

## **Convenience Translation**

*(The text decisive for the Statement on corporate governance of Heidelberg Pharma AG is the one written in the German language.)*

## **Statement on corporate governance pursuant to section 289f of the HGB**

### **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 28 January 2022, the date of its most recent declaration of conformity, to 30 January 2023, the date of adopting the resolution regarding the declaration of conformity (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 to 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 to 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 seven-member Supervisory Board and, before that, one member of the five-member Supervisory Board is female. The Company does not consider it expedient to 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 competence profile 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 Supervisory Board as well as the Chairman of the Audit Committee have been members of the Supervisory Board for more than 12 years. The Company nevertheless considers them to be independent of the Company and the Executive Management Board and endorsed their nomination on the basis of their 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 2021 fiscal year were not made publicly available within 90 days of the end of the fiscal year on 30 November 2021. Also, the Interim Management Statement on the first quarter of 2022, which ended 28 February 2022, 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.

### **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").

In addition, 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 28 January 2022, the date of its most recent declaration of conformity, to 30 January 2023, the date of adopting the resolution regarding the declaration of conformity (Code as amended on 28 April 2022), and that the Company is and will be in conformity with said recommendations from 30 January 2023 (Code as amended on 28 April 2022), 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: ESG guidelines**

The risks and opportunities for the company associated with social and environmental factors, as well as the environmental and social impacts of the company's activities, are identified and

assessed by the company to an appropriate extent. Due to the size and structure of the company, corresponding financial and sustainability-related targets have not yet been defined in the corporate planning. The company will take social and environmental factors into account in the future in accordance with statutory regulations, insofar as it is legally obliged to do so.

#### **A.2 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 to 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.

#### **A.3 of the code: internal control system ESG**

The internal control system and the risk management system do not yet specifically take sustainability-related objectives into account. Insofar as the company is legally obligated to do so in the future, it will take sustainability-related objectives sufficiently into account in accordance with the statutory regulations.

#### **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 to 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 seven-member Supervisory Board and, before that, one member of the five-member Supervisory Board is female. The Company does not consider it expedient to 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 competence profile 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 Supervisory Board as well as the Chairman of the Audit Committee have been members of the Supervisory Board for more than 12 years. The Company nevertheless considers them to be independent of the Company and the Executive Management Board and endorsed their nomination on the basis of their professional expertise and knowledge of the Company.

#### **D.11 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 2021 fiscal year were not made publicly available within 90 days of the end of the fiscal year on 30 November 2021. Also, the Interim Management Statement on the first quarter of 2022, which ended 28 February 2022, 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.

### **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 2024.

Ladenburg, 30 January 2023

Executive Management Board and Supervisory Board

All of Heidelberg Pharma AG’s statements on corporate governance including the declarations of conformity are published on the Company’s website for at least five years.



## Procedures of the Executive Management Board and the Supervisory Board

The management of Heidelberg Pharma AG is structured as a dual system in accordance with the provisions of the German Stock Corporation Act. The corporate bodies of the Company comprise the Annual General Meeting that represents the will of the shareholders, and the two corporate boards, the Executive Management Board and the Supervisory Board.

The Executive Management Board is responsible for managing the Company and represents it vis-à-vis third parties. The Supervisory Board's tasks include appointing, dismissing and monitoring the members of the Executive Management Board. Whilst it must not make any management decisions under German corporate law, both of these corporate bodies work together in the Company's interest, jointly pursuing the goal of maximizing the enterprise value for the Company's shareholders in the long term. This also includes coordinating the Company's strategic alignment and making joint decisions regarding material transactions.

The Company's current Articles of Association have been posted at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under the tab "Press & Investors> Corporate Governance> Articles of Association".

### Executive Management Board

The Executive Management Board of Heidelberg Pharma AG manages the Group on its own and runs its business with the assistance of a management team. Both the actions and the decisions of the Executive Management Board are strictly aligned with the Company's interest in order to maximize the enterprise value in the long term, taking into account primarily the interests of shareholders. The Executive Management Board is responsible for corporate policies; the Group's strategic alignment; its investment, finance and human resource planning; the allocation of resources as well as the Group's operating business. It is tasked with preparing interim financial reports and the annual financial statements of the Group and Heidelberg Pharma AG. The Executive Management Board is also responsible for an effective risk management system; it ensures compliance with statutory requirements and corporate standards ("Compliance").

