

Declaration of Compliance

Declaration by 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 20 March 2012, which referred to the German Corporate Governance Code as amended on 26 May 2010, Biotest AG has complied with all of the recommendations of the German Corporate Governance Code as amended on 26 May 2010 with the following exceptions:

- Biotest AG has not followed 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 AktG section 93 (2) sentence 3 for members of the Board of Management. Biotest AG has established in its view an appropriate deductible for members of its Supervisory Board. However, this does not meet the deductible amount for Supervisory Board members required by law. In Biotest's view, an increase in the deductible set would be out of proportion with current remuneration for Supervisory Board duties.
- Biotest AG has not followed the recommendation in section 5.3.3 of the German Corporate Governance Code to form a Supervisory Board nomination committee. Biotest AG'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 unnecessary. The improvement in transparency of the selection procedure at which the recommendation is aimed is also ensured at Biotest AG in full meetings of the Supervisory Board.
- Section 5.4.1 of the German Corporate Governance Code recommends that the Supervisory Board set specific targets with regard to its composition, taking into account the international activities of the Company, potential conflicts of interest, an age limit for Supervisory Board members (to be defined) and diversity in light of the Company's specific situation. These specific targets should 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. The Supervisory Board of Biotest AG has already set a specific target with regard to the maximum age of its members. In addition, female members make up one-third of the Supervisory Board. An internal analysis found that, in the case of Biotest AG, due to past and also future above-average participation by women on the Supervisory Board, no express targets are required. To this extent, an exemption from section 5.4.1 (2) of the German Corporate Governance Code is declared. Accordingly, corresponding statements in the Corporate Governance Report cannot be made. Therefore, an exemption from section 5.4.1 (3) of the German Corporate Governance Code is also declared.

The Board of Management and Supervisory Board further declare their compliance with all the recommendations of the German Corporate Governance Code as amended on 15 May 2012, with the following exceptions:

- Biotest AG will continue 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 AktG section 93 (2) sentence 3 for members of the Board of Management. The reasons explained above remain valid.
- Biotest AG will also continue not to follow the recommendation in section 5.3.3 of the German Corporate Governance Code to form a Supervisory Board nomination committee. The reasons explained above remain valid.

- The revisions to the German Corporate Governance Code of 15 May 2012 include new recommendations under section 5.4.1 paragraphs 2 and 3 of the German Corporate Governance Code, which state that the Supervisory Board is to establish specific targets with regard to its composition, taking into account the international activities of the Company, potential conflicts of interest, the number of independent Supervisory Board members per section 5.4.2 of the German Corporate Governance Code, an age limit for Supervisory Board members (to be defined) and diversity in light of the Company's specific situation. These specific targets should 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. The Supervisory Board of Biotest AG was reappointed in May 2012. It continues to consist one-third of female members and, with the new Chairman of the Supervisory Board, who is an Italian citizen, reflects the international activities of the company.

Based on the above considerations regarding the exemption from section 5.4.1 of the German Corporate Governance Code as amended on 26 May 2010, Biotest AG will continue not to follow the recommendations in section 5.4.1 (2) and (3) of the German Corporate Governance Code as amended on 15 May 2012.

Biotest AG will not follow the new recommendation to set a target for the number of independent Supervisory Board members. The Articles of Association includes a clause giving OGEL GmbH the right to appoint members to the Supervisory Board. In addition, one Supervisory Board member has a business relationship with Kreissparkasse Biberach as a major shareholder. The Supervisory Board is convinced, that the number of independent persons is sufficient for the Supervisory Board of Biotest AG. In addition has an internal analysis shown that, under its current situation and shareholder structure, Biotest AG is not required to set specific targets for Supervisory Board membership.

- Section 5.4.6 (2) of the German Corporate Governance Code has been amended. It recommends that performance-based remuneration granted to members of the Supervisory Board be based on the long-term performance of the company. This is generally understood as a multi-year basis for calculating performance-based remuneration. Biotest AG will not follow this recommendation. Pursuant to section 16 (1) (b) of the Articles of Association, the members of the Supervisory Board of Biotest AG will receive annual variable remuneration for each past financial year based on the amount of the dividends paid. Biotest AG is of the opinion that the currently specified variable remuneration for the Supervisory Board is appropriate as a calculation basis and in its amount. If, as part of its regularly scheduled review of the remuneration system, the Company comes to the conclusion that the performance-based remuneration system should be adjusted, it will take into account the recommendation of section 5.4.6. (2) of the German Corporate Governance Code in its analysis.

The recommendation of Section 5.4.6 (3) has been amended to the effect that the remuneration of the Supervisory Board no longer needs to be disclosed in the Corporate Governance Report but rather in the notes to the financial statements or the management report. The Company will continue to disclose Supervisory Board remuneration in the Corporate Governance Report. However, the latter is part of the management report of Biotest AG, so that there is no exemption from the recommendation in 5.4.6 (3) to report.

Dreieich, Germany, 22 March 2013

For the Board of Management

For the Supervisory Board



Prof. Dr. Gregor Schulz



Dr. Michael Ramroth



Dr. Georg Floß



Dr. Alessandro Banchi