

Declaration of Corporate Management for the financial year 2020 (§§ 289f, 315d HGB)

The actions of Evotec SE's management and oversight bodies are determined by the principles of good and responsible Corporate Governance. In this declaration, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate management in the Group pursuant to sections 289f, 315d of the German Commercial Code (HGB) and pursuant to the German Corporate Governance Code. Our aim is to present our corporate management principles as clearly and concisely as possible.

Definition of good Corporate Governance

Due to its shares' listing on the Frankfurt Stock Exchange and its international shareholder base, Evotec recognises both German and international Corporate Governance standards. Good and transparent Corporate Governance ensures that the Company is managed and controlled in a responsible manner, with the objective of sustainable creation of value. The Management Board and Supervisory Board are convinced that compliance with high standards of Corporate Governance is a key factor of success. This also includes integrity in our dealings with employees, partners, shareholders and the public, which is demonstrated by the exemplary conduct of the Company's management and controlling bodies. As a service provider and collaboration partner, Evotec depends on its ability to win and retain the trust of its partners and customers through impeccable behaviour. The objective is to be credible, solid and reliable and act accordingly. The Company's Corporate Governance is therefore regularly reviewed and enhanced by the Management Board and the Supervisory Board.

As part of the management strategy, specific goals are defined and communicated on an annual basis. To accomplish these targets, we rely on the enterprise and initiative of our managers and employees. We achieve consensus on clearly defined objectives, and we regularly monitor how well we are meeting them. These agreements on targets are a key element of our leadership philosophy and an integral part of our remuneration system.

Declaration of compliance with the German Corporate Governance Code for the financial year 2020, pursuant to section 161 of the German Stock Corporation Act (AktG)

The German Corporate Governance Code (in its current version of 16 December 2019; the "Code") contains principles, recommendations and suggestions for the Management Board and the Supervisory Board designed to help observe the Company's best interests. Under the Code, the Management Board and the Supervisory Board are obliged to ensure the Company's continued existence and the sustainable creation of value (the Company's interests) in due consideration of the principles of the social market economy and the interests of its shareholders, staff and other associated parties (stakeholders).

With the following exceptions, Evotec complies with all recommendations of the Code, and it also complies with the majority of the Code's suggestions. As a result, in December 2020 Evotec's Management Board and Supervisory Board declared in accordance with Section 161 of the German Stock Corporation Act (AktG):

"In 2020, Evotec SE complied with the recommendations of the German Corporate Governance Code as published in the official section of the Federal Gazette, and it intends to comply with these recommendations in the future, with the following exceptions:

- Pursuant to section G of the Code, the monetary remuneration of the Management Board members comprises fixed and variable components. The variable remuneration components consist of a one-year variable remuneration determined by a bonus scheme and a long-term Share Performance Plan (SPP) scheme approved by the Annual General Meetings 2012, 2015 and 2017. Assessments under the Share Performance Plans span a period of several years and depend on future developments, whereas the bonus scheme is based on the achievement of specific targets set by the Supervisory Board for a specific financial year.*
- The Share Performance Plans comply with the recommendations set forth in section G of the Code. In particular, they refer to specific key performance indicators and define a "Maximum Target". However, as the issuance of awards under the Share Performance Plans 2012 and 2015 after the four-year vesting period is effected in shares, there is a cap for the number of awards upon allocation, but no other cap for the value of the allocated shares. That value will be determined solely by the share price at the date of exercise without any ceiling. The Share Performance Plan 2017 introduced a cap with a maximum level of 350% of the contractual issue value and therefore complies in all respects with the Code.*
- Stock options issued in existing stock option programmes before their replacement by the Share Performance Plans remain valid. While the exercise of options under these stock option programmes requires an increase of the share price, the exercise is not related to other relevant comparison parameters as recommended in section G of the Code. This decision is based on the lack of relevant benchmark indices for German biotechnology stocks at the time when the stock option programmes were created."*

The current Declaration of Compliance with the German Corporate Governance Code and the declarations of the past five years can be found on Evotec's website at www.evotec.com/en/invest/corporate-governance.

Composition and working methods of the Management Board and Supervisory Board

Two-tier management and oversight system: Management Board and Supervisory Board

The two-tier system with a clear separation of management and control is a fundamental characteristic of Evotec's Corporate Governance structure. The Management Board is responsible for managing Evotec and representing the Company in its dealings with third parties, while the Supervisory Board appoints or dismisses and oversees the members of the Management Board. German law prohibits the Supervisory Board from making operational management decisions. The two boards, however, work closely together to secure long-term and sustainable growth for the Company and to create shareholder value. The Annual General Meeting is the Company's body representing the interests of the shareholders.

The Management Board provides continuous and detailed updates to the Supervisory Board through verbal and written reports on the status of operations. The information provided includes written monthly management reports with extensive coverage of the Company's financial figures for the previous month, accompanied by detailed comments and explanatory text. In addition, the Management Board must submit a budget for the following fiscal year and a plan for the medium term to the Supervisory Board. The Management Board is also required to report to the Supervisory Board in a timely fashion on any transactions that may be significant with respect to the profitability or liquidity of the Company in order to give the Supervisory Board an opportunity to express its opinion on such transactions prior to their implementation.

Beyond this exchange of information and the discussions between the Boards, the Chairman of the Supervisory Board and the Chief Executive Officer as well as other members of the Management Board discuss current and ongoing topics whenever appropriate.

Management Board

The Management Board of Evotec SE is responsible for the management of the Company, and it represents Evotec SE in all business undertakings with third parties. In consultation with the Supervisory Board, the Management Board determines the Company's strategic direction and ensures its implementation. Its actions and decisions are determined by the Company's best interests. The Management Board is committed to the objective of sustainable value creation while observing the interests of the Company's shareholders, employees and other stakeholders. The members of the Management Board are jointly responsible for the entire management and decide on the fundamental issues of business policy and corporate strategy as well as on the annual and multi-year planning.

Aside from the Chief Executive Officer, the Management Board of Evotec SE has three more members. The Chief Executive Officer coordinates the activities of the Management Board. In accordance with Recommendation B.3 of the Code, new members are appointed to the Management Board for a maximum period of three years. However, contracts may be extended by up to five years, which has been agreed with the current Chief Executive Officer and the Chief Scientific Officer. Management Board members may be reappointed and may be dismissed with good cause prior to the termination of their terms of office. The members of Evotec's Management Board may not accept more than three Supervisory Board mandates in non-Group listed companies or in supervisory bodies of companies with similar requirements. Information on the individual mandates and professional activities of the Management Board members can be found on page 138f of the Annual Report 2020.

With regards to diversity within the Management Board, the Supervisory Board selects Management Board members regardless of gender, nationality or age. Appointments are made based on qualification and work experience only. In accordance with section 111, paragraph 5 of the German Stock Corporation Act (AktG), the Supervisory Board of Evotec SE set a quota for women's representation on the Management Board for the first time in 2015. As the Management Board is composed of four male members with running contracts, the quota was set at 0%. Given the terms of the contracts agreed with the current members and because there are no plans to make changes to the Management Board at this point, this quota was confirmed for another five years in 2017. The Supervisory Board also reserves the right to base its decision to extend the contracts of current Management Board members solely on the members' qualification and performance, regardless of their gender or nationality. Two out of four members of the Management Board are non-German currently.

In accordance with Recommendation B.5 of the Code, Evotec has set an age limit for its Management Board members. Pursuant to section 1 paragraph 4 of the Rules of Procedure of the Supervisory Board of Evotec SE, the Supervisory Board must ensure that the age limit of 65 is observed when appointing new members to the Management Board.

The assignment of duties within the Management Boards is based on functional aspects as laid down in the rules of procedure. The Chief Executive Officer is in charge of Strategic Corporate Development including M&A, Human Resources, Marketing, Investor Relations and Corporate Communications, and the Chief Financial Officer is responsible for Finance, Controlling, Risk Management, Information Technology & Business Applications, Legal & Compliance, Procurement & Logistics, Facility Management and Equity. The Chief Operating Officer is responsible for the EVT Execute segment, Alliance management, Business Development, global operations plus Quality and Environment, Health and Safety (EHS). The Chief Scientific Officer is in charge of the EVT Innovate segment, Evotec BRIDGES and Intellectual Property/Patent Management.

The individual members of the Management Board generally assume the duties of their respective functions under their own responsibility. For any measures or transactions which are of exceptional importance for the Company or which expose the Company to extraordinary risk, prior approval by the entire Management Board is required. Further details are laid down in the rules of procedure.

Meetings of the Management Board shall be called by the Chief Executive Officer. Each member of the Management Board may request that an extraordinary meeting of the Management Board be called outside its regular meetings. The board meetings are chaired by the Chief Executive Officer, who also coordinates the areas of responsibility. Persons who are not board members can, if so resolved by the Management Board, be admitted to board meetings in a consultative capacity.

Brief minutes have to be made of material negotiations and resolutions. The Management Board generally approves resolutions at its meetings. Resolutions may also be approved in writing, by telex or by telephone without a meeting. The quorum for votes on resolutions is reached when the majority of the Management Board members participates in the vote. Resolutions of the Management Board are passed by a simple majority. In the event of a tie, the decision lies with the Chief Executive Officer.

The Supervisory Board and the Management Board have agreed on a long-term succession plan. Aside from the requirements of the German Stock Corporation Act and the Corporate Governance Code, this plan takes account of the quota for women's representation as well as the criteria for diversity on the Management Board as determined by the Supervisory Board. Based on the specific qualification requirements and the aforementioned criteria, the Nomination Committee of the Supervisory Board develops a profile for the ideal candidate which serves as a basis for a shortlist of available candidates. These candidates are then interviewed, and a recommendation is submitted to the Supervisory Board as a decision-making basis. External consultants may support the Supervisory Board and the Nomination Committee in developing job profiles and selecting candidates as needed.

Supervisory Board

As laid down in the current Articles of Association of Evotec SE, the Supervisory Board consists of six members which are elected by the shareholders by simple majority vote at the Annual General Meeting. Five of the current members were elected at the Annual General Meeting 2019. Their tenure ends at the end of the Annual General Meeting 2024.

After Michael Shalmi retired from the Supervisory Board with effect from the Annual General Meeting 2020, Kasim Kutay was elected to replace him. His tenure, too, ends at the end of the Annual General Meeting 2024. The beginning and the end of the terms of office are shown in the table below:

Tenure and committee membership on the Supervisory Board

	Initial appointment to the Supervisory Board	End of tenure	Audit and Compliance Committee	Remuneration and Nomination Committee
Prof Dr Wolfgang Plischke (Chairman of the Supervisory Board)	2014	2024		X (Chair)
Prof Dr Iris Löw-Friedrich (Vice Chairman of the Supervisory Board)	2014	2024	X	
Kasim Kutay ¹	2020	2024		X
Dr Mario Polywka	2019	2024		
Roland Sackers	2019	2024	X (Chair)	X
Michael Shalmi ²	2017	2020		X
Dr Elaine Sullivan	2015	2024	X	

¹ Member of the Supervisory Board since the AGM in June 2020

² Member of the Supervisory Board until the AGM in June 2020

In accordance with the Code's recommendations, the members were appointed to the Supervisory Board regardless of gender, nationality or age based on the following criteria: qualification, work experience and competence, independence and diversity. However, the age limit set by the Supervisory Board determines that a candidate may not be older than 72 years at the time of the proposal. In addition, the Supervisory Board has agreed on two full terms as the regular limit of length of membership. Adequate female representation on the Supervisory Board is also intended with a gender quota requiring a minimum of 30% of men and women.

Furthermore, the Supervisory Board has set specific targets for its composition and competencies and developed a Profile of Competencies and Expertise which reflects the company-specific situation. These targets and profiles provide that in consideration of the company-specific situation, the majority of the Supervisory Board members must have national and international experience in the following areas: (i) research and development, (ii) finance, capital markets, law, corporate governance, (iii) marketing, distribution and operations, and (iv) (public) health. In addition, thorough screening of candidates for the Supervisory Board early in the selection process is meant to avoid potential conflicts of interest. The Supervisory Board shall be composed in such a way that the majority of its members are independent and that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks.

Currently, the composition of Evotec's Supervisory Board fulfils all those objectives: Five members are considered independent within the meaning of the German Corporate Governance Code. Two members are female, and two nationalities are represented on the Board. Only Dr Mario Polywka, who served as COO of Evotec until 31 December 2018 and who was elected to the Supervisory Board on the recommendations of a group of shareholders who together hold more than 25% of the total number of voting rights in the Company, is regarded as not independent. Prof Dr Wolfgang Plischke (member of the Supervisory Board of Bayer AG) is independent. Dual membership of two companies with

business relations does not constitute a relationship of dependency, as the members of the Supervisory Board primarily have control and monitoring functions and are not involved in any operating activities. The situation could be different in individual cases if a member held a special position on the Supervisory Board, but this is not the case here. Prof Dr Iris Löw-Friedrich (Chief Medical Officer and Head of Development & Medical Practices of UCB S.A.) is also independent in the opinion of the Company. Her position on the Executive Board of UCB S.A., which has a business relationship with Evotec SE, does not constitute dependency. Business relationships constitute a material and prolonged conflict of interest only in exceptional cases. The Supervisory Board has no influence on the volume of orders or the continuation or expansion of business relationships. This is the responsibility of the Management Board of Evotec SE, which not only represents the Company (section 78 of the German Stock Corporation Act (AktG)), but also makes decisions on these matters under its own responsibility (section 76, paragraph 1 of the German Stock Corporation Act (AktG)). There is also no intersecting executive body position. Mr Kasim Kutay is to be considered an independent member of the Supervisory Board despite his position on the Management Board of Novo Holding A/S. Novo Holding A/S holds 10.58% of the voting shares in Evotec SE and is therefore not a controlling shareholder. A controlling position leading to the independence of the shareholder (and thus also of Mr Kutay) would be given if a control agreement had been concluded with the shareholder or if the shareholder held an absolute majority of the voting rights or at least a sustainable majority at the Annual General Meeting. A voting interest of only 10.58% does not constitute a sustainable majority of the voting rights in favour of Novo Holding A/S and therefore does not constitute a conflict of interest, especially since the number of validly cast votes at past general meetings regularly amounted to well over 40% of the share capital. Dr Elaine Sullivan (the former CEO of Carrick Therapeutics Ltd) is also independent. Evotec SE holds approximately 4.5% of the shares in Carrick Therapeutics Ltd., and it is not a significant partner of Carrick Therapeutics Ltd. at present. Therefore, there is no conflict of interest that could hinder the position of independence, for two reasons: (1) Evotec SE's participation rights in Carrick Therapeutics Ltd. are exercised by the Management Board of Evotec SE on its own responsibility pursuant to section 76 paragraph 1 of the German Stock Corporation Act (AktG). In particular, a member of the Supervisory Board has no influence on the voting on the resolutions of the shareholders of Carrick Therapeutics Ltd. (e.g. on any formal approval). (2) There is also no intersecting executive body position, nor are there any other significant connections to members of the company's Management Board through their involvement in other companies or organisations. Mr Roland Sackers (CFO of Qiagen N.V.) is independent. Qiagen N.V. has no significant business relationship with Evotec SE, and no other circumstances leading to dependency are apparent.

The current composition of the Supervisory Board fully represents the competence profile as set out above and last confirmed by the Supervisory Board at the by-election in 2020:

	Research and Development	Finance, Capital Markets, Law, Corporate Governance	Marketing, Sale, Operating Business	(public) Health System	Nationality/ Age	Independence
Prof Dr Wolfgang Plischke (Chairman of Supervisory Board)			X	X	1951 German	X
Prof Dr Iris Löw-Friedrich (Vice Chairman of Supervisory Board)	X			X	1960 German	X

Dr Mario Polywka	X		X		1963 British	
Roland Sackers		X			1968 German	X
Kasim Kutay		X	X		1965 British	X
Dr Elaine Sullivan	X		X		1961 British	X

The members of the Supervisory Board assume full responsibility for any training and educational measures required for their duties.

The Supervisory Board appoints a Chairman and a Vice Chairman from amongst its members. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board and externally represents the concerns of the body. The Chairman is available to discuss issues pertaining to the Supervisory Board with investors upon request.

The members of the Supervisory Board are elected for a period of five years and may be re-elected for a maximum of two full terms of office.

The Supervisory Board appoints and dismisses the members of the Management Board and advises and oversees the Management Board in the management of the Company. The Management Board and the Supervisory Board maintain an open dialogue which is treated with confidentiality by both parties. The Supervisory Board, in particular the Chairman of the Supervisory Board, exchanges information with the Management Board on a regular basis. In numerous conference calls as needed, the Management Board continuously informed the Supervisory Board of the Company's operational business and further current issues such as strategy, planning, risk management, and compliance management systems, providing in-depth analyses both orally and in writing.

Pursuant to Recommendation D.7 of the Code, the Supervisory Board held regular board meetings also without the attendance of the Management Board.

In addition, the Supervisory Board is directly involved in fundamental decisions. The areas of fundamental importance which require prior approval by the Supervisory Board mainly include:

- Matters which legally require the consent of the Supervisory Board
- The strategic and operational direction of the Company
- Annual budget targets and major deviations from related resolutions
- Material changes to the development pipeline
- Investments outside of the ordinary business exceeding € 5 m, including in-licensing transactions
- The establishment or acquisition of companies or material changes in the corporate structure, either by +/- 5% of ownership or to the effect that control in such entity is assumed or lost
- Business contracts outside the Company's ordinary course of business that have significantly different risk profiles
- Out-licensing agreements with a total value exceeding € 300 m
- The granting of loans, guarantees or liens and the issuance of bonds or other securities
- The acquisition or disposal of land
- The establishment of new business operations or material changes in existing business operations

The articles of association provide that resolutions by the Supervisory Board shall typically be passed in meetings. However, in individual cases and upon the Chairman's instruction, resolutions can be passed and meetings held by written notice, by telephone, by telex, by fax or by other means of telecommunication. The articles of association further provide that more than half of the members of the Supervisory Board must participate in voting on a resolution, either in person or in writing or in another permissible form, to constitute a quorum. If such a quorum is not met, a new meeting shall be called with a notice period of two weeks, in which case three present board members constitute a quorum. Absent members may participate in a resolution by delivering a written vote to the Supervisory Board. Resolutions of the Supervisory Board are passed by a simple majority of the votes cast. The Supervisory Board has its own internal rules of procedure (see www.evotec.com; Invest section).

It has been ensured that each member of the Supervisory Board has sufficient time to fulfil its duties. None of the members of the Supervisory Board have accepted more than five supervisory board mandates in listed companies outside the Group. Equally, of the members of the Supervisory Board who at the same time are members of the executive boards of listed companies, none have accepted more than two supervisory board mandates in listed group companies or similar functions, and none have accepted to chair the supervisory board of a listed company outside the Group.

The Supervisory Board was not informed of any conflict of interest among its members in the course of 2020.

The Supervisory Board report, which is published as part of the Annual Report in the Invest section of the Company's website (www.evotec.com), provides an overview of the Board's activities.

The members' mandates and their professional relations with related parties are listed on page 138f and 132 of the Annual Report 2020.

The activities of the Supervisory Board comply with the Corporate Governance Code

A significant proportion of the Supervisory Board's work is conducted in committees. From among its members, Evotec's Supervisory Board has established, pursuant to the German Stock Corporation Act and the recommendations of the Code, an Audit and Compliance Committee as well as a Remuneration and Nomination Committee. Members of both committees are appointed in accordance with the Code.

Evotec's Audit and Compliance Committee, comprising three members, supports the Supervisory Board in independently overseeing the Company's financial reporting activities and in auditing reports. In particular, the Audit and Compliance Committee scrutinises the Company's accounting processes, the effectiveness of the internal control systems, and the audit. In this context, it discusses the quarterly and half-year reports as well as the risk management and compliance management systems with the Management Board. Within the scope of the audit of the financial statements commissioned by the Supervisory Board, the Audit and Compliance Committee also discusses certain steps and procedures of the audit with the appointed auditing firm, including the auditors' independence, the additional services rendered by the auditor, the issuing of the audit mandate to the auditing firm, the determination of auditing focal points, the fee agreement and compliance issues. The members of the Audit Committee possess the required skills and experience. As Chief Financial Officer, Roland Sackers is not only independent but also has the required specialist knowledge and experience in the application of accounting principles and internal control processes. Neither the Chairman of the Supervisory Board nor a former member of

the Management Board may become Chairman of the Audit Committee. The Audit and Compliance Committee meets at least four times per year. The Audit Committee's charter can be found on the company website at <https://www.evotec.com/en/invest/corporate-governance>.

The main duties and responsibilities of the Company's Remuneration and Nomination Committee are to prepare the appointment of Management Board members and to prepare their remuneration system and Share Performance Plan. Decisions in this context are made by the full Supervisory Board.

Members of committees are appointed in accordance with the Code. Detailed information on the composition of the Supervisory Board's committees is shown in the table above.

Efficiency review

The Supervisory Board and its committees regularly examine their efficiency as recommended in the Corporate Governance Code. The required efficiency review was conducted internally by means of questionnaires. In 2020, the review led to the conclusion that the Supervisory Board is organised efficiently and that the Management Board and the Supervisory Board interact professionally and constructively. In their cooperation, the members of the Supervisory Board maintain a highly trusting and open relationship with each other and with the Management Board. In addition, the efficiency review confirms that the Management Board adequately provides information to the Supervisory Board. The Supervisory Board discussed the outcome of the efficiency review in its December meeting in 2020. It did not identify any need for fundamental changes. A few suggestions were adopted and implemented. The next review is planned for 2022.

Remuneration of Board members

Evotec complies with the recommendations of the German Corporate Governance Code to disclose details of the remuneration of each individual member of the Management Board and the Supervisory Board. Detailed information on the remuneration of Management Board members divided into fixed and variable compensation components as well as on any fringe benefits and on the remuneration of Supervisory Board members is reported in a separate section of the Management Report ("Remuneration Report"). The Management Report as part of the Annual Report is published in the Invest section of the company website at <https://www.evotec.com/en/invest/financial-publications>. In addition, the remuneration of Board members is also disclosed in the Invest section of the company website at www.evotec.com/en/invest/corporate-governance.

The remuneration system for the Management Board was last presented to the Annual General Meeting in 2019 and approved by a majority of 89% of votes.

Evotec procured directors and officers liability insurance cover for its Management and Supervisory Board members, its senior management and the directors of its subsidiaries. The costs of the insurance were assumed by the Company. An appropriately sized deductible was agreed upon for the members of the Supervisory Board. The deductible for the members of the Management Board is in line with the stipulations of the German law governing the appropriateness of board remunerations (VorstAG).

Directors' Dealings

Under the European Market Abuse Regulation, the members of the Supervisory Board and the Management Board, senior management members as well as persons who have a close relationship with these persons are obligated to report trading in Evotec stock so far as the transactions exceed in aggregate € 5,000.00 (the de minimus threshold) per calendar year. In addition, Evotec has established an Insider Trading Policy (see www.evotec.com; Invest section) that sets standards for Board members' and employees' trading in Evotec shares and thus ensures transparency.

During 2020, the following Directors' Dealings were reported:

Date	Name	Function	Type	No of items	Price	Total
15 Dec 2020	Cord Dohrmann	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	111,376	EUR 25.53	EUR 2,843,741.13
07 Dec 2020	Craig Johnstone	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	4,000	EUR 25.01	EUR 100,058.40
26 Nov 2020	Cord Dohrmann	Member of the Management Board	Exercise against cash settlement (Stock Option Programme)	32,594	EUR 22.38	EUR 729,535.21
13 Nov 2020	Mario Polywka	Member of the Supervisory Board	Exercise against cash settlement (Share Performance Plan)	107,908	EUR 24.23	EUR 2,614,729.54
02 Sep 2020	Werner Lanthaler	Member of the Management Board	Purchase of shares by exercising stock options (Share Performance Plan)	11,576	EUR 22.01	EUR 254,787.76
02 Sep 2020	Werner Lanthaler	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	11,824	EUR 22.01	EUR 260,246.24
02 Sep 2020	Werner Lanthaler	Member of the	Purchase of shares by	8,244	EUR 21.8267	EUR 179,939.31

		Management Board	exercising stock options (Share Performance Plan)			
02 Sep 2020	Werner Lanthaler	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	8,356	EUR 21.8267	EUR 182,383.91
31 Aug 2020	Werner Lanthaler	Member of the Management Board	Purchase of shares by exercising stock options (Share Performance Plan)	19,746	EUR 21.1379	EUR 417,769.46
31 Aug 2020	Werner Lanthaler	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	20,236	EUR 21.1379	EUR 427,746.54
28 Aug 2020	Werner Lanthaler	Member of the Management Board	Purchase of shares by exercising stock options (Share Performance Plan)	41,034	EUR 21.1122	EUR 866,318.01
28 Aug 2020	Werner Lanthaler	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	42,050	EUR 21.1122	EUR 887,768.01
28 Aug 2020	Cord Dohrmann	Member of the Management Board	Purchase of shares by exercising stock options (Share Performance Plan)	20,000	EUR 21.1122	EUR 422,244.00
28 Aug 2020	Cord Dohrmann	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	31,215	EUR 21.1122	EUR 659,017.32
14 Aug 2020	Werner Lanthaler	Member of the Management Board	Purchase of shares by exercising stock options	20,000	EUR 21.7	EUR 434,000.00

			(Share Performance Plan)			
23 Jun 2020	Werner Lanthaler	Member of the Management Board	Purchase of shares by exercising stock options (Share Performance Plan)	40524,000	EUR 24.2403	EUR 982,313.92
23 Jun 2020	Werner Lanthaler	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	41,476	EUR 24.2403	EUR 1,005,390.68
03 Jun 2020	Cord Dohrmann	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	30,000	EUR 23.3362	EUR 700,086.00
21 Feb 2020	Cord Dohrmann	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	30,000	EUR 24.9126	EUR 747,378.00
29 Jan 2020	Craig Johnstone	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	19,836	EUR 24.6308	EUR 488,576.55
29 Jan 2020	Craig Johnstone	Member of the Management Board	Exercise against cash settlement (Share Performance Plan)	1,250	EUR 24.6308	EUR 30,788.50
10 Jan 2020	Mario Polywka	Member of the Supervisory Board	Exercise against cash settlement (Share Performance Plan)	127,155	EUR 22.7879	EUR 2,897,595.42

Directors' Shareholdings

As of 31 December 2020, the members of the Management Board and the Supervisory Board owned the following shares in the Company:

	Shares	Stock options	Outstanding Shares from vested SPAs	Granted unvested SPAs (total)
Management Board				
Dr Werner Lanthaler	1,232,878	0	377,674	242,940
Enno Spillner	0	0	92,589	61,861
Dr Cord Dohrmann	165,991	0	0	74,965
Dr Craig Johnstone	0	0	16,115	41,870
Supervisory Board				
Prof Dr Wolfgang Plischke	0	0	0	0
Prof Dr Iris Löw-Friedrich	0	0	0	0
Kasim Kutay	0	0	0	0
Dr Mario Polywka	0	0	0	45,393
Roland Sackers	0	0	0	0
Dr Elaine Sullivan	0	0	0	0

Changes in the directors' shareholdings will be published in the Invest section of Evotec's website at <https://www.evotec.com/de/invest/corporate-governance>.

