

# Independent Auditor's Assurance Report on Examination of the Remuneration Report pursuant to Section 162 (3) AktG

To Biotest Aktiengesellschaft, Dreieich

## Opinion

We have formally examined the remuneration report of Biotest Aktiengesellschaft, Dreieich, for the financial year from January 1 to December 31, 2021 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not examined the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG. Our opinion does not cover the content of the remuneration report.

## Basis for Opinion

We conducted our examination of the remuneration report in compliance with Section 162 (3) AktG taking into account the IDW assurance standard: Examination of the remuneration report pursuant to Section 162 (3) AktG (IDW AsS 870 (08.2021)). Our responsibilities under this regulation and this standard are further described in the "Our Responsibilities" section of our assurance report. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1). We have complied with our professional duties pursuant to the German Public Accountants Act [WPO] and the Professional Charter for Auditors/Chartered Accountants [BS WP/vBP], including the independence requirements.

## Responsibilities of the Management Board and the Supervisory Board

The management and the Supervisory Board of Biotest Aktiengesellschaft, Dreieich, are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

## **Our Responsibilities**

Our objectives are to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG, and to issue an assurance report that includes our opinion.

We planned and performed our examination to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not examined whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

Frankfurt, March 18, 2022

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Wirtschaftsprüfungsgesellschaft  
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## **Appendix**

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# Appendices



Appendix 1

Remuneration report 2021





# REMUNERATION REPORT 2021

## REMUNERATION REPORT

This Remuneration Report deals with the remuneration system for the members of the Board of Management and the Supervisory Board of Biotest and explains the amounts paid and the structure of the remuneration of the members of the executive bodies in financial year 2021.

The Remuneration Report is based on the recommendations of the German Corporate Governance Code (GCGC) and contains disclosures in accordance with the provisions of the German Commercial Code (HGB), the German Accounting Standards (GAS) and the International Financial Reporting Standards (IFRS). Furthermore, it contains the required disclosures pursuant to Section 162 of the German Stock Corporation Act (AktG) for the implementation of the Second Shareholders' Rights Directive (ARUG II).

### Explanatory notes on the remuneration system for the members of the Board of Management

The Supervisory Board determines the remuneration and remuneration system for the members of the Board of Management. The previously applicable regulations have been adjusted due to the entry into force of the Act Implementing the Second Shareholders' Rights Directive (ARUG II) and were approved by the Annual General Meeting on 11 May 2021. In designing the remuneration system and determining the structure and amount of remuneration for individual members of the Board of Management, the Supervisory Board took particular account of the following principles:

- The structure of the remuneration of the members of the Board of Management makes a significant contribution to promoting the business strategy by attaching particular importance to profitable growth while at the same time observing sustainability objectives.
- The structure of the remuneration of the members of the Board of Management ensures that the respective performance is appropriately rewarded and that possible target failures lead to a noticeable reduction in remuneration.
- The remuneration system sets incentives for a sustainable and long-term increase in the value of the Company while avoiding disproportionate risks.
- The remuneration system makes a key contribution to linking the interests of the Board of Management with those of shareholders and other stakeholders by linking variable remuneration to the development of the Company and the achievement of strategically important short- and long-term targets.
- The remuneration of the members of the Board of Management is transparent and comprehensible, and its amount and structure are in line with the market. It takes into account the size and economic situation of the Company.
- The remuneration of the members of the Board of Management also takes into account the remuneration structure that generally applies within the Company. For this purpose, the remuneration of the Board of Management is compared with the remuneration of employees in order to ensure proportionality within Biotest AG.

The remuneration of the members of the Board of Management of Biotest AG consists of non-performance-based (fixed) and performance-based (variable) remuneration components. The fixed remuneration components comprise a fixed salary and benefits in kind.

The variable remuneration consists of short-term variable remuneration (Short-Term Incentive, STI) and long-term variable remuneration (Long-Term Incentive, LTI). The variable target remuneration (paid out if 100% of targets are met) corresponds in total to around 55% of the total target remuneration of a member of the Board of Management.

Assuming target achievement of 100% in each case (target total remuneration), the following structure results for the ratio of fixed to variable components in the current remuneration system:

- Fixed remuneration excluding a pension: 45%
- One-year variable remuneration STI: 22%
- Multi-year variable remuneration LTI: 33%



The following diagram shows the main components and other design elements of the remuneration system:

| REMUNERATION COMPONENTS                          | DETERMINANTS OF REMUNERATION  |                  |                     |
|--|---|------------------|---------------------|
| <b>Basic remuneration</b>                        | <ul style="list-style-type: none"> <li>• Individual basic salary</li> <li>• Fringe benefits customary for the position (e.g. company car, insurance)</li> </ul>   |                  |                     |
| <b>STI –</b><br>One-year variable remuneration   | EBIT<br>20%   | Cash flow<br>20% | Sales growth<br>20% |
|  | Individual targets & short-term sustainability goals<br>40%   |                  |                     |
| <b>LTI –</b><br>Multi-year variable remuneration | EBITDA-margin<br>30%  |                  | ROCE<br>30%         |
|  | Strategic goals & longer term sustainability goals<br>40%   |                  |                     |
| <b>Pension scheme</b>                            | Individual commitments, depending on final salary and length of service: max. 30% of the average pensionable income of the last five years of service   |                  |                     |
| <b>Additional components</b>                     | <ul style="list-style-type: none"> <li>• Rights of retention of long-term variable remuneration, irrespective of fault (hold-back clause)</li> <li>• Change of control clauses</li> <li>• Severance arrangements</li> </ul> |                  |                     |

Figure 1: Elements of the remuneration system

Pursuant to Section 87a (2) Sentence 2 of the German Stock Corporation Act (AktG), the Supervisory Board is entitled to deviate temporarily from the remuneration system in exceptional cases, however.