The Executive Management Board currently comprises two members:

Members of the Executive Management Board	Responsibility	End of term
Dr. Jan Schmidt-Brand	Chief Executive Officer & Chief Financial Officer	31 August 2024
Professor Andreas Pahl	Chief Scientific Officer	31 December 2023

The share of women on the Executive Management Board was set at 0% until 31 December 2026 by the Supervisory Board.

The Supervisory Board believes that an established relationship of trust within the Executive Management Board and its members' long-term commitment to the Company are of great

importance. Changing the composition of the Executive Management Board solely for the purpose of increasing the quota of women is not considered to be expedient. Should Executive Management Board positions become vacant, qualified women will be included in the selection process and given appropriate consideration.

The Company's first two management levels are currently structured as follows:

1st management level	2nd management level
4 C-level positions (Non-Executive)	6 Vice Presidents
4 male	4 male
0 female	2 female
= 0%	= 33%

The targets for the first two management levels were set by the Executive Management Board on 20 January 2022 in accordance with the targets presented above.

So far, the Company's management levels have also been filled exclusively by people who have the necessary qualifications, regardless of their gender. The applicant's gender should not be a primary consideration when filling management positions. Qualified women will be included in the selection process and given appropriate consideration if vacant management positions need to be filled in the future.

Under the Company's Articles of Association, decisions regarding the number of members of the Executive Management Board are reserved to the Supervisory Board. Pursuant to the German Stock Corporation Act, the Executive Management Board must have at least one member. The term of a member of the Executive Management Board is limited to a maximum of five years by law. However, it is Heidelberg Pharma's current practice to limit it to a maximum of three years. Executive Management Board members may be re-appointed; they may also be dismissed for cause prior to the expiry of their term of office. None of the directors' contracts of the Executive Management Board members provides for the payment of termination benefits in case the employment is terminated.

Both members of the Executive Management Board are also members of the executive management of Heidelberg Pharma's subsidiary Heidelberg Pharma Research GmbH. The Chief Scientific Officer, Professor Andreas Pahl, also teaches at the University of Erlangen-Nuremberg.

The work of the Executive Management Board is subject to Internal Rules of Procedure that govern, in particular, the cooperation among the members of the Executive Management Board; its resolutions, matters reserved to the full Executive Management Board, as well as transactions requiring the Supervisory Board's approval. The business areas assigned to the members of the Executive Management Board follow from the schedule of responsibilities. Executive Management Board meetings take place at regular intervals, mostly in joint meetings with the Executive Management Team (EMT). Any member of the Executive Management Board may request that an extraordinary meeting of the Executive Management Board be convened outside of its regular meetings. Persons who do not belong to the Executive



Management Board may be invited to attend its meetings in an advisory capacity, to the extent necessary for a given agenda item. Minutes must be prepared of every Executive Management Board meeting and specify the place and date of the meeting, its participants, the agenda and the content of the Executive Management Board's resolutions. Whilst the resolutions of the Executive Management Board shall generally be adopted at its meetings, they may also be adopted outside of meetings in writing, by telegram, by fax, by e-mail or by telephone. The Executive Management Board constitutes a quorum if all of its members participate in the given resolution. Unless required otherwise, the Executive Management Board shall make its decisions unanimously.

The Executive Management Board regularly furnishes detailed written and oral reports concerning the Company's position to the Supervisory Board. It is also responsible for submitting the budget for the coming fiscal year to the Supervisory Board for approval. In addition, the Executive Management Board must notify the Supervisory Board of all transactions that might have a significant impact on the Company such that the Supervisory Board may state its views on the given transaction before it is carried out. The Chairman of the Supervisory Board and the Chief Executive Officer as well as other members of the Company's corporate bodies discuss current and ongoing issues in numerous conference calls as necessary above and beyond the regular exchanges of information and discussions between the Executive Management Board and the Supervisory Board.