Annual General Meeting

The shareholders exercise their rights, including their voting rights, at the Annual General Meeting. Each share confers the right to one vote. An audio-visual broadcast of the entire Annual General Meeting was provided online to all shareholders duly registered or to their proxies on 16 June 2020 from 10:00 CET in the password-protected section of the company website at <https://www.evotec.com/en/invest/annual-general-meeting>. All shareholders duly registered were sent personal access codes for the Company's protected online service.

Unregistered shareholders or other interested parties were able to follow the first part of the Annual General Meeting, in particular the Management Board presentation, via a special unrestricted link on the company website. The subsequent responses to questions submitted by shareholders prior to the event were not open to the public.

Transparency

Evotec SE regularly and equally communicates with shareholders, financial analysts, the media and the public. In doing so, the Company complies with all requirements of the Code regarding transparency, timeliness, openness and equality. It is a prime concern of corporate communications that all relevant target groups receive the same information at the same time. For this reason, the disclosure of information is governed by the Company's Disclosure Policy. Evotec provides all of its publications simultaneously in both English and

German. The Company's publications are available on its website at www.evotec.com in the Invest section.

This section of Evotec's website maintains information such as news releases, the financial calendar containing the publication dates of the financial statements, the IR events calendar, annual and quarterly reports, other regulatory news and regularly updated corporate governance information. This also includes the Articles of Association, the Rules of Procedure of the Supervisory Board, the Audit Committee Charter, the Code of Conduct, the Insider Trading Policy and all declarations of compliance.

Moreover, the Company regularly communicates with analysts and investors and offers conference calls to discuss its quarterly results. Evotec precludes any preferential treatment of stakeholder groups in its communications. In 2020, Evotec management participated in various national and international investor conferences.

In addition, the company website at www.evotec.com provides comprehensive information on the Evotec Group and the Evotec share.

Accounting and auditing

Evotec regularly provides information to its shareholders and other interested parties by publishing its annual Consolidated Financial Statements, the half-year report and quarterly interim statements. As an incorporated company whose registered head office is located within the European Union, Evotec SE must prepare and publish Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) whilst observing section 315a of the German Commercial Code (HGB). The consolidated and the individual financial statements are audited by the audit firm and by the Supervisory Board. The audit firm is appointed by the shareholders at the Annual General Meeting and commissioned by the Supervisory Board. It participates at the Supervisory Board's deliberations on the financial statements and reports the most significant results of its audit. The Audit Committee uses this information as a guideline for its own evaluation of the statements and reports.

The disclosed financial statements and the management reports for Evotec SE, as well as the Consolidated Financial Statements together with the consolidated management report of the Evotec Group, are audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg. These audits also cover risk management and compliance with corporate governance reporting requirements pursuant to section 161 of the German Stock Corporation Act (AktG). Following its consultations, the Supervisory Board also approves the financial statements and the Consolidated Financial Statements.

Compliance organisation

Compliance and Code of Conduct

The Management Board ensures the observance of legal requirements and internal corporate guidelines, working to achieve compliance throughout the Group. Evotec's corporate culture is committed to the highest standards of openness, integrity and accountability. Compliance is a key element of integrity, which means adherence to applicable laws and the Company's internal policies. Evotec's commitment to a compliance-

oriented culture is reflected in the Company's Code of Conduct, which stipulates fundamental ethical principles that apply to board members and other employees alike, such as integrity and professionalism.

The Code of Conduct mainly sets standards for:

- Accounting and the permissible use of the Company's funds and assets
- Anti-money laundering principles
- Compliance with insider trading laws and prevention of conflicts of interest
- Compliance with antitrust legislation
- Compliance with anti-corruption laws and associated internal guidelines
- A work environment free of any form of discrimination and harassment
- Occupational health & safety and environmental aspects
- Animal welfare
- Non-disclosure and protection of intellectual property and business secrets
- Data protection and the use of personal data
- Global trade
- The duty to report upon the suspicion of an infringement of the Code of Conduct (whistle-blowing)

Evotec does not tolerate any violation of applicable laws or internal policies.

The Code of Conduct was revised in 2019 and is published on the Company's website at www.evotec.com in the Invest section.

Compliance Office

The responsible management of compliance risks inherent in Evotec's business activities requires a suitable and efficient compliance management system. The Compliance Programme of Evotec SE is overseen by the Company's Compliance Officer, functioning as an independent and objective body that reviews and evaluates compliance issues within the organisation. In this context, group-wide electronic compliance training or face-to-face trainings tailored to the Company's specific compliance issues and associated risks are organised on a regular basis. The aim is to maintain permanent compliance awareness within all areas of Evotec's business to ensure that any decision is in line with Evotec's compliance guidelines and to mitigate compliance risks. Said training is mandatory for all board members and other employees. The Company's Compliance Officer monitors the participation in the training at regular intervals.

The Compliance Office helps to communicate the values underlying the Code of Conduct and anchor them firmly in the Group. It ensures group-wide implementation of the Compliance Programme.

Another important aspect of accountability and transparency is a mechanism to enable all Evotec employees and business partners to voice concerns in a responsible and effective manner. Suspected compliance violations can be reported to an employee's responsible line manager, the Company's Compliance Officer or may also be reported to a worldwide compliance (whistle-blowing) hotline which is available 24 hours a day, 7 days a week. In case that a suspected compliance violation would affect a member of the Management Board, such report would be addressed to the Supervisory Board. In 2020, five reports were registered via the central compliance hotline. Of these, three were related to the same situation and the other two to another situation. Therefore, the compliance hotline registered two cases of suspected violations in 2020, which were both solved and closed in 2020.

In addition, Evotec also complies with the statutory requirements of the capital market. An ad-hoc committee comprising the Chief Financial Officer, the head of Legal & Compliance, the heads of Investor Relations and Corporate Communications as well as the Management Board Assistant reviews the ad-hoc relevance of insider information and ensures it is managed in accordance with applicable law. The ad-hoc committee reports to the Chief Executive Officer.

Further information can be found in the Sustainability Report in accordance with section 289c and section 315c of the German Commercial Code (HGB). This report can be found in the Invest section of Evotec's website under Financial Publications.

Sustainability

Sustainability is the underlying principle guiding our business. *#researchneverstops* – this truth will not change until effective treatments and cures have been found for every last one of more than 3,300 diseases that are undruggable today. Our mission to develop first-in-class or best-in-class treatments in an unbiased and efficient manner is at the core of our sustained corporate development.

The structural integration of sustainability management within Evotec has made visible progress. In line with the announcement made in the 2019 Non-financial Statement, Evotec created the new function Head of Global ESG in 2020, which reports directly to the CEO. For 2021, additional headcount is budgeted for the coordination of relevant ESG topics, and the position was filled shortly after the reference date of this report. In addition, we are expanding the infrastructure to support Evotec's sustainability management within the Environmental, Health & Safety (EHS) division. We reviewed strategically important sustainability issues in a workshop in December 2020, and we intend to refine this process and our sustainability management in future.

Our corporate goals for 2021 now include a Sustainability Goal. In this context, each functional area of the organisation is required to define and implement specific scientific ESG goals that resonate with their respective sphere of influence. In 2021, the promotion and roll-out of a long-term diversity strategy will be in focus.

Our strategy addresses a broad range of sustainability factors. Aside from fostering education and efforts to create the most innovative environment (in-house and in collaboration with academia), we are pursuing a great variety of research approaches. This also includes the focus on molecular phenotypes. The use of patient-derived samples and induced pluripotent stem cells (iPSC) helps to dramatically reduce the number of animal models in the discovery process, and state-of-the-art technologies help to preserve resources. More specifically, they help to reduce waste and energy consumption, and

protect employees by reducing contact with hazardous materials. In an environment where the protection of intellectual property is a key competitive factor, the Company's good reputation will hinge upon the security, quality and integrity of its data. As a foundation for sustainable growth, it is therefore firmly anchored in our sustainability strategy.

Diversity

Our working environment is defined by respect, cooperation, openness and flexibility in the way we think and act. Whether in recruiting, staff development, promotion or pay – Evotec practices equality. In 2020, we launched a project to analyse our gender pay gap at the group level, including factors such as seniority, performance, position level, and others. With this broad range of factors, the analysis is more comprehensive than legally required in some countries (UK, France), and it is still ongoing.

At the end of 2020, Evotec's workforce represented 75 different nationalities (2019: 69 nationalities). The average age of Evotec's employees at the end of 2020 was 38.8 years. 1.2% of our employees have a recognised disability.

With regard to gender diversity, 54.1% of our global workforce were women in 2020. Our corporate gender goal for senior management below the board is a 30% proportion of women by 2022 (unchanged versus previous years). In 2020, the share of women in senior management amounted to 26.5% after 25.8% in 2019.

In recent years, as part of our people development efforts and recruitment, we put our focus on developing the ratio of women on level 2. With a proportion of 28 %, we have nearly reached our target rate. This will help us to feed a pipeline that will be ready to increase our ratio on level 1 in the coming years (18% currently).

Risk Management

The early identification of risks, in particular risks that could jeopardise the Company's continued existence, and the systematic and responsible management of risks are fundamental elements of efficient corporate governance. Evotec's risk and opportunity management is based on international standards (COSO – The Committee of Sponsoring Organizations) and allows the Management Board to identify and respond to material risks in a timely manner. The Management Board reports risk-related matters to the Supervisory Board. The Company's risk and opportunity management is audited as part of the annual financial statements. Details can be found on page 58ff of the Annual Report 2020.

Declaration of Corporate Management (§§ 289f, 315d HGB)

The actions of Evotec SE's management and oversight bodies are determined by the principles of good and responsible Corporate Governance. In this declaration, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate management in the Group pursuant to sections 289f, 315d of the German Commercial Code (HGB) and pursuant to subsection 3.10 of the German Corporate Governance Code. Our aim is to present our corporate management principles as clearly and concisely as possible.

Declaration of compliance and reporting on Corporate Governance

Declaration of compliance

With the following exceptions, Evotec complies with all recommendations of the Code and also with the majority of the Code's suggestions. In December 2019, Evotec's Management Board and Supervisory Board declared in accordance with Section 161 of the German Stock Corporation Act (AktG):

"Evotec SE has complied in 2019 with the recommendations of the Governmental Commission on the German Corporate Governance Code (the "Code") as published in the official section of the Federal Gazette and intends to comply in the future with the recommendations of the Code, with the following exceptions:

- Pursuant to Section 4.2.3 of the Code, the monetary remuneration of the Management Board members comprises fixed and variable components. Variable remuneration components consist of a one-year variable remuneration determined by a bonus scheme and a long-term so-called Share Performance Plan scheme approved by the Annual General Meetings 2012, 2015 and 2017. The Share Performance Plans have a multiple-year assessment basis that has essentially forward-looking characteristics, whereas the bonus scheme is based on the achievement of certain strategic targets set by the Supervisory Board for a certain financial year.*
- The Share Performance Plans comply with the recommendations set forth in Section 4.2.3 of the Code. In particular, they refer to specific key performance indicators and define a "Maximum Target". However, as the issuance of awards under the Share Performance Plans 2012 and 2015 after the four-year vesting period is effected in shares, there is a cap for the number of awards upon allocation, but no other cap for the value of the allocated shares. That value will only be determined by the share price at that time. The Share Performance Plan 2017 has introduced a cap with a maximum level of 350% of the contractual issue value and therefore complies in all respects with the Code.*
- Stock options issued in existing stock option programmes before their replacement by the Share Performance Plans remain valid. While the exercise of options under these stock option programmes requires an increase of the share price, the exercise is not related to other relevant comparison parameters as recommended in Section 4.2.3 of the Code. This decision is based on the lack of*

relevant comparison benchmarks in the field of German Biotech at the time when the stock option programmes were created.

- *The Company's D&O insurance and the deductible for members of the Management Board contained therein are in line with Section 3.8 of the Code and with the regulations of the Act on the Appropriateness of Management Board Compensation (VorstAG) that was enacted in 2009. However, for members of the Supervisory Board, the D&O insurance contains a "reasonable" deductible as foreseen by the version of the Code in force before its version published on 05 August 2009. The Company has decided to maintain this reasonable deductible. This decision was made in view of the Company's interest to attract international expertise for its Supervisory Board and the fact that a deductible for non-executive directors is not very common in international practice. Whilst a lot of the German companies quoted on the TecDAX do not have a respective deductible at all, the Company believes that a reasonable deductible is a good compromise."*

The current Declaration of Compliance with the German Corporate Governance Code and the declarations of the past five years can be found on Evotec's website (www.evotec.com) in the Invest section.

Relevant management practices and compliance

Relevant management practices

Evotec takes its Corporate Governance responsibilities very seriously. As a consequence of its shares' listing at the Frankfurt Stock Exchange and its international shareholder base, the Company recognises not only German but also international Corporate Governance standards. Evotec's Management and Supervisory Boards are convinced that complying with rigorous Corporate Governance standards is of great benefit to the Company. It includes integrity in the dealings with employees, business associates, shareholders and the public, expressed in Evotec's own exemplary conduct. As a service provider, Evotec has to win and retain the trust of its customers and business associates through impeccable behaviour. The Group's aim is to be credible, solid and reliable and act accordingly. Thus Evotec regularly reviews and enhances its Corporate Governance practices.

Within the frame of strategical determination by the Management Board, specific goals are established and communicated. To accomplish our targets, we rely on the enterprise and initiative of our managers and employees. We achieve consensus on clearly defined objectives, and we regularly monitor how well we are meeting them. These agreements on aims are a fundamental component of our leadership philosophy and a crucial element of our remuneration system.

Code of conduct

Evotec's corporate culture is committed to the highest standards of openness, integrity and accountability. A key element of integrity is compliance, which means adherence to both, the applicable laws and Company's internal policies. Evotec's commitment to a compliance-oriented culture is reflected in the Company's Code of Conduct, which stipulates fundamental

ethical principles, such as integrity and professionalism that apply to board members and other employees alike.

The Code of Conduct sets standards for:

- Accounting and the permissible use of the Company's funds and assets;
- Anti-money laundering principles;
- Compliance with insider trading laws and prevention of conflicts of interest;
- Compliance with antitrust legislation;
- Compliance with anti-corruption laws and associated internal guidelines;
- A work environment free of any form of discrimination and harassment;
- Health & safety and environmental aspects;
- Animal welfare;
- Non-disclosure and protection of intellectual property and business secrets;
- Global trade; and
- The duty to report upon the suspicion of an infringement of the Code of Conduct (whistle-blowing).

Evotec does not tolerate any violation of applicable laws or internal policies.

The Code of Conduct has been revised in the course of 2019 and is published on the Evotec website (www.evotec.com) in the Invest section.

Compliance organisation

The Compliance Programme of Evotec SE is overseen by the Company's Compliance Officer, functioning as an independent and objective body that reviews and evaluates compliance issues/concerns within the organisation and is regularly trained via a group-wide electronic Compliance Training or face-to-face trainings tailored to the specific compliance issues and associated risks at the Company. The aim is to maintain permanent compliance awareness within all areas of Evotec's business to ensure that any decision is in line with Evotec's compliance best practices and to mitigate compliance risks. Said training is mandatory for all board members and other employees. The Company's Compliance Officer monitors the participation in the training at regular intervals.

The Compliance Office helps to communicate the values underlying the Code of Conduct and anchor them firmly in the Group. It ensures Group-wide implementation of the Compliance Programme.

Another important aspect of accountability and transparency is a mechanism to enable all Evotec employees and business partners to voice concerns in a responsible and effective manner. Suspected compliance violations can be reported to an employee's responsible line manager, the Company's Compliance Officer or may also be reported to a worldwide compliance (whistle-blowing) hotline which is available 24 hours a day, 7 days a week. In case that a suspected compliance violation would affect a member of the Management Board, such report would be addressed to the Supervisory Board. In 2019, no reports via the central compliance hotline were registered.

Further information can be found in Non-financial Group Report in accordance with section 289c and section 315c of the German Commercial Code. This report can be found on Evotec's website in the Invest section under Financial Publications.

Evotec also complies with the financial market rules. The Company maintains an ad hoc Committee, which consists of the Chief Financial Officer, the General Counsel, the Head of Investor Relations and the assistant to the Board. This committee examines the ad hoc relevance of insider information and ensures that Evotec complies with the law.

Sustainability

For Evotec, sustainability plays an essential role in the Company's business and attitude. Consequently, Evotec sets out its values and economic, ecological and social responsibility. All three criteria are reflected in Evotec's strategy and firmly established in its business processes. Evotec pursues a business model that aims at sustainable growth, creating value for all stakeholders and protecting the interests of its shareholders. Taking responsibility for the Company's employees and business partners and maintaining its commitment to society and a healthy environment are two of Evotec's guiding principles.

Awareness about and reduction of the environment footprint of the Company is a key issue which currently is under further review about how Evotec can even more improve its contribution to secure our all environment and apply preserving consumption of resources (see also Non-financial Group Report/EVOChallenge). In its R&D activities, Evotec adheres to the highest scientific and ethical principles.

Further information can be found in Evotec's separate Non-financial Group Report (Corporate Social Responsibility Report) in accordance with section 289c and section 315c of the German Commercial Code. This report can be found on Evotec's website in the Invest section under Financial Publications.

Diversity

With regard to gender diversity, 55% of Evotec's global workforce are women. On SE level, Evotec has achieved its gender targets set in 2015 on all levels (Supervisory Board, Management Board and the next two management levels), such as target quota of at least 30% for female Supervisory Board members, 0% for the Management Board (due to current set up of management team) and minimum 30% for the next two management levels. The Company has confirmed these objectives in 2017 going forward.

Risk management

An important element of sound Corporate Governance is dealing responsibly with risks. Evotec has established a risk and opportunities management system that enables the Management Board to detect and react to relevant risks and market developments in good time. The Management Board reports on these to the Supervisory Board. The Company's risk and opportunities management system and policies are covered by the annual audit of financial statements. Details can be found in the Management Report on page 60 of the Evotec Annual Report and under www.evotec.com, Invest section. It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Accounting Modernisation Act (BilMoG).

These systems are continually developed, adjusted to match changes in overall conditions and reviewed by the auditors. The Management Board regularly informs the Supervisory Board about existing risks and the development of these risks.

Transparency

Evotec SE informs its shareholders, financial analysts, the media and the public on a regular basis about its progress. In doing so, the Company complies with all requirements of the Code regarding transparency, timeliness, openness and shareholder equality. Evotec is committed to fair disclosure of information and its communication is governed by a Company Disclosure Policy. It is a prime concern of the Company that all relevant target groups receive the same information at the same time, and this implies communicating in both English and German. The Company's publications are available on its website www.evotec.com in the Invest section.

This section of Evotec's website maintains information such as news releases, the financial calendar containing the publication dates of the financial statements, investor relations conferences, annual and quarterly reports, other regulatory news and regularly updated corporate governance information. This section of the website also includes the Articles of Association, the Rules of Procedure of the Supervisory Board, the Audit Committee Charter, the Code of Conduct, the Insider Trading Policy and all declarations of compliance.

Moreover, the Company website at www.evotec.com provides comprehensive information on the Evotec Group and the Evotec share.

Accounting and auditing

On a regular basis, Evotec provides financial and business information to its shareholders and other interested parties by publishing its annual Consolidated Financial Statements, the half-year report and quarterly interim statements. As an incorporated company, whose registered head office is located within the European Union, Evotec SE must prepare and publish Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) whilst observing Section 315a HGB (German Commercial Code). The Consolidated Financial Statements of the Evotec Group and the financial statements of Evotec SE are audited by the audit firm and the Supervisory Board. The audit firm is appointed by the shareholders at the Annual General Meeting and commissioned by the Supervisory Board. It participates at the Supervisory Board's deliberations on the financial statements and reports the most significant results of its audit. The Audit Committee uses this information as a guideline for its own evaluation of the statements and reports.

The disclosed financial statements and the management reports for Evotec SE, as well as the Consolidated Financial Statements together with the consolidated management report of the Evotec Group, are audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg. These audits also covered risk management and compliance with reporting requirements concerning corporate governance pursuant to section 161 of the German Stock Corporation Act. Following its consultations, the Supervisory Board also approves the financial statements and the Consolidated Financial Statements.

Working methods of the Management Board and Supervisory Board

Composition and working methods of the Management Board and Supervisory Board

As part of its conversion process from a German Stock Corporation ("AG") to a European Company (Societas Europaea, "SE"), Evotec has decided to maintain its two-tier system with clear separation of management through the Management Board ("Vorstand"), and control through the Supervisory Board ("Aufsichtsrat"). The Management Board is responsible for managing Evotec and representing the Company in its dealings with third parties, while the Supervisory Board appoints and dismisses the members of the Evotec Management Board and oversees the management of the Company. German law prohibits the Supervisory Board from making operational management decisions. The two boards, however, work closely together to secure long-term and sustainable growth for the Company and to create shareholder value. They agree on the Company's strategy and on business transactions, which are significant. The Annual General Meeting ("AGM"; "Hauptversammlung") is the Company's body representing the interests of the shareholders.

Management Board ("Vorstand")

The Management Board of Evotec SE is responsible for the day-to-day operations of the Company and is supported by the Management Team. In its business operations and decisions, the Management Board acts on behalf of the Company and works towards its progress with the objective of sustainable creation of value, thus taking into account the interests of the shareholders, the employees and other stakeholders. The Management Board is appointed by the Supervisory Board.

The Company's rules of internal procedure assign functional duties and responsibilities to the Management Board members. The CEO is functionally responsible for the areas of Corporate Development including M&A, Human Resources, Marketing, Investor Relations and Corporate Communications, the CFO for Finance, Controlling, Risk Management, Information Technology & Business Applications, Legal & Compliance, Procurement & Logistics, Facility Management and Equity, the COO for Evotec's EVT Execute segment, Alliance management, Business Development, global operations plus Quality and Environment, Health and Safety (EHS), and the CSO for Evotec's EVT Innovate segment, Evotec BRIDGES and Intellectual Property.

Under Evotec's Articles of Association, the Supervisory Board determines the size of the Management Board, which must have at least one member under the German Stock Corporation Act. The Evotec Management Board consists, in addition to the CEO, of three further board members. In accordance with a suggestion of the Code, new members are appointed for up to three years; however, prolongations of existing contracts might be up to five years as currently agreed with the Chief Executive Officer and for its new contract with the Chief Scientific Officer. Management Board members may be reappointed and may be dismissed with good cause prior to the termination of their terms of office. At the ordinary Supervisory Board meetings, the Supervisory Board regularly receives information from the Management Board on possible succession planning and possible candidates. In addition, the Supervisory Board discusses succession planning at the meeting of the Nomination Committee even without the presence of the Management Board.

Members of Evotec's Management Board have not accepted more than a total of three Supervisory Board mandates in non-Group listed companies or in supervisory bodies of companies with similar requirements. The Articles of Association can be found on Evotec's website under www.evotec.com in the Invest section.

