

Declaration by the Board of Management and the Supervisory Board of MediGene AG pursuant to § 161 of the German Stock Corporation Act (AktG)

(Convenience Translation)

Section 161 (I) (1) of the German Stock Corporation Act (AktG) requires the Executive and the Supervisory Boards of a listed stock corporation to declare annually 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 complied with, and which recommendations have not been or are not being applied, and for what reason. The public has to be given permanent access to this declaration on the Company website, pursuant to section 161 (II) of the German Stock Corporation Act.

In addition to the presentation of the applicable German Stock Corporation Act, the German Corporate Governance Code ("Code") also includes recommendations from which a company may deviate. However, any deviation has to be disclosed and accounted for annually.

For the period from November 28, 2008 until August 5, 2009, the following declaration refers to the Code as amended on June 6, 2008. For the period beginning on August 6, 2009, this declaration refers to the requirements of the Code as amended on June 18, 2009 and published in the electronic Federal Gazette on August 5, 2009.

References made to sections of the Code refer to the Code as amended on June 18, 2009.

The Executive and Supervisory Boards declare compliance with the Code since the issue of the declaration of compliance on November 27, 2008, with the following exceptions, and declare their intention to comply in the future as follows:

1. Deductible in the case of D&O insurances

The directors' and officers' liability (D&O) insurance taken out by MediGene AG for its Executive Board and Supervisory Board members does not include any general deductible (compare paragraph 3.8 (II) of the Code as amended on June 6, 2008, and paragraph 3.8 (II and III) of the Code as amended on June 18, 2009), but solely a deductible for damage claims put forward either in the USA or in compliance with applicable US law.

For the Executive Board members MediGene AG will agree with the D&O insurer by June 30, 2010 upon a deductible of at least 10 % of the loss up to at least the amount of one and a half times the fixed annual compensation of the respective Executive Board member.

MediGene AG intends not to agree upon any deductible for its Supervisory Board members in the future as well. Both the Executive and Supervisory Boards of MediGene AG believe that the commitment and sense of responsibility applied in the fulfillment of their duties are fully guaranteed without any such deductible as recommended by the Code.

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

In no. 4.2.3 paragraph 3 the German Corporate Governance Code as amended on June 6, 2008 recommends that in case the remuneration of Executive Board members includes any variable components, a limitation (cap) shall be agreed for extraordinary, unforeseen developments (compare section 87 (I) (3) of the German Stock Corporation Act).

The stock option plans of MediGene AG do not provide for any limitation (cap). The Supervisory Board believes that it has been and still is beneficial to MediGene to fully exhaust the legal framework even beyond the Code recommendations, in order to achieve the ideal manning of the Executive Board at the respective point in time.

3. Age limits for Management Board and Supervisory Board members

The German Corporate Governance Code recommends in nos. 5.1.2 paragraph 2 and 5.4.1 that age limits shall be set for Management Board and Supervisory Board members. No such age limits exist for the Management Board and the Supervisory Board members of MediGene AG. The company does not intend to introduce such age limits in the future either.

Both the Executive Board and the Supervisory Board consider such age limits to be an inappropriate constraint on the shareholders' right to elect the Supervisory Board members on the one hand, and a restriction of the Supervisory Board with regard to the choice of qualified Executive Board members on the other hand. The Executive Board and Supervisory Board age pattern at MediGene AG is well-balanced without any such stipulated age limit.

4. Formation of a nomination committee

The German Corporate Governance Code recommends in no. 5.3.3 that the Supervisory Board shall form a nomination committee composed of shareholder representatives exclusively. No such nomination committee has been set up at MediGene AG, nor is intended for the future.

In the opinion of the Executive and Supervisory Boards it is not necessary or wise to establish any additional committee in view of the overall size of the Supervisory Board of MediGene AG, and that the Supervisory Board is in a position to perform this task by itself without any loss of efficiency.

5. Consideration of committee work in the compensation of Supervisory Board members

The German Corporate Governance Code recommends in no. 5.4.6 paragraph 1 that membership in Supervisory Board committees shall be taken into consideration in the remuneration of Supervisory Board members. The membership in Supervisory Board committees is not taken into consideration in the remuneration of Supervisory Board members of MediGene AG, nor is intended to be in the future.

Both the Executive and Supervisory Boards believe that the Supervisory Board members show a high degree of commitment in their committee work without any such regulation.

6. Performance-related compensation of the Supervisory Board members

The German Corporate Governance Code recommends in no. 5.4.6 paragraph 2 that the Supervisory Board members shall receive both fixed as well as performance-related compensation. The Supervisory Board members of MediGene AG do not receive any performance-related compensation, and this is not intended in the future either.

Both the Executive and Supervisory Boards believe that the Supervisory Board members' work is efficient and oriented toward the best possible company success at any time even without any performance-related remuneration.

Martinsried, December 11, 2009

For the Executive Board

For the Supervisory Board

Dr Frank Mathias

Prof Dr Ernst-Ludwig Winnacker