

**Declaration by the Board of Management and the Supervisory Board of MediGene AG pursuant to § 161 of the German Stock Corporation Act (AktG) regarding the German Corporate Governance Code in effect as of June 14<sup>th</sup> 2007.**

**(Convenience Translation)**

Section 161 of the German Stock Corporation Act (AktG) requires the Board of Management and the Supervisory Board of a listed stock corporation to declare each year that the recommendations of the "German Corporate Governance Code Government Commission" published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette have been and are being met or, if not, which recommendations have not been or are not being applied. Shareholders must be given permanent access to such declaration.

The German Corporate Governance Code ("Code") contains rules with varying binding effects. Apart from outlining aspects of the current German Stock Corporation Act, it contains recommendations from which companies are permitted to deviate. However, if they do so, they must disclose this each year.

For the period from November 28, 2006 until July 20, 2007, the following declaration refers to the Code in effect as of June 12, 2006. For the corporate governance practice of the company since July 21, 2007, this declaration refers to the requirements of the Code in effect as of June 14, 2007, published in the electronic Federal Gazette on July 20, 2007.

References made to sections of the Code refer to the Code as published on June 14, 2007.

Management Board and Supervisory Board declare:

**1. Deductible in the case of D&O insurances**

The German Corporate Governance Code recommends in Sec. 3.8 that if a company takes out a directors' and officers' liability (D&O) insurance for the members of its Management Board and Supervisory Board, a suitable deductible shall be agreed. Regarding the D&O insurance effected for the members of MediGene's management and Supervisory Board, a deductible was agreed solely for damage claims asserted either in the USA, or in compliance with applicable US law

**2. Reference to demanding, relevant comparison parameters with respect to the issuance of stock options**

The German Corporate Governance Code recommends in Sec. 4.2.3 that for the compensation of the Management Board with Stock Options reference shall be made to demanding, relevant comparison parameters. No such reference is made in the stock option programme of MediGene.

**3. Possibility of limitation (Cap) regarding variable long-term compensation components**

The German Corporate Governance Code recommends in Sec. 4.2.3 that for extraordinary, unforeseen developments regarding the variable long-term components of the Management Board members' compensation, a possibility of limitation (cap) shall be agreed for by the Supervisory Board. No such caps have been agreed with the members of the Management Board of MediGene AG.

**4. Age limits for Management Board and Supervisory Board members**

The German Corporate Governance Code recommends in Sec. 4.2.3 that age limits shall be specified for Management Board and Supervisory Board members. No such age limits exist for the Management Board and the Supervisory Board members of MediGene AG.

**5. Formation of a nomination committee**

The German Corporate Governance Code recommends in Sec. 5.3.3 that the Supervisory Board shall form a nomination committee. No such nomination committee is formed yet at MediGene AG.

**6. Consideration of committee work in the compensation of members of the Supervisory Board**

The German Corporate Governance Code recommends in Sec. 5.4.7 that remuneration of Supervisory Board members should take into consideration the membership in Supervisory Board committees. The membership in Supervisory Board committees is not taken into consideration for the remuneration of Supervisory Board members of MediGene AG.

**7. Performance-related compensation of the Supervisory Board members**

The German Corporate Governance Code recommends in Sec. 5.4.7 that the members of the Supervisory Board shall receive both fixed as well as performance-related compensation. The Supervisory Board members of MediGene AG do not receive a performance-related compensation.

Martinsried, November 29, 2007

For the Management Board

For the Supervisory Board

Dr. Peter Heinrich

Prof. Dr. Ernst-Ludwig Winnacker