#### Non-performance-based remuneration components

##### *Fixed remuneration*

The non-performance-based basic remuneration of the members of the Board of Management consists of a fixed salary and customary benefits in kind. The amount is based on the experience, area of activity and responsibility of the Board of Management member as well as on the economic situation and future prospects of Biotest and the level of remuneration in the competitive environment. The annual fixed salary is set for the entire term of the respective employment contract and is payable in twelve monthly instalments.

##### *Ancillary services*

In addition to the fixed salary, the members of the Board of Management receive benefits in kind. The members of the Board of Management are insured both professionally and privately under the collective accident insurance scheme of Biotest AG. The members of the Board of Management also receive an allowance for social security and direct insurance.

Biotest AG has taken out a financial loss liability insurance policy (D&O insurance) with an appropriate deductible for the members of the Board of Management, taking the statutory requirements into account. The deductible amounts to 10% of the insured event and is limited to 150% of the fixed annual remuneration of the respective Board of Management member and thus meets the requirements of Section 93 (2) sentence 3 AktG. All members of the Board of Management are provided with a company car of the luxury class free of charge, which may also be used privately.

If the Company does not take out criminal legal expenses' insurance and baggage insurance for the Executive Board members, then the Executive Board members are to be placed in the same position as if such insurance had been taken out.

#### Performance-based remuneration components

##### *Annual variable remuneration*

The performance-based remuneration component is calculated based on the achievement of corporate and personal targets. EBIT, operating cash flow and sales (all key figures according to IFRS) each account for 20% of the Company-related targets. EBIT is earnings before interest and taxes. Operating cash flow is the cash flow from operating activities including the change in working capital excluding interest and taxes.

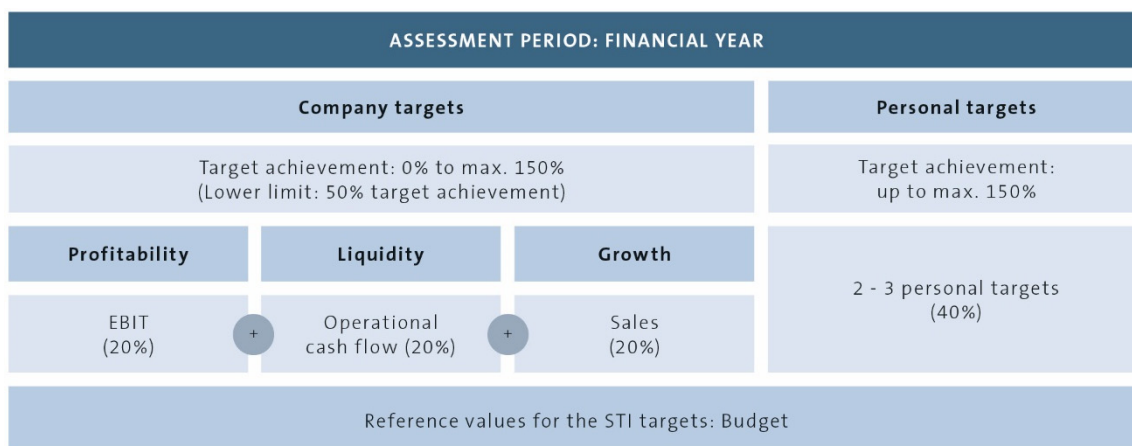
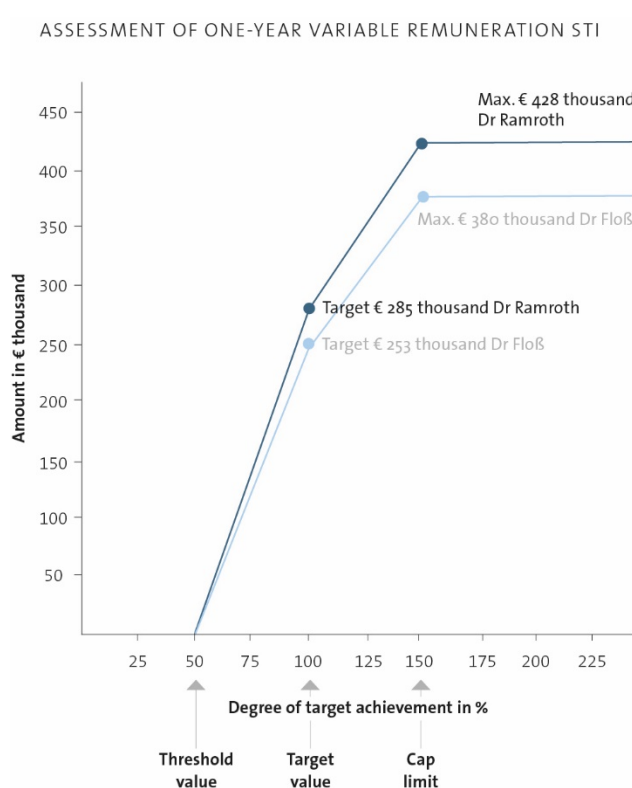


Figure 2: The STI programme at a glance



For Company-related targets, reference points are set that define target achievement levels between 50% and 150%. Achievement of a single target of less than 50% counts as 0% target achievement.

If values are achieved that lie between the defined reference points, target achievement is determined by linear interpolation according to the adjacent figure.

