

**Rules of Procedure**  
**of the Supervisory Board**  
**of**  
**Biofrontera AG**  
**as of 16 May 2024**

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# **Rules of Procedure of the Supervisory Board of Biofrontera AG**

as amended by the Supervisory Board resolution of  
16 May 2024

## **1 Introduction**

- 1.1 The work of the Supervisory Board and its members is governed by the statutory provisions, the Articles of Association and these Rules of Procedure as well as the recommendations and suggestions of the German Corporate Governance Code in accordance with the Company's declaration of conformity. Its members have the same rights and obligations and are not bound by any instructions.
- 1.2 It is the task of the Supervisory Board is to regularly advise and monitor the Management Board in its management activities. It must be involved in decisions of fundamental importance to the Company. The Supervisory and Management Boards work closely together for the benefit of the Company.
- 1.3 The Supervisory Board checks whether it has a, in its opinion, sufficient number of independent members. Each Supervisory Board member will ensure that he/she has sufficient time to perform his/her mandates.
- 1.4 Only persons who have not yet reached the statutory retirement age (currently: the age of 67) should be proposed for election as a Supervisory Board member.
- 1.5 The Supervisory Board will continuously review the efficiency of its work.
- 1.6 The Supervisory Board shall specify certain measures and business transactions as requiring approval in the rules of procedure for the Management Board. The list of business transactions requiring approval can be extended or restricted at any time by resolution of the Supervisory Board. Limiting the catalogue of business transactions requiring approval requires a unanimous Supervisory Board resolution.
- 1.7 These Rules of Procedure shall be published on the Company's website.

## **2 Election of the chairman and his/her deputy**

- 2.1 The Supervisory Board elects a chairman and a deputy chairman from among its members. The election takes place at a meeting held without being specially convened directly following the general meeting of shareholders at which the

members of the Supervisory Board to be elected are elected. A simple majority of the votes cast is sufficient for election. In the event of a tied vote, the decision is made by lot.

- 2.2 Until the election is completed, the previous chairman or his/her deputy or, if both are absent, the oldest Supervisory Board member in terms of age shall chair the electoral session in question.
- 2.3 If the Supervisory Board chairman or his/her deputy withdraws from the Supervisory Board before their term of office expires, the Supervisory Board elects a successor at its next meeting.
- 2.4 Within an appropriate framework the Chairman of the Supervisory Board may hold meetings with investors regarding topics relating to the Supervisory Board. The other members must be informed in advance and subsequently about the contents of such meetings.

### **3 Tasks and powers of the chairman and deputy**

- 3.1 The chairman represents the Supervisory Board in respect of the Management Board and externally. The chairman coordinates the work of the Supervisory Board and chairs its meetings.
- 3.2 The chairman ensures that the Management Board meets its statutory and disclosure and reporting obligations and any additional obligations imposed by the Supervisory Board. The chairman maintains regular contact with the Management Board, especially with the Management Board chairman, and consults with it on the strategy, planning, business development and risk management of the company. The chairman shall be informed immediately by the chairman of the management board of important events that are of material significance for the assessment of the situation and the development and management of the company. The chairman then informs the Supervisory Board, if the briefing cannot wait until the following ordinary Supervisory Board meeting, and if necessary convenes an extraordinary meeting of the Supervisory Board.
- 3.3 The chairman is authorized to issue on behalf of the Supervisory Board the statements of intent necessary for the execution of the resolutions of the Supervisory Board and to accept statements for the Supervisory Board.
- 3.4 In the event that the chairman is unavailable, the deputy chairman exercises the rights and obligations of the chairman. The deputy chairman is not, however, entitled to the right to the casting vote regulated in point 5.4.

## **4 Meetings**

- 4.1** The Supervisory Board should be convened to meetings at least once every calendar quarter and must be convened at least twice every calendar half-year. The meetings are held at the Company's registered office or at another location on which all Supervisory Board members have agreed.
- 4.2** The chairman convenes the Supervisory Board meetings in written or electronic form with a notice period of 14 days. When calculating the notice period for convening a meeting, the day on which the invitation is sent and the day of the meeting itself are not included. The invitation must specify the place and time of the meeting and the individual items on the agenda. The chairman may entrust the Management Board with the technicalities involved in convening the meeting.
- 4.3** The Chairman has to convene a meeting immediately whenever this is required by a Supervisory Board member or by the Management Board with an indication of the purpose and reasons for the meeting. The meeting must be held within two weeks of it being convened. If the chairman fails to comply with the request, the Supervisory Board member or the Management Board can convene the Supervisory Board themselves by giving notification of the facts and setting out an agenda.
- 4.4** The chairman also has to convene a meeting immediately whenever the good of the Company or of one of its direct or indirect equity interests requires this.
- 4.5** In urgent cases, the invitation period may be appropriately shortened and the meeting may be convened verbally or by telephone; however, there must be at least three days between the invitation and the meeting date in such cases. Point 4.2 sentence 2 applies accordingly.
- 4.6** The chairman determines the order in which the items on the agenda are dealt with and the manner in which the voting is conducted.
- 4.7** A new meeting must be convened if neither the chairman nor the deputy chairman are present at a meeting, In urgent cases, however, the Supervisory Board may resolve that the oldest Supervisory Board member in terms of age shall chair the meeting.
- 4.8** The Management Board members attend the Supervisory Board meetings unless the Supervisory Board in individual cases or the chairman in urgent cases makes other arrangements. Experts or other knowledgeable persons may be called in on the request of individual Supervisory Board members or the Management Board to give advice on individual items. The Supervisory Board shall meet regularly even without the Management Board members.
- 4.9** Minutes are to be kept on the progress of each meeting and signed by the chair of

