

MOLOGEN AG

German Corporate Governance Code MOLOGEN AG Declaration of Compliance with § 161 of the German Stock Companies Act

The Board of Directors and the Supervisory Board of MOLOGEN AG hereby declare that the recommendations of the German Corporate Governance Code as stated in the current version of June 02, 2005, have been and continue to be met by the company with the exceptions stated below:

Annual report on the company's corporate government in the annual report

The company publishes the declaration of compliance issued by the Board of Directors and the Supervisory Board on the company's website as well as in the annual report. The declaration also contains notes on deviations. No comment has been or is being made on the code recommendations.

D&O liability insurance

The D&O liability insurance purchased for the members of the Board of Directors and the Supervisory Board contains no deductible, as customary in the market.

Compensation of the Board of Directors

The German Corporate Governance Code recommends a division of the compensation for members of the Board of Directors into fixed and variable parts. Individual members of MOLOGEN AG's Board of Directors, however, have been and are receiving only variable compensation.

The Code further recommends that the Supervisory Board agrees on a limit (cap) on variable compensation components to be applied in case of special, unexpected developments. This recommendation has not been and will not be complied with, as it is deemed inappropriate by both the Executive Board and the Supervisory Board in view of the scope of the share options programs that were agreed at the Annual Shareholders' Meeting.

Furthermore, the Code recommends publishing an outline of the compensation model as well as the concrete design of a share option plan on the company's website and in the annual report. So far, the company has conformed in part to this recommendation by publishing an explanatory outline of the share option plans in the annual report, a practice that will be adhered to in the future. Another recommendation of the German Corporate Government Code is that the chairman of the Supervisory Board informs the shareholders at the Annual Shareholders' Meeting about the basic structure of the compensation model and any changes therein. This recommendation has

not been and will not be followed. As stated above, the relevant information has been and will be published to the extent required by law in the annual report.

Furthermore, the Code recommends a disclosure of the compensation of the Board of Directors in the notes to the consolidated financial statement, broken down into fixed compensation, performance-related components, and long-term incentives. According to Code recommendations, these data should be individualized. This recommendation has not been and will not be followed. Compensation of the Board of Directors is given as one single item according to legal requirements and regulations.

Tasks of the Supervisory Board

The German Corporate Governance Code recommends that an age limit should be defined for members of the Board of Directors. The current contracts with members of MOLOGEN AG's Board of Directors are fixed-term and will not be automatically renewed. As before, the Supervisory Board will consider a candidate's age in its decision concerning new service contracts with candidates for the Board of Directors, and may, if necessary, adjust the contract term accordingly. No age limit has been or will be defined.

Tasks of the Chairman of the Supervisory Board

The German Corporate Governance Code recommends that the chairman of the Supervisory Board also presides those committees that deal with Board of Directors contracts and those that prepare the meetings of the Supervisory Board. The Supervisory Board of MOLOGEN AG has only three members and will therefore not form any committees. Neither have committees been formed in the past. In accordance with the Code, the chairman has prepared the meetings of the Supervisory Board in the past, and will continue to do so in the future.

Formation of committees by the Supervisory Board

The recommendations by the German Corporate Governance Code concerning the formation of committees by the Supervisory Board are currently not applicable to MOLOGEN AG. The company's Supervisory Board has only three members and is not planning to form any committees, nor has it done so in the past.

Composition of the Supervisory Board

The German Corporate Governance Code recommends the definition of an age limit for candidates for the Supervisory Board. This recommendation has not been and will not be followed, as the company's Articles of Association regulate a fixed term of office of the Supervisory Board members, so that the duration of the mandate is clearly limited.

Compensation of the Supervisory Board

The company has thus far not followed the recommendations of the German Corporate Governance Code for an itemized disclosure of the individual compensations, broken down into components, in the notes to the consolidated financial statement and in the corporate governance report. Neither have the compensations paid by the company to the members of the Supervisory Board been disclosed separately as individualized items in the notes to the consolidated financial statement, nor any benefits granted in return for individual services, particularly consulting, intermediation and procurement. Both the compensations paid to the members of the Supervisory Board as well as the compensations or granted benefits in return for individual services have been and will be stated as one single item, respectively, for the entire Supervisory Board in the notes to the consolidated financial statement.

Transparency

The German Corporate Governance Code recommends that share holdings including related financial instruments, especially derivatives, by individual members of the Board of Directors or the Supervisory Board should be disclosed if the holdings directly or indirectly exceed 1% of the total number of shares issued by the company. If the total share holdings of all members of the Board of Directors and the Supervisory Board exceed 1% of the company's issued shares, the total ownership should be disclosed for the Board of Directors and the Supervisory Board separately.

This recommendation was and is not being complied with. The disclosure of this information conforms to the legal regulations and requirements. The Board of Directors and the Supervisory Board are of the opinion that these legal regulations guarantee sufficient transparency. The information will not be published a second time in the corporate governance report.

Accounting

The corporate governance report will not contain precise information about share options programs and other share related incentives. As far as required by law, this information will be disclosed in the annex to the consolidated financial statement.

Berlin, March 24, 2006

Supervisory Board

Board of Directors

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