With regards to diversity within the Management Board, it has to be taken into account that Evotec works in a globalised industry and has a broad and international customer base. Therefore, the Supervisory Board selects Management Board members regardless of gender, nationality or age; instead, the focus lies on their qualifications and work experience only. The Supervisory Board has not yet set an age limit for members of the Management Board. However, the age of all current members of the Executive Board of Evotec SE is well below 60 years. However, for the first time in 2015, the Supervisory Board, in accordance with Section 111, section 5 of the German Stock Corporation Act (AktG), has set a gender quota of 0 percent for the Management Board. This target quota was confirmed in 2017 for a further five-year period due to the current term of the contracts of the currently active Management Board members. Currently, two out of four members of the Management Board are non-German.

The activities of the Management Board are regulated by its internal Rules of Procedure, which set out the matters reserved for the full Management Board, the responsibilities of the areas of responsibility and the majorities necessary for passing resolutions.

Meetings of the Management Board shall be called by the Chairman of the Board. Each member of the Management Board may request that an extraordinary meeting of the Management Board be called outside its regular meetings. The board meetings are chaired by the Chairman of the Management Board, who also coordinates the areas of responsibility. Persons who are not board members can, if so resolved by the Management Board, be admitted to board meetings in a consultative capacity.

Brief minutes have to be made of material discussions and resolutions. Resolutions of the Management Board will be carried regularly at its meetings. Resolutions may also be carried without a meeting, however, in writing, by telex or by telephone. The Management Board shall be quorate if a majority of its Members vote on a resolution. Resolutions of the Management Board shall be passed by a simple majority. Should there be a tie, the CEO shall decide.

The Management Board also provides continuous updates to the Supervisory Board through regular verbal and written reports that includes in depth analysis of the status of operations. The information provided includes written monthly management reports with extensive coverage of the Company's financial figures for the previous month, accompanied by detailed comments and explanatory text. In addition, the Management Board must submit a budget for the following fiscal year and a plan for the medium term to the Supervisory Board. The Management Board is also required to report to the Supervisory Board in a timely fashion on any transactions that may be significant with respect to the profitability or liquidity of the Company in order to give the Supervisory Board an opportunity to express its opinion on such transactions prior to their implementation.

The Chairman of the Supervisory Board and the Chief Executive Officer as well as other members of the Management Board discussed current and ongoing topics via numerous conference calls, carried out whenever appropriate.

Details on the Management Board are provided on Evotec's website under www.evotec.com; section 'About'.

Supervisory Board ("Aufsichtsrat")

Following the Articles of Association, the Evotec Supervisory Board consists of six members. The current members of the Evotec Supervisory Board have been (re-)elected at the AGM 2019 with their tenure ending at the end of the AGM 2024. Evotec's Supervisory Board members were, in accordance with the Code's recommendations regardless of gender, nationality or age, appointed on the basis of their qualifications, work experience, independence and diversity.

The Supervisory Board has specified concrete objectives and a corresponding competence profile regarding its composition, which are ensured when making proposals to the AGM for election or re-election of new Supervisory Board members. These objectives stipulate that the activities of the Company shall be represented by having a majority of independent Supervisory Board members with national and international experience in the respective fields of (i) Research and Development, (ii) Finance, Capital markets, Legal, Corporate Governance, (iii) Marketing and Sales and Operations and (iv) Healthcare Economy/Public Health. Potential conflict-of-interest situation(s) shall be avoided by deploying the highest scrutiny when assessing potential candidates. In addition, the Supervisory Board shall ensure that the individual age of a candidate shall not exceed 72 years at the time of the proposal. Diversity with regard to female representation shall be ensured by having a target quota of at least 30% female members of the Supervisory Board. Finally, the Supervisory Board has agreed on two full terms as the regular limit of length of membership to the Supervisory Board. Currently, the Chairman of the Supervisory Board, Prof. Dr. Plischke, and the Deputy Chairman of the Supervisory Board, Prof. Dr. Löw-Friedrich, are in their second full term of office, which ends with the 2024 Annual General Meeting. Overall, the Supervisory Board shall be composed in such a way that the majority of its members are independent and that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks.

Currently, the composition of Evotec's Supervisory Board fulfils all those objectives: Five members are considered independent within the meaning of the Code, as they have no personal or business relationship with the Company or its Management Board that could constitute a material and not merely temporary conflict of interest. Only Dr Mario Polywka, being Evotec COO until 31 December 2018, who has been elected to the Supervisory Board on the recommendations of a group of shareholders who combined hold more than 25% of the total number of voting rights in the Company, is considered as not independent. Prof Dr Wolfgang Plischke (member of the Supervisory Board of Bayer AG) is independent. Dual membership of the Supervisory Boards of two companies with business relations does not constitute a relationship of dependency, since one member of the Supervisory Board primarily performs control and monitoring functions and is not involved in any operating activities. Prof Dr Iris Löw-Friedrich (Chief Medical Officer and Head of Development & Medical Practices of UCB S.A.) is also independent in the opinion of the Company. Her position on the Executive Board of UCB S.A., which has a business relationship with Evotec SE, does not constitute a dependency. Business relationships are only suitable in exceptional cases to constitute a material and not merely temporary conflict of interest. The Supervisory Board has no influence on the volume of orders, the continuation or expansion of the business relationship; this is

the responsibility of the Management Board of Evotec SE, which not only represents the Company (Section 78 of the German Stock Corporation Act (AktG)), but also makes decisions on these matters under its own responsibility (Section 76, paragraph (1) of the German Stock Corporation Act (AktG)). There is also no intersecting executive body position. Dr Michael Shalmi is to be considered an independent member of the Supervisory Board despite his former position on the Management Board of Novo Holding A/S. Novo Holding A/S holds just over 10% of the voting shares in Evotec SE and is therefore not a controlling shareholder. A control leading to independence of the shareholder (and thus also of Dr. Shalmi) would be given if a control agreement with the shareholder exists, the shareholder has an absolute majority of the voting rights or at least a sustainable majority at the Annual General Meeting. A voting interest of just over 10% does not constitute a sustainable majority of the voting rights in favor of Novo Holding A/S and therefore does not constitute a conflict of interest, especially since the number of validly cast votes at past general meetings regularly amounted to well over 40% of the share capital. Dr Elaine Sullivan (former CEO of Carrick Therapeutics Ltd) is also independent. Evotec SE holds approximately 4.3% of the shares in Carrick Therapeutics Ltd. At present, Evotec is not a significant partner of Carrick Therapeutics Ltd. Therefore, there is no conflict of interest that could conflict with independence, for two reasons: (1) Evotec SE's participation rights in Carrick Therapeutics Ltd. are exercised by the Executive Board of Evotec SE on its own responsibility pursuant to Section 76 (1) of the German Stock Corporation Act (AktG); in particular, a member of the Supervisory Board has no influence on voting on the resolutions of the shareholders of Carrick Therapeutics Ltd. Nor are any other significant connections to members of the company's Management Board discernible through their involvement in other companies or organisations. Mr Roland Sackers (CFO of Qiagen N.V.) is independent. Qiagen N.V. has no significant business relationship with Evotec SE; no other circumstances leading to dependency are apparent.

Four different nationalities are represented in the Supervisory Board of the Company and two members are female. The current composition of the Supervisory Board fully represents the competence profile as set out above and lastly confirmed by the Supervisory Board in 2019.

The Supervisory Board advises and oversees the Management Board in the management of the Company. Based upon regular consultations with the Management Board, the Supervisory Board is involved in strategic and planning decisions and all decisions of fundamental importance to the Company.

Furthermore and upon request, the Supervisory Board Chair is available to discuss Supervisory Board-related issues with investors.

In accordance with the internal rules of procedure, decisions taken by the Management Board on major transactions such as issues, which by corporate law require the Supervisory Board to decide, the strategic and operational direction of the Company, the annual budget, major acquisitions, investment or licence agreements, establishing and acquiring companies or material changes to the Group structure (either by +/- 5% of ownership or to the effect that control in such entity is assumed or lost), business contracts outside the Company's ordinary course of business that have significantly different risk profiles as well as establishing new business operations or significantly revising existing business operations, require the approval of the Supervisory Board.

The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, calls and chairs its meetings and externally represents the concerns of the body.

The articles of association provide that while resolutions shall typically be passed in meetings, however, upon the Chairman's instruction resolutions can be passed without a meeting by written notice, by telephone, facsimile, e-mail or by other conventional means of communication. The articles of association further provide that more than half of the members of the Supervisory Board must participate in voting on a resolution to constitute a quorum. If such a quorum is not met a new meeting shall be called with a notice period of two weeks, in which case three present board members constitute a quorum. Absent members may participate in a resolution by delivering a written vote to the Supervisory Board. Unless otherwise required by law or by the articles of association, resolutions of the Supervisory Board are passed by a simple majority of the votes cast.

The Supervisory Board has its own internal rules of procedure (see www.evotec.com; Invest section) and complies with the Code's suggestion to hold occasional separate discussions.

The Supervisory Board was not informed about any potential conflict of interest among one of its members in the course of 2019.

The Supervisory Board regularly every two years examines the efficiency and best practice review recommended in the Corporate Governance Code. All Supervisory Board members are questioned by means of a questionnaire, which is evaluated by the Corporate Office. The evaluation and possible recommendations for action are presented to the Supervisory Board for discussion. To date all such audits have led to the conclusion that the Supervisory Board is organised efficiently and that the Management Board and the Supervisory Board interact efficiently and effectively.

An overview of its work can be found in the following table:

C = Chairman | **M** = Member

	Initial appointment	End of tenure ¹⁾	Audit Committee	Remuneration and Nomination Committee
Prof. Dr Wolfgang Plischke (Chairman)	2014	2024		C
Prof. Dr Iris Löw-Friedrich (Vice Chairman)	2014	2024	M	
Dr Mario Polywka	2019	2024		
Roland Sackers	2019	2024	C	M
Michael Shalmi	2017	2024		M
Dr Elaine Sullivan	2015	2024	M	

¹⁾ Following the AGM in June 2024

Information on the professional affiliations of board members and on related party transactions can be found in the Annual Report of the Company. In addition, details on the Supervisory Board are provided on Evotec's website under www.evotec.com; section 'About'.

Work in Supervisory Board Committees

A significant proportion of the Supervisory Board's work is conducted in committees. From among its members, Evotec's Supervisory Board has established, pursuant to the German Stock Corporation Act and the recommendations of the Code, an Audit Committee as well as a Remuneration and Nomination Committee. Members of both committees are appointed in accordance with the Code.

For information about the composition of the Supervisory Board Committees please see the website of the Company under www.evotec.com in the Invest section.

Evotec's Audit Committee, comprising three members, supports the Supervisory Board in independently monitoring the Company's financial reporting activities and in auditing reports. In particular, the Audit Committee scrutinises the Company's accounting processes, the effectiveness of the internal control system and the audit. In addition, it discusses the quarterly and half-year reports with the members of the Management Board. Within the scope of the audit of the financial statements commissioned by the Supervisory Board, the Audit Committee also discusses certain steps and procedures of the audit with the appointed auditing firm, including the auditors' independence, the additional services rendered by the auditor, the issuing of the audit mandate to the auditing firm, the determination of auditing focal points, the fee agreement and compliance issues.

The members of the Audit Committee possess the required skills and experience. As a Chief Financial Officer, the Audit Committee's Chairman Roland Sackers, who succeeded Bernd Hirsch in June 2019, is not only independent, but also has the required specialist knowledge and experience in the application of accounting principles and internal control processes. Neither the Chairman of the Supervisory Board nor a former member of the Management Board may become Chairman of the Audit Committee. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the Invest section.

The committee meets at least four times annually. The audit committee shall have a quorum if at least two of its members participate in the passing of a resolution. Resolutions require a simple majority of the votes cast. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the Invest section.

The main duties and responsibilities of the Company's *Remuneration and Nomination Committee* are to prepare the appointment of Management Board members and to prepare recommendations concerning their remuneration system and Share Performance Plan. Final decisions are made by the full Supervisory Board.

Remuneration of Board members

Evotec complies with the recommendations of the Corporate Governance Code to provide details of the remuneration of each individual member of the Management Board and the Supervisory Board. Detailed information on the remuneration of Management Board members, divided into fixed and variable compensation components as well as any fringe benefits, and remuneration of Supervisory Board members is reported in a separate section of the Management Report ("Remuneration Report") of the Evotec Annual Report. The Evotec Annual Report is available on the website of the Company under www.evotec.com in the

Invest section. The remuneration of the Board Members is also publicised on Evotec's website under www.evotec.com/en/invest/corporate-governance in the Invest section.

In accordance with good corporate practice, the Supervisory Board of Evotec SE proposed the system of remunerating members of the Management Board for approval to the AGMs in 2017 and again in 2019 ("say on pay"). At both AGMs, the majority of the shareholders and shareholder representatives voted in favour of this agenda item, in 2019 with 89% of the present votes.

Evotec procured directors and officer's liability insurance cover for its Management and Supervisory Board members, its senior management and the directors of its subsidiaries at a cost to the Company. For the members of Supervisory Board, an appropriately sized deductible, and for the members of the Management Board, a deductible in line with the stipulations of the legal provisions of the VorstAG, were agreed upon.

Shareholders and Annual General Meeting (AGM)

Evotec SE shareholders exercise their co-determination and monitoring rights at the AGM, convened at least once a year. The AGM takes decisions on all statutory matters that are binding on all shareholders and the Company. For voting on resolutions, each share confers one vote.

All shareholders registering in due time are entitled to participate in the AGM. Evotec offers shareholders who are unable to attend the AGM the opportunity to access key parts of the event live on the internet. The Company also encourages non-attendees to exercise their voting rights by arranging independent proxies who are bound to the shareholders' instructions. Shareholders may also authorise a person of their choice to represent them at the meeting.

The invitation to the AGM and the reports and information required for voting are published in accordance with the provisions of the German Stock Corporation Act and provided in German and English on Evotec's website under www.evotec.com in the Invest section.

Directors' Dealings

Under the European Market Abuse Regulation, the members of the Supervisory Board and the Management Team of Evotec as well as persons who have a close relationship with these persons are obligated to report trading in Evotec stock so far as the transactions exceed in aggregate € 5,000.00 (the de minimus threshold) per calendar year. In addition, Evotec has established an Insider Trading Policy (see www.evotec.com; Invest section) that sets standards for board members' and employees' trading in Evotec shares and thus ensures transparency.

During 2019, the following Directors' Dealings were reported:

Date	Name	Position	Type	No of items	Price	Total
15. Nov 19	Werner Lanthaler	Member of Management	Purchase	10,000	EUR 184.725	EUR 184,724.80
24. Sep 19	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	13,950	EUR 20.4628	EUR 285,456.06
24. Sep 19	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	54,263	EUR 20.4628	EUR 1,110,372.9164
24. Sep 19	Cord Dohrmann	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	71,873	EUR 20.3379	EUR 1,461,745.8867
24. Sep 19	Cord Dohrmann	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	109,863	EUR 20.3379	EUR 2,234,382.7077
24. Sep 19	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	57,167	EUR 20.4628	EUR 1,169,796.8876
23. Sep 19	Cord Dohrmann	Member of Management	Purchase of Shares by exercising stock options (Share Performance Plan)	26,900	EUR 20.3379	EUR 547,089.51
20. Sep 19	Cord Dohrmann	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	27,078	EUR 20.0086	EUR 541,792.8708
20. Sep 19	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	14,050	EUR 20.0086	EUR 281,120.83
03. Sep 19	Werner Lanthaler	Member of Management	Purchase	10,000	EUR 19.00	EUR 190,000.00
19. Aug 19	Werner Lanthaler	Member of Management	Purchase	10,000	EUR 18.866059	EUR 188,660.59
15. Aug 19	Cord Dohrmann	Member of Management	Purchase	1,000	EUR 19.0375	EUR 19,037.50
12 July 2019	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Share Performance Plan)	280	EUR 24.40	EUR 6,832.00
12 July 2019	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	290	EUR 24.40	EUR 7,076.00
04 July 2019	Craig Johnstone	Member of Management	Exercise against Cash Settlement (Stock option programme)	7,126	EUR 23.9312	EUR 170,533.7312

03 July 2019	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Share Performance Plan)	55,000	EUR 24.50	EUR 1,347,500.00
03 July 2019	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	84,630	EUR 24.50	EUR 2,073,435.00
31 May 2019	Cord Dohrmann	Member of Management	Exercise against Cash Settlement (Stock option programme)	50,000	EUR 19.4458	EUR 972,290.00
29 May 2019	Craig Johnstone	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	7,000	EUR 21.6392	EUR 151,474.40
12. Feb 19	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Share Performance Plan)	30,000	EUR 19.5429	EUR 586,287.00
12. Feb 19	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	70,000	EUR 19.5429	EUR 1,368,003.00
11. Feb 19	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Share Performance Plan)	30,000	EUR 19.2454	EUR 577,362.00
11. Feb 19	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	70,000	EUR 19.2454	EUR 1,347,178.00
22. Jan 19	Cord Dohrmann	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	50,000	EUR 19.3282	EUR 966,410.00
01. Jan 19	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Share Performance Plan)	80,190	EUR 19.0599	EUR 1,528,413.38
11. Jan 19	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	69,810	EUR 19.0599	EUR 1,330,571.62

Directors' Shareholdings

As of 31 December 2019, the members of the Management Board and the Supervisory Board owned the following shares in the Company:

	Shares	Stock options	Outstanding Shares from vested SPA's	Granted unvested SPA's (total)
Management Board				

	Shares	Stock options	Outstanding Shares from vested SPA's	Granted unvested SPA's (total)
Dr Werner Lanthaler	1,111,736	-	245,084	421,594
Enno Spillner	-	-	-	103,356
Dr Cord Dohrmann	145,991	32,594	111,215	124,327
Dr Craig Johnstone	-	-	21,086	40,980
Supervisory Board				
Prof. Dr Wolfgang Plischke	-	-	-	
Prof. Dr Iris Löw-Friedrich	-	-	-	
Dr Mario Polywka	-	-	127,155	107,409
Roland Sackers	-	-	-	-
Michael Shalmi	-	-	-	
Dr Elaine Sullivan	-	-	-	

Changes to the directors' shareholdings will be published on Evotec website under www.evotec.com in the Invest section.

Declaration of Corporate Management (§§ 289f, 315d HGB)

The actions of Evotec AG's management and oversight bodies are determined by the principles of good and responsible Corporate Governance. In this declaration, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate management in the Group pursuant to sections 289f, 315d of the German Commercial Code (HGB) and pursuant to subsection 3.10 of the German Corporate Governance Code. Our aim is to present our corporate management principles as clearly and concisely as possible.

Declaration of compliance and reporting on Corporate Governance

Declaration of compliance

With the following exceptions, Evotec complies with all recommendations of the Code and the majority of the Code's suggestions. In December 2018, Evotec's Management Board and Supervisory Board declared in accordance with Section 161 of the German Stock Corporation Act (AktG):

"Evotec AG has complied in 2018 with the recommendations of the Governmental Commission on the German Corporate Governance Code (the "Code") as published in the official section of the Federal Gazette and intends to comply in the future with the recommendations of the Code, with the following exceptions:

- Pursuant to Section 4.2.3 of the Code, the monetary remuneration of the Management Board members comprises fixed and variable components. Variable remuneration components consist of a one-year variable remuneration determined by a bonus scheme and a long-term so-called Share Performance Plan scheme approved by the Annual General Meetings 2012, 2015 and 2017. The Share Performance Plans have a multiple-year assessment basis that has essentially forward-looking characteristics, whereas the bonus scheme is based on the achievement of certain strategic targets set by the Supervisory Board for a certain financial year.*
- The Share Performance Plans comply with the recommendations set forth in Section 4.2.3 of the Code. In particular, they refer to specific key performance indicators and define a "Maximum Target". However, as the issuance of awards under the Share Performance Plans 2012 and 2015 after the four-year vesting period is effected in shares, there is a cap for the number of awards upon allocation, but no other cap for the value of the allocated shares. That value will only be determined by the share price at that time. The Share Performance Plan 2017 has introduced a cap with a maximum level of 350% of the contractual issue value and therefore complies in all respects with the Code.*
- Stock options issued in existing stock option programmes before their replacement by the Share Performance Plans remain valid. While the exercise of options under these stock option programmes requires an increase of the share price, the exercise is not related to other relevant comparison parameters as recommended in Section 4.2.3 of the Code. This decision is based on the lack of relevant comparison benchmarks in the field of German Biotech at the time when the stock option programmes were created.*

- *The Company's D&O insurance and the deductible for members of the Management Board contained therein are in line with Section 3.8 of the Code and with the regulations of the Act on the Appropriateness of Management Board Compensation (VorstAG) that was enacted in 2009. However, for members of the Supervisory Board, the D&O insurance contains a "reasonable" deductible as foreseen by the version of the Code in force before its version published on 05 August 2009. The Company has decided to maintain this reasonable deductible. This decision was made in view of the Company's interest to attract international expertise for its Supervisory Board and the fact that a deductible for non-executive directors is not very common in international practice. Whilst a lot of the German companies quoted on the TecDAX do not have a respective deductible at all, the Company believes that a reasonable deductible is a good compromise."*

The current Declaration of Compliance with the German Corporate Governance Code and the declarations of the past five years can be found on Evotec's website (www.evotec.com) in the Invest section.

Relevant management practices and compliance

Relevant management practices

Evotec takes its Corporate Governance responsibilities very seriously. As a consequence of its shares' listing at the Frankfurt Stock Exchange and its international shareholder base, the Company recognises not only German but also international Corporate Governance standards, insofar as German law does not explicitly stipulate otherwise. Evotec's Management and Supervisory Boards are convinced that complying with rigorous Corporate Governance standards is of great benefit to the Company. It includes integrity in the dealings with employees, business associates, shareholders and the public, expressed in Evotec's own exemplary conduct. As a service provider, Evotec has to win and retain the trust of its customers and business associates through impeccable behaviour. The Group's aim is to be credible, solid and reliable and act accordingly. Thus Evotec regularly reviews and enhances its Corporate Governance practices.

Within the frame of strategical determination by the Management Board, specific goals are established and communicated. To accomplish our targets, we rely on the enterprise and initiative of our managers and employees. We achieve consensus on clearly defined objectives, and we regularly monitor how well we are meeting them. These agreements on aims are a fundamental component of our leadership philosophy and a crucial element of our remuneration system.

Code of conduct

Evotec's corporate culture is committed to the highest standards of openness, integrity and accountability. A key element of integrity is compliance, which means adherence to both, the applicable laws and Company's internal policies. Evotec's commitment to a compliance-oriented culture is reflected in the Company's Code of Conduct, which stipulates fundamental ethical principles, such as integrity and professionalism, that apply to board members and other employees alike.

The Code of Conduct sets standards for:

- Accounting and the permissible use of the Company's funds and assets;
- Compliance with insider trading laws and prevention of conflicts of interest;
- Compliance with antitrust legislation;
- Compliance with anti-corruption laws and associated internal guidelines;
- A work environment free of any form of discrimination and harassment;
- Non-disclosure and protection of intellectual property and business secrets; and
- The duty to report upon the suspicion of an infringement of the Code of Conduct (whistle-blowing).

Evotec does not tolerate any violation of applicable laws or internal policies.

The Code of Conduct is published on the Evotec website (www.evotec.com) in the Invest section.

Compliance organisation

The Compliance Programme of Evotec AG is overseen by the Company's Compliance Officer, functioning as an independent and objective body that reviews and evaluates compliance issues/concerns within the organisation and is regularly trained via a group-wide electronic Compliance Training or face-to-face trainings for the Aptuit entities tailored to the specific compliance issues and associated risks at the Company. The aim is to maintain permanent compliance awareness within all areas of Evotec's business to ensure that any decision is in line with Evotec's compliance best practices and to mitigate compliance risks. Said training is mandatory for all board members and other employees. The Company's Compliance Officer monitors the participation in the training at regular intervals.

The Compliance Office helps to communicate the values underlying the Code of Conduct and anchor them firmly in the Group. It ensures Group-wide implementation of the Compliance Programme.

Another important aspect of accountability and transparency is a mechanism to enable all Evotec employees to voice concerns in a responsible and effective manner. Suspected compliance violations can be reported to an employee's responsible line manager, the Company's Compliance Officer or may also be reported to a worldwide compliance (whistle-blowing) hotline which is available 24 hours a day, 7 days a week. The latter can also be done anonymously. In 2018, no reports via the central compliance hotline were registered. For the Aptuit entities, it is planned to be integrated in such compliance hotline in 2019.

Evotec also complies with the financial market rules. The Company maintains an ad hoc Committee, which consists of the Chief Financial Officer, the General Counsel, the Head of Investor Relations and the assistant to the Board. This committee examines the ad hoc relevance of insider information and ensures that Evotec complies with the law.

Risk management

An important element of sound Corporate Governance is dealing responsibly with risks. Evotec has established an effective risk and opportunities management system that enables the Management Board to detect and react to relevant risks and market developments in good time. The Management Board reports on these to the Supervisory Board. The Company's risk and opportunities management system and policies are covered by the annual audit of financial statements. Details can be found in the Management Report of the Evotec Annual Report (www.evotec.com, Invest section). It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Accounting Modernisation Act (BilMoG).

These systems are continually developed, adjusted to match changes in overall conditions and reviewed by the auditors. The Management Board regularly informs the Supervisory Board about existing risks and the development of these risks.

