

Biotest AG

Rules of Procedure for the Supervisory Board

**RULES OF PROCEDURE
FOR THE SUPERVISORY BOARD OF BIOTEST AG**
(hereinafter the "**Company**")

(as of March 13, 2018 and amended July 28, 2020)

§ 1

Duties of Supervisory Board

- (1) The Supervisory Board shall perform its duties in accordance with the law, the articles of incorporation of Biotest AG, and these rules of procedure. The members shall exercise their office for the good of the Company and are not bound by any instructions or directions.
- (2) In performance of its tasks the Supervisory Board shall cooperate trustfully and closely with the Management Board to the benefit of the Company.
- (3) The Supervisory Board particularly has the following functions:
 - monitoring the activities of the Management Board,
 - appointment and dismissal of Management Board members,
 - conclusion, amendment and termination of the service agreements of the Management Board members,
 - adoption of the strategy of Biotest AG and of Biotest Group;
 - adoption of the annual corporate planning,
 - approval of the annual financial statements and the group financial statements,
 - adoption of declaration of compliance in accordance with section 161 German Stock Corporation Act,
 - adoption of the agenda for the general meeting and of the draft resolutions regarding the individual items on the agenda,
 - adoption of resolutions on all matters, on which the general meeting is requested, or required, to adopt a resolution,
 - approval of transactions with related parties if required by law.

§ 2

Term of office and tasks of the chairperson and the deputy

- (1) The Supervisory Board elects immediately following the general meeting, at which ending its term of office begins, from among its members, in a meeting held without special notice of meeting beforehand, a chairperson and a deputy chairperson for the term of office of the respective elected member in the Supervisory Board. The deputy chairperson has the rights and duties of the chairperson, if the chairperson is absent.
- (2) The chairperson of the Supervisory Board coordinates work within the Supervisory Board, chairs its meetings and attends to the affairs of the Supervisory Board externally.

§ 3

Relationships with third parties and the Management Board; Reports to the Supervisory Board

- (1) Declarations of intent and all other declarations by the Supervisory Board and its committees shall be made by the chairperson on behalf of the Supervisory Board. The chairperson receives declarations on behalf of the Supervisory Board and its committees.
- (2) The Supervisory Board represents the Company in relation to the Management Board.
- (3) The reports and information by the Management Board to the Supervisory Board shall be provided, orally or in writing, by the chairperson of the Management Board, or in agreement with the chairperson of the Management Board by another Management Board member.

The Supervisory Board receives information regularly, promptly and comprehensively on all issues relevant for the Company with regards to strategy, planning, business development, risk situation, risk management and compliance.

- (4) The chairperson of the Supervisory Board may at any time request reports and information directly from individual Management Board members.

- (5) If reports or information are provided outside a meeting of the Supervisory Board, they shall be provided to the chairperson of the Supervisory Board, who will, if necessary, inform the other members of the Supervisory Board.
- (6) If a Supervisory Board member requests from the Management Board a report to the Supervisory Board, such member shall request such report from the Management Board through the chairperson of the Supervisory Board.
- (7) Between meetings the chairperson of the Supervisory Board shall regularly maintain contact with the Management Board, in particular with the chairperson of the Management Board, and consult with it on issues of strategy, planning, business development, risk situation, risk management and compliance of the Company and the group. If informed by the chairperson of the Management Board of important events which are essential for the assessment of the situation and the development as well as the management of the Company and the group, the chairperson of the Supervisory Board shall inform the Supervisory Board and, if required, convene an extraordinary meeting of the Supervisory Board.

§ 4

Preparation and convening of meetings

- (1) The Supervisory Board should be convened at least once in a calendar quarter, and shall be convened twice in a calendar half-year. Additional meetings shall be convened as required. Furthermore, the Supervisory Board shall be convened at the request of a Supervisory Board member or the Management Board, while stating the purpose and the reasons.
- (2) Meetings of the Supervisory Board shall be prepared by the chairperson. In particular, the chairperson shall convene meetings, determine the venue and prepare the agenda. Meetings shall be convened in writing, by fax or per email in compliance with the notice period of three weeks determined in the articles of incorporation. In urgent cases, the notice period may be shortened and meetings may also be convened orally or by telephone. The chairperson may cancel or adjourn a convened meeting for substantial reasons.
- (3) The individual items of the agenda must be stated in the invitation. In the list of the items on the agenda, the subject matters of the agenda must be described clearly and unambiguously, so that absent Supervisory Board members will be able to participate in the adoption of resolutions.

