

MANAGEMENT DECLARATION

Declaration in accordance with Section § 315d of the German Commercial Code (*Handelsgesetzbuch – HGB*)

CONSTITUTION OF THE COMPANY

Biotest AG is a joint stock company under German law (*Aktiengesellschaft – AG*). Its management, decision-making and control mechanisms are based on the Company's Articles of Association together with the relevant statutory provisions. The current version of these is available for download on the Company's website at www.biotest.com.

CORPORATE GOVERNANCE

Biotest AG employs a two-tier management system in accordance with statutory requirements. The Board of Management is responsible for managing the Company and the Supervisory Board for the monitoring function. The two bodies are strictly separate and distinct in terms of membership and responsibilities.

The Biotest Group is managed and monitored in accordance with high, generally accepted standards. The Company's management principles are firmly established in all its segments and set forth the framework for strategic decisions and business policies.

The Board of Management and Supervisory Board closely follow ongoing discussions regarding corporate governance and systematically adopt *best practices*. Our understanding of responsible corporate governance is based on the following principles:

- The Board of Management and the Supervisory Board work together in confidence. The Supervisory Board exercises its monitoring function efficiently and independently.
- The Company is managed with the interests of the shareholders in mind at all times.
- Responsible risk management is practiced.
- Observance of and compliance with all legal and regulatory requirements is of the highest priority.
- Timely and transparent communication, both internal and external, is assured.

The basis of cooperation is set forth in working rules. These are handed out to each employee at the start of employment.

Management by the Board of Management

The Board of Management manages the Company on its own responsibility. It is bound to serve the Company's interests and to increase its value with a view to sustainable performance.

It develops the Company's strategies in coordination with the Supervisory Board and ensures their implementation.

The Board of Management manages the Company in accordance with rules of procedure, the law, the Articles of Association and the respective service contracts of its members. The Board of Management works together with other corporate bodies and employee representatives on the basis of mutual trust for the good of the Company.

According to the Articles of Association, the Board of Management may consist of one or more members; it currently has two members. They were appointed by the Supervisory Board, which appointed one Board of Management member as its Chairman.

The Company is legally represented by two Board members or by one Board member and an authorised officer (*Prokurist*). The Board of Management's rules of procedure lay down the details of how it functions as a body. These specifically include:

- the schedule of responsibilities which determines which business areas are to be managed by the Board of Management member under his/her own responsibility,
- decisions to be made by the Board of Management as a whole,
- the special duties of the Chairman of the Board of Management,
- transactions requiring Supervisory Board approval,
- regular, timely and comprehensive briefing of the Supervisory Board,
- rules regarding meetings and resolutions.

Monitoring and advising by the Supervisory Board

The Supervisory Board monitors the Board of Management and advises it regularly. The composition of the Supervisory Board is in accordance with the German One-Third Participation Act (*Drittelbeteiligungsgesetz*) and is comprised of six members; four of the members are elected by the Annual Shareholders' Meeting and two by employees.

The Supervisory Board performs in full all tasks with which it is entrusted under the terms of statutory provisions, the Articles of Association and the German Corporate Governance Code (GCGC).

All duties and powers of the committees are laid down in the Supervisory Board's rules of procedure. Further, the Company adopted a qualification profile for the members of the Supervisory Board. These also include most of the GCGC requirements, e.g. in respect of the professional competence of the Supervisory Board members, restrictions imposed on Supervisory Board mandates in other listed companies.

