

## I) Executive Board and Supervisory Board

### (68) Executive Board

#### Changes to the Executive Board

The Supervisory Board appointed Arnd Christ to the Executive Board of MediGene AG with effect from April 17, 2010. He took over as Chief Financial Officer from Dr. Thomas Klaue who left the Executive Board on that date.

#### Remuneration of the Executive Board

Remuneration of members of the Executive Board in the past fiscal year totaled € 997 thousand (2009: € 3,077 thousand), including pension expenses of € 52 thousand (2009: € 104 thousand) and vehicle leasing costs of € 22 thousand (2009: € 39 thousand). The high level of expenditure in 2009 was due mainly to bonus, severance and continued remuneration payments totaling € 1,722 thousand. In addition, stock options with a fair value of € 56 thousand (2009: € 152 thousand) were issued to the Executive Board.

Pursuant to point 2.2.1 (II) of the German Corporate Governance Code, the Annual General Meeting may pass a resolution approving the remuneration system of the Executive Board members. A resolution regarding the future remuneration system was passed for the first time at the Annual General Meeting on May 11, 2010. It was adopted by 96%.

Total remuneration of the Executive Board members is comprised of fixed and variable components, as well as other remuneration. Variable remuneration includes annual performance-based payment and stock options. The criteria for the annual performance-based payment are established by the Supervisory Board annually in advance. Objectives geared to sustainable and

long-term corporate success as well as stock options represent long-term incentives. By delaying payment of a part of the annual compensation for three years, and subsequent review and decision-making by the Supervisory Board whether and to what extent a sustainably positive corporate development can be affirmed, additional incentives for future Executive Board member employment contracts shall be created.

The Supervisory Board may reward any extraordinary accomplishments of the Executive Board members by payment of a special bonus.

The employment contract of the CEO, Dr. Frank Mathias, contains provisions that entitle him as an Executive Board member to severance pay in certain circumstances if his contract is terminated. This would apply, for example, if he were to terminate the contract for cause, with the reasons of this termination being attributable to the Company («special termination«).

The amount to which he is entitled by way of compensation is 1.5 times his gross monthly salary for each full year he has served as an Executive Board member, but no less than six months' and not exceeding 36 months' gross monthly salary. By the terms of a contractual amendment dated October 25, 2010, CEO Dr. Frank Mathias' entitlement to a severance payment is further limited to a maximum of € 750 thousand.

Dr. Thomas Klaue's employment contract included a comparable arrangement. None has been agreed for Arnd Christ.

In the 2010 fiscal year, MediGene paid € 6 thousand (2009: € 6 thousand) into a benevolent fund for a pension commitment to a former Executive Board member.

#### Executive Board compensation 2010

Executive Board member	Fixed compensation in € thousand	Variable and performance based compensation <sup>1)</sup> in € thousand	Fringe benefit <sup>2)</sup> in € thousand	Variable compensation in the form of stock options	
				Number of stock options	Fair value of options in € thousand
Dr. Frank Mathias Chief Executive Officer, Pharmacist, Munich, Germany	355	213	38	35,000	32
Dr. Thomas Klaue Chief Financial Officer (until April 17, 2010) Chemical process engineer and business economist, Pullach, Germany	90	55	19	11,680	11
Arnd Christ Chief Financial Officer (since April 17, 2010) Degree in business administration, Krailling, Germany	145	65	17	14,278	13
<b>Total</b>	<b>590</b>	<b>333</b>	<b>74</b>	<b>60,958</b>	<b>56</b>

<sup>1)</sup> On the basis of the accruals for 2010 including special bonus.

<sup>2)</sup> Fringe benefits include pension expenses, and vehicle leasing for the members of the Executive Board.

**(69) Supervisory Board****Remuneration of the Supervisory Board**

Supervisory Board remuneration amounted to € 261 thousand in 2010 (2009: € 221 thousand). The Supervisory Board members' total remuneration consists of fixed remuneration and fees for attending meetings. In addition, 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 are shown under Note (70). No advance payments were granted to members of the Supervisory and Executive Boards.

**Supervisory Board compensation 2010**

Supervisory Board member	Fixed compensation in € thousand	Fees for attending meetings in € thousand
Prof. Dr. Ernst-Ludwig Winnacker Chairman	48	25
Prof. Dr. Norbert Riedel Deputy Chairman	36	19
Dr. Pol Bamelis Member	24	13
Sebastian Freitag Member (until September 30, 2010)	18	7
Dr. Mathias Albert Boehringer Member	24	13
Dr. Thomas Werner Member (since February 2, 2010)	22	12
<b>Total</b>	<b>172</b>	<b>89</b>

**The members of the Supervisory Board possess the following occupational titles:****Prof. Dr. Ernst-Ludwig Winnacker**

since November 26, 1996

Chairman of the Supervisory Board

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

**Prof. Dr. Norbert Riedel**

since October 27, 2003

Deputy Chairman of the Supervisory Board

Corporate Vice President, Chief Scientific Officer,  
Baxter International, Inc., Deerfield, Illinois, USA

**Dr. Pol Bamelis**

since May 23, 2001

former Executive Board member, Bayer AG, Leverkusen, Germany

**Sebastian Freitag (until September 30, 2010)**

since June 10, 2005

Investment banker, Frankfurt, Germany

**Dr. Mathias Albert Boehringer**

since July 16, 2008

Degree in business administration, Ingelheim, Germany

**Dr. Thomas Werner**

since February 2, 2010

Freelance management consultant, Utting am Ammersee,  
Germany

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

**Prof. Dr. Ernst-Ludwig Winnacker**

◦ Bayer AG, Leverkusen, Germany

◦ Wacker Chemie AG, Munich, Germany

**Prof. Dr. Norbert Riedel**

◦ Oscient Pharmaceuticals, Inc., USA (until June 29, 2010)

**Dr. Pol Bamelis**

◦ Actogenix N.V., Belgium

◦ PolyTechnos, Ltd., Guernsey, United Kingdom

◦ Recticel, Belgium

◦ Sioen N.V., Belgium

◦ Hemacon GmbH, Düsseldorf, Germany (since July 1, 2010)

**Sebastian Freitag (until September 30, 2010)**

◦ Wyser-Pratte EuroValue Fund Ltd., Cayman Islands

◦ BEKON Holding AG, Unterföhring, Germany (since June 9, 2010)

**Dr. Mathias Albert Boehringer**

◦ Boehringer Ingelheim shareholders' committee, Ingelheim,  
Germany

◦ Phenex Pharmaceutical AG, Ludwigshafen, Germany

◦ Phorms Management AG, Berlin, Germany

(since June 1, 2010)

**Dr. Thomas Werner (since February 2, 2010)**

◦ Pharma Swiss AG, Switzerland

◦ 4SC AG, Munich, Germany

◦ CM&D Pharma Ltd., United Kingdom

◦ SkyePharma plc., United Kingdom

◦ Accera Inc., USA

**Dr. Frank Mathias**

◦ Catherex, Inc., USA (since May 27, 2010)

**Arnd Christ (since April 17, 2010)**

◦ Immunocore Ltd., United Kingdom (since May 25, 2010)

◦ DNS Beteiligungsgesellschaft mbH, Bessenbach, Germany

**Dr. Thomas Klaue (until April 17, 2010)**

◦ Immunocore Ltd., United Kingdom (until May 25, 2010)