The Executive Management Board has not established any committees.

For short CVs of the members of the Executive Management Board, please see the tab "Company > Management" at [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com).

### Supervisory Board

Pursuant to the Company's Articles of Association, the Supervisory Board currently has seven members. As recommended by the German Corporate Governance Code (GCGC), they are selected based on their professional experience and capabilities, as well as their independence and diversity. The members of the Supervisory Board are elected for a term of office not to exceed five years but may be appointed for shorter terms. Supervisory Board members may be re-elected, even repeatedly. The Supervisory Board appoints a Chairman from among its midst as well as one or more deputy chairmen. Currently no members of the Supervisory Board are former members of the Company's Executive Management Board. Please see the notes to the consolidated financial statements for more details on the Supervisory Board.

Five of the current members of the Supervisory Board were elected by the simple majority of all votes cast at the Annual General Meeting on 22 July 2020. Two additional members of the Supervisory Board, Dr. Dongzhou Jeffery Liu and Dr. Brady Xumin Zhao, were appointed to the Supervisory Board as representatives of the second anchor shareholder Huadong Medicine upon registration of the amendment to the Articles of Association in Section 10 (Composition of the Supervisory Board) on 15 September 2022. The terms of office of all members will expire at the close of the 2025 Annual General Meeting.

The Supervisory Board advises and monitors the Executive Management Board with regard to its management of the Company. Based on regular exchange with the Executive Management Board, the Supervisory Board is involved in strategy and planning and in all issues of fundamental significance to the Company. The Internal Rules of Procedure governing the work of the Executive Management Board provide for the Supervisory Board's right to

approve material business transactions – such as for instance the Company’s alignment in strategic and operational terms, fixing the annual budget, major acquisitions, investments or license agreements, contracts closed outside of the regular course of business that substantially exceed the customary risk structure, as well as the founding or material restructuring of existing business operations.

The Chairman of the Supervisory Board coordinates the work of the Supervisory Board, convenes and chairs its meetings (which must take place at least twice every six calendar months) and represents its interests vis-à-vis external parties. According to the Company’s Articles of Association, the Supervisory Board shall adopt its resolutions at meetings. However, if ordered by the chairman of the Supervisory Board, resolutions may also be adopted in writing, by telegram, by fax, by e-mail or by telephone if no member immediately objects to this procedure. The Articles of Association also establish that the Supervisory Board constitutes a quorum if at least three of its members participate in the resolution by means of any legal form of voting. Absent members may cast their vote on the resolution using written procedures. Resolutions of the Supervisory Board shall be adopted by a simple majority of all votes cast unless stipulated otherwise by law. Abstentions are not considered votes cast. In case of a tie, the Chairman’s vote shall decide the matter.

The Supervisory Board has issued Internal Rules of Procedure for its work which establish not only the aforementioned procedures regarding its resolutions but also the Supervisory Board’s general duties and tasks; its composition; the responsibilities of its Chairman and Deputy Chairmen; the participation of third parties in meetings; convening the Supervisory Board; as well as the composition, responsibilities and procedures of the Supervisory Board’s committees.

The Supervisory Board regularly performs an efficiency review every other year in accordance with C.1 of the German Corporate Governance Code. The most recent review was carried out in November 2022 and demonstrated that the Supervisory Board is efficiently organized and that the collaboration between the Executive Management Board and the Supervisory Board works fine. The next review is planned for fall 2024.

The Report of the Supervisory Board, which will be posted on the Company’s website [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) under the tab “Press & Investors > Financial reports” as part of the annual reports, provides an overview of its work.

The appointments of the Supervisory Board members to other boards, the term of office as member of the Supervisory Board as well as their business relationships to related parties, are set forth in the notes to the consolidated financial statements. For short CVs of the members of the Supervisory Board, please see the Company’s website under the tab “Company > Supervisory Board”.

### Supervisory Board's work in committees

Working in committees is an integral part of the work of the Supervisory Board. The Supervisory Board of Heidelberg Pharma AG has established two committees: the Audit Committee and the joint Compensation and Nomination Committee, which covers both areas separately in its meetings. All committees fulfill preparatory functions.

