

H) Executive and Supervisory Boards

(65) Executive Board

Changes to the Executive Board

The CEO of MediGene AG, Dr Peter Heinrich, stepped down from his post as Executive Board member on April 29, 2009 with immediate effect. The Supervisory Board appointed Dr Frank Mathias as his successor.

On December 10, 2009, the Supervisory Board of MediGene AG resolved that the Research and Development business unit will report directly to the CEO, Dr Frank Mathias, in the future. In connection with this decision, the previous Chief Medical Officer & Chief Development Officer, Dr Axel Mescheder, is leaving the company. As a result, the Executive Board of the company has been reduced to two members.

Remuneration of the Executive Board

Remuneration of members of the Executive Board in the past fiscal year totaled € 3,077 thousand (2008: € 2,345 thousand) including pensions in the amount of € 104 thousand (2008: € 91 thousand) and vehicle leasing costs of € 39 thousand (2008: € 43 thousand). This increase is due mainly to bonus, severance, and continued remuneration payments in the amount of € 1,722 thousand (2008: € 733 thousand). In addition, stock options with a fair value of € 152 thousand (2008: € 448 thousand) were issued to the Executive Board.

The Executive Board members' remuneration is comprised of fixed and variable components, as well as performance incentives to enhance shareholder value over the long term. The criteria for the variable compensation components are established in advance every year. The stock options represent long-term compensation components. The intention is to create performance incentives geared towards lasting corporate success. The targets that form the basis of these incentives may not be changed subsequently. No advance payments were granted to members of the Supervisory and Executive Boards.

The employment contracts of the Executive Board members Dr Thomas Klaue and Dr Axel Mescheder include provisions according to which the Executive Board member is entitled to a severance payment in case

- the employment contract is not extended and the reason for not extending the contract is not based on an important reason for termination for cause the Executive Board member is responsible for, or
- the Executive Board member terminates the employment contract for an important reason for which the company is responsible.

Executive Board compensation 2009

Executive Board member	Fixed compensation and severance payments ^{1,2,3)} in € thousand	Variable and performance based compensation ⁴⁾ in € thousand	Fringe benefit ⁵⁾ in € thousand	Variable compensation with long-term incentive effect	
				Number of stock options	Fair value of options in € thousand
Dr Peter Heinrich ¹⁾ , Chief Executive Officer (until April 29, 2009) Biochemist, Todtenweis-Sand, Germany	1,028	308	42	0	0
Dr Frank Mathias Chief Executive Officer (since April 29, 2009), Chief Operating Officer (until April 29, 2009), Pharmacist, Munich, Germany	346	87	36	35,000	66
Dr Thomas Klaue ²⁾ , Chief Financial Officer Chemical Process Engineer and Business Economist, Pullach, Germany	358	64	31	27,500	51
Dr Axel Mescheder ³⁾ , Chief Medical Officer & Chief Development Officer (until December 10, 2009) Medical Specialist, Wörthsee, Germany	691	52	34	18,850	35
Total	2,423	511	143	81,350	152

¹⁾ Severance payment amounting to € 752 thousand.

²⁾ Severance payment amounting to € 143 thousand.

³⁾ Continued remuneration payment amounting to € 467 thousand.

⁴⁾ On the basis of the accruals for 2009.

⁵⁾ Fringe benefits include pension expenses, and vehicle leasing for the members of the Executive Board.

The severance payment equals one and a half times the gross salary per month for each completed full year of employment of the Executive Board member, but at least six and not exceeding 36 gross amounts per month.

The employment contract of Dr Peter Heinrich included such a provision. In connection with his appointment as Chief Executive Officer of the company, Dr Frank Mathias waived a respective undertaking.

In the 2009 fiscal year, MediGene paid € 6 thousand (2008: € 6 thousand) into the benevolent fund for a pension obligation to a former Executive Board member.

