

**Management declaration
pursuant to § 289a HGB**

CONSTITUTION OF THE COMPANY

Biotest AG is a joint stock company under German law (Aktiengesellschaft). 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.de.

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 the 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 complete 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.
- Competent, 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 to each employee at the start of his 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 its respective service contracts. 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 three members. These were appointed by the Supervisory Board, which appointed one Board member as 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 shows which Board of Management member is personally responsible for each business division
- decisions to be made by the Board of Management as a whole
- the special duties of the Chairman of the Board of Management
- business transactions requiring Supervisory Board approval
- regular, timely and comprehensive briefing of the Supervisory Board
- rules governing meetings and resolutions

Monitoring and advising by the Supervisory Board

The Supervisory Board monitors the Board of Management and advises it regularly. Membership in the Supervisory Board is based on Germany's One-Third Employee Representation Act (Drittelbeteiligungsgesetz); the Supervisory Board consists of six members, four of whom are elected by the Annual Shareholders' Meeting and two by Biotest Group employees.

OGEL GmbH, a company based in Frankfurt am Main, Germany, is entitled under the Articles of Association to appoint representatives to sit on the Supervisory Board. See Biotest AG's Articles of Association for details of this entitlement.

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. 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 and the age limit.

Other rules relate to:

- the selection and duties of the Supervisory Board Chairman and Deputy Chairman,
- the convening of meetings,
- decision-making during meetings or at other times 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
Presiding Committee	Prepare recommendations and motions for the Supervisory Board as a whole, monitor resolution implementation	Dr. Alessandro Banchi (Chairman) Dr. Cathrin Schleussner Dr. Christoph Schröder
Personnel Committee	Appoints and sets remuneration for Board of Management members Prepares recommendations and motions with regard to new contracts for the Supervisory Board as a whole	Dr. Alessandro Banchi (Chairman) Dr. Cathrin Schleussner Thomas Jakob
Audit Committee	Conducts a preliminary review of the annual financial statements and the independence of the auditors appointed to audit the annual and consolidated financial statements. Regularly analyses the Group's risk situation	Dr. Christoph Schröder (Chairman) Dr. Alessandro Banchi Jürgen Heilmann

The Supervisory Board reviews the efficiency of its work on a regular basis (at least once every two years).

Collaboration between the Board of Management and Supervisory Board

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

It must provide 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 given all decision-relevant documents, including the annual financial statements, consolidated financial statements and the auditor's report timely prior to 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's 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

The responsibilities, rights and duties of individual employees as well as the respective national compliance officer in the Biotest Group are governed by Biotest's code of conduct "What is important for us" and in the national compliance manuals and are comprehensively set out on the Intranet and regularly updated. There is regular training for the management and the employees.

Biotest AG is a member of the "Verein Arzneimittel und Kooperation im Gesundheitswesen e.V." (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 anti-competitive practices and, if necessary, to impose punishments for such practices.

Biotest AG has put in place a compliance system to implement and clearly define a code of behaviour for day-to-day cooperation with business partners and in particular with hospitals, doctors and other medical specialists. Its particular concern is to combat the risk of corruption in connection with pharmacotherapy. Biotest implemented an electronic system to secure that payments to creditors are made in a compliant manner and to archive all data which has to be published in connection with benefits to healthcare professionals and healthcare organisations. A whistle blower hotline has been established at a law firm.

The compliance systems were also gradually implemented in the Biotest AG's affiliated companies, whereby national compliance manuals were prepared and updated on the basis of the national code and Biotest AG's compliance manual. Where new companies are added to the consolidation group the group-wide compliance rules are introduced in parallel to forming the companies together with a training of the management and the employees and adjusted to national requirements.

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 ahead of the Annual Shareholders' Meeting we ensure that shareholders are able to make full use of their rights.

The Annual Shareholders' Meeting makes its decisions by a simple majority of votes cast and, in cases where a capital majority is required, by a simple majority of the share capital represented when the vote is taken – unless otherwise mandated 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 timely accessible via the website.

DECLARATION OF COMPLIANCE

Declaration by the Biotest AG Board of Management and Supervisory Board 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 21 March 2014, which referred to the German Corporate Governance Code as amended on 15 May 2012 and 13 May 2013, Biotest AG has complied with all recommendations of the German Corporate Governance Code as amended on 13 May 2013 and 24 June 2014 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. 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 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 un-necessary. 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, a defined age limit for Supervisory Board members 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. Biotest AG has not followed the recommendations. The reasons which were presented in the last Declaration of Compliance are still valid.

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 a member to the Supervisory Board 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.

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- 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.

- An amendment to Section 6.3 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, 17 March 2015

For the Board of Management

For the Supervisory
Board

Dr. Bernhard Ehmer

Dr. Michael Ramroth

Dr. Georg Floß

Dr. Alessandro Banchi