

## MANAGEMENT DECLARATION

### Declaration in accordance with Section § 289f 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](http://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 for the benefit of the Company. 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.
- A responsible, appropriate and effective internal control and risk management system is practiced.
- Observing and complying with legal and regulatory requirements as well as internal guidelines is of 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 (to be found on the Company's website ([www.biotest.com](http://www.biotest.com))) 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 election 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. The duties of the committees are described in the Articles of Association and the Rules of Procedure of the Supervisory Board, which can be found on the Company's website (www.biotest.com). Following the discontinuation of the Governance Committee by Supervisory Board resolution of 8 May 2020, the two remaining committees are composed as follows:

	Duties	Members
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	Monitoring the accounting process, the effectiveness of the internal control system, the risk management system, and the internal audit system, the corporate governance as well as the audit of the financial statements, in particular the selection and independence of the auditor and the additional services provided by the auditor.	Simone Fischer (Chairwoman) (since 19 February 2020)  Rolf Hoffmann  Jürgen Heilmann  Tan Yang

Before its discontinuation by Supervisory Board resolution of 8 May 2020, the Governance Committee was composed as follows:

- Dr. Cathrin Schleussner (Chairwoman)
- Rolf Hoffmann
- Simone Fischer (since 19 February 2020)
- Tan Yang

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In February 2019, the Supervisory Board last reviewed the efficiency of its work with the help of an experienced executive consulting company. Based on a structured questionnaire the consultants have investigated the working method, style and efficiency of the Supervisory Board by conducting individual interviews with all members of the Supervisory Board and the Management Board. The results outlined in a report have been discussed and evaluated in a Supervisory Board meeting. As consequence, several measures had been taken.

## **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 one woman as representative of the shareholders, and one woman as a representative of the employees. By that proportion of 66.6 % of the seats on the Supervisory Board by men and 33.3 % by women, the Company has exceeded the statutory minimum proportion of 30 % women.

### *Women on the Board of Management*

In financial year 2020, 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 2020. 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 and has already exceeded this target by 31 December 2020 with 21%.. The target figure for the second management level was set at 30 % by 30 June 2022 and as of 31 December 2020, the proportion of women at that management level was 30 %. The proportion of women at Biotest AG (555 female employees) as of 31 December 2020 was 41 %.

## **Succession planning for the Board of Management**

Long-term succession planning with regard to appointments to the Board of Management is secured through regular dialogue amongst the Chairmen of the Board of Management and the Supervisory Board and regular discussion of the topic by the Supervisory Board. This includes the discussion of terms of the service contracts of current Board of Management members and possible extensions as well as considering possible successors. In succession planning for the Board of Management, the Supervisory Board ensures, among other things, that the age limit of 63 years is observed.

## **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

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 research & development (especially also in clinical development and drug approval) production, marketing, sales;
- digitisation and innovation management
- 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

The Supervisory Board shall include what its shareholder representatives consider to be an appropriate number of independent members representing shareholders, thereby taking into account the shareholder structure.

Within the meaning of recommendation C.7 of the German Corporate Governance Code, a Supervisory Board member is considered independent if he/she is independent from the company and its Management Board, and independent from any controlling shareholder. 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.

If the company has a controlling shareholder, and the Supervisory Board comprises more than six members, at least two shareholder representatives shall be independent

from the controlling shareholder. If the Supervisory Board comprises six members or less, at least one shareholder representative shall be independent from the controlling shareholder.

The Chair of the Supervisory Board, the Chair of the Audit Committee, as well as the Chair of the committee that addresses Management Board remuneration, shall be independent from the company and the Management Board. The Chair of the Audit Committee shall also be independent from the controlling shareholder.

Supervisory Board members shall not be members of governing bodies of, or exercise advisory functions at, significant competitors of the enterprise, and shall not hold any personal relationships with a significant competitor.

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

#### Diversity

In favour 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 at least 30 percent women and at least 30 percent men. Shareholder and employee representatives bear joint responsibility for fulfilling these participation quotas.

#### Industry and international Expertise

At least one shareholder representative shall have many years of international professional experience. It would be desirable if at least one member of the Supervisory Board has knowledge of the international pharmaceutical market, ideally in the Biotest indication areas of haemophilia, immunology and intensive care.

#### *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 comply with the recommended limitation of supervisory board mandates in accordance with recommendation C.4 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 almost all 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.

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, Ms. Simone Fischer has experience and expertise in the application of accounting principles and internal control procedures as well as in the auditing of financial statements.

Dr. Cathrin Schleussner resigned from her office as member of the Supervisory Board at the end of the Annual Shareholders' Meeting 2020. Dr. Cathrin Schleussner had been a member of the Supervisory Board since 2001 and has thus been a member of the Supervisory Board for more than 15 years.

The Annual Shareholders' Meeting 2020 confirmed the appointment of Ms. Simone Fischer and elected Mr. Xiaoying (David) Gao as members of the Supervisory Board. The Supervisory Board's election proposals to the Annual Shareholders' Meeting took into account the above-mentioned targets and qualification profile except for the recommended age limit. Mr. Xiaoying (David) Gao was 69 years old at his appointment to the Supervisory Board.

Taking into account the ownership structure, the Supervisory Board on the shareholder side includes what they consider to be an appropriate number of independent members. Ms. Simone Fischer and Mr. Rolf Hoffmann are independent of the Company and its Board of Management and independent of the controlling shareholder.