Other rules relate to:

- the selection and duties of the Supervisory Board Chairman and Deputy Chairman,
- the convening of meetings,
- decision-making during meetings and outside meetings in writing or by telephone,
- the obligation to maintain confidentiality and mandatory disclosure of conflicts of interest

The Supervisory Board has set up three committees in order to increase its efficiency:

	Duties	Members
Governance Committee	Preparation of recommendations and motions for the Supervisory Board as a whole, monitoring resolution implementation, recommendations for Supervisory Board candidates	Dr. Cathrin Schleussner (Chairwoman) Simone Fischer (since 19 February 2020) Rolf Hoffmann Tan Yang
Personnel and Remuneration Committee	Board of Management appointments and remuneration Preparation of recommendations and motions with regard to new contracts for the Supervisory Board as a whole	Rolf Hoffmann (Chairman) Kerstin Birkhahn Tan Yang
Audit Committee	Preliminary review of the annual financial statements and the independence of the external auditors of the annual and consolidated financial statements. Regular consultation regarding the risk position and risk management system of the Group.	Simone Fischer (Chairwoman) (since 19 February 2020) Rolf Hoffmann Jürgen Heilmann Tan Yang

In February 2019, the Supervisory Board last reviewed the efficiency of its work with the help of an experienced expert.

Specification to promote the participation of women in executive positions pursuant to Sections 76 Paragraph 4 and 111 Paragraph 5 of the German Stock Corporation Act (*Aktiengesetz - AktG*)

Promotion of women in executive positions

An adequate representation of women in the workforce and, in particular, among the executives, provides an important added value to the Biotest Group. In connection with the “German Act on the Equal Participation of Women and Men in Executive Positions in the Private Economy and the Public Service”, Biotest AG set target figures for the participation of women in executive positions, which are to be met by 30 June 2022.

Women on the Supervisory Board

The Supervisory Board of Biotest AG is composed of six members, four of whom

represent the shareholders, and two of whom represent the employees. The Supervisory Board is composed of two women, as representatives of the shareholders, and one woman as a representative of the employees. By that proportion of 50% of the seats on the Supervisory Board by each men and women, the Company has exceeded the statutory minimum proportion of 30% women.

Women on the Board of Management

In financial year 2019, no women were represented on the Board of Management. This is in line with the fixed percentage of 0%, as the Board of Management members in office were appointed for a period beyond 31 December 2019. By 30 June 2022, the proportion of women on the Board of Management is to increase to 25%.

Women at the first and second management level

The Board of Management of Biotest AG has set a target figure of 20% for the participation of women at the first management level by 30 June 2022; this means that the proportion of 14% as of 30 June 2019 is to be increased further. The target figure for the second management level was set at 30% by 30 June 2022. As of 30 June 2019, the proportion of women at that management level was already 32%. The proportion of women at Biotest AG (527 female employees) as of 31 December 2019 was 41%.

Diversity concept for the composition of the Board of Management and the Supervisory Board

Beyond the diversity objectives for the composition of the Board of Management and the Supervisory Board set out in this Management Declaration as well as the particular objectives as set out in the qualification profile for the composition of the Supervisory Board Biotest AG has not yet established a diversity concept within the meaning of Section 289f para. 2 No. 6 of the German Commercial Code (HGB). In the past, the Supervisory Board has always taken into account, even in the absence of an abstract diversity concept, that its composition and that of the Board of Management meet the specific needs of the company.

Qualification profile and targets for the composition of the supervisory board

Requirements on the composition of the supervisory board

Qualification profile for the collegiate body

The Supervisory Board shall have the competencies which are considered essential for the activities and business of the Biotest Group. This includes in particular extensive and in-depth knowledge and experience in

- the management of a mid-size, internationally operating company;
- the healthcare/life science/pharma sector;
- the areas of production, marketing, sales and digitization;
- the main markets in which Biotest operates;

- business administration;
- the area of governance/compliance/risk management.

In addition, with regard to the requirements of Section 100 para 5 of the German Stock Corporation Act (*Aktiengesetz* - "**AktG**"), at least one member of the Supervisory Board must have expertise in the field of accounting or auditing and the Supervisory Board members in general must be familiar with the pharmaceutical industry.

As the communication at the meetings and the documents for their preparation are in English, each member of the Supervisory Board should have a good command of the English language.

