

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 22 March 2013, which referred to the German Corporate Governance Code as amended on 26 May 2010 and 15 May 2012, Biotest AG has complied with all recommendations of the German Corporate Governance Code as amended on 15 May 2012 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. Biotest AG has set in its view an appropriate deductible for its Supervisory Board members. However, this is not equivalent to the deductible amount for Supervisory Members required by law. In Biotest AG's view, an increase in the deductible set would be out of proportion to the current remuneration levels for Supervisory Board duties.
- 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 unnecessary. 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, an age limit for Supervisory Board members (still to be defined) 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.

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 members is laid down in the Articles of Association. A Supervisory Board member has 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.

In this regard, an exception is declared in respect 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 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.

Furthermore, the Board of Management and the Supervisory Board declare that the Company has complied with all recommendations of the German Corporate Governance Code as amended on 13 May 2013 with the exception of the following:

- Biotest AG will continue not to follow the recommendation set forth 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 above remain valid.
- Biotest AG will continue not to follow the recommendation set forth in Section 5.3.3 of the German Corporate Governance Code to form a Supervisory Board nomination committee. The reasons given above remain valid.
- Biotest AG will also continue not to follow the recommendations set forth in Section 5.4.1 (2) and (3) of the German Corporate Governance Code as amended on 15 May 2012 for the reasons given above for this exception.
- Biotest AG will continue not to follow the recommendation set forth in Section 5.4.6 (2). The reasons given above regarding the calculation of variable remuneration for Supervisory Board members remain valid.
- The new 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. However, a limit is specified for the maximum amount of all remuneration components. The bonus is calculated on the basis of percentage rates applied to the fixed salary that are subject to a maximum limit. The remuneration component with long-term

incentive effect and risk features is limited by a specified number of participating preference shares, multiplying factors that are subject to a maximum and a link to the fixed salary. The Supervisory Board is of the opinion that it is neither necessary, nor would it be appropriate, to interfere with the existing Board of Management employment contracts in order to set explicit upper limit amounts for remuneration.

- The new 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) cannot currently be 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.
- An amendment to Section 6.3 of the German Corporate Governance Code requires that shares or related financial instruments held by Board of Management and Supervisory Board members now be disclosed separately in the Corporate Governance Report by Board of Management and Supervisory Board, if it directly or indirectly holds more than 1% of the shares issued. Dr. Schleussner, Deputy Chair 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, Germany, 21 March 2014

For the Board of Management



Prof. Dr. Gregor Schulz



Dr. Michael Ramroth



Dr. Georg Floß

For the Supervisory Board



Dr. Alessandro Banchi