

Convenience Translation Declaration of Conformity 2017

Section 161 (I) (1) of the German Stock Corporation Act (AktG) requires the Executive Management and the Supervisory Boards of a listed stock corporation to declare annually that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and are complied with, and which recommendations have not been or are not being applied, and for what reason. 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 ("shall" provisions). However, any deviation has to be disclosed and accounted for annually. Since issuing the last Declaration of Conformity on 13 December 2016 Medigene AG has complied with the recommendations of the Code in its version dated 5 May 2015, except with the declarations made in the Declaration of Conformity of 13 December 2016. For the period starting 28 November 2017 the Executive Management and Supervisory Boards declare conformity with the Code in its version dated 7 February 2017 with the following exceptions, and declare their intention to comply in the future as follows:

Section 3.8 para. 3 of the Code: Deductible in the case of D&O insurances

The D&O insurance (so-called directors' and officers' liability insurance) taken out by Medigene AG for its Supervisory Board members does not provide for any deductible. Medigene AG does not intend to agree a general deductible for its Supervisory Board members with its D&O insurance carrier. The legal obligation to adapt D&O insurance contracts pursuant to Section 93 (II) (3) of the German Stock Corporation Act (AktG) in conjunction with Section 23 (I) (1) of the Introductory Act to the German Stock Corporation Act (EGAktG) is applicable only to Executive Management Board members. In Section 116 (I) of the German Stock Corporation Act, the legislator did not require any deductible for Supervisory Board members, but expressly excluded the Supervisory Board instead. The Executive Management and Supervisory Board of Medigene AG believe that the nature of the position as a Supervisory Board member, which is also emphasized by the different remuneration, calls for a distinction between D&O insurances for Executive Management and Supervisory Board members. Both the Executive Management and Supervisory Boards also believe that the motivation and sense of responsibility applied by the members of the Supervisory Board of Medigene AG in the fulfillment of their duties are fully guaranteed without any general deductible as recommended under the Code.

Section 4.1.5 sentence 2 of the Code: Proportion of women in management levels under the Executive Management Board

The Executive Management Board of Medigene AG resolved on a target regarding the proportion of women in the so-called „Management Team“. A second level was consciously not defined in the light of the current size of Medigene AG and the respective structure of the company, which would not be meaningful and appropriate. The definition of only one management level in the form of the Management Team reflects existing reporting lines to the Executive Management Board. A second management level which would be meaningful in the sense of the Equal Opportunities Act does not exist and cannot meaningfully be defined through titles or other definitions such as responsibility over personnel.

Section 4.2.3 para. 3 of the Code: Establishment of a targeted pension level

For the members of the Executive Management Board of Medigene AG, there is a defined contribution plan that does not aim to achieve a specific level of pensions. The Supervisory Board considers the existing pension system as appropriate and well balanced.

Section 5.4.6 para. 1 sentence 2 of the Code: Consideration of committee work in the compensation of Supervisory Board members

There is no differentiation between a chairman and a regular member of a committee. Both the Executive Management and Supervisory Boards believe that the Supervisory Board members show a high degree of commitment in their committee work without any such arrangement.

Martinsried, 28 November 2017

For the Supervisory Board:

For the Executive Management Board:

Prof Horst Domdey
Chairman of the Supervisory Board

Prof Dolores Schendel
Chief Executive Officer