The following table shows the composition of the Supervisory Board and the membership in the committees:

<b>Supervisory Board member</b>	<b>Function</b>	<b>Term of office as member of the Supervisory Board</b>	<b>Audit Committee</b>	<b>Compensation and Nomination Committee</b>
Professor Christof Hettich <i>independent</i>	Chairman	2010		X (Chairman)
Dr. Georg F. Baur <i>independent</i>	Deputy Chairman	2000	X (Chairman)	X
Dr. Mathias Hothum <i>Representative of the majority shareholder</i>	Deputy Chairman	2015	X	
Dr. Birgit Kudlek <i>independent</i>	Member	2012	X	
Dr. Friedrich von Bohlen und Halbach <i>independent</i>	Member	2005		
Dr. Dongzhou Jeffery Liu <i>Representative of the second anchor shareholder</i>	Member	2022		X
Dr. Brady Xumin Zhao <i>Representative of the second anchor shareholder</i>	Member	2022		

The Audit Committee supports the Supervisory Board in carrying out its duty to independently monitor the Company's financial reporting and, in particular, reviews the financial statements and the risk management. This also includes discussing the half-yearly reports and the interim management statements with the Executive Management Board prior to publication. Furthermore, the Audit Committee discusses individual aspects of the audit with the independent auditors as part of the audit engagement issued by the Supervisory Board and proposes to the Supervisory Board that it approve the Company's annual and consolidated

financial statements. Besides this supervisory responsibility, the Audit Committee also reviews the Company's control systems that have been established as part of its risk management, the Company's key risk potentials and the Executive Management Board's countermeasures. The Chairman of the Audit Committee is Dr. Georg F. Baur. He is independent of the majority shareholder and has special knowledge and experience in the field of auditing due to his many years of professional experience as an entrepreneur and the supervisory board mandates he has held. Another member of the Audit Committee, Dr. Mathias Hothum, has special knowledge in the field of accounting due to his many years of professional experience as a commercial manager. This includes in particular knowledge and experience in the application of accounting principles and of internal control and risk management systems.

In that connection, it is in principal ensured that neither the Chairman of the Supervisory Board nor a former member of the Executive Management Board chair the Audit Committee.

In its function as a personnel committee, the joint Compensation and Nomination Committee prepares personnel matters related to the Executive Management Board. In particular, it is responsible for the preparation, amendment and termination of their directors' contracts; preparing pension or other commitments; as well as preparing grants, withdrawals or modifications of stock options, convertible bonds or similar rights related to the members of the Executive Management Board. In its function as a nominating committee, the joint Compensation and Nomination Committee proposes suitable candidates to the Supervisory Board for recommendation to the Annual General Meeting and prepares the appointment of new Executive Management Board members.

As part of long-term succession planning, the Supervisory Board reviews the existing structure of the Board of Management at least once a year and agrees any structural changes with the Board of Management. If it becomes apparent in the process that it may be necessary to make new appointments to the Executive Board, or that new Executive Board positions are to be created, the Supervisory Board shall decide together with the Executive Board on the requirements with regard to the characteristics and qualifications of potential new Executive Board members.

Resolutions regarding the aforementioned matters are adopted in the Supervisory Board in accordance with Section 107 (3) German Stock Corporation Act and with the recommendations of the German Corporate Governance Code. Professor Christof Hettich is the Chairman of the joint Compensation and Nomination Committee.

The Research & Development Committee of the Supervisory Board was dissolved as, in the view of the Supervisory Board, it was not necessary for the efficient functioning of the Supervisory Board.

## Objectives for the composition

### Target for the proportion of women

In accordance with C.1 of the German Corporate Governance Code, the Supervisory Board has set the following objective: the percentage of women in the Supervisory Board shall amount to at least 28% until 31 December 2027.

## Competence Profile

The Supervisory Board of Heidelberg Pharma AG should be composed in such a way that it can properly perform its duties in its entirety. The knowledge, skills and experience required for this purpose were defined and a competence profile was subsequently drawn up.