Transparency

Evotec AG informs its shareholders, financial analysts, the media and the public on a regular basis about its progress. In doing so, the Company complies with all requirements of the Code regarding transparency, timeliness, openness and shareholder equality. Evotec is committed to fair disclosure of information and its communication is governed by a Company Disclosure Policy. It is a prime concern of the Company that all relevant target groups receive the same information at the same time, and this implies communicating in both English and German. The Company's publications are available on its website www.evotec.com in the Invest section.

This section of Evotec's website maintains information such as news releases, the financial calendar containing the publication dates of the financial statements, investor relations conferences, annual and quarterly reports, other regulatory news and regularly updated corporate governance information. This section of the website also includes the Articles of Association, the Rules of Procedure of the Supervisory Board, the Audit Committee Charter, the Code of Conduct, the Insider Trading Policy and all declarations of compliance.

Moreover, the Company website at www.evotec.com provides comprehensive information on the Evotec Group and the Evotec share.

Accounting and auditing

On a regular basis, Evotec provides financial and business information to its shareholders and other interested parties by publishing its annual Consolidated Financial Statements and quarterly reports. As an incorporated company whose registered head office is located within the European Union, Evotec AG must prepare and publish Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) whilst observing Section 315a HGB (German Commercial Code). The Consolidated Financial Statements of the Evotec Group and the financial statements of Evotec AG are audited by the audit firm and the Supervisory Board. The audit firm is appointed by the shareholders at the Annual General Meeting and commissioned by the Supervisory Board. It participates at the Supervisory Board's deliberations on the financial statements and reports the most significant results of

its audit. The Audit Committee uses this information as a guideline for its own evaluation of the statements and reports.

The disclosed financial statements and the management reports for Evotec AG, as well as the Consolidated Financial Statements together with the consolidated management report of the Evotec Group, are audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg. These audits also covered risk management and compliance with reporting requirements concerning corporate governance pursuant to section 161 of the German Stock Corporation Act. Following its consultations, the Supervisory Board also approves the financial statements and the Consolidated Financial Statements.

Working methods of the Management Board and Supervisory Board

Composition and working methods of the Management Board and Supervisory Board

As part of its conversion process from a German Stock Corporation ("AG") to a European Company (Societas Europaea, "SE"), Evotec has decided to maintain its two-tier system with clear separation of management through the Management Board ("Vorstand"), and control through the Supervisory Board ("Aufsichtsrat"). The Management Board is responsible for managing Evotec and representing the Company in its dealings with third parties, while the Supervisory Board appoints and dismisses the members of the Evotec Management Board and oversees the management of the Company. German law prohibits the Supervisory Board from making management decisions. The two boards, however, work closely together to achieve long-term and sustainable growth for the Company and to create shareholder value. They agree on the Company's strategy and on business transactions that are significant. The Annual General Meeting ("AGM"; "Hauptversammlung") is the company body representing the interests of the shareholders.

Management Board ("Vorstand")

The Management Board of Evotec AG is responsible for the day-to-day operations of the Company and is supported by the Management Team. In its business operations and decisions, the Management Board acts on behalf of the Company and works towards its progress with the objective of sustainable creation of value, thus taking into account the interests of the shareholders, the employees and other stakeholders. The Management Board is appointed by the Supervisory Board.

The Management Board is responsible for corporate policy, the company's strategic orientation, financial, investment and personnel planning, resource allocation and the management of the divisions. The Management Board is responsible for preparing the quarterly Consolidated Financial Statements and the annual Consolidated Financial Statements, as well as the annual financial statements of Evotec AG. It is also responsible for the establishment of an effective risk management system, cares for compliance with legal requirements and internal guidelines.

Under Evotec's Articles of Association, the Supervisory Board determines the size of the Management Board, which must have at least one member under the German Stock Corporation Act. The Evotec Management Board consists, in addition to the CEO, of three further board members. In accordance with a suggestion of the Code, new members are appointed for up to three years; however, prolongations of existing contracts might be up to five years as currently agreed with the Chief Executive Officer and for its new contract with

the Chief Scientific Officer. Management Board members may be reappointed and may be dismissed with good cause prior to the termination of their terms of office. Members of Evotec's Management Board have not accepted more than a total of three Supervisory Board mandates in non-Group listed companies or in supervisory bodies of companies with similar requirements. The Articles of Association can be found on Evotec's website under www.evotec.com in the Invest section.

With regards to diversity within the Management Board, it has to be taken into account that Evotec works in a globalised industry and has a broad and international customer base. Therefore, the Supervisory Board selects Management Board members regardless of gender, nationality or age; instead, the focus lies on their qualifications and work experience only. However, for the first time in 2015, the Supervisory Board of Evotec AG set a target quota of 0% female members on the Management Board in accordance with § 111 section 5 AktG. This target quota was confirmed in 2017 for a further five-year period. In accordance with § 76 section 4 AktG, the Management Board of Evotec AG set a target quota of 30% female members in the first and second management levels below the Management Board, which were both achieved by 30 June 2017. This target quota was confirmed for a further five-year period as well.

The activities of the Management Board are regulated by its internal Rules of Procedure, which set out the matters reserved for the full Management Board, the responsibilities of the areas of responsibility and the majorities necessary for passing resolutions.

Meetings of the Management Board shall be called by the Chairman of the Board. Each member of the Management Board may request that an extraordinary meeting of the Management Board be called outside its regular meetings. The board meetings are chaired by the Chairman of the Management Board, who also coordinates the areas of responsibility. Persons who are not board members can, if so resolved by the Management Board, be admitted to board meetings in a consultative capacity.

Brief minutes have to be made of material discussions and resolutions. Resolutions of the Management Board will be carried regularly at its meetings. Resolutions may also be carried without a meeting, however, in writing, by telex or by telephone. The Management Board shall be quorate if a majority of its Members vote on a resolution. Resolutions of the Management Board shall be passed by a simple majority. Should there be a tie, the CEO shall decide.

The Management Board also provides continuous updates to the Supervisory Board through regular verbal and written reports that includes in depth analysis of the status of operations. The information provided includes written monthly management reports with extensive coverage of the Company's financial figures for the previous month, accompanied by detailed comments and explanatory text. In addition, the Management Board must submit a budget for the following fiscal year and a plan for the medium term to the Supervisory Board. The Management Board is also required to report to the Supervisory Board in a timely fashion on any transactions that may be significant with respect to the profitability or liquidity of the Company in order to give the Supervisory Board an opportunity to express its opinion on such transactions prior to their implementation.



The Chairman of the Supervisory Board and the Chief Executive Officer as well as other members of the Management Board discussed current and ongoing topics via numerous conference calls, carried out whenever appropriate.

Details on the Management Board are provided on Evotec's website under www.evotec.com; section 'About'.

Supervisory Board ("Aufsichtsrat")

Following the Articles of Association, the Evotec Supervisory Board consists of six members. The members of the Evotec Supervisory Board have been elected at the AGMs 2014, 2015 and 2017. Evotec's Supervisory Board members were, in accordance with the Code's recommendations regardless of gender, nationality or age, appointed on the basis of their qualifications, work experience, independence and diversity.

However, the Supervisory Board has specified concrete objectives regarding diversity and a corresponding competence profile regarding its composition, which are ensured when making proposals to the AGM for election or re-election of new Supervisory Board members. These objectives stipulate that the activities of the Company shall be represented by having a majority of independent Supervisory Board members with national and international experience in the respective fields of (i) Research and Development, (ii) Finance, Capital markets, Legal, Corporate Governance, (iii) Marketing and Sales and Operations and (iv) Healthcare Economy/Public Health. Potential conflict-of-interest situation(s) shall be avoided by deploying the highest scrutiny when assessing potential candidates. In addition, the Supervisory Board shall ensure that the individual age of a candidate shall not exceed 72 years at the time of the proposal. Diversity with regard to female representation shall be ensured by having a target quota of 30% female members of the Supervisory Board. Finally, the Supervisory Board has agreed on two full terms as the regular limit of length of membership to the Supervisory Board. Overall, the Supervisory Board shall be composed in such a way that the majority of its members are independent and that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks.

Currently, the composition of Evotec's Supervisory Board fulfils all those objectives: all six members are considered as independent in accordance with Section 5.4.2 of the Code, four nationalities are represented and there are two female members.

The Members of the Supervisory Board are elected by the shareholders by a simple majority of the votes cast at an Annual General Meeting. The Supervisory Board appoints a Chairman and one Vice Chairmen from among its members. The members of the Supervisory Board are elected for five years and may be re-elected. The term of the current members of the Evotec Supervisory Board will expire at the end of the AGM held in the year 2019.

The Supervisory Board advises and oversees the Management Board in the management of the Company. Based upon regular consultations with the Management Board, the Supervisory Board is involved in strategic and planning decisions and all decisions of fundamental importance to the Company.

Furthermore and upon request, the Supervisory Board Chair is available to discuss Supervisory Board-related issues with investors.

In accordance with the internal rules of procedure, decisions taken by the Management Board on major transactions such as issues, which by corporate law require the Supervisory Board to decide, the strategic and operational direction of the Company, the annual budget, major acquisitions, investment or licence agreements, establishing and acquiring companies or material changes to the Group structure (either by +/- 5% of ownership or to the effect that control in such entity is assumed or lost), business contracts outside the Company's ordinary course of business that have significantly different risk profiles as well as establishing new business operations or significantly revising existing business operations, require the approval of the Supervisory Board.

The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, calls and chairs its meetings and externally represents the concerns of the body.

The articles of association provide that while resolutions shall typically be passed in meetings, however, upon the Chairman's instruction resolutions can be passed without a meeting by written notice, by telephone, facsimile, e-mail or by other conventional means of communication. The articles of association further provide that more than half of the members of the Supervisory Board must participate in voting on a resolution to constitute a quorum. If such a quorum is not met a new meeting shall be called with a notice period of two weeks, in which case three present board members constitute a quorum. Absent members may participate in a resolution by delivering a written vote to the Supervisory Board. Unless otherwise required by law or by the articles of association, resolutions of the Supervisory Board are passed by a simple majority of the votes cast.

The Supervisory Board has its own internal rules of procedure (see www.evotec.com; Invest section) and complies with the Code's suggestion to hold occasional separate discussions.

In 2018, a conflict of interest in the Supervisory Board existed in an undisclosed matter and the respective Supervisory Board member did not participate in the respective discussion. No decision was taken.

On a regular basis the Supervisory Board examines the efficiency of its activities as recommended in the Corporate Governance Code. To date all such audits have led to the conclusion that the Supervisory Board is organised efficiently and that the Management Board and the Supervisory Board interact efficiently and effectively.

An overview of its work can be found in the Report of the Supervisory Board, which can be found in the Management Report in the Evotec Annual Report on the website of the Company under www.evotec.com in the Invest section.

Information on the professional affiliations of board members and on related party transactions can be found in the Annual Report of the Company. In addition, details on the Supervisory Board are provided on Evotec's website under www.evotec.com; section 'About'.

Work in Supervisory Board Committees

A significant proportion of the Supervisory Board's work is conducted in committees. From among its members, Evotec's Supervisory Board has established, pursuant to the German Stock Corporation Act and the recommendations of the Code, an Audit Committee as well as

a Remuneration and Nomination Committee. Members of both committees are appointed in accordance with the Code.

For information about the composition of the Supervisory Board Committees please see the website of the Company under www.evotec.com in the Invest section.

Evotec's *Audit Committee*, comprising three members, supports the Supervisory Board in independently monitoring the Company's financial reporting activities and in auditing reports. In particular, the Audit Committee scrutinises the Company's accounting processes, the effectiveness of the internal control system and the audit. In addition, it discusses the quarterly and half-year reports with the Management Board. Within the scope of the audit of the financial statements commissioned by the Supervisory Board, the Audit Committee also discusses certain steps and procedures of the audit with the appointed auditing firm, including the auditors' independence, the additional services rendered by the auditor, the issuing of the audit mandate to the auditing firm, the determination of auditing focal points, the fee agreement and compliance issues.

The members of the Audit Committee possess the required skills and experience. As a Chief Financial Officer, the Audit Committee's Chairman Bernd Hirsch not only is independent, but also has the required specialist knowledge and experience in the application of accounting principles and internal control processes. Neither the Chairman of the Supervisory Board nor a former member of the Management Board may become Chairman of the Audit Committee. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the Invest section.

The committee meets at least four times annually. The audit committee shall have a quorum if at least two of its members participate in the passing of a resolution. Resolutions require a simple majority of the votes cast. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the Invest section.

The main duties and responsibilities of the Company's *Remuneration and Nomination Committee* are to prepare the appointment of Management Board members and to prepare recommendations concerning their remuneration system and Share Performance Plan. Final decisions are made by the full Supervisory Board.

Remuneration of Board members

Evotec complies with the recommendations of the Corporate Governance Code to provide details of the remuneration of each individual member of the Management Board and the Supervisory Board. Detailed information on the remuneration of Management Board members, divided into fixed and variable compensation components as well as any fringe benefits, and remuneration of Supervisory Board members is reported in a separate section of the Management Report ("Remuneration Report") of the Evotec Annual Report. The Evotec Annual Report is available on the website of the Company under www.evotec.com in the Invest section. The remuneration of the Board Members is also publicised on Evotec's website under www.evotec.com in the Invest section.

Evotec procured directors and officer's liability insurance cover for its Management and Supervisory Board members, its senior management and the directors of its subsidiaries at a cost to the Company. For the members of Supervisory Board, an appropriately sized

deductible, and for the members of the Management Board, a deductible in line with the stipulations of the legal provisions of the VorstAG, were agreed upon.

Shareholders and Annual General Meeting (AGM)

Evotec AG shareholders exercise their co-determination and monitoring rights at the AGM, convened at least once a year. The AGM takes decisions on all statutory matters that are binding on all shareholders and the Company. For voting on resolutions, each share confers one vote.

All shareholders registering in due time are entitled to participate in the AGM. Evotec offers shareholders who are unable to attend the AGM the opportunity to access key parts of the event live on the internet. The Company also encourages non-attendees to exercise their voting rights by arranging independent proxies who are bound to the shareholders' instructions. Shareholders may also authorise a person of their choice to represent them at the meeting.

The invitation to the AGM and the reports and information required for voting are published in accordance with the provisions of the German Stock Corporation Act and provided in German and English on Evotec's website under www.evotec.com in the Invest section.

Directors' Dealings

Under the European Market Abuse Regulation, the members of the Supervisory Board and the Management Team of Evotec as well as persons who have a close relationship with these persons are obligated to report trading in Evotec stock so far as the transactions exceed in aggregate € 5,000.00 (the de minimus threshold) per calendar year. In addition, Evotec has established an Insider Trading Policy (see www.evotec.com; Invest section) that sets standards for board members' and employees' trading in Evotec shares and thus ensures transparency.

During 2018, the following Directors' Dealings were reported:

Date	Name	Position	Type	No of items	Price	Total
29 November 2018	Cord Dohrmann	Member of Management	Exercise against Cash Settlement (Stock option programme)	29,220	€ 17.6169	€ 514,765.82
16 November 2018	Mario Polywka	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	216,666	€ 18.8146	€ 4,076,484.12
02 October 2018	Mario Polywka	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	75,000	€ 17.6166	€ 1,321,245.00

Directors' Shareholdings

As of 31 December 2018, the members of the Management Board and the Supervisory Board owned the following shares in the Company:

	Shares	Stock options	Share Performance Awards
Management Board			
Dr Werner Lanthaler	838,053	-	832,915
Enno Spillner	-	-	92,285
Dr Cord Dohrmann	46,218	82,594	318,152
Dr Mario Polywka	60,000	-	180,909
Dr Craig Johnstone	-	-	43,498
Supervisory Board			
Prof. Dr Wolfgang Plischke	-	-	-
Bernd Hirsch	-	-	-
Dr Claus Braestrup	-	-	-
Prof. Dr Iris Löw-Friedrich	-	-	-
Michael Shalmi	-	-	-
Dr Elaine Sullivan	-	-	-

¹⁾ COO effective 01 January 2019

Changes to the directors' shareholdings will be published on Evotec website under www.evotec.com in the Invest section.

Declaration of Corporate Management (§§ 289f, 315d HGB)

The actions of Evotec AG's management and oversight bodies are determined by the principles of good and responsible Corporate Governance. In this declaration, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate management in the Group pursuant to sections 289f, 315d of the German Commercial Code (HGB) and pursuant to subsection 3.10 of the German Corporate Governance Code. Our aim is to present our corporate management principles as clearly and concisely as possible.

Declaration of compliance and reporting on Corporate Governance

Declaration of compliance

With the following exceptions, Evotec complies with all recommendations of the Code and the majority of the Code's suggestions. In December 2017, Evotec's Management Board and Supervisory Board declared in accordance with Section 161 of the German Stock Corporation Act (AktG):

"Evotec AG has complied in 2017 with the recommendations of the Governmental Commission on the German Corporate Governance Code (the "Code") as published in the official section of the Federal Gazette and intends to comply in the future with the recommendations of the Code, with the following exceptions:

- Pursuant to Section 4.2.3 of the Code, the monetary remuneration of the Management Board members comprises fixed and variable components. Variable remuneration components consist of a one-year variable remuneration determined by a bonus scheme and a long-term so-called Share Performance Plan scheme approved by the Annual General Meetings 2012, 2015 and 2017. The Share Performance Plans have a multiple-year assessment basis that has essentially forward-looking characteristics, whereas the bonus scheme is based on the achievement of certain strategic targets set by the Supervisory Board for a certain financial year.*
- The Share Performance Plans comply with the recommendations set forth in Section 4.2.3 of the Code. In particular, they refer to specific key performance indicators and define a "Maximum Target". However, as the issuance of awards under the Share Performance Plans 2012 and 2015 after the four-year vesting period is effected in shares, there is a cap for the number of awards upon allocation, but no other cap for the value of the allocated shares. That value will only be determined by the share price at that time. The Share Performance Plan 2017 has introduced a cap with a maximum level of 350% of the contractual issue value and therefore complies in all respects with the Code.*
- Stock options issued in existing stock option programmes before their replacement by the Share Performance Plans remain valid. While the exercise of options under these stock option programmes requires an increase of the share price, the exercise is not related to other relevant comparison parameters as recommended in Section 4.2.3 of the Code. This decision is based on the lack of relevant comparison benchmarks in the field of German Biotech at the time when the stock option programmes were created.*

- *The Company's D&O insurance and the deductible for members of the Management Board contained therein are in line with Section 3.8 of the Code and with the regulations of the Act on the Appropriateness of Management Board Compensation (VorstAG) that was enacted in 2009. However, for members of the Supervisory Board, the D&O insurance contains a "reasonable" deductible as foreseen by the version of the Code in force before its version published on 05 August 2009. The Company has decided to maintain this reasonable deductible. This decision was made in view of the Company's interest to attract international expertise for its Supervisory Board and the fact that a deductible for non-executive directors is not very common in international practice. Whilst a lot of the German companies quoted on the TecDAX do not have a respective deductible at all, the Company believes that a reasonable deductible is a good compromise."*

The current Declaration of Compliance with the German Corporate Governance Code and the declarations of the past five years can be found on Evotec's website (www.evotec.com) in the Investor Relations section.

Relevant management practices and compliance

Relevant management practices

Evotec takes its Corporate Governance responsibilities very seriously. As a consequence of its shares' listing at the Frankfurt Stock Exchange and its international shareholder base, the Company recognises not only German but also international Corporate Governance standards, insofar as German law does not explicitly stipulate otherwise. Evotec's Management and Supervisory Boards are convinced that complying with rigorous Corporate Governance standards is of great benefit to the Company. It includes integrity in the dealings with employees, business associates, shareholders and the public, expressed in Evotec's own exemplary conduct. As a service provider, Evotec has to win and retain the trust of its customers and business associates through impeccable behaviour. The Group's aim is to be credible, solid and reliable and act accordingly. Thus Evotec regularly reviews and enhances its Corporate Governance practices.

Within the frame of strategical determination by the Management Board, specific goals are established and communicated. To accomplish our targets, we rely on the enterprise and initiative of our managers and employees. We achieve consensus on clearly defined objectives, and we regularly monitor how well we are meeting them. These agreements on aims are a fundamental component of our leadership philosophy and a crucial element of our remuneration system.

Code of conduct

Evotec's corporate culture is committed to the highest standards of openness, integrity and accountability. A key element of integrity is compliance, which means adherence to both, the applicable laws and Company's internal policies. Evotec's commitment to a compliance-oriented culture is reflected in the Company's Code of Conduct, which stipulates fundamental ethical principles, such as integrity and professionalism, that apply to board members and other employees alike.

The Code of Conduct sets standards for:

- Accounting and the permissible use of the Company's funds and assets;
- Compliance with insider trading laws and prevention of conflicts of interest;
- Compliance with antitrust legislation;
- Compliance with anti-corruption laws and associated internal guidelines;
- A work environment free of any form of discrimination and harassment;
- Non-disclosure and protection of intellectual property and business secrets; and
- The duty to report upon the suspicion of an infringement of the Code of Conduct (whistle-blowing), except for France where such whistle-blowing will be considered in combination with the roll-out of the electronic Compliance Training.

Evotec does not tolerate any violation of applicable laws or internal policies.

The Code of Conduct is published on the Evotec website (www.evotec.com) in the Investor Relations section.

Compliance organisation

The Compliance Programme of Evotec AG is overseen by the Company's Compliance Officer, functioning as an independent and objective body that reviews and evaluates compliance issues/concerns within the organisation and is regularly trained via a group-wide (except France) electronic Compliance Training tailored to the specific compliance issues and associated risks at the Company. The aim is to maintain permanent compliance awareness within all areas of Evotec's business to ensure that any decision is in line with Evotec's compliance best practices and to mitigate compliance risks. Said training is mandatory for all board members and other employees. The Company's Compliance Officer monitors the participation in the training at regular intervals.

The Compliance Office helps to communicate the values underlying the Code of Conduct and anchor them firmly in the Group. It ensures Group-wide implementation of the Compliance Programme.

Another important aspect of accountability and transparency is a mechanism to enable all Evotec employees to voice concerns in a responsible and effective manner. Suspected compliance violations can be reported to an employee's responsible line manager, the Company's Compliance Officer or may also be reported to a worldwide compliance (whistle-blowing) hotline which is available 24 hours a day, 7 days a week. The latter can also be done anonymously, except for France where such whistle-blowing will be considered in combination with the roll-out of the electronic Compliance Training. In 2017, no reports via the central compliance hotline were registered.

Evotec also complies with the financial market rules. The Company maintains an ad hoc Committee, which consists of the Chief Financial Officer, the General Counsel, the Head of Investor Relations and the assistant to the Board. This committee examines the ad hoc relevance of insider information and ensures that Evotec complies with the law.

Risk management

An important element of sound Corporate Governance is dealing responsibly with risks. Evotec has established an effective risk and opportunities management system that enables the Management Board to detect and react to relevant risks and market developments in good time. The Management Board reports on these to the Supervisory Board. The Company's risk and opportunities management system and policies are covered by the annual audit of financial statements. Details can be found in the Management Report of the Evotec Annual Report (www.evotec.com, Investor Relations section). It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Accounting Modernisation Act (BilMoG).

These systems are continually developed, adjusted to match changes in overall conditions and reviewed by the auditors. The Management Board regularly informs the Supervisory Board about existing risks and the development of these risks.

Transparency

Evotec AG informs its shareholders, financial analysts, the media and the public on a regular basis about its progress. In doing so, the Company complies with all requirements of the Code regarding transparency, timeliness, openness and shareholder equality. Evotec is committed to fair disclosure of information and its communication is governed by a Company Disclosure Policy. It is a prime concern of the Company that all relevant target groups receive the same information at the same time, and this implies communicating in both English and German. The Company's publications are available on its website www.evotec.com in the Investor Relations section.

This section of Evotec's website maintains information such as news releases, the financial calendar containing the publication dates of the financial statements, investor relations conferences, annual and quarterly reports, other regulatory news and regularly updated corporate governance information. This section of the website also includes the Articles of Association, the Rules of Procedure of the Supervisory Board, the Audit Committee Charter, the Code of Conduct, the Insider Trading Policy and all declarations of compliance.

Moreover, the Company website at www.evotec.com provides comprehensive information on the Evotec Group and the Evotec share.

Accounting and auditing

On a regular basis, Evotec provides financial and business information to its shareholders and other interested parties by publishing its annual Consolidated Financial Statements and quarterly reports. As an incorporated company whose registered head office is located within the European Union, Evotec AG must prepare and publish Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) whilst observing Section 315a HGB (German Commercial Code). The Consolidated Financial Statements of the Evotec Group and the financial statements of Evotec AG are audited by the audit firm and the Supervisory Board. The audit firm is appointed by the shareholders at the Annual General Meeting and commissioned by the Supervisory Board. It participates at the Supervisory Board's deliberations on the financial statements and reports the most significant results of

its audit. The Audit Committee uses this information as a guideline for its own evaluation of the statements and reports.

The disclosed financial statements and the management reports for Evotec AG, as well as the Consolidated Financial Statements together with the consolidated management report of the Evotec Group, are audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg. These audits also covered risk management and compliance with reporting requirements concerning corporate governance pursuant to section 161 of the German Stock Corporation Act. Following its consultations, the Supervisory Board also approves the financial statements and the Consolidated Financial Statements.