Figure 3: Measurement of the annual variable remuneration

*Remuneration component with a long-term incentive effect and risk features*

The remuneration component with a long-term incentive effect and risk features is based on Biotest AG’s Long-Term Incentive Programme (LTIP). In addition to the members of the Board of Management, this programme also includes senior executives and the Managing Directors of Group companies who have a significant impact on the success of the Company through their positions with the Group, their decisions, leadership and actions.

For the LTIP 2019 and 2020, the Supervisory Board has allocated virtual participation shares to the members of the Board of Management. The term for both programmes is three years. The starting date was always in May of the year of issue and the term ends on 31 December of the third year of the respective programme. For the LTIP 2021, instead of allocating virtual shares, an amount was defined that is paid out according to the percentage target achievement. This programme started in May 2021 and ends in December 2024.

*LTIP 2019*

The amount of the incentive payment for the LTIP 2019 is calculated using the following formula:

$$\frac{(\text{Target goal 1 from 2019} + \text{2020} + \text{2021}) + \text{Target goal 2 from 2019} + \text{2020} + \text{2021}}{100} \times \text{Annual remuneration of Participant} = \text{Incentive payment}$$

Figure 4: Calculation formula LTIP 2019

The first success factor of the LTIP 2019 consists of qualitative targets related to different stages of the Biotest Next Level investment project (BNL project). A BNL target has been formulated for each year within the term of the programme, which, if achieved, increases the target achievement factor. Targets that lie further in the future are weighted more heavily. That means that achievement of the BNL target for 2019 increases the factor by 0.01, while achievement of the 2020 and 2021 BNL targets increases the factor by 0.02 each.

Missing or proportionately achieving a BNL target, on the other hand, does not change the target achievement factor. The maximum achievable success factor for the performance target category BNL targets is 0.05.

The second success factor of the LTIP 2019 relates to the EBITDA margin of the Biotest group. For each year of the LTIP 2019, a target EBITDA margin was set in each case, which, if achieved, increases the target achievement factor. The EBITDA margin targets were taken from the budget for 2019 and from the 10-year strategic planning for 2020 and 2021. Here, too, targets further in the future were weighted more heavily. That means that achieving the EBITDA margin in 2019 increases the factor by 0.01, while achieving the EBITDA margin in 2020 and 2021 increases the factor by 0.02 in each case. If the targeted EBITDA margin is underachieved by up to 10%, the factor is 0. For values in between, the factor is determined using linear interpolation. Overachievement, on the other hand, does not lead to a further increase in the success factor, so that the maximum achievable success factor for the EBITDA margin performance target category is 0.05.

*LTIP 2020*

The amount of the incentive payment for the LTIP 2020 is calculated using the following formula:

$$\frac{(\text{Target goal 1 from 2020} + \text{2021a} + \text{2021b} + \text{2022a} + \text{2022b}) + \text{Target goal 2 from 2020} + \text{2021} + \text{2022}}{100} \times \text{Annual remuneration of Participant} = \text{Incentive payment}$$

Figure 5: LTIP 2020 calculation formula

As for the two previous programmes, the first success factor is calculated from the achievement of qualitative targets of the BNL project. One BNL target was defined for 2020 and two BNL targets for 2021 and 2022. Each achieved target increases the success factor by 0.1, whereas missing or proportionally achieving a BNL target does not change the target achievement factor. The maximum achievable success factor for the performance target category BNL targets is 0.05.

To determine the second success factor, annual targets for EBIT excluding the expenses for the BNL project were defined as metrics. The target for 2020 was determined based on the value of the 2020 budget. For 2021 and 2022, the target values were taken from the 10-year strategic plan. Achieving the target value increases the success factor by 0.01 for 2020 and by 0.02 for 2021 and 2022. If the actual value is 20% above or below the target value, the factor increases or decreases. If the actual value is more than 20% below the target value, the target achievement factor is not increased. The maximum achievable performance factor for the performance target category EBIT excluding BNL is 0.06.

The incentive component is usually paid out to participants at the end of the respective LTI programme in May of the following year.

*LTIP 2021*

The LTIP 2021 is characterized by the fact that the target definition is based on the 10-year strategic planning and Company-specific targets reflect the Company's development over four years. In addition, targets are also set in this programme to ensure the strengthening of sustainability performance and implementation of the strategy.

The measurement bases are on the one hand the Company-related targets EBITDA margin (EBITDA/revenue in %) according to IFRS and on the other hand ROCE (EBIT/capital employed in %), each weighted at 30 percent. EBITDA is defined as earnings before interest, taxes, depreciation and amortization; ROCE is a measure of return on capital employed, in which EBIT is compared with capital employed as average capital employed.

The achievement of sustainability and strategic goals accounts for 40% of the LTIP.

