

# **Declaration of Conformity by the Executive Management Board and the Supervisory Board of Heidelberg Pharma AG pursuant to Section 161 of the German Stock Corporation Act**

The Executive Management Board and the Supervisory Board declare that Heidelberg Pharma AG has been in conformity with all recommendations (provisions containing terms such as “shall”) of the Government Commission on the German Corporate Governance Code (GCGC) as published by the Federal Ministry of Justice in the official section of the Federal Gazette from 6 April 2021, the date of its most recent declaration of conformity, to 28 January 2022, the date of adopting the resolution regarding the declaration of conformity (Code as amended on 16 December 2019), and that the Company is and will be in conformity with said recommendations from 28 January 2022 (Code as amended on 16 December 2019), in each case with the exception of the below-mentioned deviations.

“Heidelberg Pharma” will be used as a synonym for the Group hereinafter. Each entity’s full corporate name is stated whenever facts specific to Heidelberg Pharma AG as the parent company or Heidelberg Pharma Research GmbH as the subsidiary are reported.

## **A.1 of the Code: Diversity in executive positions**

When appointing individuals to executive positions within Heidelberg Pharma AG, the Executive Management Board is guided solely by the professional and personal qualifications of the given candidate, male or female. The percentage of women for the upper management level was defined and published in the statement on corporate governance.

The Executive Management Board does not consider it expedient not to fill, or fill, a vacant position with a woman solely in order to ensure special consideration of women in executive positions. In the view of the Executive Management Board, such an approach would not be in the Company’s interest.

## **B.1 of the Code: Appointments to the Executive Management Board**

When appointing individuals to positions on the Executive Management Board of Heidelberg Pharma AG, the Supervisory Board is guided solely by the professional and personal qualifications of the given candidate, male or female. The percentage of women for the Executive Management Board was defined and published in the statement on corporate governance.

The two-member Executive Management Board of Heidelberg Pharma AG currently does not include a woman. The Supervisory Board does not consider it expedient not to fill, or fill, a vacant position with a woman solely in order to ensure special consideration of women in

executive positions. In the view of the Supervisory Board, such an approach would not be in the Company's interest.

#### **B.5 of the Code: Age limit for members of the Executive Management Board**

No age restriction has been or will be specified for members of the Executive Management Board. Heidelberg Pharma AG believes that such a regulation would not be in the best interest of its shareholders, as rigid regulations on the retirement age may result in the Company having to forgo the expertise of key staff.

#### **C.1 / C.2 of the Code: Composition of the Supervisory Board**

When proposing individuals for election to positions on the Supervisory Board of Heidelberg Pharma AG, the Supervisory Board is guided solely by the professional and personal qualifications of the given candidate, male or female.

The percentage of women for the Supervisory Board was defined and published in the statement on corporate governance. Currently, one member of Heidelberg Pharma AG's five-member Supervisory Board is a woman. The Company does not consider it expedient not to fill, or fill, a vacant position with a woman solely in order to ensure special consideration of women in positions on the Supervisory Board. In the view of the Supervisory Board, such an approach would not be in the Company's interest.

The Supervisory Board has specified a profile of skills for the Supervisory Board as a whole. Furthermore, no objectives regarding potential conflicts of interest, the number of independent members of the Supervisory Board, an age limit for members of the Supervisory Board and a regular limit for the term of office as a member of the Supervisory Board were specified. Establishing general objectives to compose the Supervisory Board would constitute an inappropriate limitation of the selection of suitable individual candidates for the Supervisory Board. General objectives would interfere with the right of the shareholders to elect the members of the Supervisory Board.

#### **C.10 of the Code: Independence of Supervisory Board members**

The Chairman of the Audit Committee has been a member of the Supervisory Board for more than 12 years. The Company nevertheless considers him to be independent of the Company and the Executive Management Board and endorsed his nomination on the basis of his professional expertise and knowledge of the Company.

#### **D.12 of the Code: Training and professional development of the Supervisory Board**

To date, the Company has not supported the Supervisory Board in training and professional development measures, nor has it reported on them. As the members of the Supervisory Board also hold positions on other control bodies, the Company assumes that the members will take care of training and professional development measures on their own. Neither has the Supervisory Board expressed any need in this regard.

## **F.2 of the Code: Transparency and external reporting**

The annual report and thus the group management report and the consolidated financial statements for the 2020 fiscal year were not made publicly available within 90 days of the end of the fiscal year on 30 November 2020. Also, the Interim Management Statement on the first quarter of 2021, which ended 28 February 2021, was not released within the recommended 45-day period. Due to increasing legal requirements in accounting and limited personnel capacities, the group management report and financial statements were published within the statutory period, but not within the period recommended by the GCGC.

## **G.1 of the Code: Determining the remuneration system**

The remuneration system for the Company's Executive Management Board does not specify a separate target total remuneration, but only a maximum remuneration.

Each year, the Supervisory Board sets financial and non-financial performance criteria for the variable remuneration of the Executive Management Board members that are adapted to the respective situation, so that the financial and non-financial performance criteria relevant for the respective fiscal year exactly match the Company's situation at the time they are set. For this reason, the individual financial and non-financial performance criteria are not presented in the remuneration system of the Company's Executive Management Board.

## **G.3 / G.4 of the Code: Assessing whether total remuneration is in line with that at comparable enterprises**

When determining total remuneration, the Supervisory Board primarily draws on the extensive experience gained by the individual Supervisory Board members in the context of their activities on the management and control bodies of other comparable companies in the relevant industry. For the purpose of assessing whether total remuneration is in line with usual levels, the Company's remuneration system does not yet contain any details regarding the establishment of comparative criteria relating to remuneration at comparable enterprises and to remuneration of the Company's senior managers and its workforce as a whole.

## **G.10 of the Code: Determining the total amount of variable remuneration components**

Members of the Executive Management Board are not contractually required to invest the variable remuneration amounts granted to them in shares of the Company.

## **G.11 of the Code: Extraordinary developments**

The contracts do not provide for the withholding or repayment of variable remuneration amounts due to other exceptional circumstances, despite specified target values having been reached.

Heidelberg Pharma AG furthermore complies with the majority of the suggestions contained in the German Corporate Governance Code (provisions containing terms such as "should").

The next Declaration of Conformity of Heidelberg Pharma AG is scheduled to be published at the beginning of 2023.

Ladenburg, 28 January 2022

For the Executive Management Board:



Dr. Jan Schmidt-Brand  
Chief Executive Officer & Chief Financial Officer



Professor Andreas Pahl  
Chief Scientific Officer

For the Supervisory Board:



Professor Christof Hettich  
Chairman of the Supervisory Board