The required competencies of the Supervisory Board as a whole or of a certain number of its members were defined in the following areas and are fulfilled by the Supervisory Board members listed below:

Competence	Prof. Hettich	Dr. Baur	Dr. Hothum	Dr. Kudlek	Dr. von Bohlen	Dr. Liu	Dr. Zhao
Corporate Governance	X	X	X	X	X		
Human Resources Management	X		X		X		
Accounting	X	X	X		X		
Auditing	X	X	X	X	X		
Capital Market/financing	X	X	X	X	X		
Pharmaceutical/Biotech Industry	X		X	X	X	X	X
Research & Development				X	X	X	X
Drug development				X	X	X	X
M&A transactions	X	X	X		X		
Innovation/digitization	X		X		X		
Crisis management	X		X	X	X		
Internationality	X	X	X	X	X		
ESG	X	X	X		X		

## **Disclosures on corporate governance practices**

Since its founding, Heidelberg Pharma AG has attached the greatest importance to responsible corporate management in the pursuit of shareholder value. Given its listing on Deutsche Börse's Prime Standard segment of the Frankfurt/Main Stock Exchange, the Company is committed with a few exceptions to the national rules and regulations of the German Corporate Governance Code and also fulfills most of its non-mandatory recommendations. The Executive Management Board and the Supervisory Board of Heidelberg Pharma AG are convinced that compliance with high standards in corporate governance is central to the Company's success.

Heidelberg Pharma AG and its subsidiary Heidelberg Pharma Research GmbH are conducting business in a highly regulated field and strive to act credibly, respectably and reliably, and to project these values. To this end, the Company reviews and refines its corporate governance policies on a regular basis. There are clear goals, and the extent to which they have been accomplished is reviewed on a regular basis. These performance targets are a material element of the Company's management philosophy and an integral part of its remuneration system.

### **Transparency**

Heidelberg Pharma AG provides shareholders and analysts, the media and the interested public with information simultaneously and regularly. It does so in compliance with all requirements of the German Corporate Governance Code in terms of transparency, timeliness, openness and equal treatment. All Company publications are provided in the form of a media package and published on the [www.heidelberg-pharma.com](http://www.heidelberg-pharma.com) website under "Press & Investors". This section includes information such as press releases, ad-hoc announcements, financial reports, the financial and conference calendars as well as reportable events such as voting rights announcements and directors' dealings. Corporate governance documents such as the Articles of Association, Statement on corporate governance, declarations of the shareholdings of corporate bodies or the Whistleblower system are also published here.

Due to its listing on the Prime Standard, all Heidelberg Pharma AG publications are available in German and English.

Heidelberg Pharma attaches considerable importance to statutory regulations banning insider trading. Employees and advisors involved in insider projects are informed of their rights and obligations in advance and, if necessary, kept on insider lists. This information is also provided to the corporate bodies, who are also informed of their rights and obligations with regard to directors' dealings.

### **Compliance**

Heidelberg Pharma has issued corporate guidelines and Standard Operating Procedures in many areas of the Company that must be observed by its employees; compliance is monitored by the relevant compliance officers. The Company's internal requirements comply with statutory provisions. Employees can report violations of these requirements to the Company anonymously using a web-based system ("Whistleblower system").

### **Sustainable corporate governance**

Sustainability is particularly important at Heidelberg Pharma. The Company is keen to exercise its economic, ecological and social responsibility in a conscientious manner.



The business model is oriented towards sustainable growth in a forward-looking industry. Heidelberg Pharma's aim is to provide cancer patients with targeted, tailor-made treatment that is both highly effective and as well-tolerated as possible. The Company thereby creates value that benefits patients, employees and shareholders alike.

Heidelberg Pharma meets all legal requirements relating to environmental protection and animal welfare as well as occupational safety.

The Company also fulfills its responsibility to employees by attaching importance to a pleasant working atmosphere and mutual respect and offering future prospects to employees at all levels.

## **Code of Conduct of Heidelberg Pharma AG and its subsidiary Heidelberg Pharma Research GmbH**

The attitudes and actions of the Company's employees and how other parties perceive them contribute substantially to the reputation of Heidelberg Pharma AG and its subsidiary.