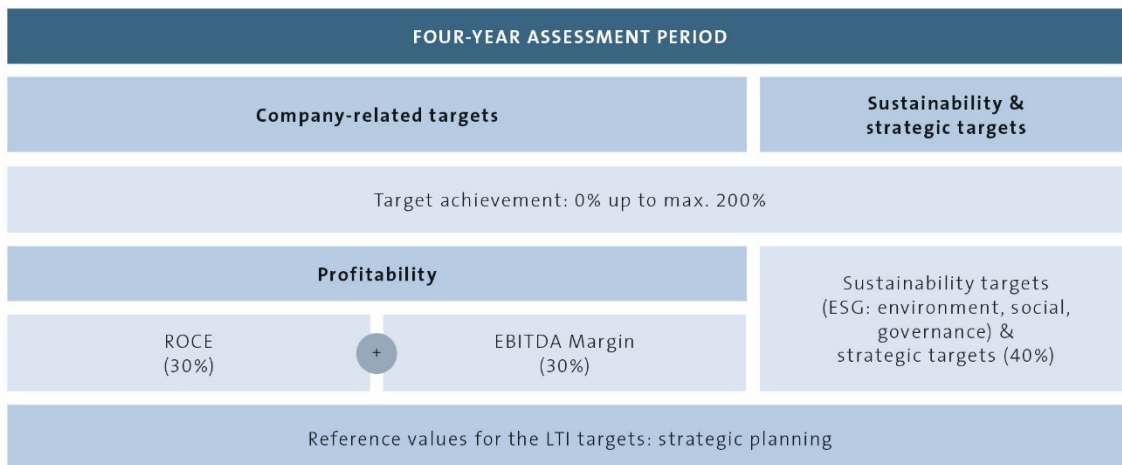
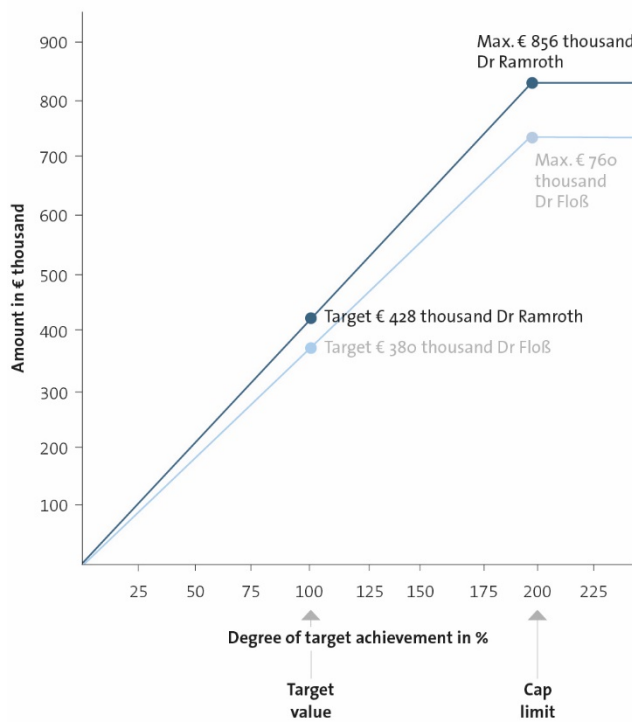


Figure 6: The LTIP 2021 at a glance

ASSESSMENT OF MULTI-YEAR VARIABLE REMUNERATION LTI



Reference points are set for the respective targets, defining target achievement levels between 0% and 200%.

If values are achieved that lie between the defined reference points, target achievement is determined by linear interpolation in accordance with the system shown opposite.

Figure 7: Measurement of the multi-year variable remuneration of the LTIP 2021

Remuneration for the achievement of performance targets is paid in cash to the participating Board of Management members after a period of four years. The LTIP, which was launched in 2021, will therefore be paid out in 2025.

All LTI programmes include a hold-back clause for members of the Board of Management. At the reasonable discretion of the Supervisory Board, the incentive payment may be adjusted downward by up to 100% if Biotest has suffered significant damage despite the achievement of the performance factor or performance targets, even through no fault or negligence of the Board of Management member.

Pension commitments

Individual commitments exist for the members of the Board of Management within the framework of the pension plan applicable at Biotest AG. The amount of the entitlements depends on the number of years of service and the eligible remuneration. Up to 25 years

of service are taken into account to increase the pension, whereby the retirement pension is limited to 30% of the eligible remuneration. This is determined by averaging the last five years.

No waiting periods have been agreed for the current Board of Management members. The pension can be called up upon reaching the age of 63. The non-forfeiture of entitlements is in line with the statutory provisions.

Furthermore, the pension plan for Board of Management members also provides for lifelong disability and widow's pensions as well as orphans' pensions for specific periods.

The valuation is based on actuarial reports prepared by an independent actuary that use the projected unit credit method.

#### Maximum remuneration

The maximum remuneration is the maximum amount that may be paid to a member of the Board of Management in total for a financial year. This is ensured by capping the variable remuneration components.

When the respective basic remuneration is added in, the maximum remuneration for the Chairman of the Board of Management is €2,800 thousand and €2,000 thousand for a member of the Board. These amounts include a maximum share of 15% for the respective pension plan. The amount of the maximum remuneration was approved by the shareholders at the 2021 Annual General Meeting.

#### Commitments in connection with the termination of a Board member's activities

The employment contracts also include customary severance provisions in the event of a change of ownership or control, as well as in the event of premature termination of employment at the instigation of Biotest AG. Both types of severance payments are limited to twice the annual remuneration, with an additional cap in the event of premature termination of employment due to expected remuneration until the regular end of the service period plus remuneration for a company car.

Severance payment claims are excluded in the event of termination of the service contract for good cause, illness or incapacity to work, or if the Board of Management member receives payments or benefits of value from third parties in connection with the change of ownership or control. Similarly, there are no severance payment claims in the event that a service contract is terminated prematurely at the instigation of the respective Board of Management member.

There are no other one-time or recurring commitments with the exception of the above-mentioned pension commitments in the event of regular and premature termination of a Board of Management member's mandate.

#### Claw-back clauses / rights of recovery

No rights to reclaim remuneration components already granted or claw-back clauses have been agreed. In exceptional cases, the Supervisory Board may deviate from this in individual contracts.