- (4) The request by a Supervisory Board member or the Management Board for the convening of a meeting of the Supervisory Board must be submitted to the chairperson in writing, by fax or per email, including a detailed statement of the purpose and the reasons as well as (if resolutions are to be adopted) a draft resolution.
- (5) Applications for the inclusion of items on the agenda for meetings already convened must be submitted to the chairperson in the form prescribed in section (3) above at least ten days prior to the meeting. If applications for the inclusion of items on the agenda are filed at shorter notice, while stating special urgency as a reason, the chairperson shall decide on their inclusion.
- (6) Members must notify any countermotions in relation to motions notified before the meeting to the chairperson prior to the meeting in writing, by fax or per email. The chairperson shall forward any countermotions to the members without undue delay.
- (7) Applications which are not on the agenda or were not duly notified to the Supervisory Board members will only be permitted for the adoption of a resolution if no member present at the meeting objects thereto. Absent Supervisory Board members must in such case be given an opportunity to object, or to cast their vote, within a time limit to be determined by the chairperson. The chairperson shall send the resolution to the members who neither attended the voting personally nor by written vote on the business day following the meeting, at the latest. In that respect, the chairperson shall set a time limit which may not end later than one week from the meeting. In cases of special urgency, the chairperson should notify the affected members by telephone, by fax or per email and set a shorter time limit for the objection and the voting. The affected members may object to the adopted resolution, or cast their vote, within the set time limit. The objection or voting may be declared by telephone, by fax or per email. The resolution, in consideration of the votes cast, will only take effect if the absent Supervisory Board members have not raised an objection within the set time limit.

§ 5

Procedure of meetings

- (1) Meetings of the Supervisory Board are chaired by the chairperson. The chairperson determines the sequence in which the items on the agenda will be treated, as well as the type and order of the casting of votes.

- (2) The members of the Management Board will attend the meetings, unless the chairperson determines that individual, or all, members of the Management Board should not attend meetings generally, or should be absent when individual items on the agenda are dealt with. At the request of a Supervisory Board member, a relevant resolution by the Supervisory Board shall be brought about.
- (3) The chairperson shall determine whether experts or consultants attend meetings generally or in relation to individual items on the agenda. At the request of a Supervisory Board member, a relevant resolution by the Supervisory Board shall be brought about.
- (4) If the chairperson deems this to be appropriate for further opinion-forming or a complete casting of votes, the chairperson may interrupt meetings by a reasonable period to be determined by the chairperson. The meeting must, however, be continued on the same day.
- (5) The wording of draft resolutions not notified to the members in writing before the meeting must be set down at the meeting in writing and must be read aloud before the voting. At the request of a member, they must be delivered before the voting in their full wording. Section (6) of § 4 above remains unaffected.

§ 6 Resolutions

- (1) The Supervisory Board will have a quorum if all members were invited and at least half the members of which it is required to consist, including the chairperson or the chairperson's deputy, are present at the meeting. Members will also be deemed to participate in the adoption of resolutions if they abstain from voting.
- (2) Absent Supervisory Board members may participate in the adoption of resolutions by the Supervisory Board or its committees by having written votes handed over by other Supervisory Board members or other persons entitled to participate. In such cases, the absent member will be deemed to be present.
- (3) If not all Supervisory Board members are present at the adoption of a resolution, and if the missing Supervisory Board members fail to have written votes handed over, the chairperson may adjourn the meeting or the adoption of the resolution. The chairperson shall then convene another meeting with the same subject matter as soon as possible. Adjournments by more than two months are inadmissible.

- (4) Unless the law or the articles of incorporation provide for a different majority, the Supervisory Board shall adopt resolutions with the simple majority of the votes casts. The vote of the chairperson of the meeting will be decisive in the event of an equality of votes, elections shall be decided by lot.
- (5) Outside of meetings (meeting by personal attendance) resolutions may be passed in writing, by telephone, per fax or per email votes or votes by use of other common means of communication, in particular via video conference, if the chairperson directs respectively. There is no right of objection in favor of the members of the Supervisory Board. The provisions of § 5 above and of sections (1) through (4) of this § 6 apply *mutatis mutandis* to the adoption of resolutions.

