer in US etc. 	<p>To be defined in detail what we consider our core business, can vary on a country-by-country basis, considering also internal G&A restrictions.</p> <p>To be defined: Also, business needs of legal support must be analyzed whether external counsel or internal resources are more cost- and work-efficient</p>
Higher specialization	<ul style="list-style-type: none"> 1) Increase the degree of internal specialization and creation of practice groups for certain practices such as <ul style="list-style-type: none"> a) for the commercial legal teams: IP licensing, co-development, M&A, antitrust law, unfair competition law, law on medicinal products, medical devices, food supplements, cosmetics, reimbursement law, etc. b) for compliance: anti-corruption etc. (also to share best practices and latest 	Each Work Stream to suggest such specialization and strengthen the competence in these areas (meeting groups on regular basis)

	<p>tendencies etc.); one person is to be nominated as functional leader of such group for each country with an overall lead, responsible to convene etc.</p> <p>The respective functional leaders of the countries should meet up on a regular basis to have an exchange on the respective legal topics</p> <p>2) Engage in work in industry associations, in-house lawyer associations, competition associations, etc.</p>	
<p>Creating a more business-orientated mindset whilst supporting the business</p>	<p>1) Increasing in our daily work and in particular with respect to growth drivers our business-mindedness to better implement the business needs and achieve a more pragmatic advisory approach</p> <p>2) Interact with our respective business partners more often (see below in alignment) to better understand their point of view and create on the other hand an understanding for legal actions/requirements in the business departments</p> <p>3) Conducting a business assessment before and whilst working on a project/agreement to better understand the business background/set-up and the goals to be achieved and staying in close contact to your business partners to constantly review and adapt the potential legal strategy based on such business assessment</p> <p>4) To better understand the industry and the challenges/requirements for the business, participation in respective lectures/workshops (e.g. of consultants) but also interaction with our business partners and exchange of experiences with them is very important</p>	<p>Each Work Stream to identify and interact with its business partners and to strengthen the competence in this area</p> <p>Working groups on certain topics</p> <p>Conducting a business assessment of lawyers by internal clients</p>
<p>Mentorship and secondments; external view</p>	<p>1) Mentorship program for junior member by senior team member within and beyond formal reporting lines (it could be on concrete projects as well as with regard to general issues not related to projects);</p> <ul style="list-style-type: none"> - limited to one year; - upon request or by suggestion. <p>2) a) Secondments on a case-by-case basis from other countries subject to practicability of implementation (e.g. between Trademark Dep./ Legal STADA AG and those of NIZHPHARM / HEMOFARM / WALMARK);</p>	<p>Check possibility of secondments after corona crisis</p>

	<p>b) Short Secondments with external advisors such as specialised law firms such as Harmsen / Meissner, Bolte / COSMOVICI apart from lack of capacity</p> <p>3) More communication with Global colleagues, more virtual informal meetings on various legal topics (coffee talks)</p> <p>4) Experience exchange to get “external view”:</p> <p>a) See what is going on internally but also externally – look at the market/other companies to know what is going on (analysis or experience exchange with other companies/competitors) in the borders of confidentiality</p> <p>b) Use background of new employees at their start (like an outside view but without confidentiality risk for us)</p>	
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Improved internal alignment and client satisfaction

<p>Increased internal alignment</p>	<ol style="list-style-type: none"> 1) Conduct regular meetings, e.g. monthly business review (MBR) with <ul style="list-style-type: none"> - your superior, and - direct reports. 2) Meetings with all direct and dotted line reports for updates as well as global calls (as done currently). 3) Meetings on peer level (e.g. director calls; work stream calls) 4) Meetings on Working group level, e.g. trademarks; concrete projects, regular exchange with counterparts of your role internationally 5) Involvement at an early stage (no “show stopper” for compliance-reasons), participation in kick-off meetings, Anticipation of obstacles/problems and their solutions 6) Improve business’ understanding of what “compliance tasks and roles” are (e.g. distinction from internal audit) 	<p>Global calls could cover also other topics beyond Covid, e.g. as suggested by leaders of practice groups.</p> <p>Increasing legal, IP and compliance global meetings for common global projects. This way we are sure that all the colleagues are aligned and on the same page on the project milestones and their concerned topics.</p> <p>Coffee talks and peer meetings, also for practice groups, social meetings and offsites</p>
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	<p>7) Regular calls with affiliates (e.g. every 3 months, large countries individually, smaller countries in groups, e.g. nordics, etc.; topics for example: current projects, launches in the next two years, discuss risks on an individual basis) - First call: start with questions for expectations/ wishes of affiliates</p> <p>8) Project-related: More contact to concerned affiliates during a project</p> <p>9) Remove competitiveness between departments and subsidiaries and act as One STADA</p> <p>To the extent possible global conferences help increasing the alignment as well as would other team building measures, e.g. offsites, social meetings etc.</p>	
Increased client satisfaction	<p>1) Keep regular contact with your key clients, build internal network (e.g. through lunch meetings)</p> <p>2) Give internal trainings to departments</p> <p>3) Client surveys can be conducted, should be short to be efficient in terms of time, content and outcome</p> <p>4) Avoid risk of loose quality - right balance between risk and opportunities / speed and quality to avoid mistakes</p>	<p>This is important for all Work Streams, in particular for Compliance, to actively organize such networking points such as lunch meetings etc.</p> <p>Client survey</p>
High responsiveness	<p>1) for prioritized issues such as key value chain as in-licensing deals within defined time (e.g. 24 hours) first response</p> <p>2) for promotional release material in Germany 3 days</p> <p>3) "Double check to avoid double work": Work streams should be checked with regard to whether certain tasks are already done by someone else in order to avoid double work and save time and money e.g. in a case where a certain task is done by headquarter and by an affiliate</p>	<p>In- and out-licensing and de-development: response time of 48 hours</p>
Fee control and savings	<p>More efficient work with external consultants:</p> <p>1) Bundle to the extent possible external work in small(er) group of consultants</p> <p>2) negotiate with them better conditions, e.g. with fixed fees or rebates (see STADA template) with bi-weekly fee updates to avoid an overrun</p> <p>3) Assess internally quality of consultants</p> <p>4) List of preferred lawyers</p>	<p>Comply with SOP Engaging Outside Counsel and follow-up, e.g. on yearly fee volume and assessment of consultants</p> <p>Share global list of preferred law firms and companies/firms to ensure good conditions</p>