Working methods of the Management Board and Supervisory Board

Composition and working methods of the Management Board and Supervisory Board

According to the German Stock Corporation Act (AktG), a two-tier system with clear separation of management through the Management Board ("Vorstand"), and control through the Supervisory Board ("Aufsichtsrat"), is mandatory for German stock corporations. The Management Board is responsible for managing Evotec and representing the Company in its dealings with third parties, while the Supervisory Board appoints and dismisses the members of the Evotec Management Board and oversees the management of the Company. German law prohibits the Supervisory Board from making management decisions. The two boards, however, work closely together to achieve long-term and sustainable growth for the Company and to create shareholder value. They agree on the Company's strategy and on business transactions that are significant. The Annual General Meeting ("AGM"; "Hauptversammlung") is the company body representing the interests of the shareholders.

Management Board ("Vorstand")

The Management Board of Evotec AG is responsible for the day-to-day operations of the Company and is supported by the Management Team. In its business operations and decisions, the Management Board acts on behalf of the Company and works towards its progress with the objective of sustainable creation of value, thus taking into account the interests of the shareholders, the employees and other stakeholders. The Management Board is appointed by the Supervisory Board.

The Management Board is responsible for corporate policy, the company's strategic orientation, financial, investment and personnel planning, resource allocation and the management of the divisions. The Management Board is responsible for preparing the quarterly Consolidated Financial Statements and the annual Consolidated Financial Statements, as well as the annual financial statements of Evotec AG. It is also responsible for the establishment of an effective risk management system, cares for compliance with legal requirements and internal guidelines.

Under Evotec's Articles of Association, the Supervisory Board determines the size of the Management Board, which must have at least one member under the German Stock Corporation Act. The Evotec Management Board consists, in addition to the CEO, of three further board members. In accordance with a suggestion of the Code, new members are appointed for up to three years; however, prolongations of existing contracts might be up to five years as currently agreed with the Chief Executive Officer. Management Board members may be reappointed and may be dismissed with good cause prior to the termination of their



terms of office. Members of Evotec's Management Board have not accepted more than a total of three Supervisory Board mandates in non-Group listed companies or in supervisory bodies of companies with similar requirements. The Articles of Association can be found on Evotec's website under www.evotec.com in the Investor Relations section.

With regards to diversity within the Management Board, it has to be taken into account that Evotec works in a globalised industry and has a broad and international customer base. Therefore, the Supervisory Board selects Management Board members regardless of gender, nationality or age; instead, the focus lies on their qualifications and work experience only. However, for the first time in 2015, the Supervisory Board of Evotec AG set a target quota of 0% female members on the Management Board in accordance with § 111 section 5 AktG for the time being due to the fact that new contracts have been agreed upon with all current Management Board members shortly before the entry into force of the new legislation. All of these contracts have a term extending beyond 30 June 2017. This target quota was confirmed in 2017 for a further five-year period due to the current term of the contracts of the Management Board members. In accordance with § 76 section 4 AktG, the Management Board of Evotec AG set a target quota of 30% female members in the first and second management levels below the Management Board, which were both achieved by 30 June 2017. This target quota was confirmed for a further five-year period as well.

The activities of the Management Board are regulated by its internal Rules of Procedure, which set out the matters reserved for the full Management Board, the responsibilities of the areas of responsibility and the majorities necessary for passing resolutions.

Meetings of the Management Board shall be called by the Chairman of the Board. Each member of the Management Board may request that an extraordinary meeting of the Management Board be called outside its regular meetings. The board meetings are chaired by the Chairman of the Management Board, who also coordinates the areas of responsibility. Persons who are not board members can, if so resolved by the Management Board, be admitted to board meetings in a consultative capacity.

Brief minutes have to be made of material discussions and resolutions. Resolutions of the Management Board will be carried regularly at its meetings. Resolutions may also be carried without a meeting, however, in writing, by telex or by telephone. The Management Board shall be quorate if a majority of its Members vote on a resolution. Resolutions of the Management Board shall be passed by a simple majority. Should there be a tie, the CEO shall decide.

The Management Board also provides continuous updates to the Supervisory Board through regular verbal and written reports that includes in depth analysis of the status of operations. The information provided includes written monthly management reports with extensive coverage of the Company's financial figures for the previous month, accompanied by detailed comments and explanatory text. In addition, the Management Board must submit a budget for the following fiscal year and a plan for the medium term to the Supervisory Board. The Management Board is also required to report to the Supervisory Board in a timely fashion on any transactions that may be significant with respect to the profitability or liquidity of the Company in order to give the Supervisory Board an opportunity to express its opinion on such transactions prior to their implementation.



The Chairman of the Supervisory Board and the Chief Executive Officer as well as other members of the Management Board discussed current and ongoing topics via numerous conference calls, carried out whenever appropriate.

Details on the Management Board are provided on Evotec's website under www.evotec.com; section 'About'.

Supervisory Board ("Aufsichtsrat")

Following the Articles of Association, the Evotec Supervisory Board consists of six members. The members of the Evotec Supervisory Board have been elected at the AGMs 2014, 2015 and 2017. Evotec's Supervisory Board members were, in accordance with the Code's recommendations regardless of gender, nationality or age, appointed on the basis of their qualifications, work experience, independence and diversity.

However, the Supervisory Board has specified concrete objectives and a corresponding competence profile regarding its composition, which are ensured when making proposals to the AGM for election or re-election of new Supervisory Board members. These objectives stipulate that the activities of the Company shall be represented by having a majority of independent Supervisory Board members with national and international experience in the respective fields of (i) Research and Development, (ii) Finance, Capital markets, Legal, Corporate Governance, (iii) Marketing and Sales and Operations and (iv) Healthcare Economy/Public Health. Potential conflict-of-interest situation(s) shall be avoided by deploying the highest scrutiny when assessing potential candidates. In addition, the Supervisory Board shall ensure that the individual age of a candidate shall not exceed 72 years at the time of the proposal. Diversity with regard to female representation shall be ensured by having a target quota of 30% female members of the Supervisory Board. Finally, the Supervisory Board has agreed on two full terms as the regular limit of length of membership to the Supervisory Board. Overall, the Supervisory Board shall be composed in such a way that the majority of its members are independent and that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks.

Currently, the composition of Evotec's Supervisory Board fulfils all those objectives: four out of six members are independent, four nationalities are represented and there are two female members.

Prof. Dr Wolfgang Plischke (Chairman), Bernd Hirsch (Vice Chairman), Dr Claus Braestrup and Prof. Dr Iris Löw-Friedrich are considered to be independent in accordance with Section 5.4.2 of the Code, while Elaine Sullivan is CEO of Carrick Therapeutics Ltd, a company in which Evotec AG holds 4.57% of the shares, and Michael Shalmi is Managing Director, Head of Principal Investments of Novo Holdings A/S, which is a shareholder of Evotec AG with a shareholding amounting to more than 10%. No former member of the Management Board is a member of the Supervisory Board.

The Members of the Supervisory Board are elected by the shareholders by a simple majority of the votes cast at an Annual General Meeting. The Supervisory Board appoints a Chairman and one Vice Chairmen from among its members. The members of the Supervisory Board are elected for five years and may be re-elected. The term of the current members of the Evotec Supervisory Board will expire at the end of the AGM held in the year 2019.



The Supervisory Board advises and oversees the Management Board in the management of the Company. Based upon regular consultations with the Management Board, the Supervisory Board is involved in strategic and planning decisions and all decisions of fundamental importance to the Company.

Furthermore and upon request, the Supervisory Board Chair is available to discuss Supervisory Board-related issues with investors.

In accordance with the internal rules of procedure, decisions taken by the Management Board on major transactions such as the strategic and operational direction of the Company, the annual budget, major acquisitions, investment or licence agreements, business contracts outside the Company's ordinary course of business that have significantly different risk profiles as well as establishing new business operations or significantly revising existing business operations, require the approval of the Supervisory Board.

The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, calls and chairs its meetings and externally represents the concerns of the body.

The articles of association provide that while resolutions shall typically be passed in meetings, however, upon the Chairman's instruction resolutions can be passed without a meeting by written notice, by telephone, facsimile, e-mail or by other conventional means of communication. The articles of association further provide that more than half of the members of the Supervisory Board must participate in voting on a resolution to constitute a quorum. If such a quorum is not met a new meeting shall be called with a notice period of two weeks, in which case three present board members constitute a quorum. Absent members may participate in a resolution by delivering a written vote to the Supervisory Board. Unless otherwise required by law or by the articles of association, resolutions of the Supervisory Board are passed by a simple majority of the votes cast.

The Supervisory Board has its own internal rules of procedure (see www.evotec.com; Investor Relations section) and complies with the Code's suggestion to hold occasional separate discussions.

The Supervisory Board was not informed about any potential conflict of interest among one of its members in the course of 2017.

On a regular basis the Supervisory Board examines the efficiency of its activities as recommended in the Corporate Governance Code. To date all such audits have led to the conclusion that the Supervisory Board is organised efficiently and that the Management Board and the Supervisory Board interact efficiently and effectively.

An overview of its work can be found in the Report of the Supervisory Board, which can be found in the Management Report in the Evotec Annual Report on the website of the Company under www.evotec.com in the Investor Relations section.

Information on the professional affiliations of board members and on related party transactions can be found in the Annual Report of the Company. In addition, details on the Supervisory Board are provided on Evotec's website under www.evotec.com; section 'About'.

Work in Supervisory Board Committees

A significant proportion of the Supervisory Board's work is conducted in committees. From among its members, Evotec's Supervisory Board has established, pursuant to the German Stock Corporation Act and the recommendations of the Code, an Audit Committee as well as a Remuneration and Nomination Committee. Members of both committees are appointed in accordance with the Code.

For information about the composition of the Supervisory Board Committees please see the website of the Company under www.evotec.com in the Investor Relations section.

Evotec's *Audit Committee*, comprising three members, supports the Supervisory Board in independently monitoring the Company's financial reporting activities and in auditing reports. In particular, the Audit Committee scrutinises the Company's accounting processes, the effectiveness of the internal control system and the audit. In addition, it discusses the quarterly and half-year reports with the Management Board. Within the scope of the audit of the financial statements commissioned by the Supervisory Board, the Audit Committee also discusses certain steps and procedures of the audit with the appointed auditing firm, including the auditors' independence, the additional services rendered by the auditor, the issuing of the audit mandate to the auditing firm, the determination of auditing focal points, the fee agreement and compliance issues.

The members of the Audit Committee possess the required skills and experience. As a Chief Financial Officer, the Audit Committee's Chairman Bernd Hirsch not only is independent, but also has the required specialist knowledge and experience in the application of accounting principles and internal control processes. Neither the Chairman of the Supervisory Board nor a former member of the Management Board may become Chairman of the Audit Committee. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the Investor Relations section.

The committee meets at least four times annually. The audit committee shall have a quorum if at least two of its members participate in the passing of a resolution. Resolutions require a simple majority of the votes cast. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the Investor Relations section.

The main duties and responsibilities of the Company's *Remuneration and Nomination Committee* are to prepare the appointment of Management Board members and to prepare recommendations concerning their remuneration system and Share Performance Plan. Final decisions are made by the full Supervisory Board.

Remuneration of Board members

Evotec complies with the recommendations of the Corporate Governance Code to provide details of the remuneration of each individual member of the Management Board and the Supervisory Board. Detailed information on the remuneration of Management Board members, divided into fixed and variable compensation components as well as any fringe benefits, and remuneration of Supervisory Board members is reported in a separate section of the Management Report ("Remuneration Report") of the Evotec Annual Report. The Evotec Annual Report is available on the website of the Company under www.evotec.com in the

Investor Relations section. The remuneration of the Board Members is also publicised on Evotec's website under www.evotec.com in the Investor Relations section.

Evotec procured directors and officer's liability insurance cover for its Management and Supervisory Board members, its senior management and the directors of its subsidiaries at a cost to the Company. For the members of Supervisory Board, an appropriately sized deductible, and for the members of the Management Board, a deductible in line with the stipulations of the legal provisions of the VorstAG, were agreed upon.

Shareholders and Annual General Meeting (AGM)

Evotec AG shareholders exercise their co-determination and monitoring rights at the AGM, convened at least once a year. The AGM takes decisions on all statutory matters that are binding on all shareholders and the Company. For voting on resolutions, each share confers one vote.

All shareholders registering in due time are entitled to participate in the AGM. Evotec offers shareholders who are unable to attend the AGM the opportunity to access key parts of the event live on the internet. The Company also encourages non-attendees to exercise their voting rights by arranging independent proxies who are bound to the shareholders' instructions. Shareholders may also authorise a person of their choice to represent them at the meeting.

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Directors' Dealings

Under the European Market Abuse Regulation, the members of the Supervisory Board and the Management Team of Evotec as well as persons who have a close relationship with these persons are obligated to report trading in Evotec stock so far as the transactions exceed in aggregate € 5,000 (the de minimus threshold) per calendar year. In addition, Evotec has established an Insider Trading Policy (see www.evotec.com; Investor Relations section) that sets standards for board members' and employees' trading in Evotec shares and thus ensures transparency.

During 2017, the following Directors' Dealings were reported:

Date	Name	Position	Type	No of items	Price	Total
15 September 2017	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Share Performance Plan)	59,905	€ 17.7711	€ 1,064,577.75
15 September 2017	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	55,000	€ 17.7711	€ 977,410.50

Date	Name	Position	Type	No of items	Price	Total
07 September 2017	Cord Dohrmann	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	48,883	€ 16.6007	€ 811,492.02
04 September 2017	Mario Polywka	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	43,261	€ 15.5612	€ 673,193.0732
23 August 2017	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Stock option programme)	132,000	€ 13.57	€ 1,791,240.00
23 August 2017	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Stock option programme)	118,000	€ 13.57	€ 1,601,260.00
18 August 2017	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Stock option programme)	20,654	€ 12.639	€ 261,045.906
18 August 2017	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Stock option programme)	11,940	€ 12.639	€ 150,909.66
17 August 2017	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	55,400	€ 14.5105	€ 803,881.70
15 August 2017	Cord Dohrmann	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	28,000	€ 12.08	€ 338,240.00
31 March 2017	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Stock option programme)	19,000	€ 6.908	€ 131,252.00
31 March 2017	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Stock option programme)	31,000	€ 6.908	€ 214,148.00
30 March 2017	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Stock option programme)	37,000	€ 6.6904	€ 247,544.80
30 March 2017	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Stock option programme)	63,000	€ 6.6904	€ 421,495.20
29 March 2017	Cord Dohrmann	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	20,000	€ 7.9329	€ 158,658.00
29 March 2017	Werner Lanthaler	Member of Management	Exercise against Cash Settlement (Stock option programme)	63,000	€ 6.7029	€ 422,282.70
29 March 2017	Werner Lanthaler	Member of Management	Purchase of shares by exercising stock options (Stock option programme)	37,000	€ 6.7029	€ 240,007.30
17 February 2017	Mario Polywka	Member of Management	Exercise against Cash Settlement (Share Performance Plan)	52,313	€ 6.274	€ 328,211.762
15 February 2017	Cord Dohrmann	Member of Management	Exercise against Cash Settlement (Stock option programme)	50,000	€ 5.0868	€ 254,340.00

Directors' Shareholdings

As of 31 December 2017, the members of the Management Board and the Supervisory Board owned the following shares in the Company:

	Shares	Stock options	Share Performance Awards
Management Board			
Dr Werner Lanthaler	838,053	-	771,210
Enno Spillner	-	-	77,157
Dr Cord Dohrmann	46,218	111,814	299,956
Dr Mario Polywka	60,000	-	309,430
Supervisory Board			
Prof. Dr Wolfgang Plischke	-	-	-
Bernd Hirsch	-	-	-
Dr Claus Braestrup	-	-	-
Prof. Dr Paul Linus Herrling ¹⁾	-	-	-
Prof. Dr Iris Löw-Friedrich	-	-	-
Michael Shalmi ²⁾	-	-	-
Dr Elaine Sullivan	-	-	-

¹⁾ Until the AGM in June 2017

²⁾ Following the AGM in June 2017

Changes to the directors' shareholdings will be published on Evotec website under www.evotec.com in the Investor Relations section.

Declaration of Corporate Management (§ 289a HGB)

The actions of Evotec AG's management and oversight bodies are determined by the principles of good and responsible Corporate Governance. In this declaration, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate management in the Group pursuant to section 289a (1) of the German Commercial Code (HGB) and pursuant to subsection 3.10 of the German Corporate Governance Code. Our aim is to present our corporate management principles as clearly and concisely as possible.

Declaration of compliance and reporting on Corporate Governance

Declaration of compliance

With the following exceptions, Evotec complies with all recommendations of the Code and the majority of the Code's suggestions. In December 2016, Evotec's Management Board and Supervisory Board declared in accordance with Section 161 of the German Stock Corporation Act (AktG):

"Evotec AG has complied in 2016 with the recommendations of the Governmental Commission on the German Corporate Governance Code (the "Code") as published in the official section of the Federal Gazette and intends to comply in the future with the recommendations of the Code, with the following exceptions:

- To incentivise executives via variable long-term incentive compensation, the 2012 and 2015 Annual General Meetings approved the so-called Share Performance Plans. These comply with the recommendations set forth in Section 4.2.3 of the Code. In particular, they refer to specific key performance indicators and define a "Maximum Target". As the issuance of awards under the Share Performance Plans 2012 and 2015 occurs after the four year vesting period is effected in shares, there is a cap for the number of awards upon allocation, but no other cap for the value of the allocated shares after the expiration of the vesting period. That value will only be determined by the share price at that time. From 2012 onwards, the Share Performance Plans replaced Evotec's stock option programme. Stock options issued in existing stock option programmes remain valid. While the exercise of options under these programmes requires an increase of the share price, the exercise is not related to other relevant comparison parameters as recommended in Section 4.2.3 of the Code. This decision is based on the lack of relevant comparison benchmarks in the field of German Biotech at the time when the stock option programmes were created.*
- The Company's D&O insurance and the deductible for members of the Management Board contained therein are in line with Section 3.8 of the Code and with the regulations of the Act on the Appropriateness of Management Board Compensation (VorstAG) that was enacted in 2009. However, for members of the Supervisory Board, the D&O insurance contains a "reasonable" deductible as foreseen by the version of the Code in force before its version published on 05 August 2009. The Company has decided to maintain this reasonable deductible. This decision was made in view of the Company's interest to attract international expertise for its Supervisory Board and the fact that a deductible for non-executive directors is not very common in*

international practice. Whilst a lot of the German companies quoted on the TecDAX do not have a respective deductible at all, the Company believes that a reasonable deductible is a good compromise."

The current Declaration of Compliance with the German Corporate Governance Code and the declarations of the past five years can be found on Evotec's website (www.evotec.com) in the Investor Relations section.

Relevant management practices and compliance

Relevant management practices

Evotec takes its Corporate Governance responsibilities very seriously. As a consequence of its shares' listing at the Frankfurt Stock Exchange and its international shareholder base, the Company recognises not only German but also international Corporate Governance standards, insofar as German law does not explicitly stipulate otherwise. Evotec's Management and Supervisory Boards are convinced that complying with rigorous Corporate Governance standards is of great benefit to the Company. It includes integrity in the dealings with employees, business associates, shareholders and the public, expressed in Evotec's own exemplary conduct. As a service provider, Evotec has to win and retain the trust of its customers and business associates through impeccable behaviour. The Group's aim is to be credible, solid and reliable and act accordingly. Thus Evotec regularly reviews and enhances its Corporate Governance practices.

Within the frame of strategical determination by the Management Board, specific goals are established and communicated. To accomplish our targets, we rely on the enterprise and initiative of our managers and employees. We achieve consensus on clearly defined objectives, and we regularly monitor how well we are meeting them. These agreements on aims are a fundamental component of our leadership philosophy and a crucial element of our remuneration system.

Code of conduct

Evotec's corporate culture is committed to the highest standards of openness, integrity and accountability. A key element of integrity is compliance, which means adherence to both, the applicable laws and Company's internal policies. Evotec's commitment to a compliance-oriented culture is reflected in the Company's Code of Conduct, which stipulates fundamental ethical principles, such as integrity and professionalism, that apply to board members and other employees alike.

The Code of Conduct sets standards for

- Accounting and the permissible use of the Company's funds and assets;
- Compliance with insider trading laws and prevention of conflicts of interest;
- Compliance with antitrust legislation;
- Compliance with anti-corruption laws and associated internal guidelines;
- A work environment free of any form of discrimination and harassment;
- Non-disclosure and protection of intellectual property and business secrets; and
- The duty to report upon the suspicion of an infringement of the Code of Conduct (whistle-blowing), except for France where such whistle-blowing will be considered in combination with the roll-out of the electronic Compliance Training.

Evotec does not tolerate any violation of applicable laws or internal policies.

The Code of Conduct is published on the Evotec website (www.evotec.com) in the Investor Relations section.

Compliance organisation

The Compliance Programme of Evotec AG is overseen by the Company's Compliance Officer, functioning as an independent and objective body that reviews and evaluates compliance issues/concerns within the organisation and is regularly trained via a group-wide (except France) electronic Compliance Training tailored to the specific compliance issues and associated risks at the Company. The aim is to maintain permanent compliance awareness within all areas of Evotec's business to ensure that any decision is in line with Evotec's compliance best practices and to mitigate compliance risks. Said training is mandatory for all board members and other employees. The Company's Compliance Officer monitors the participation in the training at regular intervals.

The Compliance Office helps to communicate the values underlying the Code of Conduct and anchor them firmly in the Group. It ensures Group-wide implementation of the Compliance Programme.

Another important aspect of accountability and transparency is a mechanism to enable all Evotec employees to voice concerns in a responsible and effective manner. Suspected compliance violations can be reported to an employee's responsible line manager, the Company's Compliance Officer or may also be reported to a worldwide compliance (whistle-blowing) hotline which is available 24 hours a day, 7 days a week. The latter can also be done anonymously, except for France where such whistle-blowing will be considered in combination with the roll-out of the electronic Compliance Training. In 2016, no reports via the central compliance hotline were registered.

Evotec also complies with the financial market rules. The Company maintains an ad hoc Committee, which consists of the Chief Financial Officer, the General Counsel, the Head of Investor Relations and the assistant to the Board. This committee examines the ad hoc relevance of insider information and ensures that Evotec complies with the law.

Risk management

An important element of sound Corporate Governance is dealing responsibly with risks. Evotec has established an effective risk and opportunities management system that enables the Management Board to detect and react to relevant risks and market developments in good time. The Management Board reports on these to the Supervisory Board. The Company's risk and opportunities management system and policies are covered by the annual audit of financial statements. Details can be found in the Management Report in the Evotec Annual Report (www.evotec.com, Investor Relations section). It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Accounting Modernisation Act (BilMoG).

These systems are continually developed, adjusted to match changes in overall conditions and reviewed by the auditors. The Management Board regularly informs the Supervisory Board about existing risks and the development of these risks.

Transparency

Evotec AG informs its shareholders, financial analysts, the media and the public on a regular basis about its progress. In doing so, the Company complies with all requirements of the Code regarding transparency, timeliness, openness and shareholder equality. Evotec is committed to fair disclosure of information and its communication is governed by a Company Disclosure Policy. It is a prime concern of the Company that all relevant target

groups receive the same information at the same time, and this implies communicating in both English and German. The Company's publications are available on its website www.evotec.com in the Investor Relations section.

This section of Evotec's website maintains information such as news releases, the financial calendar containing the publication dates of the financial statements, investor relations conferences, annual and quarterly reports, other regulatory news and regularly updated corporate governance information. This section of the website also includes the Articles of Association, the Rules of Procedure of the Supervisory Board, the Audit Committee Charter, the Code of Conduct, the Insider Trading Policy and all declarations of compliance.

Moreover, the Company website at www.evotec.com provides comprehensive information on the Evotec Group and the Evotec share.

Accounting and auditing

On a regular basis, Evotec provides financial and business information to its shareholders and other interested parties by publishing its annual Consolidated Financial Statements and quarterly reports. As an incorporated company whose registered head office is located within the European Union, Evotec AG must prepare and publish Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) whilst observing Section 315a HGB (German Commercial Code). The Consolidated Financial Statements of the Evotec Group and the financial statements of Evotec AG are audited by the audit firm and the Supervisory Board. The audit firm is appointed by the shareholders at the Annual General Meeting and commissioned by the Supervisory Board. It participates at the Supervisory Board's deliberations on the financial statements and reports the most significant results of its audit. The Audit Committee uses this information as a guideline for its own evaluation of the statements and reports.

The disclosed financial statements and the management reports for Evotec AG, as well as the Consolidated Financial Statements together with the consolidated management report of the Evotec Group, are audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg. These audits also covered risk management and compliance with reporting requirements concerning corporate governance pursuant to section 161 of the German Stock Corporation Act. Following its consultations, the Supervisory Board also approves the financial statements and the Consolidated Financial Statements.