## **Collaboration between the Board of Management and the Supervisory Board**

The Board of Management informs the Supervisory Board regularly, promptly and comprehensively of all issues of strategy, planning, business development, the risk situation, risk management and compliance that are relevant to the Company.

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, the non-financial statement and the auditor's reports and the summary of the internal audit reports 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 the financial year 2020, 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 2020, primarily by starting the



implementation of an electronic compliance review process and establishing processes for money laundering prevention and database-supported compliance due diligence review of business partners.

Mandatory training courses on the Biotest Code of Conduct were also held for all new employees and employees who had not been trained for three years, as well as on significant changes to the Code. In addition, annual specialist training sessions were held on the policy for healthcare professionals (hitherto: 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.

Biotest's international business also includes cooperation with sales partners in countries with particular corruption and money laundering risks. Therefore, all sales partners abroad are screened for suspicions of corruption, money laundering or other criminal offenses or unethical behaviour against social and environmental standards on the basis of a risk-based approach when the contract is established and periodically at least every three years 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.

## 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 16 March 2020, which referred to the German Corporate Governance Code as amended on 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 in the version of 7 February 2017 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 not in proportion to the current remuneration levels for Supervisory Board duties.
- The Supervisory Board has not determined the long existing 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 of the German Corporate Governance Code in the version of 7 February 2017. 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 and contractually agreed 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 in the version of 7 February 2017 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 duties of the nomination committee were assumed by Biotest's Governance Committee until its dissolution by resolution of the Supervisory Board on 8 May 2020 and subsequently by the Personnel and Remuneration Committee.

Furthermore, since the amendment to the Code came into force on 20 March 2020, Biotest AG has complied with all recommendations of the German Corporate Governance Code as amended and adopted on 16 December 2019 with the following exceptions:

- Biotest AG did not follow the recommendation set forth in Section D.5 of the German Corporate Governance Code in the version of 16 December 2019 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. As described above, the duties of the nomination committee were assumed by Biotest's Governance Committee until its dissolution by resolution of the Supervisory Board on 8 May 2020 and subsequently by the Personnel and Remuneration Committee.

- Biotest AG only has partially follow recommendation G.1 of the German Corporate Governance Code the version of 16 December 2019. The remuneration system does not explicitly define the proportion of fixed remuneration and short-term and long-term variable remuneration components in the target total remuneration. Furthermore, the Company has not set out the relationship between achieving previously agreed performance criteria and variable remuneration in the remuneration system. The Company's current remuneration system provides for a sufficient degree of transparency regarding the proportion of fixed remuneration as well as the variable remuneration components. The Supervisory Board considers that it is not necessary to additionally break down the proportion of the respective remuneration component or the relationship between the agreed performance criteria and the variable remuneration. The Company intends to explain the proportion of the variable remuneration components and the fixed remuneration for the target remuneration at the Annual Shareholders' Meeting 2021.
- Contrary to recommendation G.3 of the German Corporate Governance Code in the version of 16 December 2019, the Supervisory Board of Biotest AG has not yet disclosed the peer group of other companies to assess whether the specific total remuneration of the Board of Management members is in line with usual levels compared to other companies. The company intends to describe the peer group at the Annual Shareholders' Meeting 2021.
- Biotest AG did not follow recommendation G.10 of the German Corporate Governance Code in the version of 16 December 2019. According to recommendation G.10, the Board of Management members' variable remuneration shall be predominantly invested in company shares by the respective Board of Management member or shall be granted predominantly as share-based remuneration. In addition, the granted long-term variable remuneration components shall be accessible to Board of Management members only after a period of four years. The variable remuneration components of the members of the Board of Management of Biotest AG provide for a cash payment and a payment of the long-term variable remuneration components after a period of three years. The Supervisory Board considers that the existing remuneration system is appropriate and that there was no reason to date to further postpone the possibility of disposing of the variable remuneration. The Company will implement a variable remuneration component with long-term incentive character which consists of targets over a time period of four years and thus payouts will take place after four years.
- Biotest AG did not follow recommendation G.11 of the German Corporate Governance Code in the version of 16 December 2019. According to recommendation G.11, the Supervisory Board shall have the possibility to retain or reclaim variable remuneration, if justified. The remuneration system of Biotest AG provides for a right of retention (hold-back clause). The current contracts with the members of the Board of Management do not include a right to reclaim the variable remuneration components (claw-back clause). The Supervisory Board considers that the current remuneration of the Board of Management sufficiently and appropriately takes the risks of the company into account.

- Biotest AG did not follow recommendation G.12 of the German Corporate Governance Code in the version of 16 December 2019. According to recommendation G.12, if a Board of Management member's contract is terminated, the disbursement of any remaining variable remuneration components attributable to the period up until contract termination shall be based on the originally agreed targets and comparison parameters, and on the due dates or holding periods stipulated in the contract. The current Board of Management contracts do not provide for any explicit regulation in this regard. The Supervisory Board considers that there is no need to include such a provision in the Board of Management service contracts, as the current provisions are deemed appropriate in the event a member of the Board of Management retires.

Biotest AG further declares to comply with the recommendations of the German Corporate Governance Code in the version dated 16 December 2019, with the exception of the aforementioned deviations.

Dreieich, 15. March 2021

For the Management Board

For the Supervisory Board

Dr Michael Ramroth    Dr Georg Floß

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 report on the remuneration of the Board of Management and the Supervisory Board is included in the 2020 Annual Report.