(66) Supervisory Board

Remuneration of the Supervisory Board

Supervisory Board remuneration amounted to € 221 thousand in 2009 (2008: € 233 thousand). The Supervisory Board members' total remuneration is comprised of fixed remuneration and fees for attending meetings. Furthermore, expenses are reimbursed. Both the chairmanship and deputy chairmanship of the Supervisory Board are taken into account in the evaluation of the Supervisory Board members' scope of activities. Disclosures on the subscription rights of members of the Supervisory and Executive Boards and employees are shown under Note (67). No advance payments were granted to members of the Supervisory and Executive Boards.

Supervisory Board compensation 2009

Supervisory Board member	Fixed compensation in € thousand	Fees for attending meetings in € thousand
Dr Ernst-Ludwig Winnacker Chairman	48	20
Dr Norbert Riedel Deputy Chairman	36	15
Dr Pol Bamelis Member	24	10
Sebastian Freitag Member	24	10
Dr Mathias Albert Boehringer Member	24	10
Total	156	65

The members of the Supervisory Board possess the following occupational titles:

Dr Ernst-Ludwig Winnacker

since November 26, 1996

Chairman

Secretary General of Human Frontier Science Program (HFSP),
Strasbourg, France

Dr Norbert Riedel

since October 27, 2003

Deputy Chairman

Corporate Vice President, Chief Scientific Officer,
Baxter International, Inc., Glendale, CA, USA

Dr Pol Bamelis

since May 23, 2001

Former Executive Board member, Bayer AG, Leverkusen,
Germany

Sebastian Freitag

since June 10, 2005

Investment banker, Frankfurt, Germany

Dr Mathias Albert Boehringer

since July 16, 2008

Shareholders' committee member, Boehringer Ingelheim,
Ingelheim, Germany

The members of the Executive Board and the Supervisory Board additionally hold positions on the following supervisory boards and/or similar bodies:

Dr Ernst-Ludwig Winnacker

- Bayer AG, Leverkusen, Germany
- Wacker Chemie AG, Munich, Germany

Dr Norbert Riedel

- Oscient Pharmaceuticals Inc., USA

Dr Pol Bamelis

- Actogenix N.V., Belgium
- PolyTechnos Ltd., Guernsey, United Kingdom
- Recticel, Belgium
- Sioen N.V., Belgium
- Televic N.V., Belgium (until May 31, 2009)

Sebastian Freitag

- Wyser-Pratte EuroValue Fund Ltd., Cayman Islands

Dr Mathias Albert Boehringer

- Boehringer Ingelheim Gesellschafterausschuss, Ingelheim, Germany
- Phenex Pharmaceutical AG, Ludwigshafen, Germany

Dr Peter Heinrich (until April 29, 2009)

- MagForce Nanotechnologies AG, Berlin, Germany
- Immunocore Ltd., United Kingdom (until May 4, 2009)

Dr Thomas Klaue

- Immunocore Ltd., United Kingdom (since May 4, 2009)

(67) Directors' holdings and notes on subscription rights

Member	Shares Dec. 31, 2009	Shares Dec. 31, 2008	Options Dec. 31, 2009	Options Dec. 31, 2008
Dr Ernst-Ludwig Winnacker Chairman of Supervisory Board, Co-founder	274,476	274,476	0	8,600
Dr Norbert Riedel Vice Chairman of Supervisory Board	3,300	3,300	0	5,590
Dr Pol Bamelis Supervisory Board member	400	400	0	0
Sebastian Freitag Supervisory Board member	2,500	2,500	0	0
Dr Mathias Albert Boehringer Supervisory Board member	0	0	0	0
Total Supervisory Board	280,676	280,676	0	14,190
Dr Peter Heinrich Chief Executive Officer (until April 29, 2009), Co-founder	–*)	505,505	210,000	246,636
Dr Frank Mathias Chief Executive Officer (since April 29, 2009) Chief Operating Officer (until April 29, 2009)	0	0	57,500	22,500
Dr Thomas Klaue Chief Financial Officer	4,500	4,500	65,833	38,333
Dr Axel Mescheder Chief Medical Officer & Chief Development Officer (until December 10, 2009)	6,000	6,000	81,686	62,836
Total Executive Board	10,500	516,005	415,019	370,305

*) No data as at closing date.