the meeting in question. The chairman may delegate the keeping of minutes to the Management Board or to minute-taker. The minutes must state the place and date of the meeting, the participants, the items on the agenda, the main content of the discussions and the resolutions of the Supervisory Board (with the chairman's statement on the result of the resolutions). A copy of the signed minutes of the meeting is to be forwarded to each Supervisory Board member without delay. The minutes of the meeting are deemed to be approved unless a member of the Supervisory Board who took part in the meeting files an objection with the chairman in writing within one month of the minutes being sent.

## **5 Adoption of resolutions**

- 5.1** Resolutions of the Supervisory Board are in principle adopted in meetings. Supervisory Board members who cannot participate in the meetings may have a written vote submitted by another Supervisory Board member. The retrospective casting of a vote by absent members is only permissible if this is approved by all members who are present.
- 5.2** Resolutions may also be adopted outside of meetings, and the vote may also take place verbally, in writing, by telephone, by fax, using electronic means of communication (e.g. e-mail) or by video conference if the Chairman orders this and this procedure is not objected to immediately by more than three members of the Supervisory Board.
- 5.3** The chairman records resolutions passed outside meetings in minutes and forwards a copy of them to all Supervisory Board members without delay after the resolution has been adopted. Point 4.9 applies accordingly.
- 5.4** Resolutions are adopted by a simple majority of the votes cast unless mandatorily stipulated otherwise by law or by the articles of association. Abstentions are not counted. If the vote results in a tie, the vote is to be repeated, where the chairman shall have two votes should this new vote also result in a tie.
- 5.5** The Supervisory Board is quorate when at least three members participate in the resolution. A Supervisory Board member who abstains from casting a vote is also deemed to be participating in the resolution in this case.
- 5.6** Resolutions on items that are not on the agenda or that have not been duly notified to the members may only be adopted if no member present at the meeting objects and absent members are given the opportunity to submit their votes in writing retrospectively within a reasonable deadline to be set by the chairman.

## **6 Committees**

- 6.1** The Supervisory Board may set up committees and also entrust these with the

adoption of resolutions on certain matters, provided that the entire Supervisory Board is not responsible for these under mandatory law. The Supervisory Board has an audit committee (section 7) in any event.

The Supervisory Board appoints a Supervisory Board member as the committee chairman in each case. The committee chairmen report regularly to the Supervisory Board on the work of the committees.

- 6.2 Supervisory Board members who do not belong to a committee can participate in committee meetings unless the chairman or the committee specifies otherwise. Management Board members participate in committee meetings only following a prior decision of the competent committee.
- 6.3 The committee Chairmen convene the committees. Meetings are convened as often as seems necessary. The notice period for convening the meeting should generally not exceed three days. Publication of the agenda and the delivery of special documents on the agenda prior to the meeting can be waived.
- 6.4 Committees are quorate if at least three members including the committee chairman, participate in the adoption of a resolution,
- 6.5 In all other respects, the regulations for the Supervisory Board governing meetings and the adoption of resolutions apply accordingly.

## **7 Audit committee**

- 7.1 The Supervisory Board forms an audit committee that consists of three members. The members of the audit committee elect a committee chairman from among its members. The chairman of the Supervisory Board should not be the chairman of the audit committee. The Chairman of the Audit Committee should have specific knowledge and experience in the areas of the accounting principles and internal control procedures and be familiar with audits. He shall be independent.
- 7.2 The audit committee deals in particular with issues concerning:
  - 7.2.1. accounting and risk management,
  - 7.2.2. the necessary independence of the auditor and the issuing of the audit mandate to the auditor,
  - 7.2.3. the conclusion of the fee agreement with the auditor and the definition of focal points of the audit, as well as
  - 7.2.4. financial matters for which the Management Board requires the approval of the Supervisory Board in accordance with the rules of procedure,and adopts the related resolutions in as far as this is legally permissible. The audit committee issues the audit mandate pursuant to sec. 111(2)(3) of the German Stock Corporation Act.