#### Other contractual provisions

The assumption of supervisory board or comparable mandates as well as other activities/secondary activities by members of the Board of Management within or outside Biotest requires the approval of the Supervisory Board.

Non-competition clauses have been agreed for the duration of the employment relationship; there are no post-contractual non-competition clauses. There are also no provisions for remuneration for waiting periods.

## Objective and strategic reference of the components of the remuneration system

| Components of the remuneration system        | Objectives and strategy relevance   |
|--|---|
| General principle                            | Highly qualified members of the Board of Management are to be recruited and retained for the development and implementation of the corporate strategy. These benefits must therefore be competitive in the limited market for highly qualified top performers.  |
| Fixed salary                                 | Intended to secure the basic income through an appropriate level and thereby also prevent the taking of inappropriate risks. The amount reflects the role on the Board of Management, the respective area of responsibility, and market conditions.   |
| Benefits in kind and other non-cash benefits | Represents remuneration for costs or economic disadvantages associated with the Board of Management activity; intended to promote the exercise of the Board mandate.  |
| Annual variable remuneration (STI)           | To ensure the achievement of the Company's objectives in the current financial year; is aimed at promoting the continuous and sustainable development of the operating business; to support profitable growth taking into account the overall responsibility of the Board of Management and the individual performance of the Board member. |
| Multi-year variable remuneration (LTI)       | To promote the Company's sustainable development and the enhancement of the Company's value; seeks to link the interests of shareholders with those of the members of the Board of Management; designed to incorporate the requirements of further stakeholders.  |
| Pension commitments                          | To provide adequate basic income/retirement security and protection in the event of death and disability.   |
| Maximum total remuneration                   | Intended to avoid inappropriately high pay-outs relative to performance and market practice.  |
| Benefits upon termination of contract        | To ensure a fair balance of interests while maintaining a defined ceiling.  |
| Change of ownership or control regulation    | Intended to ensure the independence of Board of Management members in takeover situations.  |

Figure 8: Objectives and strategic relevance of the components of the remuneration system

## Remuneration for the current financial year

### Total remuneration of the members of the Board of Management in office in 2021 according to IFRS / DRS17

This overview shows the calculation of the total remuneration for each member of the Board of Management together with the amounts of the various remuneration components actually earned in financial year 2021. The figure for the variable remuneration with long-term incentive (LTIP) includes the entitlements earned through the end of 2021 under the three programmes from 2019, 2020 and 2021.

| in € thousand   | Dr Michael Ramroth |              | Dr Georg Floß |              |
|---|--------------------|--------------|---------------|--------------|
|   | 2020               | 2021         | 2020          | 2021         |
| <b>Non-performance-based</b>                            |                    |              |               |              |
| Fixed remuneration                                      | 462                | 555          | 410           | 490          |
| Benefits in kind  | 61                 | 869          | 40            | 41           |
| <b>Total of non-performance-based components</b>        | <b>523</b>         | <b>1,424</b> | <b>450</b>    | <b>531</b>   |
| <b>Performance-based</b>                                |                    |              |               |              |
| Excluding long-term incentive effect (not share-based): |                    |              |               |              |
| Annual variable remuneration (STI) – cash component     | 245                | 314          | 218           | 278          |
| Including long-term incentive effect (not share-based): |                    |              |               |              |
| Variable remuneration (LTIP) – cash component           | 345                | 624          | 306           | 554          |
| <b>Total of performance-based components</b>            | <b>590</b>         | <b>938</b>   | <b>524</b>    | <b>832</b>   |
| Pension expenses (service cost)                         | 442                | 362          | 381           | 363          |
| <b>Total remuneration (earned in 2021)</b>              | <b>1,555</b>       | <b>2,724</b> | <b>1,355</b>  | <b>1,726</b> |
| Less pension expenses (service cost)                    | 442                | 362          | 381           | 363          |
| <b>Total remuneration (GAS 17)</b>                      | <b>1,113</b>       | <b>2,362</b> | <b>974</b>    | <b>1,363</b> |

Figure 9: Total remuneration of Board of management members in office in 2021 according to IFRS / GAS17

The service cost includes the employer-funded pension entitlements earned by the respective Board of Management members.

The calculation shown above results in vested total remuneration of all members of the Board of Management for financial year 2021 in the amount of € 3,725 thousand (previous year: € 2,087 thousand). The amount is so high in 2021 because the Company reimbursed Dr. Ramroth for costs of the Russian proceedings in the amount of EUR 820,000. This one-time amount is shown as a benefit in kind. The remuneration of the Board of Management is divided into a non-performance-based component in the amount of € 1,955 thousand (previous year: € 973 thousand) and a performance-based component in the amount of € 1,770 thousand (previous year: € 1,114 thousand). Pension expenses are not to be included in total remuneration in accordance with GAS 17.

### Remuneration granted and owed to members of the Board of Management in office in 2021

The following table provides an overview of the remuneration granted and owed for the current and previous financial years in accordance with Section 162 (1) sentence 1 AktG, broken down by Board of Management member. This is the remuneration due (owed) and paid (granted) in the respective financial year.

Here, too, total remuneration is broken down into the various remuneration components. This list shows the annual variable remuneration paid in the respective financial year as well as the multi-year variable remuneration paid in the financial year in question.

It also contains further information resulting from Section 162 of the German Stock Corporation Act (AktG).