Independence and Potential Conflicts of Interests

More than half of the Supervisory Board members shall be independent within the meaning of Section 5.4.2 of the German Corporate Governance Code. It is being understood that an employment relationship within the Biotest Group or membership or activity in an employee representative body does not affect the independence of an employee representative.

As far as shareholder representatives and employee representatives are considered separately, more than half of each of them shall be independent in accordance with Section 5.4.2 of the German Corporate Governance Code.

Potential conflicts of interests shall not exist in relation to at least half of the shareholder representatives, in particular no conflicts of interests which may arise as a result of consulting or board activities with shareholders, customers, lenders or other third parties.

No more than two former members of the Board of Management shall be members of the Supervisory Board.

Diversity

In favor of diversity, the Supervisory Board shall take into account different professional and international experiences, in particular also an appropriate participation of women and men for its composition. Pursuant to Section 96 para. 2 AktG, the Supervisory Board comprises of at least 30 percent women and at least 30 percent men. Shareholder and employee representatives bear joint responsibility for fulfilling these participation quotas.

International Expertise

At least one shareholder representative shall have many years of international experience.

Requirements for individual members of the supervisory board

General Requirements Profile

Supervisory Board members shall have entrepreneurial or operational experience and general knowledge of the pharmaceutical industry, in particular in the area of plasma protein products and biotherapeutic drugs manufacturing. Based on their knowledge, skills and professional experience, the members of the Supervisory Board should be able to perform their duties in an internationally operating company.

With regard to election proposals to the annual general meeting, particular attention

shall be paid to the personality, integrity, motivation and independence of the candidates. Supervisory Board members shall comply with the limitation of supervisory board mandates as set out in the Rules of Procedure for the Supervisory Board and generally comply with the recommended limitation of supervisory board mandates in accordance with Section 5.4.5 of the German Corporate Governance Code.

Time Availability

Each member of the Supervisory Board ensures that he/she can make available the expected time required for the duly exercise of his/her mandate. The following must be taken into account:

- At least five ordinary Supervisory Board meetings are held each year, each of which requires an appropriate period of time for preparation.
- Sufficient time shall be reserved for the examination of the annual and consolidated financial statements.
- Membership in one or more committees requires additional time.
- Additional extraordinary Supervisory Board or committee meetings may be necessary to deal with special situations or special topics.

Age Limit

The members of the Supervisory Board shall not be older than 68 years at the time of their election.

Standard term of Supervisory Board mandate

Members of the Supervisory Board shall generally not be on the Supervisory Board for more than 15 years or three terms of office.

Election proposals for the Supervisory Board to the annual general meeting shall take these targets into account and at the same time aim to reflect the qualification profile for the full Supervisory Board.

Status of implementation

In its current composition, the Supervisory Board fulfils nearly all the requirements of the qualification profile for the collegiate body and the individual members, in particular the requirements in relation to professional and personal qualifications and with regard to the knowledge, skills and experience essential for Biotest AG, as well as internationality.

Only Dr. Cathrin Schleussner has been a member of the Supervisory Board since 2001 and has, thus, been a member for more than 15 years. Until 15 June 2018, Dr. Cathrin Schleussner has been managing director of OGEL GmbH, based in Frankfurt am Main, which was the majority shareholder of Biotest AG until the sale of the ordinary shares to Tiancheng (Germany) Pharmaceutical Holdings GmbH in the course of the public takeover offer of 18 May 2017. As the majority shareholder, OGEL GmbH had the right to send a representative to the Supervisory Board of Biotest AG in accordance with the Articles of Association as applicable at the time.

In the 2019 financial year, the composition of the Supervisory Board did not change, so that the above-mentioned targets and qualification profile could not be taken into account in election proposals to the Annual General Meeting.

