

DECLARATION OF COMPLIANCE

Declaration of the Board of Management and the Supervisory Board of Biotest AG on the recommendations of the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG)

Since the last Declaration of Compliance dated 21 March 2017, which referred to the German Corporate Governance Code in the version dated 5 May 2015, Biotest AG has complied with all recommendations of the German Corporate Governance Code in the version dated 5 May 2015 and in the version dated 7 February 2017 with the following exceptions:

- Biotest AG continues to not follow the recommendation in Section 3.8 para 3 of the German Corporate Governance Code to set a deductible on D&O insurance for the members of the Supervisory Board in the amount prescribed in Section 93 para 2 sentence 3 of the AktG for members of the Board of Management. As explained in the last Declaration of Compliance a deductible equivalent to the deductible for members of the Board of Management would be out of proportion to the current remuneration levels for Supervisory Board duties. Biotest AG has set in its view an appropriate deductible for its Supervisory Board members.
- The recommendation set forth in Section 4.2.3 para 2 of the German Corporate Governance Code requires that an upper limit be set for the remuneration amount in total and variable remuneration components for the Board of Management. The contracts entered into with Board of Management members do not contain any explicit upper limit amount of each and every remuneration component. All remuneration components, however, are individually capped so that an upper limit amount is implied. Therefore, the Supervisory Board is of the opinion that it is not necessary to additionally set an explicit upper limit amount for the remuneration in total.
- The recommendation set forth in Section 4.2.3 para 3 requires the Supervisory Board to determine the targeted level of benefits – also based on the length of time served on the Board of Management – and to take into account the annual expense for the Company derived from this. The Board of Management members are included in the company pension scheme of Biotest AG. They each have been given an individual commitment. The corresponding benefits are not derived from a pre-defined level of benefits so that the recommendation set forth in Section 4.2.3 para 3 is currently not complied with. The Supervisory Board does not intend at the present time to change what it considers to be an appropriate pension system for the Board of Management members of Biotest AG.
- Biotest did not follow the recommendation set forth in Section 5.3.3 of the German Corporate Governance Code to form an own supervisory board nomination committee, which consists exclusively of members representing the shareholders and nominates qualified candidates for the supervisory board to propose to the general meeting for the appointment of supervisory board members. The tasks of such a nomination committee are assumed by Biotest's Governance Committee.
- Section 5.4.1 para 2 sentence 1, 2 of the German Corporate Governance Code requires that the Supervisory Board sets specific targets with regard to its composition that take into account the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of Section 5.4.2 of the German Corporate Governance Code, a defined age limit for Supervisory Board members and a regular limit of length of membership as well as diversity, all in light of the Company's specific situation. Biotest AG has partially not followed the recommendations.

The reasons which were presented in the last Declarations of Compliance are still valid. Biotest AG complies with the rules set out by the Law on Equal Participation

of Women and Men in Private-Sector and Public-Sector Management Positions dated 24. April 2015. Since 2004 the quota for female members of the supervisory board accounts for at least 30%.

The Supervisory Board of Biotest AG has already set a specific target for the maximum age of its members. The Company's international activities were covered by the previous Chairman of the Supervisory Board, who was Italian citizen. Tan Yang elected as substitute member is a citizen of New Zealand. The goal that at least two out of four representatives of the shareholders in the Supervisory Board shall be independent, has been and is fulfilled. For the other two positions, the propositions of the largest groups of shareholders were taken into account. An internal analysis found that the setting of specific targets for the composition of the Supervisory Board is not necessary under the existing specific circumstances and shareholder structure.

- Section 5.4.1 para 2 sentence 1 of the German Corporate Governance Code in the version dated 7 February 2017 now recommends the preparation of a qualification profile for the Supervisory Board. Biotest AG does not follow this recommendation insofar as for the election in May 2017 qualification profiles for the future chairman of the Supervisory Board and the chairman of the audit committee were prepared. For the other two positions of the shareholder representatives, the propositions of the largest shareholder groups were taken into account. The determination of a qualification profile for the entire Supervisory Board was therefore unnecessary.
- Section 5.4.1. para. 4 sentence 1 of the German Corporate Governance Code recommends proposals of the Supervisory Board to the general meeting to take into account targets regarding the composition of the entire Supervisory Board as set forth under Section 5.4.1 para. 2 sentence 1, 2. However, due to the deviation from the recommendation to prepare specific targets for the composition of the entire Supervisory Board, these targets cannot be taken into account when making proposals to the competent election body or to the General Meeting. Thus, Biotest AG does not follow this recommendation.
- Biotest AG does not follow the recommendation laid out in Section 5.4.1 para. 4 sentence 1 of the German Corporate Governance Code in the version dated 7 February 2017 insofar only partially as for the past election qualification profile were only determined for the chairman of the Supervisory Board and the chairman of the audit committee, but not for the remaining positions. For these, the suggestions of the two major groups of shareholders were taken into consideration.
- For reasons of the deviation from Section 5.4.1 para. 2 sentence 1, 2 of the German Corporate Governance Code corresponding reporting in the Corporate Governance Report is not possible. An exception is therefore declared in respect of 5.4.1 para. 4 sentence 2 of the German Corporate Governance Code and Section 5.4.1 para. 4 sentence 3 of the German Corporate Governance Code in the version dated 7 February 2017.
- Under Section 5.4.6 para 2 of the German Corporate Governance Code performance –based remuneration is to paid to Supervisory Board members based on the sustained performance of the company. This is generally understood as a multi-year basis for calculating performance-based remuneration. Biotest AG does not comply with this recommendation. Pursuant to Section 16 para 1 sentence b of the Articles of Association the Supervisory Board members receive an annual variable remuneration for each past financial year based on the amount of the dividend paid. Biotest AG is of the opinion that the currently determined variable remuneration of the Supervisory Board is appropriate with regard to the calculation basis and amount. In the event that the Company comes to the conclusion in its regularly scheduled review of the remuneration system that the performance-based remuneration

neration should be adjusted, the recommendation set forth in Section 5.4.6 para 2 of the German Corporate Governance Code will be incorporated into its analysis.

- Section 6.2 of the German Corporate Governance Code in the version dated 5 May 2015 requires that shares or related financial instruments held by the Board of Management and the Supervisory Board members are now disclosed separately in the Corporate Governance Report by the Board of Management and the Supervisory Board, if it directly or indirectly holds more than 1% of the shares issued. Dr. Schleussner, member of the Supervisory Board, controls OGEL GmbH, which, to the knowledge of the Company, held approx. 50.61% of the issued ordinary shares of the Company until the takeover of the shares by Tiancheng (Germany) Pharmaceutical Holdings AG. The combined total of the shares held by other members of the Supervisory Board as well as by Board of Management members is below 1% of the ordinary shares issued by the Company. The Company did not consider it necessary to disclose the information separately. Section 6.2 has been removed from the German Corporate Governance Code in the version dated 7 February 2017. The Government Commission considered additional reporting obligations redundant.

Biotest AG further declares to comply with the recommendations of the German Corporate Governance Code in the version dated 7 February 2017 except for the prescribed deviations.

Dreieich, 13 March 2018

For the Management Board

Dr. Bernhard Ehmer

Dr. Michael Ramroth

Dr. Georg Floß

For the Supervisory Board

Rolf Hoffmann