

Declaration of MediGene AG regarding the German Corporate Governance Code pursuant to § 161 German Stock Corporation Act

Management board and supervisory board of MediGene AG herewith declare:

MediGene AG has complied and complies with the recommendations of the "Government Commission German Corporate Governance Code" which were published by the Ministry of Justice in the official part of the Federal Gazette on July 12, 2005 with the exception of the following recommendations:

1. Deductible in the case of D&O insurances

The German Corporate Governance Code recommends 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. With regard to the D&O insurance for the management board and supervisory board members of MediGene AG, no such deductible has been agreed.

2. Age limits for management board and supervisory board members

The German Corporate Governance Code recommends specifying age limits for management board and supervisory board members. No such age limits exist for the management board and the supervisory board members of MediGene AG.

3. Consideration of committee work in the compensation of members of the supervisory board

The German Corporate Governance Code recommends 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.

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

The German Corporate Governance Code recommends 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.

5. Performance-related compensation of the supervisory board members

The German Corporate Governance Code recommends that the members of the Supervisory Board shall receive both fixed as well as performance-related compensa-

tion. The Supervisory Board members of MediGene AG do not receive a performance-related compensation.

6. Publications on the Internet site of MediGene AG

The German Corporate Governance Code recommends that information on the enterprise which the company publishes shall also be accessible via the company's Internet site. MediGene AG does not make information about capital increases before the end of the subscription period accessible on its Internet site as far as this is not required by law.

It is also pointed out for clarification that the current stock option plans and convertible bonds which were implemented prior to the amendment of the German Corporate Governance Code on May 21, 2003 and in which the management board members also participate, are not – contrary to the recommendations of the German Corporate Governance Code as amended on May 21, 2003 – related to relevant comparison parameters and do not contain any possibilities of limitation by the supervisory board. The management board and the supervisory board of MediGene AG are of the opinion that the current stock option plans and convertible bonds are conform to the German Corporate Governance Code as amended on May 21, 2003.


Martinsried, November 28, 2005

For the management board



Dr. Peter Heinrich

For the supervisory board



Prof. Dr. Ernst-Ludwig Winnacker