Working methods of the Management Board and Supervisory Board

Composition and working methods of the Management Board and Supervisory Board

According to the German Stock Corporation Act (AktG), a two-tier system with clear separation of management through the Management Board ("Vorstand"), and control through the Supervisory Board ("Aufsichtsrat"), is mandatory for German stock corporations. The Management Board is responsible for managing Evotec and representing the Company in its dealings with third parties, while the Supervisory Board appoints and dismisses the members of the Evotec Management Board and oversees the management of the Company. German law prohibits the Supervisory Board from making management decisions. The two boards, however, work closely together to achieve long-term and sustainable growth for the Company and to create shareholder value. They agree on the Company's strategy and on business transactions that are significant. The Annual General Meeting ("AGM"; "Hauptversammlung") is the company body representing the interests of the shareholders.

Management Board ("Vorstand")

The Management Board of Evotec AG is responsible for the day-to-day operations of the Company and is supported by the Management Team. In its business operations and decisions, the Management Board acts on behalf of the Company and works towards its progress with the objective of sustainable creation of value, thus taking into account the interests of the shareholders, the employees and other stakeholders. The Management Board is appointed by the Supervisory Board.

The Management Board is responsible for corporate policy, the company's strategic orientation, financial, investment and personnel planning, resource allocation and the management of the divisions. The Management Board is responsible for preparing the quarterly Consolidated Financial Statements and the annual Consolidated Financial Statements, as well as the annual financial statements of Evotec AG. It is also responsible for the establishment of an effective risk management system, cares for compliance with legal requirements and internal guidelines.

Under Evotec's Articles of Association, the Supervisory Board determines the size of the Management Board, which must have at least one member under the German Stock Corporation Act. The Evotec Management Board consists, in addition to the CEO, of three further board members. In accordance with a suggestion of the Code, new members are appointed for up to three years; however, prolongations of existing contracts might be up to five years as currently agreed with the Chief Executive Officer. Management Board members may be reappointed and may be dismissed with good cause prior to the termination of their terms of office. Members of Evotec's Management Board have not accepted more than a total of three Supervisory Board mandates in non-Group listed companies or in supervisory bodies of companies with similar requirements. The Articles of Association can be found on Evotec's website under www.evotec.com in the Investor Relations section. In accordance with § 111 section 5 AktG, the Supervisory Board of Evotec AG set a target quota of 0% female members on the Management Board for the time being due to the fact that new contracts have been agreed upon with all current Management Board members shortly before the entry into force of the new legislation. All of these contracts have a term extending beyond 30 June 2017. In accordance with § 76 section 4 AktG, the Management Board of Evotec AG set a target quota of 30% female members in the first and second management levels below the Management Board both to be achieved by 30 June 2017.

The activities of the Management Board are regulated by its internal Rules of Procedure, which set out the matters reserved for the full Management Board, the responsibilities of the areas of responsibility and the majorities necessary for passing resolutions.

Meetings of the Management Board shall be called by the Chairman of the Board. Each member of the Management Board may request that an extraordinary meeting of the Management Board be called outside its regular meetings. The board meetings are chaired by the Chairman of the Management Board, who also coordinates the areas of responsibility. Persons who are not board members can, if so resolved by the Management Board, be admitted to board meetings in a consultative capacity.

Brief minutes have to be made of material discussions and resolutions. Resolutions of the Management Board will be carried regularly at its meetings. Resolutions may also be carried without a meeting, however, in writing, by telex or by telephone. The Management Board shall be quorate if a majority of its Members vote on a resolution. Resolutions of the Management Board shall be passed by a simple majority. Should there be a tie, the CEO shall decide.

The Management Board also provides continuous updates to the Supervisory Board through regular verbal and written reports that includes in depth analysis of the status of operations. The information provided includes written monthly management reports with

extensive coverage of the Company's financial figures for the previous month, accompanied by detailed comments and explanatory text. In addition, the Management Board must submit a budget for the following fiscal year and a plan for the medium term to the Supervisory Board. The Management Board is also required to report to the Supervisory Board in a timely fashion on any transactions that may be significant with respect to the profitability or liquidity of the Company in order to give the Supervisory Board an opportunity to express its opinion on such transactions prior to their implementation.

The Chairman of the Supervisory Board and the Chief Executive Officer as well as other members of the Management Board discuss current and ongoing topics via numerous conference calls, carried out whenever appropriate.

Details on the Management Board are provided on Evotec's website under www.evotec.com; section 'About Us'.

Supervisory Board ("Aufsichtsrat")

Following the Articles of Association, the Evotec Supervisory Board consists of six members. The members of the Evotec Supervisory Board have been elected at the AGMs 2014 and 2015. Evotec's Supervisory Board members were, in accordance with the Code's recommendations, appointed on the basis of their qualifications, work experience, independence and diversity. Five out of the six members are considered to be independent in accordance with Section 5.4.2 of the Code where Elaine Sullivan is CEO of Carrick Therapeutics Ltd, a company in which Evotec AG holds 4.57% of the shares. No former member of the Management Board is a member of the Supervisory Board.

To ensure compliance with these recommendations, the Supervisory Board has specified concrete objectives regarding its composition, which are ensured when making proposals to the AGM for election or re-election of new Supervisory Board members. These objectives stipulate that the activities of the Company shall be represented by having a majority of independent Supervisory Board members with national and international experience in the respective fields of (i) Research and Development, (ii) Finance, Capital markets, Legal, Corporate Governance, (iii) Marketing and Sales and Operations and (iv) Healthcare Economy/Public Health. Potential conflict-of-interest situation(s) shall be avoided by deploying the highest scrutiny when assessing potential candidates. In addition, the Supervisory Board shall ensure that the individual age of a candidate shall not exceed 72 years at the time of the proposal. Diversity with regard to female representation shall be ensured by having a target quota of 30% female members of the Supervisory Board. Finally, the Supervisory Board has agreed on two full terms as the regular limit of length of membership to the Supervisory Board. Overall, the Supervisory Board shall be composed in such a way that the majority of its members are independent and that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks.

Currently, the composition of Evotec's Supervisory Board fulfils all those objectives: five out of six members are independent, four nationalities are represented and there are two female members.

The Members of the Supervisory Board are elected by the shareholders by a simple majority of the votes cast at an Annual General Meeting. The Supervisory Board appoints a Chairman and one Vice Chairmen from among its members. The members of the Supervisory Board are elected for five years and may be re-elected. The term of the current members of the Evotec Supervisory Board will expire at the end of the AGM held in the year 2019.

The Supervisory Board advises and oversees the Management Board in the management of the Company. Based upon regular consultations with the Management Board, the

Supervisory Board is involved in strategic and planning decisions and all decisions of fundamental importance to the Company.

In accordance with the internal rules of procedure, decisions taken by the Management Board on major transactions such as the strategic and operational direction of the Company, the annual budget, major acquisitions, investment or licence agreements, business contracts outside the Company's ordinary course of business that have significantly different risk profiles as well as establishing new business operations or significantly revising existing business operations, require the approval of the Supervisory Board.

The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, calls and chairs its meetings and externally represents the concerns of the body.

The articles of association provide that while resolutions shall typically be passed in meetings, however, upon the Chairman's instruction resolutions can be passed without a meeting by written notice, by telephone, facsimile, e-mail or by other conventional means of communication. The articles of association further provide that more than half of the members of the Supervisory Board must participate in voting on a resolution to constitute a quorum. If such a quorum is not met a new meeting shall be called with a notice period of two weeks, in which case three present board members constitute a quorum. Absent members may participate in a resolution by delivering a written vote to the Supervisory Board. Unless otherwise required by law or by the articles of association, resolutions of the Supervisory Board are passed by a simple majority of the votes cast.

The Supervisory Board has its own internal rules of procedure (see www.evotec.com; Investor Relations section) and complies with the Code's suggestion to hold occasional separate discussions.

The Supervisory Board was informed about one potential conflict of interest among any of its members in the course of 2016. When at its June 2016 meeting the Supervisory Board discussed and approved the investment of Evotec into Carrick Therapeutics as part of a large Series A funding consortium to become a 4.57% shareholder in Carrick Therapeutics, Elaine Sullivan, CEO of Carrick Therapeutics, considered herself as conflicted and left the meeting for the discussion and resolution

On a regular basis the Supervisory Board examines the efficiency of its activities as recommended in the Corporate Governance Code. To date all such audits have led to the conclusion that the Supervisory Board is organised efficiently and that the Management Board and the Supervisory Board interact efficiently and effectively.

An overview of its work can be found in the Report of the Supervisory Board, which can be found in the Management Report in the Evotec Annual Report on the website of the Company under www.evotec.com in the Investor Relations section.

Information on the professional affiliations of board members and on related party transactions can be found in the Annual Report of the Company. In addition, details on the Supervisory Board are provided on Evotec's website under www.evotec.com; section 'About Us'.

Work in Supervisory Board Committees

A significant proportion of the Supervisory Board's work is conducted in committees. From among its members, Evotec's Supervisory Board has established, pursuant to the German Stock Corporation Act and the recommendations of the Code, an Audit Committee as well as a Remuneration and Nomination Committee. Members of both committees are appointed in accordance with the Code.

For information about the composition of the Supervisory Board Committees please see the website of the Company under www.evotec.com in the Investor Relations section.

Evotec's *Audit Committee*, comprising three members, supports the Supervisory Board in independently monitoring the Company's financial reporting activities and in auditing reports. In particular, the Audit Committee scrutinises the Company's accounting processes, the effectiveness of the internal control system and the audit. In addition, it discusses the quarterly and half-year reports with the Management Board. Within the scope of the audit of the financial statements commissioned by the Supervisory Board, the Audit Committee also discusses certain steps and procedures of the audit with the appointed auditing firm, including the auditors' independence, the additional services rendered by the auditor, the issuing of the audit mandate to the auditing firm, the determination of auditing focal points, the fee agreement and compliance issues.

The members of the Audit Committee possess the required skills and experience. As a Chief Financial Officer, the Audit Committee's Chairman Bernd Hirsch not only is independent, but also has the required specialist knowledge and experience in the application of accounting principles and internal control processes. Neither the Chairman of the Supervisory Board nor a former member of the Management Board may become Chairman of the Audit Committee. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the Investor Relations section.

The committee meets at least four times annually. The audit committee shall have a quorum if at least two of its members participate in the passing of a resolution. Resolutions require a simple majority of the votes cast. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the Investor Relations section.

The main duties and responsibilities of the Company's *Remuneration and Nomination Committee* are to prepare the appointment of Management Board members and to prepare recommendations concerning their remuneration system and Share Performance Plan. Final decisions are made by the full Supervisory Board.

Remuneration of Board members

Evotec complies with the recommendations of the Corporate Governance Code to provide details of the remuneration of each individual member of the Management Board and the Supervisory Board. Detailed information on the remuneration of Management Board members, divided into fixed and variable compensation components as well as any fringe benefits, and remuneration of Supervisory Board members is reported in a separate section of the Management Report ("*Remuneration Report*") in the Evotec Annual Report. The Evotec Annual Report is available on the website of the Company under www.evotec.com in the Investor Relations section. The remuneration of the Board Members is also publicised on Evotec's website under www.evotec.com in the Investor Relations section.

Evotec procured directors and officer's liability insurance cover for its Management and Supervisory Board members, its senior management and the directors of its subsidiaries at a cost to the Company. For the members of Supervisory Board, an appropriately sized deductible, and for the members of the Management Board, a deductible in line with the stipulations of the legal provisions of the VorstAG, were agreed upon.

Shareholders and Annual General Meeting (AGM)

Evotec AG shareholders exercise their co-determination and monitoring rights at the AGM, convened at least once a year. The AGM takes decisions on all statutory matters that are binding on all shareholders and the Company. For voting on resolutions, each share confers one vote.

All shareholders registering in due time are entitled to participate in the AGM. Evotec offers shareholders who are unable to attend the AGM the opportunity to access key parts of the event live on the internet. The Company also encourages non-attendees to exercise their voting rights by arranging independent proxies who are bound to the shareholders' instructions. Shareholders may also authorise a person of their choice to represent them at the meeting. The possibility of a postal vote was not available at the AGM 2016. The Management Board is however entitled to allow postal voting at future Annual General Meetings.

The invitation to the AGM and the reports and information required for voting are published in accordance with the provisions of the German Stock Corporation Act and provided in German and English on Evotec's website under www.evotec.com in the Investor Relations section.

Directors' Dealings

Under the Securities Trading Act ('Wertpapierhandelsgesetz'), the members of the Supervisory Board and the Management Team of Evotec as well as persons who have a close relationship with these persons are obligated to report trading in Evotec stock so far as the transactions exceed in aggregate € 5,000 (the de minimus threshold) per calendar year. In addition, Evotec has established an Insider Trading Policy (see www.evotec.com; Investor Relations section) that sets standards for board members' and employees' trading in Evotec shares and thus ensures transparency.

During 2016, the following two Directors' Dealings were reported:

Date	Name	Position	Type	No of items	Price	Total
16 August 2016	Werner Lanthaler	Member of Management	Purchase (Stock option programme)	29,220	€ 2.65	€ 77,433.00
29 March 2016	Werner Lanthaler	Member of Management	Purchase	20,000	€ 3.07	€ 61,446.84

Directors' Shareholdings

As of 31 December 2016 the members of the Management Board and the Supervisory Board owned the following shares in the Company:

	Shares	Stock options	Share Performance Awards
Management Board			
Dr Werner Lanthaler	546,494	840,000	1,062,951
Enno Spillner	-	-	53,212
Dr Cord Dohrmann	46,218	340,000	423,721
Dr Mario Polywka	60,000	78,186	431,980
Supervisory Board			
Prof. Dr Wolfgang Plischke	-	-	-
Bernd Hirsch	-	-	-
Dr Claus Braestrup	-	-	-
Prof. Dr Paul Linus Herrling	-	-	-
Prof. Dr Iris Löw-Friedrich	-	-	-
Dr Elaine Sullivan	-	-	-

Changes to the directors' shareholdings will be published on Evotec website under www.evotec.com in the Investor Relations section.

Declaration of Corporate Management (§ 289a HGB)

The actions of Evotec AG's management and oversight bodies are determined by the principles of good and responsible Corporate Governance. In this declaration, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate management in the Group pursuant to section 289a (1) of the German Commercial Code (HGB) and pursuant to sub-section 3.10 of the German Corporate Governance Code. Our aim is to present our corporate management principles as clearly and concisely as possible.

Declaration of compliance and reporting on Corporate Governance

Declaration of compliance

With the following exceptions, Evotec complies with all recommendations of the Code and the majority of the Code's suggestions. In December 2015, Evotec's Management Board and Supervisory Board declared in accordance with Section 161 of the German Stock Corporation Act (AktG):

"Evotec AG has complied in 2015 with the recommendations of the Governmental Commission on the German Corporate Governance Code (the "Code") as published in the official section of the Federal Gazette and intends to comply in the future with the recommendations of the Code, with the following exceptions:

- To incentivise executives via variable long-term incentive compensation, the 2012 and 2015 Annual General Meetings approved the so-called Share Performance Plans. These comply with the recommendations set forth in Section 4.2.3 of the Code. In particular, they refer to specific key performance indicators and define a "Maximum Target". From 2012 onwards, the Share Performance Plans replace Evotec's stock option programme. Stock options issued in existing stock option programmes remain valid. While the exercise of options under these programmes requires an increase of the share price, the exercise is not related to other relevant comparison parameters as recommended in Section 4.2.3 of the Code. This decision is based on the lack of relevant comparison benchmarks in the field of German Biotech at the time when the stock option programmes were created.*
- The Company's D&O insurance and the deductible for members of the Management Board contained therein are in line with Section 3.8 of the Code and with the regulations of the Act on the Appropriateness of Management Board Compensation (VorstAG) that was enacted in 2009. However, for members of the Supervisory Board, the D&O insurance contains a reasonable deductible as foreseen by the version of the Code in force before its version published on 05 August 2009. The Company has decided to maintain this reasonable deductible. This decision was made in view of the Company's interest to attract international expertise for its Supervisory Board and the fact that a deductible for non-executive directors is not very common in international practice. Whilst a lot of the German companies quoted on the TecDAX do not have a respective deductible at all, the Company believes that a reasonable deductible is a good compromise."*

The current Declaration of Compliance with the German Corporate Governance Code and the declarations of the past five years can be found on Evotec's website (www.evotec.com) in the Investor Relations section.

Relevant management practices and compliance

Relevant management practices

Evotec takes its Corporate Governance responsibilities very seriously. As a consequence of its shares' listing at the Frankfurt Stock Exchange and its international shareholder base, the Company recognises not only German but also international Corporate Governance standards, insofar as German law does not explicitly stipulate otherwise. Evotec's Management and Supervisory Boards are convinced that complying with rigorous Corporate Governance standards is of great benefit to the Company. It includes integrity in the dealings with employees, business associates, shareholders and the public, expressed in Evotec's own exemplary conduct. As a service provider, Evotec has to win and retain the trust of its customers and business associates through impeccable behaviour. The Group's aim is to be credible, solid and reliable and act accordingly. Thus Evotec regularly reviews and enhances its Corporate Governance practices.

Within the frame of strategical determination by the Management Board, specific goals are established and communicated. To accomplish our targets, we rely on the enterprise and initiative of our managers and employees. We achieve consensus on clearly defined objectives, and we regularly monitor how well we are meeting them. These agreements on aims are a fundamental component of our leadership philosophy and a crucial element of our remuneration system.

Code of conduct

Evotec's corporate culture is committed to the highest standards of openness, integrity and accountability. A key element of integrity is compliance, which means adherence to both, the applicable laws and Company's internal policies. Evotec's commitment to a compliance-oriented culture is reflected in Company's Code of Conduct, which stipulates fundamental ethical principles, such as integrity and professionalism, that apply to board members and other employees alike.

The Code of Conduct sets standards for

- Accounting and the permissible use of the Company's funds and assets;
- Compliance with insider trading laws and prevention of conflicts of interest;
- Compliance with antitrust legislation;
- Compliance with anti-corruption laws and associated internal guidelines;
- A work environment free of any form of discrimination and harassment;
- Non-disclosure and protection of intellectual property and business secrets; and
- The duty to report upon the suspicion of an infringement of the Code of Conduct (whistle-blowing).

Evotec does not tolerate any violation of applicable laws or internal policies.

The Code of Conduct is published on the Evotec website (www.evotec.com) in the Investor Relations section.

Compliance organisation

Compliance Programme of Evotec AG is overseen by the Group's Compliance Officer, functioning as an independent and objective body that reviews and evaluates compliance issues/concerns within the organisation.

The Compliance Office helps to communicate the values underlying the Code of Conduct and anchor them firmly in the Group. It ensures Group-wide implementation of the Compliance Programme.

In 2015, Evotec's Compliance Programme was further expanded with a focus on education and training. Evotec implemented a group-wide (except France) electronic Compliance Training tailored to the specific compliance issues and associated risks at the Company. The aim is to maintain permanent compliance awareness within all areas of Evotec's business to ensure that any decision is in-line with Evotec's compliance best practices and to mitigate compliance risks. Said training is mandatory for all board members and other employees. Company's Compliance Officer monitors the participation in the training at regular intervals.

Another important aspect of accountability and transparency is a mechanism to enable all Evotec employees to voice concerns in a responsible and effective manner. Suspected compliance violations can be reported to an employee's responsible line manager, the Company's Compliance Officer or may also be reported to a worldwide compliance (whistle-blower) hotline which is available 24 hours a day, 7 days a week. The latter can also be done anonymously. In 2015, no reports via the central compliance hotline were registered.

Evotec also complies with the financial market rules. The Company maintains an ad hoc Committee, which consists of the Chief Financial Officer, the General Counsel and the assistant to the Board. This committee examines the ad hoc relevance of insider information and ensures that Evotec complies with the law.

Risk management

An important element of sound Corporate Governance is to deal responsibly with risks. Evotec has established an effective risk and opportunities management system that enables the Management Board to detect and react to relevant risks and market developments in good time. Details on the Company's risk management system and the risk report policies can be found in a separate section of the Management Report in the Evotec Annual Report (www.evotec.com, Investor Relations section). It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Accounting Modernisation Act (BilMoG).

These systems are continually developed, adjusted to match changes in overall conditions and reviewed by the auditors. The Management Board regularly informs the Supervisory Board about existing risks and the development of these risks.

Transparency

Evotec AG informs its shareholders, financial analysts, the media and the public on a regular basis about its progress. In doing so, the Company complies with all requirements of the Code regarding transparency, timeliness, openness and shareholder equality. Evotec is committed to fair disclosure of information and its communication is governed by a Company Disclosure Policy. It is a prime concern of the Company that all relevant target groups receive the same information at the same time, and this implies communicating in both English and German. The Company's publications are available on its website www.evotec.com in the Investor Relations section.

This section of Evotec's website maintains information such as news releases, the financial calendar containing the publication dates of the financial statements, investor relations conferences, annual and quarterly reports, other regulatory news and regularly updated corporate governance information. This section of the website also includes the Articles of Association, the Rules of Procedure of the Supervisory Board, the Audit Committee Charter, the Code of Conduct, the Insider Trading Policy and all declarations of compliance.

Moreover, the Company website at www.evotec.com provides comprehensive information on the Evotec Group and the Evotec share.

Accounting and auditing

On a regular basis, Evotec provides financial and business information to its shareholders and other interested parties by publishing its annual consolidated financial statements and quarterly reports. As an incorporated company whose registered head office is located within the European Union, Evotec AG must prepare and publish consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) whilst observing Section 315a HGB (German Commercial Code). The financial statements of the Evotec Group and the financial statements of Evotec AG are audited by the audit firm and the Supervisory Board. The audit firm is appointed by the shareholders at the Annual General Meeting and commissioned by the Supervisory Board. It participates at the Supervisory Board's deliberations on the financial statements and reports the most significant results of its audit. The Audit Committee uses this information as a guideline for its own evaluation of the statements and reports.

The disclosed financial statements and the management reports for Evotec AG, as well as the consolidated financial statements together with the consolidated management report of the Evotec Group, are audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg. These audits also covered risk management and compliance with reporting requirements concerning corporate governance pursuant to section 161 of the German Stock Corporation Act. Following its consultations, the Supervisory Board also approves the financial statements and the consolidated financial statements.

Working methods of the Management Board and Supervisory Board

Composition and working methods of the Management Board and Supervisory Board

According to the German Stock Corporation Act (AktG), a two-tier system with clear separation of "management" through the Management Board ("Vorstand"), and "control" through the Supervisory Board ("Aufsichtsrat"), is mandatory for German stock corporations. The Management Board is responsible for managing Evotec and representing the Company in its dealings with third parties, while the Supervisory Board appoints and dismisses the members of the Evotec Management Board and oversees the management of the Company. German law prohibits the Supervisory Board from making management decisions. The two boards, however, work closely together to achieve long-term and sustainable growth for the Company and to create shareholder value. They agree on the Company's strategy and on business transactions that are significant. The Annual General Meeting ("Hauptversammlung") is the company body representing the interests of the shareholders.

Management Board ("Vorstand")

The Management Board of Evotec AG is responsible for the day-to-day operations of the Company and is supported by the Management Team. In its business operations and decisions, the Management Board acts on behalf of the Company and works towards its progress with the objective of sustainable creation of value, thus taking into account the interests of the shareholders, the employees and other stakeholders. The Management Board is appointed by the Supervisory Board.

The Management Board is responsible for corporate policy, the company's strategic orientation, financial, investment and personnel planning, resource allocation and the management of the divisions. The Management Board is responsible for preparing the quarterly consolidated financial statements and the annual consolidated financial statements, as well as the annual financial statements of Evotec AG. It is also responsible for the establishment of an effective risk management system, cares for compliance with legal requirements and internal guidelines.

Under Evotec's Articles of Association, the Supervisory Board determines the size of the Management Board, which must have at least one member under the German Stock Corporation Act. Currently, the Management Board of Evotec AG consists of four members. In accordance with a suggestion of the Code, new members are appointed for up to three years; however, prolongations of existing contracts might be up to five years as currently agreed with the Chief Executive Officer. Management Board members may be reappointed and may be dismissed with good cause prior to the termination of their terms of office. Members of Evotec's Management Board have not accepted more than a total of three Supervisory Board mandates in non-Group listed companies or in supervisory bodies of companies with similar requirements. The Articles of Association can be found on Evotec's website under www.evotec.com in the Investor Relations section.

The activities of the Management Board are regulated by its internal Rules of Procedure, which set out the matters reserved for the full Management Board, the responsibilities of the areas of responsibility and the majorities necessary for passing resolutions.

Meetings of the Management Board shall be called by the Chairman of the Board. Each member of the Management Board may request that an extraordinary meeting of the Management Board be called outside its regular meetings. The board meetings are chaired by the Chairman of the Management Board, who also coordinates the areas of responsibility. Persons who are not board members can, if so resolved by the Management Board, be admitted to board meetings in a consultative capacity.

Brief minutes have to be made of material discussions and resolutions. Resolutions of the Management Board will be carried regularly at its meetings. Resolutions may also be carried without a meeting, however, in writing, by telex or by telephone. The Management Board shall be quorate if a majority of its Members vote on a resolution. Resolutions of the Management Board shall be passed by a simple majority. Should there be a tie, the CEO shall decide.

