

## 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 15 March 2016, which referred to the German Corporate Governance Code as amended on 24 June 2014 and 5 May, the Corporate Governance Code has not been amended and Biotest AG has complied with all recommendations of the German Corporate Governance Code in its current version 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. 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 (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 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. The tasks of such a nomination committee are assumed by Biotest's Governance Committee.
- 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 a regular limit of length of membership as well as diversity, all in light of the Company's specific situation. The Supervisory Board must take these targets into account when making recommendations to the election bodies. 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 Declarations of Compliance are still valid. In line with the Law on Equal Participation of Women and Men in Private-Sector and Public-Sector Management Positions dated 24 April 2015, Biotest AG has complied with the target quota for female members of the supervisory board of 30 % since 2004.

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. Biotest AG 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. Until January 2017 a Supervisory Board member had a business relationship with Kreissparkasse Biberach 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.

With non-compliance with the recommendation of Section 5.4.1 (2) of the German Corporate Governance Code, accordingly, the relevant statements cannot be made in the Corporate Governance Report. Therefore, an exception is also declared in respect of Section 5.4.1 (3) of the German Corporate Governance Code.

- 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.

- Section 6.2 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, 21 March 2017

For the Board of Management

For the Supervisory Board

Dr. Bernhard Ehmer Dr. Michael Ramroth Dr. Georg Floß

Dr. Alessandro Banchi