

## Declaration of compliance

### **Declaration by the Biotest AG Board of Management and Supervisory Board 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 2014, which referred to the German Corporate Governance Code as amended on 15 May 2012 and 13 May 2013, Biotest AG has complied with all recommendations of the German Corporate Governance Code as amended on 13 May 2013 and 24 June 2014 with the following exceptions:

- Biotest AG continues not to follow the recommendation in Section 3.8 (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 (2) clause 3 of the AktG for members of the Board of Management. The reasons given in the last Declaration of Compliance remain valid. 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 (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 amounts for the remuneration in total. However, a limit is specified for the maximum amount of each and every remuneration component. 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 (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 (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 has not followed the recommendation set forth in Section 5.3.3 of the German Corporate Governance Code to form a Supervisory Board nomination committee. Biotest's Supervisory Board comprises only four shareholder representatives. Biotest AG considers the formation of a committee from the small number of shareholder representatives to be un-necessary. The improvement in transparency of the selection process at which the recommendation is aimed is also ensured at Biotest AG in full meetings of the Supervisory Board.
- Section 5.4.1 (2) and (3) of the German Corporate Governance Code requires that the Supervisory Board set 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 diversity in light of the Company's specific situation. These specific targets should particularly include adequate female representation. The Supervisory Board must take these targets into account when making recommendations to the selection committees. The targets and the status of their

implementation are to be published in the Corporate Governance Report. Biotest AG has not followed the recommendations. The reasons which were presented in the last Declaration of Compliance are still valid.

The Supervisory Board of Biotest AG has already set a specific target for the maximum age of its members. The Company's international activities are covered by the Chairman of the Supervisory Board, who is an Italian citizen. Furthermore, a third of the members of the Supervisory Board are women. An internal analysis found that, in the case of Biotest AG, no explicit targets need be set due to the past and also the future expected above-average participation of women on the Supervisory Board. Biotest AG also does not follow the recommendation that a target be established for the number of independent Supervisory Board members. The right of OGEL GmbH to appoint a member to the Supervisory Board is laid down in the Articles of Association. A Supervisory Board member has a business relationship with Kreissparkasse Bieberach as a major shareholder. 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.

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- Under Section 5.4.6 (2) of the German Corporate Governance Code, performance-based remuneration is to be 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 (1) (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 should be adjusted, the recommendation set forth in Section 5.4.6 (2) of the German Corporate Governance Code will be incorporated into its analysis.
- An amendment to Section 6.3 of the German Corporate Governance Code requires that shares or related financial instruments held by the Board of Management and the Supervisory Board members now are 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, Deputy Chairwoman of the Supervisory Board, controls OGEL GmbH, which, to the knowledge of the Company, holds approx. 50.03 % of the issued ordinary shares of the Company. She therefore indirectly holds 50.03 % of the ordinary shares of Biotest AG. Information regarding this can be found in the Group Management Report under "Explanatory notes in accordance with Section 315 (4) of the German Commercial Code (HGB)". 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 does not consider it necessary to repeat the information contained in the Group Management Report in the Corporate Governance Report. It does not follow the recommendation in this respect.

Dreieich, 17 March 2015

For the Board of Management

For the Supervisory  
Board

Dr. Bernhard Ehmer

Dr. Michael Ramroth

Dr. Georg Floß

Dr. Alessandro Banchi