§ 7 Minutes

- (1) At the request of its chairperson, the Supervisory Board shall appoint a person to prepare minutes, such person not being required to be a Supervisory Board member.
- (2) The minutes of Supervisory Board meetings shall state the place and date of the meeting, the participants, the items on the agenda, the gist of the negotiations and the resolutions by the Supervisory Board. The minutes shall be prepared promptly and shall be sent to all members following their signing by the chairperson and the person preparing them.
- (3) Objections by members to the minutes must be raised to the chairperson in writing at the latest within one month after their receipt. If the chairperson, after an objection, does not modify the minutes, and if the member does not revoke the objection, the objection shall be notified to the other members and shall be kept together with the minutes.
- (4) The provisions of sections (2) and (3) of this § 7 apply *mutatis mutandis* to resolutions by the Supervisory Board adopted outside meetings in accordance with section (5) of § 6 above, provided that the minutes must also state how the resolutions were adopted.
- (5) The provisions of sections (2) to (4) of this § 7 apply *mutatis mutandis* to meetings and resolutions by committees of the Supervisory Board.

§ 8
Supervisory Board committees

- (1) The Supervisory Board shall form committees from among its members. The Supervisory Board shall appoint the Audit Committee (*Prüfungsausschuss*) as standing committee. In addition, a Personnel and Compensation Committee (*Personal- und Vergütungsausschuss*) shall be formed. The members of the committees shall be elected with the simple majority of the votes cast. Unless a shorter term of office is determined at the election, they are elected for their term of office as Supervisory Board members. The Supervisory Board shall also elect the respective chairpersons for the committees.
- (2) The elections for the filling of the standing committees will regularly take place at the constitutive meeting of the Supervisory Board from time to time. If no members of committees are elected at a constitutive meeting, or if a member of a committee withdraws from office during the term of office, the Supervisory Board shall carry out elections for the filling, or completion, of the related committees without undue delay, and at its next meeting, at the latest.
- (3) The committees will only have a quorum if at least three members participate in the adoption of a resolution.
- (4) The provisions of the articles of incorporation and these rules of procedure apply *mutatis mutandis* to the committees of the Supervisory Board within the scope of the statutory provisions. The chairperson of the Supervisory Board will be substituted by the chairperson of the committee.
- (5) Regular reports on the work of the committees shall be provided to the Supervisory Board by the respective chairperson of the committee.
- (6) The following committees of the Supervisory Board exist:
 - a) Personnel and Compensation Committee
 - b) Audit Committee
- (7) Personnel and Compensation Committee
 The Personnel and Compensation Committee consists of up to four members, namely the chairperson of the Supervisory Board and three additional members elected by the Supervisory Board for the term of their Supervisory Board mandate. The Personnel and Compensation Committee is responsible for the preparation of the following decisions by the Supervisory Board on:

- a) The Personnel and Compensation Committee shall prepare the personnel and compensation decisions of the Supervisory Board and in particular make proposals for the appointment and termination of the appointment of Management Board members. It shall submit to the Supervisory Board proposals for resolution on the contract and the compensation of the individual Management Board member, on the changes of the contract and of the compensation (incl. lowering of compensation acc. to sec. 87 para. 2 AktG), on the compensation system as a whole and the regular review thereof. The Personnel and Compensation Committee shall assess the appropriateness and habitualness of the proposed compensation taking into account vertical and horizontal comparability. Only persons who have not yet completed the age of 65 should be appointed as Management Board members.
- b) The Personnel and Compensation Committee shall propose decisions by the Supervisory Board on the objectives related to the short term incentive of the Managing Board members.
- c) The Personnel and Compensation Committee shall prepare decisions by the Supervisory Board on the principles and payment framework for long-term incentive schemes of Biotest AG and the companies of the Biotest Group.
- d) The Personnel and Compensation Committee shall approve the Compensation Policy of the company for the senior managers with strategic responsibilities reporting to the Management Board.
- e) The Personnel and Compensation Committee shall review and monitor that a succession and back-up plan for the senior management is in place, updated and implemented.
- f) The Personnel and Compensation Committee shall prepare the decisions of the Supervisory Board on the following:
 - i. consent to sideline activities (including the acceptance of seats on Supervisory Boards outside the Group) and to other activities of a Management Board member under sec. 88 AktG,
 - ii. granting of loans to the persons named in sec. 89 and sec. 115 AktG,
 - iii. approval of agreements with Supervisory Board members under sec. 114 AktG.

- g) The Personnel and Compensation Committee shall submit recommendations with regard to the composition of Supervisory Board and its committees. The representatives of shareholders of the Personnel and Compensation Committee shall discuss and propose suitable candidates to the Supervisory Board for its recommendation to the general shareholders' meeting.