The stipulated maximum remuneration of €2,800 thousand for the Chairman of the Board of Management and €2,000 thousand for a member of the Board of Management, as well as the other provisions of the remuneration system, were complied with, with Dr Ramroth receiving total remuneration of € 1,735 thousand and Dr Floß receiving total remuneration of € 807 thousand.

| in € thousand  | Dr Michael Ramroth |              |             | Dr Georg Floß |            |             |
|--|--------------------|--------------|-------------|---------------|------------|-------------|
|  | 2020               | 2021         | Share       | 2020          | 2021       | Share       |
| <b>Non-performance based</b>   |                    |              |             |               |            |             |
| Fixed remuneration   | 462                | 555          | 32%         | 410           | 490        | 61%         |
| Benefits in kind   | 61                 | 869          | 50%         | 40            | 41         | 5%          |
| <b>Total of non-performance-based components</b>   | <b>523</b>         | <b>1,424</b> | <b>82%</b>  | <b>450</b>    | <b>531</b> | <b>66%</b>  |
| <b>Performance-based</b>   |                    |              |             |               |            |             |
| Excluding long-term incentive effect (not share-based):                                      |                    |              |             |               |            |             |
| Annual variable remuneration (STI) – cash component  | 244                | 247          | 14%         | 216           | 219        | 27%         |
| Including long-term incentive effect (not share-based):                                      |                    |              |             |               |            |             |
| Variable remuneration (LTIP) – cash component  | 64                 | 64           | 4%          | 57            | 57         | 7%          |
| <b>Total of performance-based components</b>   | <b>308</b>         | <b>311</b>   | <b>18%</b>  | <b>273</b>    | <b>276</b> | <b>34%</b>  |
| Pension expenses (service cost)  | –                  | –            | 0%          | –             | –          | 0%          |
| <b>Total remuneration in accordance with Section 162 of the German Stock Corporation Act</b> | <b>831</b>         | <b>1,735</b> | <b>100%</b> | <b>723</b>    | <b>807</b> | <b>100%</b> |

Figure 10: Remuneration granted and owed to members of the Board of management in office in 2021

### Overview of pension commitments to Board of Management members in office in 2021

Assets amounting to €5,623 thousand (previous year: €3,624 thousand) were transferred to Biotest Vorsorge Trust e. V. to protect pension entitlements against insolvency.

| in € thousand       | Defined benefit obligation of all pension commitments excluding deferred remuneration according to IFRS |                                 | Defined benefit obligation from deferred remuneration in accordance with IFRS |                                 |
|---------------------|---|---------------------------------|---|---------------------------------|
|                     | Projected benefit obligation in   | Projected benefit obligation in | Projected benefit obligation in   | Projected benefit obligation in |
|                     | 2020  | 2021                            | 2020  | 2021                            |
| Dr. Michael Ramroth | 6,427   | 6,499                           | 996   | 1,207                           |
| Dr. Georg Floß      | 4,936   | 5,076                           | –   | –                               |
|                     | <b>11,363</b>   | <b>11,575</b>                   | <b>996</b>  | <b>1,207</b>                    |

Figure 11: Overview of pension commitments to Board of Management members in office in 2021

### Remuneration for former members of the Board of Management and their surviving dependents

Contractually agreed pensions are paid to former members of the Board of Management and their surviving dependents. Pension accruals in accordance with IAS 19 Employee Benefits in the amount of € 8,752 thousand (previous year: € 10,177 thousand) and in accordance with HGB in the amount of € 7,865 thousand (previous year: € 8,359 thousand) have been recognized. Pension payments of € 512 thousand (previous year: € 631 thousand) were made for all former members of the Board of Management in financial year 2021, of which € 294 thousand is attributable to former Board members with a departure date of more than 10 years. In 2021, € 77 thousand was paid to Dr Bernhard Ehmer for the LTIP 2018, corresponding to a variable share of 49% of his total remuneration (€ 158 thousand). In 2020, Dr Ehmer received payment of the STI 2019 in the amount of € 92 thousand, corresponding to a remuneration share of 53%.

There are no provisions for former Board of Management members in connection with the LTIP as of 31 December 2021.

### Long-Term Incentive Programme for the members of the Board of Management

The participation of members of the Board of Management in the Long-Term Incentive Programme is included in the performance-based component at the fair value under German GAAP of the tranche of the LTIP issued in the respective financial year at the grant date. The corresponding IFRS value is shown in brackets after the HGB value.

The members of the Board of Management participate in the non-share based LTIP 2021 Programme on the basis of a fixed amount for 100% target achievement. This amounts to €428 thousand for Dr Michael Ramroth and €380 thousand for Dr Georg Floß. A provision of € 145 thousand (previous year: € 147 thousand) was recognized for this tranche in 2021. Of this amount, Dr Michael Ramroth will receive € 77 thousand (previous year: € 78 thousand) and Dr Georg Floß € 68 thousand (previous year: € 69 thousand).

The members of the Board of Management participated in the non-share based LTIP 2020 Programme with allocated virtual shares (Dr Michael Ramroth and Dr Georg Floß each with 1,800 shares). A provision of € 400 thousand (previous year: €403 thousand) was recognized for this tranche. Of this amount, Dr Michael Ramroth received € 212 thousand (previous year: € 214 thousand) and Dr Georg Floß € 188 thousand (previous year: € 190 thousand).

The members of the Board of Management participated in the non-share based LTIP 2019 Programme with allocated virtual shares (Dr Michael Ramroth and Dr Georg Floß each with 1,800 shares). A provision of € 628 thousand (previous year: € 628 thousand) was recognized for this tranche. Of this amount, Dr Michael Ramroth received € 333 thousand (previous year: € 333 thousand) and Dr Georg Floß € 295 thousand (previous year: € 295 thousand).