The Audit Committee agrees with the auditor that the latter will inform the Supervisory Board and note in the audit report if, during the performance of the audit, the auditor discovers any facts that indicate that the Declaration of Conformity issued by the Management Board and Supervisory Board pursuant to Section 161 of the German Stock Corporation Act (AktG) is incorrect.

- 7.3** The audit committee agrees with the auditor to be informed about the following:
- 7.3.1 all findings and occurrences found during the audit, insofar as they are of material importance for the duties of the supervisory board;
  - 7.3.2. Critical accounting decisions and alternatives to the accounting treatment of transactions discussed with the management board;
  - 7.3.3. controversies arising from the audit of the financial statements between the auditors and the management board; and
  - 7.3.4. any material written communication between the auditor and the management board; and
  - 7.3.5. all other questions to be disclosed to the audit committee under applicable law.
- 7.4** The Audit Committee prepares the proposal of the Supervisory Board for the election of the auditor to the Annual General Meeting and makes a recommendation to the Supervisory Board.
- 7.5** The audit committee conducts a preliminary review of the annual and consolidated financial statements as well as the management reports of Biofrontera AG and Biofrontera Group. To this end, it discusses the aforementioned documents with the management board and the auditor and discusses the auditors' reports. The audit committee prepares the supervisory board's resolution on the adoption of the annual financial statements and the approval of the consolidated financial statements, as well as on the proposal for a resolution on the use of profits.
- 7.6** The management board shall provide regular reports to the audit committee regarding the acceptance and handling of complaints. The management submits to the audit committee without undue delay any received complaints concerning (i) accounting, (ii) internal audit procedures regarding accounting, (iii) auditing of financial statements and (iv) other matters relating to the financial statements. Employees may communicate confidential and anonymous information on matters of concern relating to accounting, financial statements and auditing to the audit committee. The supervisory board procures that the code of conduct provides for appropriate provisions.
- 7.7** The audit committee may make use of the resources of Biofrontera Group, insofar as it deems appropriate, and may engage external consultants to a reasonable extent in the performance of its duties.

7.8 The Audit Committee regularly assesses the quality of the audit.

## **8 Conflicts of Interest**

8.1 Each Supervisory Board member is obliged to act in the Company's best interests. When making their decisions, they may not pursue personal interests or make use of business opportunities to which the Company is entitled for themselves without a resolution of the Supervisory Board.

8.2 Each Supervisory Board member must disclose conflicts of interest to the Supervisory Board. This applies in particular to conflicts of interest that may arise from performing advisory or executive functions for customers, suppliers, lenders or other business partners.

8.3 The Supervisory Board is expected to disclose any conflicts of interest that have occurred and how they were dealt with in its report to the annual general meeting of shareholders. Material conflicts of interest in the person of a Supervisory Board member that are not merely temporary should result in the termination of their mandate.

8.4 Advisory and other service agreements and contracts for work between a member of the Supervisory Board and the Company require the approval of the Supervisory Board.

## **9 Composition of the supervisory board**

The members of the Supervisory Board should as a whole have the knowledge, skills and professional experience necessary to carry out their tasks properly. The company-specific situation, the company's international activities, potential conflicts of interest, the age limit for Supervisory Board members and diversity, including the participation of women, must be considered here. The members must be familiar with the sector in which the Company does business.

## **10 Confidentiality**

10.1 The Supervisory Board members must maintain complete confidentiality with regard to third parties concerning facts that have come to their knowledge in the performance of their duties as a Supervisory Board member and the disclosure of which could adversely affect the interests of the Company or of one of its affiliated companies. This obligation also remains in force after their term of office has ended. The casting of votes, the course of discussions, the comments and personal statements of the individual Supervisory Board members are subject in particular to the dictates of non-disclosure. Each Supervisory Board member shall ensure that the employees that they call in comply with the obligation to maintain secrecy in the same manner.

10.2 If a Supervisory Board member intends to pass information on to third parties, the



communication of which is obviously not permitted, the chairman must be informed of this beforehand. If the chairman does not agree to the disclosure, he/she must notify the other Supervisory Board members of this immediately and obtain an immediate statement from the Supervisory Board. The Supervisory Board member in question is obliged to maintain confidentiality concerning the facts he/she has gained knowledge of through his/her office until this statement is obtained.

- 10.3** Upon resigning from office, the Supervisory Board members are obliged to hand over to the Company immediately all documents such as papers, correspondence, records and similar that relate to Company matters and are in their possession. This obligation includes duplicates and photocopies. The Supervisory Board members have no right of retention in such documents.
- 10.4** Written reports of the Management Board to the Supervisory Board are handed over to the Supervisory Board members unless otherwise decided by the Supervisory Board in each individual case. In all other respects, section 170(3) AktG applies.

Dr. Helge Lubenow  
Chairwoman of the Supervisory Board