(8) Audit Committee

The Audit Committee consists of up to four members, namely the chairperson of the Supervisory Board and three additional members elected by the Supervisory Board for the term of their Supervisory Board mandate. The chairperson of the Audit Committee shall have specialist knowledge and experience in the application of accounting principles and internal control procedures. The chairperson of the Audit Committee shall also be independent and neither the chairperson of the Supervisory Board nor a former member of the Management Board, whose appointment ended less than two years ago. The Audit Committee deals, in particular, with monitoring of the accounting process, the effectiveness of the internal control system, risk management system and internal audit system, the audit of the Annual Financial Statements, here in particular the independence of the auditor, the determination of auditing focal points and the fee arrangement, the compliance, the Corporate Governance and the social responsibility.

§ 9

Notices and summons of members

- (1) Each member shall advise the chairperson of a permanent address, to which documents must be sent. A request by a member that notices also be sent to a different address shall be considered.
- (2) Notice periods run from the receipt at the permanent address. Summons and notices regarding the agenda and the notice that a resolution is to be adopted outside a meeting will be deemed to be received on the second business day from their sending, at the latest.

§ 10

Secrecy

- (1) The Supervisory Board members shall maintain secrecy in relation to confidential details and secrets of the Company, in particular, trade or business secrets, of which they become aware in connection with their activities on the Supervisory Board. If a Supervisory Board member wishes to disclose information to third parties, and if it cannot be excluded with certainty that any such information is confidential or relates to secrets of the Company, such member shall inform the chairperson in advance and give the chairperson an opportunity to comment. Supervisory board members who violate their duty are jointly and severally liable to the Company for any resultant damage.
- (2) The type of the voting and the comments by individual Supervisory Board members, as well as any other personal statements by Supervisory Board members which - as is evident from their form or content - address only the persons present, will always be deemed to be confidential.
- (3) The Supervisory Board and the Management Board may, at a meeting or thereafter, submit comments regarding the secrecy of individual details or facts.

§ 11

Return of documents

- (1) Upon the termination of their office, each Supervisory Board member shall return to the chairperson all documents received by them from the Company in their capacity as Supervisory Board members. This returning obligation also applies to duplicates and copies.
- (2) So long as a retired Supervisory Board member requires documents to protect such member's legitimate interests, such member may retain such documents.

§ 12

Conflicts of interests

- (1) Each Supervisory Board member shall without undue delay disclose to the Supervisory Board any conflicts of interests which may arise as a result of consultancy services or the exercise of a function as a corporate body in relation to customers, suppliers, lenders, or other third parties.

- (2) In its report to the general meeting, the Supervisory Board shall provide information on any conflicts of interests which have arisen, as well as their treatment.
- (3) Any material conflicts of interests in relation to a Supervisory Board member which are not only temporary should result in the termination of the mandate, e.g., by way of a resignation from office.
- (4) Any consultancy contracts and other service contracts of a Supervisory Board member with the Company or group companies require the consent by the Supervisory Board.

§ 13

Personnel requirements

- (1) Only persons who have not yet completed the age of 68 should be proposed for an election as Supervisory Board members.
- (2) No more than two former Management Board members should be on the Supervisory Board. Supervisory board members should not exercise a function as a corporate body of, and should not provide consultancy services to, material competitors of the Company. Members of the Management Board may not become members of the Supervisory Board within two years after the end of their appointment, unless they are elected upon a proposal of shareholders holding more than 25 % of the voting rights in the Company. In the latter case appointment to the chairpersonship of the Supervisory Board shall be an exception to be justified to the general meeting.
- (3) A Supervisory Board member who is a member of the Management Board of a listed company should not be a member of Supervisory Boards of more than three listed companies outside the group or in supervisory bodies of companies with similar requirements.
- (4) Each Supervisory Board member shall notify the Supervisory Board without undue delay once such member exercises a function as a corporate body of, or provides consultancy services to, other companies.

§ 14
Remuneration

The claim of the Supervisory Board members to remuneration and a reimbursement of their expenses is governed by the relevant provisions in the Articles of Incorporation of Biotest AG.

§ 15
Miscellaneous

- (1) Whenever used herein a pronoun in the masculine gender shall be considered as including the feminine gender in the same way. The male form is only used for easier readability.
- (2) This version of the Rules of Procedure is a translation of the German original and is provided for convenience. In case of doubt the German version shall be prevailing and authoritative.

Frankfurt, July 28, 2020



Rolf Hoffmann
Chairman of the Supervisory Board