The aforementioned IFRS accrual amounts for the LTI Programmes 2019, 2020 and 2021 are shown in total in the table of total remuneration in the line “Variable remuneration (LTIP) – cash component” in 2021.

From the non-share based LTIP 2018, whose payments were set for financial year 2021, Dr Michael Ramroth received a payment of € 64 thousand and Dr Georg Floß a payment of € 57 thousand. These amounts were paid out in 2021 and can therefore be found under line “Variable remuneration (LTIP) – cash component” in the table “Remuneration granted and owed to members of the Board of management in office in 2021” for the year 2021.

### Horizontal comparison

The horizontal comparison for the years 2017 to 2021 is shown below, indicating the remuneration granted and owed to the current and former members of the Board of Management, as well as the key earnings figures of net sales, EBIT and EBITDA under IFRS and net income/loss under German GAAP. The remuneration of the Supervisory Board is presented under “Explanation of the remuneration system for members of the Supervisory Board.”

| Total remuneration (in € thousand)                                    | Remuneration |                          | Remuneration |                          | Remuneration |                          | Remuneration |                          | Remuneration |                          |
|---|--------------|--------------------------|--------------|--------------------------|--------------|--------------------------|--------------|--------------------------|--------------|--------------------------|
|   | 2017         | Change vs. previous year | 2018         | Change vs. previous year | 2019         | Change vs. previous year | 2020         | Change vs. previous year | 2021         | Change vs. previous year |
| <b>Members of the Board of Management in office as of 31 Dec 2021</b> |              |                          |              |                          |              |                          |              |                          |              |                          |
| Dr Michael Ramroth (CEO & CFO since 1 May 2019, previously CFO)       | 734          | -4%                      | 726          | -1%                      | 729          | 0%                       | 831          | 14%                      | 1,735        | 109%                     |
| Dr Georg Floß (COO)   | 473          | 8%                       | 640          | 35%                      | 652          | 2%                       | 723          | 11%                      | 807          | 12%                      |
| <b>Former members of the Board of Management</b>                      |              |                          |              |                          |              |                          |              |                          |              |                          |
| Dr Bernhard Ehmer (CEO until 30 April 2019)                           | 586          | 9%                       | 725          | 24%                      | 524          | -28%                     | 174          | -67%                     | 158          | -9%                      |
| Prof Dr Gregor Schulz (CEO until 31 December 2014)                    | 130          | 0%                       | 130          | 0%                       | 137          | 5%                       | 137          | 0%                       | 137          | 0%                       |
| <b>Key earnings figures (in € million)</b>                            |              |                          |              |                          |              |                          |              |                          |              |                          |
| Sales revenue according to IFRS                                       | 378          | 0%                       | 400          | 6%                       | 419          | 5%                       | 484          | 16%                      | 516          | 7%                       |
| EBITDA according to IFRS  | 13           | 0%                       | 35           | 171%                     | 31           | -13%                     | 28           | -7%                      | -16          | -157%                    |
| EBIT according to IFRS  | -9           | 0%                       | 11           | -214%                    | -1           | -111%                    | -1           | 8%                       | -47          | -4600%                   |
| Operating cash flow according to IFRS                                 | 38           | -33%                     | -44          | -215%                    | -28          | -37%                     | -8           | -71%                     | 34           | 525%                     |
| Net income / loss of Biotest AG according to HGB                      | -38          | -394%                    | 112          | 395%                     | -35          | -131%                    | -38          | -9%                      | -67          | -76%                     |

Figure 12: Horizontal comparison (comparison of management board remuneration granted and owed in the respective financial year to the earnings situation of the Biotest Group).



## Vertical comparison

Figure 13 shows the average remuneration granted and owed to the Board of Management and all employees of Biotest AG on the basis of full-time equivalents as well as the ratio "Board of Management to employees." The statement also includes the annual and multi-year variable remuneration paid in the respective financial year. Pursuant to Section 26j (2) sentence 2 EGAktG, the simplification provision has been utilized.

| Figures in € thousand  | Ø Remuneration |       |        |
|--|----------------|-------|--------|
|  | 2020           | 2021  | Change |
| Board of Management  | 777            | 1,271 | 64%    |
| All employees (excluding trainees, interns, working students)              | 82             | 84    | 2%     |
| Relation of Board of Management to employees (manager to worker pay ratio) | 9.4            | 15.2  | 61%    |

Figure 13: Vertical comparison

## Explanation of the remuneration system for members of the Supervisory Board

The remuneration system has been in place since 1 July 2018. The remuneration of the Supervisory Board is governed by the Articles of Association.

The members of the Supervisory Board receive fixed annual remuneration of €40 thousand. In accordance with recommendation G.17 GCGC, the remuneration for the Supervisory Board chairmanship and deputy chairmanship as well as the chairmanship and membership of committees is increased due to the increased time required. The remuneration for the Chairperson of the Supervisory Board amounts to €120 thousand, and for the Deputy Chairperson to €60 thousand. Members of Supervisory Board committees receive additional fixed annual remuneration of €4 thousand for each committee position they hold. The Chairperson of the Audit Committee receives €15 thousand, the Chairperson of each other committee € 7.5 thousand. The Company reimburses the members of the Supervisory Board for value-added tax to the extent that the members of the Supervisory Board are entitled to invoice the Company separately for value-added tax and exercise this right.

Depending on the function on the Supervisory Board and its committees, the upper limit of the Supervisory Board remuneration for the respective Supervisory Board member is the sum of the individual remuneration components.