Ms Christine Kreidl resigned from the Supervisory Board with effect from 4 January 2020. With effect from 12 February 2020, Ms. Simone Fischer was appointed by court as a member of the Supervisory Board of the Company. The selection of Ms. Simone Fischer took into account the qualification profile for the Supervisory Board. In particular, she has experience and expertise in the field of accounting and auditing.

Collaboration between the Board of Management and the Supervisory Board

The Board of Management informs the Supervisory Board regularly, promptly and fully of all relevant matters with regard to planning, business development, the risk position and risk management.

It provides a monthly report on the Company's business and earnings position, including plan and target variances together with an explanation. Certain business transactions, such as the acquisition and disposal of participations in other companies, fundamental changes in the corporate organisation or business strategy and capital increases or decreases require the prior approval of the Supervisory Board.

Supervisory Board members are provided with all decision-relevant documents, including the annual financial statements, consolidated financial statements and the auditor's report in a timely manner before each meeting.

Members of the Board of Management attend meetings of the Supervisory Board in an advisory capacity, unless, in individual instances, the Supervisory Board or its Chairman decides otherwise.

MANAGEMENT AND CONTROL OF GROUP COMPANIES

The Group's affiliated companies are corporations that may differ in legal form depending on their domicile. The companies are managed by a Board of Management or a comparable institution. Shareholders' meetings set the guidelines for the respective company strategy and make key investment and business decisions.

In principle, Group management approval is required for all key business decisions at the affiliate level.

COMPLIANCE IN THE BIOTEST GROUP

Biotest defines compliance as a series of internal corporate policies and procedures that are undertaken by a company and that promote the prevention, detection, and resolution of conduct or practices that are illegal or that do not conform to the company's ethical and business standards.

The rights and duties of individual employees in the Biotest Group are governed by Biotest's Code of Ethics and Business Conduct (Code of Conduct) that is published on the Biotest website and in the national compliance manuals and are comprehensively set out on the Intranet and regularly updated. The most essential content and messages of the Code of Conduct have been summarised in a leaflet which was or will be distributed to all employees and relevant business partners in electronic and physical form.

In 2019, Biotest Group continued to strengthen its compliance measures to mitigate the risk of violations of compliance rules.

The Legal, IT and Compliance department collaborated closely to expand the international compliance system and take local compliance factors into account. The compliance processes were further developed in 2019, primarily by designing an electronic compliance review process and establishing processes for money laundering prevention and database-supported compliance due diligence review of business partners.

For this purpose, all sales partners based abroad are checked for suspicions of corruption, money laundering or other criminal offences or unethical behaviour against social and environmental standards on the basis of a risk-based approach when the contract is concluded and periodically thereafter. Potential partners from high-risk countries or with a particular risk profile are examined particularly intensively.

All distributors and agents confirm receipt of the current Code of Conduct on a regular basis and undertake to comply with its provisions. Distributors and agents regularly attend information events on compliance topics and the Code of Ethics and Conduct.

Mandatory training courses on the Biotest Code of Conduct were also held for all new employees and employees who had not been trained for some time, as well as on significant changes to the Code. In addition, annual specialist training sessions were held on the Compliance Manual, followed by an electronic test for the relevant functional areas.

Biotest AG is a member of the "Verein Arzneimittel und Kooperation im Gesundheitswesen e.V." (AKG = Pharmaceuticals and Cooperation in Healthcare Association) based in Berlin, Germany. This voluntary self-regulating organisation was established by German-based pharmaceutical companies to guard against competitive violations.

Biotest AG has put a compliance system in place to implement and specify the requirements under the Code of Conduct for day-to-day cooperation with business partners and in particular with health care professionals (HCPs) or health care organisations (HCOs) such as hospitals, doctors and other medical specialists. Its particular concern is to combat the risk of corruption in connection with pharmacotherapy. Transactions involving Biotest AG and HCPs or HCOs with potential compliance risks are subject to the prior written approval of the Compliance Department. This applies for instance to trainings that are financially supported by Biotest, expert meetings, lectures and observational studies.