It is for this reason that the Group has adopted a Code of Conduct that sets out stringent requirements for correct business conduct. This Code of Conduct shall guide the conduct of Heidelberg Pharma as a company towards external parties and customers (referred to as "business partners" below) as well as that of its employees towards colleagues; it must be accepted and signed by every employee at the start of employment. Every employee of the Company must be aware of these rules and regulations and act accordingly in their daily dealings with business partners and colleagues alike.

Heidelberg Pharma AG and its subsidiary Heidelberg Pharma Research GmbH (Group) desire under all circumstances to adhere to letter and spirit of the law.

**1. Drug development:** Heidelberg Pharma's activities in the field of drug development are subject to extensive governmental regulations, installed to protect patients and enhance the standards in healthcare. Heidelberg Pharma's policy is to adhere to the letter and the spirit of the laws and guidelines in this area. Any employee who notes a deviation from this policy in this area is obliged to alert his supervisor and the responsible member of the Executive Management Board immediately.

**2. Protection of employee safety and welfare:** In view of safety and a healthy work environment the law and any internal rules of Heidelberg Pharma regarding safety and hygiene must be complied with.

**3. Environment:** All rules and regulations regarding the handling of chemicals, organisms and waste products have to be observed. In general, the Company expects its employees to act responsibly towards the environment, also where no mandatory rules apply.

**4. Political and religious activities:** Although Heidelberg Pharma respects the political or religious opinions of its employees, promotion of political or religious views is not allowed, by any means, on the Company's premises. Nor is the support of political parties or religious denominations with financial means from the Company allowed.

**5. Unsuitable social activities:** The distribution, promotion or duplication of racist, sexual or discriminatory opinions and materials of any kind is not allowed within Heidelberg Pharma or through the use of the Company's infrastructure like email or copiers.

**6. Behavior of employees within Heidelberg Pharma:** Employees of Group shall at all times treat their colleagues with appropriate respect and shall not discriminate any of their colleagues in writing, verbally or any other form with regard to sex, race, handicap, political or religious opinions. The requirements of the German General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz) dated 24 December 2022 must be observed.

**7. Protection of confidentiality:** The Group respects any confidential information received from third parties in the conduct of its business. Such information will be protected as Heidelberg Pharma's own confidential information will be. The employees of Heidelberg Pharma are only allowed to use information rightfully obtained and are not allowed to use confidential information received in other ways than for the intended purpose.

**8. Information policy:** Any information regarding financial conditions, progress in clinical or product development, patent situations etc., provided by the Company's management or employees to third parties must be consistent with the actual situation. The disclosure of information to third parties by individual employees may only take place within the scope of the respective area of activity of the employees concerned and must always be coordinated with the respective superior or with the management. Heidelberg Pharma AG's management is responsible for providing updates on a regular basis to entitled parties within the Group.

**9. Conflict of interest:** The employees of Heidelberg Pharma at all times must avoid situations of conflict between company and personal interests. Where such situations exist or may occur the employee is responsible for immediately disclosing such conflicts of interest to a member of the Executive Management Board. Examples of situations to be avoided are: acceptance of presents, payments, loans or services of any kind by suppliers, customers, organizations, service providers or competitors in excess of what is customary in such cases, e.g. a normal business meal or a small present at the end of the year (less than € 25). Employees should also avoid doing business with former colleagues except when only Heidelberg Pharma business reasons are involved. In no case are the Company's employees allowed to use information obtained at Heidelberg Pharma for personal financial gain or for the benefit of family relations and friends.

**10. Doing business:** Interactions between Heidelberg Pharma and third parties will take place only according to legal and lawful practice. In case of major transactions multiple quotations will be compared to obtain the best possible deal for the Company. In no case will Heidelberg Pharma accept payments that have been made to illegally avoid taxation. The Company will not make any payments that are not legally due or that contradict existing law or the intention of the law. Equally, no payments will be made for a purpose that is different from that stated on the invoice.

Adhering to the rules and guidelines above will help Heidelberg Pharma to be a reliable, responsible and respectful partner for those who do business with the Company as well as for its employees.

Furthermore, there is an information memo on insider law, which every employee receives and must observe.

Ladenburg, 30 January 2023

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