	<p>5) Share of conditions (prices etc.) of each firm per country / Make global list of companies/firms to ensure good conditions, warn/share of 'bad' companies (identify suitable lawyer/attorney quickly in case of a national issue and possible cost-savings)</p> <p>6) Engagement of outside counsel - Check:</p> <p>a) Create a mindset to check whenever engaging outside counsel whether the task could be done in-house</p> <p>b) In case the task cannot be done in-house it should be checked why this is the case: Are the resources not sufficient? Is knowledge, education or experience not sufficient? Can we change this to handle future tasks in-house?</p> <p>c) Consider experts on local level e.g. with the concerned affiliate before engaging local counsel</p>	<p>[Note: Procurement guidelines / Global Policy]</p>
<p><u>Improvement of skills</u></p>		
<p>Mandatory and general training and improvement of skills</p>	<p>We have to work permanently on our skills. Therefore, each employee is to</p> <ol style="list-style-type: none"> 1) select and undergo a useful and reasonable training of his field of competence after agreement with his/her superior; this can include webinar, (digital) conference, workshops etc.; where the topic concerns several colleagues, the employee shall share a summary with the team, preferably with short oral overview; make use of free offers 2) align with your superior on useful trainings and talent development – be creative: where can I further develop? What skills are missing to better do my existing job or future tasks I shall/want to assume? 3) give and receive regular feedback, e.g. in MBRs or during/at completion of projects, and if possible 360 degree feedback 4) work on the improvement of her/his soft skills such as presentation skills, English language skills, for superiors (to be) leadership skills etc. 5) introduce a regular training program with external coaches in small groups on relevant and selected topics; touchpoint with HR here. 	<p>Could be part of overall yearly objective</p> <p>Example from Serbia: There are all sorts of trainings done in collaboration with HR. At the beginning of the year plans of expert trainings are sent to all employees in the team. Depending on the availability of good trainings, some are international (like compliance and IP conferences and trainings) and some are local. Apart from this, there is a separate budget for soft skills trainings. Some of the soft skills are mandatory (either because it fits into the development strategy of HF (such as change of organizational culture) or because for actual reasons, e.g. stress management.</p> <p>Concept of training program for each employee</p>
<p>General trainings for Work Streams</p>	<p>Furthermore, ongoing trainings for respective Work Streams:</p>	<p>A program must be set-up by the Work Stream with targets</p>

<p>to deliver state-of-the art quality</p>	<ol style="list-style-type: none"> 1) presentations of external law firms for internal department to check state-of-the art of them 2) more increased exchange of experience (e.g. after participation in conferences or former work experience or after bigger projects) which may also include certain non-legal topics which are closely linked to the legal practice, e.g. purchase price adjustments in M&A transactions, basic financial knowledge or topics which are presented at HQ as “exchange of experience – <i>Erfahrungsaustausch</i>”) 3) internal de-briefings such as lessons learnt in big projects such as M&A, licensing etc 4) regular exchange within global practice groups (see above) such as M&A to share best practices 5) check and introduce secondments to other departments or (foreign) offices, e.g. <ul style="list-style-type: none"> • in smaller set-ups like a “look over the shoulder day/week” in another department that makes sense (to better understand client’s need or daily work and company strategy) or special projects • project secondments to a another department or to foreign legal department 6) Participation in jour fixe or internal meetings (or lunch dates, see above) with key clients to better understand their business and expectation 7) Participation in external industry groups to understand latest tendency and state-of-the-art practices 	<p>to actively promote such trainings</p>
<p>Improve communication skills</p>	<p>Must be sharp, crispy, short and at the point:</p> <ul style="list-style-type: none"> - repeating the client’s question and answering with short executive summary before setting out main arguments - practicable, short & understandable wording - adapt style of wording to clients expectation and background (e.g. Is quotation of a legal §§ helpful? If not – leave it out. - anticipate follow-up questions and try to answer them as well - do not just forward emails with “see below” but briefly summarize the content and key essence - always bear in mind who is receiving email and what is its purpose and adapt the language by taking it into account - carefully select mailing lists – try to pre-align bilateral where reasonable and then use bigger mailing list only for essential information. 	<p>Main deficiency! E-mails and messages are not understood or way too long and without clear guidance of what to do</p>