Biotest has also implemented an electronic system to ensure that payments to creditors are made in a compliant manner and to archive all data that needs to be published in connection with benefits to healthcare professionals and healthcare organisations. In accordance with the Transparency Rule of the AKG (§ 28 of the AKG Code), Biotest publishes on its website all cash-equivalent benefits to HCPs or HCOs on an annual basis. A whistle-blower hotline has been established at a law firm.

Biotest AG and its subsidiaries regularly exchange information on the implementation and adaptation of Biotest AG's compliance systems. Besides the Group-wide Code of Ethics and Business Conduct, the revised national Compliance Manuals and other local regulations are successively published on the Biotest Group Intranet, making them transparent for all employees.

TRANSPARENCY AND FINANCIAL ACCOUNTING

The Biotest Group is committed to regular, open and timely communication with institutional investors and analysts, private shareholders, employees and other stakeholders.

We regularly share information with shareholders, all of whom are treated equally in terms of the information provided to them. All new developments are communicated without delay by means of press releases and ad hoc announcements, annual and interim financial reports, and presentations to analysts' and investors' conferences. This information, together with the financial calendar and information about the Annual Shareholders' Meeting, can be viewed or downloaded from our website.

Information is also published with regard to directors' dealings and voting rights announcements, along with all information which must be published under corporate law.

The annual consolidated financial statements and interim financial reports for the first three, six and nine months of each financial year are prepared by the Board of Management. These statements are prepared on the basis of the International Accounting Standards (IAS) adopted and published by the International Accounting Standards Board (IASB) or the International Financial Reporting Standards (IFRS) as applicable in the EU as well as the interpretations of the Standing Interpretations Committee (SIC) or the International Financial Reporting Interpretations Committee (IFRIC).

Biotest AG's single entity financial statements, on which dividend payments are based, are drawn up in accordance with the provisions of the German Commercial Code (HGB).

ANNUAL SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting is the Company's supreme governing body and is of central importance to the dialogue between shareholders and the Board of Management and Supervisory Board. By providing comprehensive information in advance of the Annual Shareholders' Meeting, we ensure that shareholders are able to make full use of their rights.

The Annual Shareholders' Meeting passes its resolutions with a simple majority of votes cast and, in cases where a capital majority is required, with a simple majority of the share capital represented – unless stipulated otherwise by law or the Articles of Association.

The most important information and details regarding the Annual Shareholders' Meeting are published on our website. The manuscript of the address given by the Chairman of the Board of Management and the accompanying presentation are also accessible in a timely manner on the website.

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 7 March 2019, which referred to the German Corporate Governance Code 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 has not 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 and therefore continuously does not follow the recommendation in Section 3.8 para 3 of the German Corporate Governance Code to set. Biotest AG has set in its view an appropriate deductible for its Supervisory Board members. 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.
- The Supervisory Board has not determined the targeted level of benefits – also based on the length of time served on the Board of Management – and has not taken into account the annual expense for the Company derived from this. Biotest AG therefore does not comply with the recommendation set forth in Section 4.2.3 para. 3. 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. 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.
- According to Section 5.4.1 para. 1 sentence 1 of the German Corporate Governance Code, the Supervisory Board should specify concrete targets for its composition and develop a qualification profile for the collegiate body. On 7 March 2019, the Supervisory Board established a qualification profile and targets for its composition. Thus, Biotest AG has only complied with the recommendation from this date.

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 described deviations.

Dreieich, 16 March 2020

For the Management Board



Dr Michael Ramroth



Dr Georg Floß

For the Supervisory Board



Rolf Hoffmann

In addition to this latest version, earlier versions of the Declaration of Compliance can also be viewed on and downloaded from the Biotest website.

The Corporate Governance Report and the report on the remuneration of the Board of Management and the Supervisory Board are included in the 2019 Annual Report.