The Management Board also provides continuous updates to the Supervisory Board through regular verbal and written reports that includes in depth analysis of the status of operations. The information provided includes written monthly management reports with extensive coverage of the Company's financial figures for the previous month, accompanied by detailed comments and explanatory text. In addition, the Management Board must submit a budget for the following fiscal year and a plan for the medium term to the Supervisory Board. The Management Board is also required to report to the Supervisory Board in a timely fashion on any transactions that may be significant with respect to the profitability or liquidity of the Company in order to give the Supervisory

Board an opportunity to express its opinion on such transactions prior to their implementation.

The Chairman of the Supervisory Board and the Chief Executive Officer as well as other members of the Management Board discuss current and ongoing topics via numerous conference calls, carried out whenever appropriate.

Details on the Management Board and the Management Team are provided on Evotec's website under www.evotec.com; section 'About Us'.

Supervisory Board ("Aufsichtsrat")

Following the Articles of Association, the Evotec Supervisory Board consists of six members – all of whom are appointed on the basis of their qualification, work experience, independence and considering their diversity. No former member of the Management Board is a member of the Supervisory Board.

To ensure compliance with these recommendations, the Supervisory Board has specified concrete objectives regarding its composition, which are ensured when making proposals to the AGM for election or re-election of new Supervisory Board members. These objectives stipulate that the activities of the Company shall be represented by having a majority of independent Supervisory Board members with national and international experience in the respective fields of (i) Research and Development, (ii) Finance, Capital markets, Legal, Corporate Governance, (iii) Marketing and Sales and Operations and (iv) Healthcare Economy/Public Health. Potential conflict-of-interest situation(s) shall be avoided by deploying the highest scrutiny when assessing potential candidates. In addition, the Supervisory Board shall ensure that the individual age of a candidate shall not exceed 72 years at the time of the proposal. Diversity with regard to female representation shall be ensured by having a target quota of 30% female members of the Supervisory Board. Finally, the Supervisory Board has agreed on two full terms as the regular limit of length of membership to the Supervisory Board. Overall, the Supervisory Board shall be composed in such a way that the majority of its members are independent and that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks.

Currently, the composition of Evotec's Supervisory Board fulfils all those objectives: all members are independent, four nationalities are represented and there are two female members.

The Members of the Supervisory Board are elected by the shareholders by a simple majority of the votes cast at an Annual General Meeting. The Supervisory Board appoints a Chairman and one Vice Chairmen from among its members. The members of the Supervisory Board are elected for five years and may be re-elected. The term of the current members of the Evotec Supervisory Board will expire at the end of the Annual General Meeting held in the year 2019.

The Supervisory Board advises and oversees the Management Board in the management of the Company. Based upon regular consultations with the Management Board, the Supervisory Board is involved in strategic and planning decisions and all decisions of fundamental importance to the Company.

In accordance with the internal rules of procedure, decisions taken by the Management Board on major transactions such as the strategic and operational direction of the Company, the annual budget, major acquisitions, investment or licence agreements, business contracts outside the Company's ordinary course of business that have significantly different risk profiles as well as establishing new business operations or significantly revising existing business operations, require the approval of the Supervisory Board.

The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, calls and chairs its meetings and externally represents the concerns of the body.

The articles of association provide that while resolutions shall typically be passed in meetings, however, upon the Chairman's instruction resolutions can be passed without a meeting by written notice, by telephone, facsimile, e-mail or by other conventional means of communication. The articles of association further provide that more than half of the members of the Supervisory Board must participate in voting on a resolution to constitute a quorum. If such a quorum is not met a new meeting shall be called with a notice period of two weeks, in which case three present board members constitute a quorum. Absent members may participate in a resolution by delivering a written vote to the Supervisory Board. Unless otherwise required by law or by the articles of association, resolutions of the Supervisory Board are passed by a simple majority of the votes cast.

The Supervisory Board has its own internal rules of procedure (see www.evotec.com; Investor Relations section) and complies with the Code's suggestion to hold occasional separate discussions.

The Supervisory Board was not aware of any potential conflicts of interest among any of its members in the course of 2015.

On a regular basis the Supervisory Board examines the efficiency of its activities as recommended in the Corporate Governance Code. To date all such audits have led to the conclusion that the Supervisory Board is organised efficiently and that the Management Board and the Supervisory Board interact efficiently and effectively.

An overview of its work can be found in the Report of the Supervisory Board, which can be found in the Management Report in the Evotec Annual Report on the website of the Company under www.evotec.com in the Investor Relations section.

Information on the professional affiliations of board members and on related party transactions can be found in the Annual Report of the Company. In addition, details on the Management Board and the Management Team be provided on Evotec's website under www.evotec.com; section 'About Us'.

Work in Supervisory Board Committees

A significant proportion of the Supervisory Board's work is conducted in committees. From among its members, Evotec's Supervisory Board has established, pursuant to the German Stock Corporation Act and the recommendations of the Code, an Audit Committee as well as a Remuneration and Nomination Committee. Members of both committees are appointed in accordance with the Code.

For information about the composition of the Supervisory Board Committees please see the website of the Company under www.evotec.com in the Investor Relations section.

Evotec's *Audit Committee*, comprising three members, supports the Supervisory Board in independently monitoring the Company's financial reporting activities and in auditing reports. In particular, the Audit Committee scrutinises the Company's accounting processes, the effectiveness of the internal control system and the audit. In addition, it discusses the quarterly and half-year reports with the Management Board. Within the scope of the audit of the financial statements commissioned by the Supervisory Board, the Audit Committee also discusses certain steps and procedures of the audit with the appointed auditing firm, including the auditors' independence, the additional services rendered by the auditor, the issuing of the audit mandate to the auditing firm, the determination of auditing focal points, the fee agreement and compliance issues.

The members of the Audit Committee possess the required skills and experience. As a current Chief Financial Officer, the Audit Committee's Chairman Bernd Hirsch not only is independent, but also has the required specialist knowledge and experience in the application of accounting principles and internal control processes. Neither the Chairman of the Supervisory Board nor a former member of the Management Board may become Chairman of the Audit Committee. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the Investor Relations section.

The committee meets at least four times annually. The audit committee shall have a quorum if at least two of its members participate in the passing of a resolution. Resolutions require a simple majority of the votes cast. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the Investor Relations section.

The main duties and responsibilities of the Company's *Remuneration and Nomination Committee* are to prepare the appointment of Management Board members and to prepare recommendations concerning their remuneration system and Share Performance Plan. Final decisions are made by the full Supervisory Board.

Remuneration of Board members

Evotec complies with the recommendations of the Corporate Governance Code to provide details of the remuneration of each individual member of the Management Board and the Supervisory Board. Detailed information on the remuneration of Management Board members, divided into fixed and variable compensation components as well as any fringe benefits, and remuneration of Supervisory Board members is reported in a separate section of the Management Report ("*Remuneration Report*") in the Evotec Annual Report. The Evotec Annual Report is available on the website of the Company under www.evotec.com in the Investor Relations section. The remuneration of the Board Members is also publicised on Evotec's website under www.evotec.com in the Investor Relations section.

Evotec has procured directors and officer's liability insurance coverage for its Management and Supervisory Board members, its senior management and the directors of its subsidiaries, at a cost to the Company. For the members of Supervisory Board, an appropriately sized deductible, and for the members of the Management Board, a deductible in line with the stipulations of the legal provisions of the VorstAG, were agreed upon.

Shareholders and Annual General Meeting (AGM)

Evotec AG shareholders exercise their co-determination and monitoring rights at the AGM, convened at least once a year. The AGM takes decisions on all statutory matters that are binding on all shareholders and the Company. For voting on resolutions, each share confers one vote.

All shareholders registering in due time are entitled to participate in the AGM. Evotec offers shareholders who are unable to attend the AGM the opportunity to access key parts of the event live on the internet. The Company also encourages non-attendees to exercise their voting rights by arranging independent proxies who are bound to the shareholders' instructions. Shareholders may also authorise a person of their choice to represent them at the meeting. The possibility of a postal vote was not available at the Annual General Meeting 2015. The Management Board is however entitled to allow postal voting at future Annual General Meetings.

The invitation to the AGM and the reports and information required for voting are published in accordance with the provisions of the German Stock Corporation Act and

provided in German and English on Evotec's website under www.evotec.com in the Investor Relations section.

Directors' Dealings

Under the Securities Trading Act ('Wertpapierhandelsgesetz'), the members of the Supervisory Board and the Management Team of Evotec as well as persons who have a close relationship with these persons are obligated to report trading in Evotec stock so far as the transactions exceed in aggregate € 5,000 (the de minimus threshold) per calendar year. In addition, Evotec has established an Insider Trading Policy (see www.evotec.com; Investor Relations section) that sets standards for board members' and employees' trading in Evotec shares and thus ensures transparency.

During 2015, no Directors' Dealing was reported.

Directors' Shareholdings

As of 31 December 2015 the members of the Management Board and the Supervisory Board owned the following shares in the Company:

	Shares	Stock options	Share Performance Awards
Management Board			
Dr Werner Lanthaler	526,494	840,000	845,897
Colin Bond	-	140,000	336,085
Dr Cord Dohrmann	46,218	340,000	359,712
Dr Mario Polywka	60,000	78,186	369,964
Supervisory Board			
Prof. Dr Wolfgang Plischke	-	-	-
Bernd Hirsch	-	-	-
Dr Claus Braestrup	-	-	-
Prof. Dr Paul Linus Herrling	-	-	-
Prof. Dr Iris Löw-Friedrich	-	-	-
Dr Elaine Sullivan	-	-	-

Changes to the directors' shareholdings will be published on Evotec website under www.evotec.com in the Investor Relations section.

Declaration of Corporate Management (§ 289a HGB)

The actions of Evotec AG's management and oversight bodies are determined by the principles of good and responsible Corporate Governance. In this declaration, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate management in the Group pursuant to section 289a (1) of the German Commercial Code (HGB) and pursuant to sub-section 3.10 of the German Corporate Governance Code. Our aim is to present our corporate management principles as clearly and concisely as possible.

Declaration of compliance and reporting on Corporate Governance

Declaration of compliance

With the following exceptions, Evotec complies with all recommendations of the Code and the majority of the Code's suggestions. In December 2014, Evotec's Management Board and Supervisory Board declared in accordance with Section 161 of the German Stock Corporation Act (AktG):

"Evotec AG has complied in 2014 with the recommendations of the Governmental Commission on the German Corporate Governance Code (the "Code") as published in the official section of the Federal Gazette and intends to comply in the future with the recommendations of the Code, with the following exceptions:

- To incentivise executives via variable long-term incentive compensation, the 2012 Annual General Meeting in June approved the so-called Share Performance Plan. This complies with the recommendations set forth in Section 4.2.3 of the Code. In particular, it refers to specific key performance indicators and defines a "Maximum Target". From 2012 onwards, the Share Performance Plan replaced Evotec's stock option programme. Stock options issued in existing stock option programmes remain valid. While the exercise of options under these programmes requires an increase of the share price, the exercise is not related to other relevant comparison parameters as recommended in Section 4.2.3 of the Code. This decision is based on the lack of relevant comparison benchmarks in the field of German Biotech at the time when the stock option programmes were created.*
- The Company's D&O insurance and the deductible for members of the Management Board contained therein are in line with Section 3.8 of the Code and with the regulations of the Act on the Appropriateness of Management Board Compensation (VorstAG) that was enacted in 2009. However, for members of the Supervisory Board, the D&O insurance contains a "reasonable" deductible as foreseen by the version of the Code in force before its version published on 05 August 2009. The Company has decided to maintain this reasonable deductible. This decision was made in view of the Company's interest to attract international expertise for its Supervisory Board and the fact that a deductible for non-executive directors is not very common in international practice. Whilst a lot of the German companies quoted on the TecDAX do not have a respective deductible at all, the Company believes that a reasonable deductible is a good compromise.*

- *The Supervisory Board has specified concrete objectives regarding its composition, which are ensured when making proposals to the Annual General Meeting (AGM) for election or re-election of new Supervisory Board members. These objectives and Supervisory Board's rules of Procedure include inter alia that the individual age of a candidate shall not exceed 72 years at the time of the proposal. All members of the Supervisory Board were up for election at the AGM 2014. To ensure the required expertise and some element of continuity in the Supervisory Board after the AGM 2014, it was proposed to the AGM as an exemption that due to his professional expertise Dr Walter Wenninger should serve again as Supervisory Board member although Dr Walter Wenninger was already 76 years at the AGM 2014. The Rules of Procedure of the Supervisory Board allow an exemption from the general age limit of 72 years at election. The AGM has elected Dr Wenninger as Supervisory Board member."*

The current Declaration of Compliance with the German Corporate Governance Code and the declarations of the past five years can be found on Evotec's website (www.evotec.com) in the section 'Investors > Corporate Governance'.

Relevant management practices and compliance

Relevant management practices

Evotec takes its Corporate Governance responsibilities very seriously. As a consequence of its shares' listing at the Frankfurt Stock Exchange and its international shareholder base, the Company recognises not only German but also international Corporate Governance standards, insofar as German law does not explicitly stipulate otherwise. Evotec's Management and Supervisory Boards are convinced that complying with rigorous Corporate Governance standards is of great benefit to the Company. It includes integrity in the dealings with employees, business associates, shareholders and the public, expressed in Evotec's own exemplary conduct. As a service provider, Evotec has to win and retain the trust of its customers and business associates through impeccable behaviour. The Group's aim is to be credible, solid and reliable and act accordingly. Thus Evotec regularly reviews and enhances its Corporate Governance practices.

Within the frame of strategical determination by the Management Board, specific goals are established and communicated. To accomplish our targets, we rely on the enterprise and initiative of our managers and employees. We achieve consensus on clearly defined objectives, and we regularly monitor how well we are meeting them. These agreements on aims are a fundamental component of our leadership philosophy and a crucial element of our remuneration system.

Code of conduct

As a matter of course, Evotec abides by the law and by ethical principles. This is shown, amongst others, by the Company's Code of Conduct which stipulates fundamental ethical principles, such as integrity and professionalism that apply to board members and other employees alike.

The Code of Conduct sets standards for

- accounting and the permissible use of the Company's funds and assets;
- conduct in cases of insider trading or conflict of interest;

- compliance with antitrust legislation;
- a work environment free of discrimination and harassment;
- non-disclosure and protection of intellectual property and business secrets and
- the duty to report upon the suspicion of an infringement of the Code of Conduct (whistle-blowing).

In the interest of all employees and the Group, non-compliance with standards will be investigated and the causes will be remedied. This means that misconduct will be consistently prosecuted in accordance with national laws.

The Code of Conduct is published on the Evotec website (www.evotec.com) in the section 'Investors > Corporate Governance > Policies and Charters'.

Compliance organisation

Compliance Programme of Evotec AG is overseen by the Group's Compliance Officer, functioning as an independent and objective body that reviews and evaluates compliance issues/concerns within the organisation.

The Compliance Office helps to communicate the values underlying the Code of Conduct and anchor them firmly in the Group. It ensures Group-wide implementation of the Compliance Programme.

Moreover, a worldwide whistleblower system is implemented. It enables all Group employees to report compliance violations in an anonymous manner. Information received is immediately analysed by the Compliance Officer and the Chairman of the Supervisory Board's Audit Committee, who will also initiate any measures required.

Evotec also maintains an ad hoc Committee, which examines the ad hoc relevance of insider information and ensures that Evotec complies with the law.

Risk management

An important element of sound Corporate Governance is to deal responsibly with risks. Evotec has established an effective risk and opportunities management system that enables the Management Board to detect and react to relevant risks and market developments in good time. Details on the Company's risk management system and the risk report policies can be found in a separate section of the Management Report in the Evotec Annual Report (www.evotec.com 'Investors > Finance > Financial Reports 2013 – 2015'). It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Accounting Modernisation Act (BilMoG).

These systems are continually developed, adjusted to match changes in overall conditions and reviewed by the auditors. The Management Board regularly informs the Supervisory Board about existing risks and the development of these risks.

Transparency

Evotec AG informs its shareholders, financial analysts, the media and the public on a regular basis about its progress. In doing so, the Company complies with all requirements of the Code regarding transparency, timeliness, openness and shareholder equality. Evotec is committed to fair disclosure of information and its communication is governed by a Company Disclosure Policy. It is a prime concern of the Company that all relevant target groups receive the same information at the same time, and this implies

communicating in both English and German. The Company's publications are available on its website www.evotec.com, section 'Investors'.

Moreover, the 'Investors' section of Evotec's website (subsections 'Events' and 'Finance') maintains information such as the financial calendar containing the publication dates of the financial statements, the Annual General Meeting, Investor Relations conferences, annual and quarterly reports, other regulatory news and regularly updated Corporate Governance information. This section of the website also includes the Articles of Association, the Rules of Procedure of the Supervisory Board, the Audit Committee Charter, the Code of Conduct, the Insider Trading Policy and all declarations of compliance.

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Management Board ("Vorstand")

The Management Board of Evotec AG is responsible for the day-to-day operations of the Company and is supported by the Management Team. In its business operations and decisions, the Management Board acts on behalf of the Company and works towards its progress with the objective of sustainable creation of value, thus taking into account the interests of the shareholders, the employees and other stakeholders. The Management Board is appointed by the Supervisory Board.

The Management Board is responsible for corporate policy, the company's strategic orientation, financial, investment and personnel planning, resource allocation and the management of the divisions. The Management Board is responsible for preparing the quarterly consolidated financial statements and the annual consolidated financial statements, as well as the annual financial statements of Evotec AG. It is also responsible for the establishment of an effective risk management system, cares for compliance with legal requirements and internal guidelines.

Under Evotec's Articles of Association, the Supervisory Board determines the size of the Management Board, which must have at least one member under the German Stock Corporation Act. Currently, the Management Board of Evotec AG consists of four members. The statutory maximum term for members of the Management Board is five years, but Evotec's current practice is to limit the terms to three years. As an exemption, in 2011, Dr Werner Lanthaler, CEO, and the Company agreed upon a new contract starting March 2012 for a further five-year term. Management Board members may be reappointed and may be dismissed with good cause prior to the termination of their terms of office. Members of Evotec's Management Board have not accepted more than a total of three Supervisory Board mandates in non-Group listed companies. The Articles of Association can be found on Evotec's website under www.evotec.com; section 'Investors > Corporate Governance > Policies and Charters'.

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Board an opportunity to express its opinion on such transactions prior to their implementation.

The Chairman of the Supervisory Board and the Chief Executive Officer as well as other members of the Management Board discuss current and ongoing topics via numerous conference calls, carried out whenever appropriate.

Details on the Management Board and the Management Team are provided on Evotec's website under www.evotec.com; section 'About Us > Management'.

Supervisory Board ("Aufsichtsrat")

Following the Articles of Association, the Evotec Supervisory Board consists of six members – all of whom are appointed on the basis of their qualification, work experience, independence and considering their diversity. No former member of the Management Board is a member of the Supervisory Board.

To ensure compliance with these recommendations, the Supervisory Board has specified concrete objectives regarding its composition, which are ensured when making proposals to the AGM for election or re-election of new Supervisory Board members. These objectives stipulate that the activities of the Company shall be represented by having a majority of independent Supervisory Board members with national and international experience in the respective fields of (i) Research and Development, (ii) Finance, Capital markets, Legal, Corporate Governance, (iii) Marketing and Sales and Operations and (iv) Healthcare Economy/Public Health. Potential conflict-of-interest situation(s) shall be avoided by deploying the highest scrutiny when assessing potential candidates. In addition, the Supervisory Board shall ensure that the individual age of a candidate shall not exceed 72 years at the time of the proposal. Diversity with regard to female representation shall be ensured by having a minimum of one female member of the Supervisory Board. Overall, the Supervisory Board shall be composed in such a way that the majority of its members are independent and that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks.

Currently, the composition of Evotec's Supervisory Board fulfils all those objectives with one exception: all members are independent, three nationalities are represented and there is one female member. However, to ensure the required expertise and some element of continuity in the Supervisory Board after the AGM 2014, it was proposed to the AGM as an exemption to the age related objective that due to his professional expertise Dr Walter Wenninger should serve again as Supervisory Board member although he was already 76 years at the AGM 2014. The Rules of Procedure of the Supervisory Board allow an exemption from the general age limit of 72 years at election.

The Members of the Supervisory Board are elected by the shareholders by a simple majority of the votes cast at an Annual General Meeting. The Supervisory Board appoints a chairman and one or more vice-chairmen from among its members. The members of the Supervisory Board are elected for five years and may be re-elected. The term of the current members of the Evotec Supervisory Board will expire at the end of the Annual General Meeting held in the year 2019.

The Supervisory Board advises and oversees the Management Board in the management of the Company. Based upon regular consultations with the Management Board, the Supervisory Board is involved in strategic and planning decisions and all decisions of fundamental importance to the Company.

In accordance with the internal rules of procedure, decisions taken by the Management Board on major transactions such as the strategic and operational direction of the Company, the annual budget, major acquisitions, investment or licence agreements, business contracts outside the Company's ordinary course of business that have

significantly different risk profiles as well as establishing new business operations or significantly revising existing business operations, require the approval of the Supervisory Board.

The chairman of the Supervisory Board coordinates the work in the Supervisory Board, calls and chairs its meetings and externally represents the concerns of the body.

The articles of association provide that while resolutions shall typically be passed in meetings, however, upon the chairman's instruction resolutions can be passed without a meeting by written notice, by telephone, facsimile, e-mail or by other conventional means of communication. The articles of association further provide that more than half of the members of the Supervisory Board must participate in voting on a resolution to constitute a quorum. If such a quorum is not met a new meeting shall be called with a notice period of two weeks, in which case three present board members constitute a quorum. Absent members may participate in a resolution by delivering a written vote to the Supervisory Board. Unless otherwise required by law or by the articles of association, resolutions of the Supervisory Board are passed by a simple majority of the votes cast.

The Supervisory Board has its own internal rules of procedure (see www.evotec.com; 'Investors > Corporate Governance > Policies and Charters') and complies with the Code's suggestion to hold occasional separate discussions.

The Supervisory Board was not aware of any potential conflicts of interest among any of its members in the course of 2014.

On a regular basis the Supervisory Board examines the efficiency of its activities as recommended in the Corporate Governance Code. To date all such audits have led to the conclusion that the Supervisory Board is organised efficiently and that the Management Board and the Supervisory Board cooperate very well.

An overview of its work can be found in the Report of the Supervisory Board, which can be found in the Management Report in the Evotec Annual Report on the website of the Company under www.evotec.com, section 'Investors > Finance > Financial Reports 2013 – 2015'.

Information on the professional affiliations of board members and on related party transactions can be found in the Annual Report of the Company. In addition, details on the Management Board and the Management Team be provided on Evotec's website under www.evotec.com; section 'About Us > Supervisory Board'.

Work in Supervisory Board Committees

A significant proportion of the Supervisory Board's work is conducted in committees. From among its members, Evotec's Supervisory Board has established, pursuant to the German Stock Corporation Act and the recommendations of the Code, an Audit Committee as well as a Remuneration and Nomination Committee. Members of both committees are appointed in accordance with the Code.

For information about the composition of the Supervisory Board Committees please see the website of the Company under www.evotec.com, section 'Investors > Corporate Governance > Supervisory Board Committees'.

Evotec's *Audit Committee*, comprising three members, supports the Supervisory Board in independently monitoring the Company's financial reporting activities and in auditing reports. In particular, the Audit Committee scrutinises the Company's accounting processes, the effectiveness of the internal control system and the audit. In addition, it discusses the quarterly and half-year reports with the Management Board. Within the scope of the audit of the financial statements commissioned by the Supervisory Board,

the Audit Committee also discusses certain steps and procedures of the audit with the appointed auditing firm, including the auditors' independence, the additional services rendered by the auditor, the issuing of the audit mandate to the auditing firm, the determination of auditing focal points, the fee agreement and compliance issues.

The members of the Audit Committee possess the required skills and experience. As a current Chief Financial Officer, the Audit Committee's Chairman Bernd Hirsch not only is independent, but also has the required specialist knowledge and experience in the application of accounting principles and internal control processes. Neither the Chairman of the Supervisory Board nor a former member of the Management Board may become Chairman of the Audit Committee. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in section 'Investors > Corporate Governance > Policies and Charters'.

The committee meets at least four times annually. The audit committee shall have a quorum if at least two of its members participate in the passing of a resolution. Resolutions require a simple majority of the votes cast. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the section 'Investors > Corporate Governance > Policies and Charters'.

The main duties and responsibilities of the Company's *Remuneration and Nomination Committee* are to prepare the appointment of Management Board members and to prepare recommendations concerning their remuneration system and Share Performance Plan. Final decisions are made by the full Supervisory Board.

Remuneration of Board members

Evotec complies with the recommendations of the Corporate Governance Code to provide details of the remuneration of each individual member of the Management Board and the Supervisory Board. Detailed information on the remuneration of Management Board members, divided into fixed and variable compensation components as well as any fringe benefits, and remuneration of Supervisory Board members is reported in a separate section of the Management Report ("*Remuneration Report*") in the Evotec Annual Report. The Evotec Annual Report is available on the website of the Company under www.evotec.com, section 'Investors > Finance > Financial Reports 2013 – 2015'. The remuneration of the Board Members is also publicised on Evotec's website under www.evotec.com; section 'Investors > Corporate Governance > Remuneration'.