	<ul style="list-style-type: none"> - Insert a timing when you need a response and follow up - business-minded 	
Internal processes		
Templates of contracts and clauses	<p>Improve data base of contracts and clauses with access to all members:</p> <ol style="list-style-type: none"> 1) Allocation of overall responsibility of contract template data base to 1 person per jurisdiction 2) Allocation of specific templates to specific lawyers (perhaps from one or more jurisdictions, depending on the template) 3) All templates must have a cover pages with a short summary of the contract (e.g. buyer or seller friendly etc.) 4) Regular update of templates necessary ,e.g. in case of legislative changes or new court decisions or new state-of-the-art 5) Drafting & updating templates will be done by one person (as assigned); a draft should be shared in a specialized cross-jurisdictional working group, such as supply chain licensing or compliance 6) Template draft, maintenance & update could be part of annual objectives 7) Exchange existing templates: Making such template data base accessible to all lawyers wherever located (e.g. through sharepoint?) 8) Automation tools to easier use templates 9) Drafting of and working with boilerplate clauses/language: to have clauses ready for common constellations/issues and also to create fall-back options; these clauses should be exchanged on global level and used in several jurisdictions so that more internationalization and standardization can be reached 	<p>The global template data base should be accessible to all members; it may contain own templates as well as published templates; such data base must be clearly structured (e.g. one file for each type of agreement such as distribution agreement) to find quickly the necessary agreement.</p> <p>The cover page must show whether it is an own template or a 3rd party published template, and which scenario it covers (STADA as customer or service provider, as buyer or seller etc.)</p> <p>Database on a suitable IT tool</p>
Standardization	<p>New ways of standardizing should be found:</p> <ol style="list-style-type: none"> 1) Analysis and optimization of processes, e.g. whether routine and repetitive work could be delegated to specific STADA centres of excellence or 3rd parties sub-contractor (such as standard NDAs) 2) Standardization/internationalization of templates such as appropriate 3) To be checked: Digital tools, also for filing and storing documents (and e-mails) as well as for processing documents such as an optimized 	<p>Analysis of further out-sourcing of routine work</p>

	<p>database search for patents (subject to budget restraints)</p> <p>4) Digitalization</p>	
Onboarding process	<p>New onboarding process for each new employee</p> <ol style="list-style-type: none"> 1) with one experienced colleague being nominated as the mentor 2) With setting up a plan for a crash course for template documents such as contracts (various colleagues guiding through the documents) 3) With certain position and HQ contact to visit HQ (if possible) for approx. 3-5 days in Germany to get acquainted with the HQ structure, global policies and standards, also for know-how transfer and mutual understanding 	Onboarding process to be set up by respective line manager
Risk management system	<ol style="list-style-type: none"> 1) Proper risk identification & assessment in light of knowledge of corporate strategy 2) Break-down of corporate risk strategy to all Workstreams to focus on risk avoidance (e.g. by contractual protections) 3) Assess risk in detail 4) Affiliates calls: discuss risks on an individual basis 5) Practical examples for taking calculated risks, discussing risks and look at those risks from most possible different viewpoints and determine the best risk to benefit ratio (e.g. IP) 	The corporate risk strategy must still be distilled from general information and elaborated
Hand over prior to vacation	<p>Prior to any absence due to vacations each employee compiles a list of (major) outstanding issues and next steps and decision points to make the assumption of that work easier</p>	Template exists
Other issue	<ol style="list-style-type: none"> 1) IMPORTANT and basically (in almost every proposal): Create a global legal address-book with a short summary of function, responsibility, position and solid and dotted reporting line of each employee and contact details 2) Ideas Management: Pursuing and implementing ideas (with an existing solution suggestion, but also only the goal as an idea, if a detailed solution must still be worked out) – Proposal: Platform on the intranet for idea discussion 3) „Keep the eyes open“, suggest new products / Trends 4) „Think Tank“ for ideas 5) Caring for people’s health: Motivation, working atmosphere, trust; physical & mental health 	Global address book Ideas management