

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 13 March 2018, which referred to the German Corporate Governance Code in the version dated 5 May 2015 and in the version dated 7 February 2017, Biotest AG has complied with all recommendations of the German Corporate Governance Code 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 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 AG 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 recommends 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. So far 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 Vice Chairman of the Supervisory Board, Tan Yang who 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, is fulfilled with three independent members.

With effect as of 7 March 2019 the Supervisory Board has now established specific targets for its composition in accordance with Section 5.4.1 para 2 sentence 1, 2 of the German Corporate Governance Code.

- Section 5.4.1 para 2 sentence 1 of the German Corporate Governance Code recommends the preparation of a qualification profile for the Supervisory Board. So far, Biotest AG has partially not followed this recommendation. Despite the absence of a comprehensive qualification profile, the Supervisory Board has always taken into consideration that its members have sufficient knowledge, skills and professional experience, which is necessary to fulfill their duties. With effect as of 7 March 2019 the Supervisory Board has now established a qualification profile in accordance with Section 5.4.1 para 2 sentence 1 of the German Corporate Governance Code.
- 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 so far, these targets could not be taken into account when making proposals to the competent election body or to the General Meeting. Thus, Biotest AG has not followed this recommendation in the past.
- So far, Biotest AG has only followed the recommendation laid out in Section 5.4.1 para. 4 sentence 1 of the German Corporate Governance Code 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 at that time 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 so far, corresponding reporting in the Corporate Governance Report was not possible. Therefore, Biotest AG has not followed the recommendation in Section 5.4.1 para. 4 sentence 3 of the German Corporate Governance Code in the past.
- Provided that the members of the Supervisory Board are granted a performance – based remuneration, Section 5.4.6 para 2 of the German Corporate Governance Code recommends that such remuneration is to be based on the sustained performance of the company. This is generally understood as a multi-year basis for calculating performance-based remuneration. Biotest AG has not complied with this recommendation until 1 June 2018. Until then the Supervisory Board members have received an annual variable remuneration for each past financial year based on the amount of the dividend paid pursuant to the Articles of Association. On 15 May 2018 the General Meeting resolved on a new remuneration system for the Supervisory Board with effect as of 1 June 2018, which no longer includes a performance-based remuneration.

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, 7 March 2019

For the Management Board

Dr. Bernhard Ehmer

Dr. Michael Ramroth

Dr. Georg Floß

For the Supervisory Board

Rolf Hoffmann