Evotec has procured directors and officer's liability insurance coverage for its Management and Supervisory Board members, its senior management and the directors of its subsidiaries, at a cost to the Company. For the Management and Supervisory Board members an appropriately sized deductible was agreed upon. For the members of the Management Board a deductible of 10% of the damage or one and a half times the fixed annual remuneration is planned is agreed.

Shareholders and Annual General Meeting (AGM)

Evotec AG shareholders exercise their co-determination and monitoring rights at the AGM, convened at least once a year. The AGM takes decisions on all statutory matters that are binding on all shareholders and the Company. For voting on resolutions, each share confers one vote.

All shareholders registering in due time are entitled to participate in the AGM. Evotec offers shareholders who are unable to attend the AGM the opportunity to access key parts of the event live on the internet. The Company also encourages non-attendees to exercise their voting rights by arranging independent proxies who are bound to the shareholders' instructions. Shareholders may also authorise a person of their choice to represent them in the meeting. The possibility of a postal vote was not available at the

Annual General Meeting 2014. The Management Board is however entitled to allow postal voting at future Annual General Meetings.

The invitation to the AGM and the reports and information required for voting are published in accordance with the provisions of the German Stock Corporation Act and provided in German and English on Evotec's website under www.evotec.com; section 'Investors > Events > Annual General Meeting'.

Directors' Dealings

Under the Securities Trading Act ('Wertpapierhandelsgesetz'), the members of the Supervisory Board and the Management Team of Evotec as well as persons who have a close relationship with these persons are obligated to report trading in Evotec stock so far as the transactions exceed in aggregate € 5,000 (the de minimus threshold) per calendar year. In addition, Evotec has established an Insider Trading Policy (see www.evotec.com, section 'Investors > Corporate Governance > Policies and Charters') that sets standards for board members' and employees' trading in Evotec shares and thus ensures transparency.

During 2014, one Directors' Dealing was reported (see on the Company's website under www.evotec.com, section 'Investors > Corporate Governance > Directors' Dealings').

Date	Name	Position	Type	No of items	Price	Total
15 September 2014	Dr Werner Lanthaler	Member of Management Board	Purchase	10,000	EUR 3.057655	EUR 30,576.55

Directors' Shareholdings

As of 31 December 2014 the members of the Management Board and the Supervisory Board owned the following shares in the Company:

	Shares	Stock options	Share Performance Awards
Management Board			
Dr Werner Lanthaler	526,494	940,000	722,748
Colin Bond	-	290,000	284,859
Dr Cord Dohrmann	41,387	340,000	303,830
Dr Mario Polywka	60,000	398,792	305,043
Supervisory Board			
Prof. Dr Wolfgang Plischke	-	-	-
Dr Walter Wenninger	38,538	-	-
Dr Claus Braestrup	-	-	-
Prof. Dr Paul Linus Herrling	-	-	-
Bernd Hirsch	-	-	-
Prof. Dr Iris Löw-Friedrich	-	-	-

Changes to the directors' shareholdings will be published on Evotec website under www.evotec.com, section 'Investors > Corporate Governance > Directors' Shareholdings'.

Declaration of Corporate Management (§ 289a HGB)

The actions of Evotec AG's management and oversight bodies are determined by the principles of good and responsible corporate governance. In this declaration, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate management in the Group pursuant to section 289a (1) of the German Commercial Code (HGB) and pursuant to sub-section 3.10 of the German Corporate Governance Code. Our aim is to present our corporate management principles as clearly and concisely as possible.

Declaration of compliance and reporting on Corporate Governance

Declaration of compliance

With four exceptions, Evotec complies with all recommendations of the Code and the majority of the Code's suggestions. In December 2013, Evotec's Management Board and Supervisory Board declared in accordance with Section 161 of the German Stock Corporation Act (AktG):

"Evotec AG has complied in 2013 with the recommendations of the Governmental Commission on the German Corporate Governance Code (the "Code") as published in the official section of the Federal Gazette and intends to comply in the future with the recommendations of the Code, with the following exceptions:

- To incentivise executives via variable long-term incentive compensation, the 2012 Annual General Meeting in June approved so called Share Performance Plan. This complies with the recommendations set forth in Section 4.2.3 of the Code. In particular, it refers to specific key performance indicators and defines a "Maximum Target". From 2012 onwards, the Share Performance Plan replaces Evotec's stock option programme. Stock options issued in existing stock option programmes remain valid. While the exercise of options under these programmes requires an increase of the share price, the exercise is not related to other relevant comparison parameters as recommended in Section 4.2.3 of the Code. This decision is based on the lack of relevant comparison benchmarks in the field of German Biotech at the time when the stock option programmes were created.*
- The Company's D&O insurance and the deductible for members of the Management Board contained therein are in line with Section 3.8 of the Code and with the regulations of the Act on the Appropriateness of Management Board Compensation (VorstAG).*

For members of the Supervisory Board, the D&O insurance contains a reasonable deductible as foreseen by the version of the Code in force before its version published on 5 August 2009. The Company has decided to stick to this reasonable deductible for the time being. This decision was made in view of the Company's interest to attract international expertise for its Supervisory Board and the fact that a deductible for non-executive directors is not very common in international practice. While a lot of the German companies quoted on the TecDAX do not have a respective deductible at all, the Company believes that a reasonable deductible is a good compromise.

- *The performance-related compensation of the Supervisory Board has been deleted without replacement at the 2013 Annual General Meeting. This is in compliance with the Code. Until then the performance-related compensation as stipulated in Article 12 (4) of the Company's Articles of Association was linked to potential dividend payments. The Company believed that this was sufficient to be deemed to be oriented toward sustainable growth of the enterprise as recommended in Article 5.4.6 para 2 of the Code. However, since it cannot be completely ruled out that this will be interpreted different and for the reasons of precaution, we declare for the past a deviance from the recommendation set forth in Article 5.4.6 para 2 of the Code."*

The current Declaration of Compliance with the German Corporate Governance Code and the declarations of the past five years can be found on Evotec's website (www.evotec.com) in the section 'Investors > Corporate Governance'.

Relevant management practices and compliance

Relevant management practices

Evotec takes its Corporate Governance responsibilities very seriously. As a consequence of its shares' listing at the Frankfurt Stock Exchange and its international shareholder base, the Company recognises not only German but also international Corporate Governance standards, insofar as German law does not explicitly stipulate otherwise. Evotec's Management and Supervisory Boards are convinced that complying with rigorous Corporate Governance standards is of great benefit to the Company. It includes integrity in the dealings with employees, business associates, shareholders and the public, expressed in Evotec's own exemplary conduct. As a service provider, Evotec has to win and retain the trust of its customers and business associates through impeccable behaviour. The Group's aim is to be credible, solid and reliable and act accordingly. Thus Evotec regularly reviews and enhances its Corporate Governance practices.

Within the frame of strategical determination by the Management Board, specific goals are established and communicated. To accomplish our targets we rely on the enterprise and initiative of our managers and employees. We achieve consensus on clearly defined objectives, and we regularly monitor how well we are meeting them. These agreements on aims are a fundamental component of our leadership philosophy and a crucial element of our remuneration system.

Code of conduct

As a matter of course, Evotec abides by the law and by ethical principles. This is shown, amongst others, by the Company's Code of Conduct which stipulates fundamental ethical principles, such as integrity and professionalism that apply to board members and other employees alike. The Code of Conduct sets standards for

- accounting and the permissible use of the Company's funds and assets;
- conduct in cases of insider trading or conflict of interest;
- compliance with antitrust legislation;
- a work environment free of discrimination and harassment;

- non-disclosure and protection of intellectual property and business secrets; and
- the duty to report upon the suspicion of an infringement of the Code of Conduct (whistle-blowing).

In the interest of all employees and the Group, non-compliance with standards will be investigated and the causes will be remedied. This means that misconduct will be consistently prosecuted in accordance with national laws.

The Code of Conduct is published on the Evotec website (www.evotec.com) in the section '*Investors > Corporate Governance > Policies and Charters*'.

Compliance organisation

Evotec's Compliance Programme is overseen by the Company's Compliance Officer, functioning as an independent and objective body that reviews and evaluates compliance issues/concerns within the organisation.

The Compliance Officer helps to communicate the values underlying the Code of Conduct and anchor them firmly in the Group. It ensures Group-wide implementation of the compliance programme.

Moreover, a worldwide whistleblower system is implemented. It enables all Group employees to report compliance violations in an anonymous manner. Information received is immediately analysed by the Compliance Officer and the Chairman of the Supervisory Board's Audit Committee, who will also initiate any measures required.

Evotec also maintains an Ad Hoc Committee, which examines the ad hoc relevance of insider information and ensures that Evotec complies with the law.

Risk management

An important element of sound Corporate Governance is to deal responsibly with risks. Evotec has established a systematic risk management system that enables the Management Board to detect and react to relevant risks and market developments in good time. Details on the Company's risk management system and the risk report policies can be found in a separate section of the Management Report in the Evotec annual report (www.evotec.com '*Investors > Finance > Financial Reports 2012 – 2014*'). It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Accounting Modernisation Act (BilMoG).

These systems are continually developed, adjusted to match changes in overall conditions and reviewed by the auditors. The Management Board regularly informs the Supervisory Board about existing risks and the development of these risks.

Transparency

Evotec informs its shareholders, financial analysts, the media and the public on a regular basis about its progress. In doing so, the Company complies with all requirements of the Code regarding transparency, timeliness, openness and shareholder equality. Evotec is committed to fair disclosure of information. It is a prime concern of the Company that all relevant target groups receive the same information at the same time, and this implies communicating in both English and German. The Company's publications are available on its website (www.evotec.com, section '*Investors > Press Releases*').

Moreover, the 'Investors' section of Evotec's website (subsection 'Events' and 'Finance') maintains information such as news releases, the financial calendar containing the publication dates of the financial statements, the Annual General Meeting, Investor Relations conferences, annual and quarterly reports, other regulatory news and regularly updated corporate governance information. This section of the website also includes the Articles of Association, the Rules of Procedure of the Supervisory Board, the Audit Committee Charter, the Code of Conduct, the Insider Trading Policy and all declarations of compliance.

Moreover, the company website at www.evotec.com provides comprehensive information on the Evotec Group and the Evotec share.

Accounting and auditing

On a regular basis, Evotec provides financial and business information to its shareholders and other interested parties by publishing its annual consolidated financial statements and quarterly reports. As an incorporated company whose registered head office is located within the European Union, Evotec must prepare and publish consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) whilst observing Section 315a HGB (German Commercial Code). The financial statements of the Evotec Group and the financial statements of Evotec AG are audited by the audit firm and the Supervisory Board. The audit firm is appointed by the shareholders at the Annual General Meeting and commissioned by the Supervisory Board. It participates at the Supervisory Board's deliberations on the financial statements and reports the most significant results of its audit. The Audit Committee uses this information as a guideline for its own evaluation of the statements and reports.

The disclosed financial statements and the management reports for Evotec AG, as well as the consolidated financial statements together with the consolidated management report of the Evotec Group, are audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg. These audits also covered risk management and compliance with reporting requirements concerning corporate governance pursuant to section 161 of the German Stock Corporation Act. Following its consultations, the Supervisory Board also approves the financial statements and the consolidated financial statements.

Working methods of the Management Board and Supervisory Board

Composition and working methods of the Management Board and Supervisory Board

As required by the German Stock Corporation Act (Aktiengesetz), Evotec AG has a two-tier board system consisting of the Evotec Management Board (Vorstand) and the Evotec Supervisory Board (Aufsichtsrat). The Management Board is responsible for managing Evotec and representing the Company in its dealings with third parties, while the Supervisory Board appoints and dismisses the members of the Evotec Management Board and oversees the management of the Company. German law prohibits the Supervisory Board from making management decisions. The two boards work closely together to achieve long-term and sustainable growth for the Company and to create shareholder value. They agree on the Company's strategy and on business transactions that are significant. The Annual General Meeting ('Hauptversammlung') is the company body representing the interests of the shareholders.

Management Board ('Vorstand')

Evotec's Management Board is responsible for the day-to-day operations and is supported by the Management Team. In its business operations and decisions the Management Board

acts on behalf of the Company and works towards its progress with the objective of sustainable creation of value, thus taking into account the interests of the shareholders, the employees and other stakeholders.

The Management Board is responsible for corporate policy, the company's strategic orientation, financial, investment and personnel planning, resource allocation and the management of the divisions. The Management Board is responsible for preparing the quarterly consolidated financial statements and the annual consolidated financial statements, as well as the annual financial statements of Evotec AG. It is also responsible for the establishment of an effective risk management system, cares for compliance with legal requirements and internal guidelines.

Under Evotec's Articles of Association, the Supervisory Board determines the size of the Management Board, which must have at least one member under the German Stock Corporation Act. Currently, the Management Board of Evotec AG consists of four members. The statutory maximum term for members of the Management Board is five years, but Evotec's current practice is to limit the terms to three years. As an exemption, in 2011, Dr Werner Lanthaler, CEO, and the Company agreed upon a new contract starting March 2012 for a further five-year term. Management Board members may be reappointed and may be dismissed with good cause prior to the termination of their terms of office. Members of Evotec's Management Board have not accepted more than a total of three Supervisory Board mandates in non-Group listed companies. The Articles of Association can be found on Evotec's website under www.evotec.com; section '*Investors > Corporate Governance > Policies and Charters*'.

The activities of the Management Board are regulated by its internal Rules of Procedure, which set out the matters reserved for the full Management Board, the responsibilities of the areas of responsibility and the majorities necessary for passing resolutions.

Meetings of the Management Board shall be called by the Chairman of the Board. Each member of the Management Board may request that an extraordinary meeting of the Management Board be called outside its regular meetings. The board meetings are chaired by the Chairman of the Management Board, who also coordinates the areas of responsibility. Persons who are not board members can, if so resolved by the Management Board, be admitted to board meetings in a consultative capacity.

Brief minutes have to be made of material discussions and resolutions. Resolutions of the Management Board will be carried regularly at its meetings. Resolutions may also be carried without a meeting, however, in writing, by telex or by telephone. The Management Board shall be quorate if a majority of its Members vote on a resolution. Resolutions of the Management Board shall be passed by a simple majority. Should there be a tie, the CEO shall decide.

The Management Board also provides continuous updates to the Supervisory Board through regular verbal and written reports that includes in depth analysis of the status of operations. The information provided includes written monthly management reports with extensive coverage of the Company's financial figures for the previous month, accompanied by detailed comments and explanatory text. In addition, the Management Board must submit a budget for the following fiscal year and a plan for the medium term to the Supervisory Board. The Management Board is also required to report to the Supervisory Board in a timely fashion on any transactions that may be significant with respect to the profitability or liquidity of the Company in order to give the Supervisory Board an opportunity to express its opinion on such transactions prior to their implementation.

The Chairman of the Supervisory Board and the Chief Executive Officer as well as other members of the Management Board discuss current and ongoing topics via numerous conference calls, carried out whenever appropriate.

Details on the Management Board and the Management Team are provided on Evotec's website under www.evotec.com; section '*About Us > Management*'.

Supervisory Board

The Evotec Supervisory Board consists of six members — as provided in the Articles of Association — all of whom are appointed on the basis of their qualification, work experience, independence and considering their diversity. No former member of the Management Board is a member of the Supervisory Board.

To ensure compliance with these recommendations, the Supervisory Board has specified concrete objectives regarding its composition, which are ensured when making proposals to the Annual General Meeting for election or re-election of new Supervisory Board members. These objectives stipulate that the activities of the Company shall be represented by having a majority of independent Supervisory Board members with national and international experience in the respective fields of (i) Research and Development, (ii) Finance, Capital markets, Legal, Corporate Governance (iii) Marketing and Sales and Operations and (iv) Healthcare Economy/Public Health. Potential conflict of interest situation(s) shall be avoided by deploying the highest scrutiny when discussing potential candidates. In addition, the Supervisory Board shall ensure that the individual age of a candidate shall not exceed 72 years at the time of the proposal. Diversity with regard to female representation shall be ensured by having a minimum of one female member of the Supervisory Board. Overall, the Supervisory Board shall be composed in such a way that the majority of its members are independent and that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks.

Currently, the composition of Evotec's Supervisory Board fulfils all those objectives: all members are independent, three nationalities are represented on the Supervisory Board of Evotec and there is one female member.

The Members of the Supervisory Board are elected by the shareholders by a simple majority of the votes cast at an Annual General Meeting. The Supervisory Board appoints a chairman and one or more vice-chairmen from among its members. The members of the Supervisory Board are elected for five years and may be re-elected. The term of the current members of the Evotec Supervisory Board will expire at the end of the Annual General Meeting held in the year 2014.

The Supervisory Board advises and oversees the Management Board in the management of the Company. Based upon regular consultations with the Management Board, the Supervisory Board is involved in strategic and planning decisions and all decisions of fundamental importance to the Company.

In accordance with the internal rules of procedure, decisions taken by the Management Board on major transactions such as the strategic and operational direction of the Company, the annual budget, major acquisitions, investment or License Agreements, business contracts outside the Company's ordinary course of business that have significantly different risk profiles as well as establishing new business operations or significantly revising existing business operations, require the approval of the Supervisory Board.

The chairman of the Supervisory Board coordinates the work in the Supervisory Board, calls and chairs its meetings and externally represents the concerns of the body.

The articles of association provide that while resolutions shall typically be passed in meetings, however, upon the chairman's instruction resolutions can be passed without a

meeting by written notice, by telephone, facsimile, e-mail or by other conventional means of communication. The articles of association further provide that more than half of the members of the Supervisory Board must participate in voting on a resolution to constitute a quorum. If such a quorum is not met a new meeting shall be called with a notice period of two weeks, in which case three present board members constitute a quorum. Absent members may participate in a resolution by delivering a written vote to the Supervisory Board. Unless otherwise required by law or by the articles of association, resolutions of the Supervisory Board are passed by a simple majority of the votes cast.

The Supervisory Board has its own internal rules of procedure (see www.evotec.com; 'Investors > Corporate Governance > Policies and Charters') and complies with the Corporate Governance Code's suggestion to hold occasional separate discussions.

The Supervisory Board was not aware of any potential conflict of interests among any of its members in the course of 2013. However, in a simultaneous transaction to a capital increase by issuing 11,818,613 new shares to the Biotechnology Value Fund ("BVF"), BVF also purchased an option from TVM Capital granting BVF the right to acquire an additional 11,818,612 shares of Evotec from TVM Capital and ROI Verwaltungsgesellschaft mbH. Consequently, Roland Oetker and Dr Hubert Birner have requested to abstain from the final consultation and vote of the Supervisory Board on the approval of the capital increase to avoid any potential conflict of interest or potential vulnerability of the decision taken. Both, Roland Oetker and Dr Hubert Birner emphasized that they did not consider themselves as conflicted. Also the other members of the Supervisory Board state that they see no conflict of interest as both transactions are separated from each other. However, Roland Oetker's and Dr Hubert Birner's position and cautiousness was appreciated and both Supervisory Board members did not participate in the Supervisory Board's decision.

On a regular basis the Supervisory Board examines the efficiency of its activities as recommended in the Corporate Governance Code. To date all such audits have led to the conclusion that the Supervisory Board is organised efficiently and that the Management Board and the Supervisory Board cooperate very well.

An overview of its work can be found in the Report of the Supervisory Board, which can be found in the Management Report in the Evotec annual report on the website of the Company under www.evotec.com, section 'Investors > Finance > Financial Reports 2012 – 2014'.

Information on the professional affiliations of board members and on related party transactions can be found in the Annual Report of the Company. In addition, details on the Management Board and the Management Team be provided on Evotec's website under www.evotec.com; section 'About Us > Supervisory Board'.

Work in Supervisory Board Committees

A significant proportion of the Supervisory Board's work is conducted in committees of the Supervisory Board. From among its members, Evotec's Supervisory Board has, pursuant to the German Stock Corporation Act (AktG) and the recommendations of the Corporate Governance Code, established an Audit Committee and a Remuneration and Nomination Committee. Members of both committees are appointed in accordance with the Corporate Governance Code.

For information about the composition of the Supervisory Board Committees please see the website of the Company under www.evotec.com, section 'Investors > Corporate Governance > Supervisory Board Committees'.

Evotec's *Audit Committee*, comprising three members, supports the Supervisory Board in independently monitoring the Company's financial reporting activities and in auditing annual

financial reports. In particular, the Audit Committee scrutinises the Company's financial statements and risk management, and it discusses the quarterly and half yearly reports with the Management Board. Within the scope of the audit of the financial statements commissioned by the Supervisory Board, the Audit Committee also discusses certain steps of the audit with the independent auditing firm and proposes the approval of the annual report and the consolidated financial statements to the Supervisory Board. In addition to fulfilling its oversight responsibility, the committee reviews the Company's systems of internal controls regarding finance, accounting and legal compliance; as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

The Audit Committee's chairman is an independent financial expert and has specialist knowledge and experience in the application of accounting principles and internal control processes. Following Dr Hubert Birner's resignation, Bernd Hirsch, CFO of Symrise AG, has been appointed to the Supervisory Board by the trade register. Upon his appointment he was elected as Chairman of the Audit Committee. As a current Chief Financial Officer Bernd Hirsch has the required specialist knowledge and experience in the application of accounting principles and internal control processes. Neither the Chairman of the Supervisory Board nor a former member of the Management Board may become Chairman of the Audit Committee.

The committee meets at least four times annually. The audit committee shall have a quorum if at least two of its members participate in the passing of a resolution. Resolutions require a simple majority of the votes cast. Evotec's Audit Committee Charter can be found on the Company's website (www.evotec.com) in the section '*Investors > Corporate Governance > Policies and Charters*'.

The main duties and responsibilities of the Company's *Remuneration and Nomination Committee* are to prepare the appointment of Management Board members and to prepare decisions concerning their remuneration system. Final decisions are made by the Supervisory Board.

Remuneration of Board members

Evotec complies with the recommendations of the Corporate Governance Code to provide details of the remuneration of each individual member of the Management Board and the Supervisory Board. Detailed information on the remuneration of Management Board members, divided into fixed and variable compensation components as well as any fringe benefits, and remuneration of Supervisory Board members is reported in a separate section of the Management Report ('Remuneration Report') in the Evotec annual report. The Evotec annual report is available on the website of the Company under www.evotec.com, section '*Investors > Finance > Financial Reports 2012 – 2014*'. The remuneration of the Board Members is also publicised on Evotec's website under www.evotec.com; section '*Investors > Corporate Governance > Remuneration*'.

Evotec has procured directors and officer's liability insurance coverage for its Management and Supervisory Board members, its senior management and the directors of its subsidiaries, at a cost to the Company. For the Management and Supervisory Board members an appropriately sized deductible was agreed upon. For the members of the Management Board a deductible of 10% of the damage or one and a half times the fixed annual remuneration is planned is agreed.

Shareholders and Annual General Meeting (AGM)

Evotec AG shareholders exercise their co-determination and monitoring rights at the AGM, convened at least once a year. The AGM takes decisions on all statutory matters that are

binding on all shareholders and the Company. For voting on resolutions, each share confers one vote.

All shareholders registering in due time are entitled to participate in the AGM. Evotec offers shareholders who are unable to attend the AGM the opportunity to access key parts of the event live on the internet. The Company also encourages non-attendees to exercise their voting rights by arranging independent proxies who are bound to the shareholders' instructions. Shareholders may also authorise a person of their choice to represent them in the meeting. The possibility of a postal vote was not available at the Annual General Meeting 2013. The Management Board is however entitled to allow postal voting at future Annual General Meetings.

The invitation to the AGM and the reports and information required for voting are published in accordance with the provisions of the German Stock Corporation Act and provided in German and English on Evotec's website under www.evotec.com; section '*Investors > Events > Annual General Meeting*'.

Directors' Dealings

Under the Securities Trading Act ('Wertpapierhandelsgesetz'), the members of the Supervisory Board and the Management Team of Evotec as well as persons who have a close relationship with these persons are obligated to report trading in Evotec stock so far as the transactions exceed in aggregate EUR 5,000 (the de minimus threshold) per calendar year. In addition, Evotec has established an Insider Trading Policy (see www.evotec.com '*Investors > Corporate Governance > Policies and Charters*') that sets standards for board members' and employees' trading in Evotec shares and thus ensures transparency. In 2013, no transaction (Directors' Dealings) was reported to the Company, (see on the Company's website under www.evotec.com, section '*Investors > Corporate Governance > Directors' Dealings*').

Directors' Shareholdings

As of 31 December 2013 the members of the Management Board and the Supervisory Board owned the following shares in the Company:

	Number of Shares	Stock options	Share Performance Awards
Management Board			
Dr Werner Lanthaler	516,494	990,000	389,415
Colin Bond		290,000	146,204
Dr Cord Dohrmann	41,387	390,000	152,569
Dr Mario Polywka	60,000	440,000	150,631
Supervisory Board			
Dr Walter Wenninger	38,538		
Roland Oetker	17,433,489		
Dr Claus Braestrup			
Bernd Hirsch			
Prof Andreas Pinkwart	6,134		
Mary Tanner	70,081		

Changes to the directors' shareholdings will be published on Evotec website under www.evotec.com, section '*Investors > Corporate Governance > Directors' Shareholdings*'.

