Declaration of Conformity 2022

Section 161 (I) (1) of the German Stock Corporation Act (AktG) requires the Executive Management and 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 will not be applied and on what grounds. In addition to referencing 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 such deviation must be disclosed and accounted for annually.

Since issuing the last Declaration of Conformity on 24 March 2021, Medigene AG has complied with the recommendations of the Code in its version dated 16 December 2019, with the exception of the declarations indicated and accounted for in the Declaration of Conformity of 24 March 2021. For the period beginning 21 March 2022, the Executive Management Board and Supervisory Board declare that Medigene AG is and will be in conformity with the Code in its version dated 16 December 2019, with the following exceptions:

G.6 of the Code: Ratio of short-term to long-term variable remuneration

No. G.6 of the Code recommends that the share of long-term variable remuneration should exceed the share of short-term variable remuneration. The company's Annual General Meeting last approved the current remuneration system for the Executive Management Board on June 24, 2021 under agenda item 6, which provides for a ratio of short-term to long-term variable remuneration of 65:35. In view of the remuneration system approved in 2021, the Supervisory Board considers it reasonable not to amend the existing service contracts in such a way that the share of the short-term bonus is less than 50%. At present, the Supervisory Board does not believe that the criterion of a greater long-term variable remuneration component in relation to the short-term variable remuneration component is a decisive factor for proper corporate governance directed at the long-term well-being of the Company.

G.10 of the Code: Long-term variable remuneration

No. G.10 of the Code recommends that the long-term variable remuneration amounts granted to members of the Executive Management Board should be invested primarily in Company shares or correspondingly granted on a share basis. Executive Management Board members should not be able to dispose of amounts constituting the long-term variable remuneration for four years. The Company's Annual General Meeting last approved the currently applicable remuneration system for the Executive Management Board on 24 June 2021 under agenda item 6, which does not provide for the long-term variable remuneration amounts granted to Executive Management Board members to be invested primarily in Company shares or correspondingly granted on a share basis. The long-term variable remuneration amounts are mainly paid out in cash without any further obligation to invest the amounts received, for example, in Company shares. In addition, the granting of stock options as share-based remuneration is a component of the granting of long-term variable remuneration. The Supervisory Board does not currently believe that the criterion specifying that long-term variable remuneration amounts granted to Executive Management Board members should be invested primarily in Company shares or correspondingly granted on a share basis is a decisive factor for proper corporate governance directed at the long-term well-being of the Company. Moreover, it should be noted that one of the remuneration components consists of the granting of stock options, the amount of which is linked to the degree of goal achievement of the short-term bonus. When stock options are granted, there is a statutory waiting period of four years before they can be exercised.

G.11 of the Code: Recovery of variable remuneration

No. G.11 of the Code recommends that the Supervisory Board should have the possibility to take account of extraordinary developments within an appropriate framework. In cases where the grounds are justified, it should be possible to withhold or reclaim variable remuneration (i.e. "clawback"). The Supervisory Board does not implement Recommendation G.11 of the Code, as it is of the opinion that meeting mutually agreed goals gives rise to a claim for remuneration accordingly. Extraordinary developments can, if necessary, be taken into account in other ways with regard to remuneration within the framework of new service contracts to be agreed.

G.13 of the Code: Payments on premature termination of the service agreement

No. G.13 of the Code recommends that payments made to Executive Management Board members on premature termination of their service contracts do not exceed the value of two years' remuneration (severance payment cap) and should not pay remuneration beyond the remaining term of the contract. In the event of a post-contractual restrictive covenant, the severance payment should be credited against the remuneration for the period of the restrictive covenant. The service contracts of the existing members of the Executive Management Board were concluded in accordance with the remuneration system resolved by the Annual General Meeting on 24 June 2016 and therefore do not fully comply with this recommendation. The currently applicable remuneration system will be taken into account when concluding new contracts and agreeing contract extensions.

G.16 of the Code: Reduction of remuneration pursuant to non-group Supervisory Board mandates

No. G.16 of the Code recommends that when members of the company's Executive Management Board take up non-group Supervisory Board mandates, the Supervisory Board should decide whether and to what extent the remuneration is to be reduced. Acceptance of non-group Supervisory Board mandates by Executive Management Board members requires the approval of the Supervisory Board, in the course of which the latter shall examine, among other aspects, the time availability of the Executive Management Board member concerned and the potential impact on their activities for the Company. If approval is granted in this respect, no further decision is made as to whether and to what extent remuneration is to be reduced, as approval is only granted if the interests of the Company are not affected and there are no concerns regarding any decisive impact on the time available to Executive Management Board members for their work for the Company. Consequently, there are no grounds from the outset for any reduction of remuneration.

Planegg/Martinsried, 21 March 2022

pp Supervisory Board:

Dr. Gerd Zettlmeissl
Supervisory Board Chairman

pp Executive Management Board:

Prof. Dr. Dolores Schendel
CEO