

**MOLOGEN AG Declaration of Compliance
to the German Corporate Governance Code
in Accordance with Article 161 of the Federal Stock Corporation Act**

The Executive Board and Supervisory Board of MOLOGEN AG declare that the recommendations of the German Corporate Governance Code, as stated in the current applicable version dated May 21, 2003, were met by MOLOGEN AG with the exceptions below:

Annual report on corporate governance of the company in the annual report

Previously the company only published the Declaration of Compliance of the Executive Board and Supervisory Board, which also contains explanations for deviations, on the company homepage. In the future, the Executive Board and Supervisory Board will report on corporate governance in the company in a similar manner in the annual report. No comment was or is being made on the code suggestions.

Compensation of the Executive Board

The German Corporate Governance Code recommends dividing the compensation of Executive Board members into fixed and variable. However, Individual Executive Board members at MOLOGEN AG were and are receiving only variable components.

Furthermore, the Code recommends that the Supervisory Board for variable compensation components agree on a limitation (cap) for extraordinary, unplanned developments. This recommendation was and is not being complied with because in terms of the scope of the Stock Option Programme approved at the General Meeting, this is not commensurate from the point of view of the Executive Board and Supervisory Board.

It was also recommended that the basic principles of the compensation system and a concrete definition of a share option plan be explained on the company internet page and in the annual report. Previously, the company partly complied with this by providing an explanation of share option plans in the annual report. This will proceed in the same way in the future. Furthermore, the German Corporate Governance Code recommends that the Chairman of the Supervisory Boards informs the General Meeting on the basic principles of the compensation system and the modifications made to it. This recommendation was and is not being complied with. As stated above, the corresponding explanations are given within the legally stipulated scope in the company annual report.

The code also recommends presenting the compensation of Executive Board members in the Notes to the Consolidated Financial Statements divided up according to fixed salary, success-related components and components with long-term incentives. Data on this should be individualized. The recommendation was and is not being applied in this way. Compensation of the Executive Board is specified in a position for the entire Executive Board in accordance with legal obligations.

Tasks of the Supervisory Board

The German Corporate Governance Code recommends setting an age limit for Executive Board members. The current service contracts of Executive Board members at MOLOGEN AG are of limited duration and are not automatically extended. As before, the Supervisory Board will take into account the candidate's age when concluding a new service contract for board members and, where necessary, will adjust the contract duration accordingly. An age limit was and is not being specified.

Tasks of the Chairman of the Supervisory Board

The German Corporate Governance Code recommends that the Chairman of the Supervisory Board also acts as Chairman for committees which are responsible for Executive Board member contracts and which plan Supervisory Board meetings. The Supervisory Board of MOLOGEN AG consists of three members and will thus not be forming any committees. In the past there have not been any committees in the Supervisory Board. In compliance with the Code, the Chairman was previously responsible for planning Supervisory Board meetings and shall continue to be responsible in the future.

Formation of committees through the Supervisory Board

The recommendations of the German Corporate Governance Code with regard to forming committees in the Supervisory Board are not currently being met by MOLOGEN AG. The Supervisory Board of MOLOGEN AG consists of three members. However, the Supervisory Board has no intention of forming committees, and this has not been done in the past either.

Composition of the Supervisory Boards

The German Corporate Governance Code recommends that a specified age limit be taken into account when voting for the Supervisory Board members. This recommendation was and will not be complied with, because the term of office for Supervisory Boards as stipulated in the company Articles of Association provides a tightly structured timeframe for the mandate.

Compensation of the Supervisory Boards

The recommendations of the German Corporate Governance Code with regard to showing individual compensation in the Notes to the Consolidated Financial Statements, divided up according to amount, have not yet been implemented by the company. In addition, compensation paid by the company to Supervisory Board members, or guaranteed bonuses for personal achievements, particularly consultancy services and good offices, have not previously been stated separately in the Notes to the Consolidated Financial Statements. Compensation paid to Supervisory Board members including compensation or guaranteed bonuses for personal performance was and is not being stated separately for the entire Supervisory Board in the notes to the Consolidated Financial Statements in accordance with the legal requirements.

Transparency

The German Corporate Governance Code recommends that share ownership, including options and other derivatives of individual Executive Board and Supervisory Board members, should be given if he or she owns more than 1% of the company's issued shares, either directly or



indirectly. If total ownership of all Executive Board and Supervisory Board members exceeds 1% of the company's issued shares, total ownership should be separated by the Executive Board and Supervisory Board. This recommendation was and is not being complied with. The Executive Board and Supervisory Board of MOLOGEN AG are of the opinion that the regulations in Article 21 of the Securities Trade Act create sufficient transparency.

Reporting

The German Corporate Governance Code recommends that the Consolidated Financial Statements and interim reports should drawn up by compliance with internationally recognized accounting principles. The company compiled its Annual Financial Statements for the first time on December 31, 2004 in accordance with internationally recognized accounting principles. In the future, the interim reports, as well as the Consolidated Financial Statements, will be compiled in accordance with these principles, thus complying with the recommendation.

Berlin, April 14, 2005

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MOLOGEN AG

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