The remuneration is due for payment at the end of the financial year.

The structure of the Supervisory Board remuneration, which provides exclusively for fixed remuneration, strengthens the independence of the Supervisory Board and provides a counterweight to the structure of Board of Management remuneration, which is essentially variable and aligned with the strategy of Biotest AG. In this way, the Supervisory Board remuneration promotes the long-term development of the Biotest Group.

Like the members of the Board of Management, the members of the Supervisory Board of Biotest AG are included in the Group-wide pecuniary damage liability group insurance (D&O insurance). Biotest pays the insurance premiums due for this for all members of the Supervisory Board. Furthermore, two members of the Supervisory Board have private liability insurance through the existing company liability insurance and one member of the Supervisory Board has professional and private accident insurance under the Group accident insurance policy of Biotest AG. No other benefits in kind are granted.

## Remuneration in the current financial year

The figures for the remuneration of the Supervisory Board in terms of value take into account the reimbursement of value-added taxes payable in part on the remuneration of the Supervisory Board.

The members of the Supervisory Board received the following amounts for their work in 2021 and in previous years:

| in € thousand   | Total remuneration |                          | Total remuneration |                          | Total remuneration |                          | Total remuneration |                          | Total remuneration |                          |
|---|--------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|
|   | 2017               | Change vs. previous year | 2018               | Change vs. previous year | 2019               | Change vs. previous year | 2020               | Change vs. previous year | 2021               | Change vs. previous year |
| Member of the Supervisory Board in office as of 31 Dec 2021 |                    |                          |                    |                          |                    |                          |                    |                          |                    |                          |
| Rolf Hoffmann (Chairman since 30 August 2017)               | 25                 | 0%                       | 106                | 324%                     | 135                | 27%                      | 133                | -1%                      | 132                | -1%                      |
| Tan Yang (Vice Chairman since 1 March 2018)                 | –                  | 0%                       | 50                 | 0%                       | 72                 | 44%                      | 69                 | -4%                      | 68                 | -1%                      |
| Jürgen Heilmann (since 2 February 2011)                     | 24                 | 0%                       | 34                 | 42%                      | 44                 | 29%                      | 44                 | 0%                       | 44                 | 0%                       |
| Simone Fischer (since 12 February 2020)                     | –                  | 0%                       | –                  | 0%                       | –                  | 0%                       | 49                 | 0%                       | 55                 | 12%                      |
| David (Xiaoying) Gao (since 8 May 2020)                     | –                  | 0%                       | –                  | 0%                       | –                  | 0%                       | 26                 | 0%                       | 40                 | 54%                      |
| Salome Drechsler (since 1 October 2021)                     | –                  | 0%                       | –                  | 0%                       | –                  | 0%                       | –                  | 0%                       | 11                 | 0%                       |
| Former members of the Supervisory Board                     |                    |                          |                    |                          |                    |                          |                    |                          |                    |                          |
| Kerstin Birkhahn (until 30 September 2021)                  | 20                 | 0%                       | 34                 | 70%                      | 44                 | 29%                      | 44                 | 0%                       | 33                 | -25%                     |
| Dr. Cathrin Schleussner (until 8 May 2020)                  | 41                 | 0%                       | 37                 | -10%                     | 48                 | 30%                      | 17                 | -65%                     | –                  | -100%                    |
| Christine Kreidl (until 4 January 2020)                     | 12                 | 0%                       | 47                 | 292%                     | 59                 | 26%                      | 1                  | -98%                     | –                  | -100%                    |
| Kurt Hardt (until 28 February 2018)                         | 10                 | 0%                       | 4                  | -60%                     | –                  | -100%                    | –                  | 0%                       | –                  | 0%                       |
| Dr. Alessandro Bianchi (until 30 August 2017)               | 50                 | -34%                     | –                  | -100%                    | –                  | 0%                       | –                  | 0%                       | –                  | 0%                       |
| Thomas Jakob (until 30 August 2017)                         | 16                 | -33%                     | –                  | -100%                    | –                  | 0%                       | –                  | 0%                       | –                  | 0%                       |
| Dr. Christoph Schröder (until 30 August 2017)               | 23                 | -32%                     | –                  | -100%                    | –                  | 129%                     | –                  | -5%                      | –                  | 0%                       |
| <b>Total</b>  | <b>221</b>         | <b>1%</b>                | <b>312</b>         | <b>41%</b>               | <b>402</b>         | <b>129%</b>              | <b>383</b>         | <b>-5%</b>               | <b>383</b>         | <b>0%</b>                |

Figure 14: Remuneration of the Supervisory Board

The share of fixed remuneration for each Supervisory Board member in total remuneration is 100%. In addition to the Supervisory Board remuneration listed, further benefits to the employee representatives on the Supervisory Board were expensed as incurred in connection with their employment in financial years 2021 and 2020. The amount of remuneration is based on collective bargaining agreements or the salary scales applicable in the Company for non-tariff employees.

Due to the presentation in € thousand, rounding differences of +/- one digit may arise when adding up the amounts presented above.

Dr Michael Ramroth  
Chairman of the  
Board of Management

Dr Georg Floß  
Member of the  
Board of Management

Dr Jörg Schüttrumpf  
Member of the  
Board of Management

Appendix 2  
General Engagement  
Terms



# General Engagement Terms

## for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

### [German Public Auditors and Public Audit Firms] as of January 1, 2017

#### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

#### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

#### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

#### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

#### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

#### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

#### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

#### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

#### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

## 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

## 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

## 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

## 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

## 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

## 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.