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**DECLARATION OF COMPLIANCE 2008  
WITH THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO  
SECTION 161 Sentence 1 OF THE GERMAN STOCK CORPORATION ACT (AKTG)**

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The Executive Board and the Supervisory Board of Epigenomics AG hereby declare that since the last statement of compliance in December 2007, Epigenomics AG has complied with the recommendations of the German Government Commission on the Corporate Governance Code in the version of June 14, 2007 and June 6, 2008, respectively, and will comply with the recommendations of the German Government Commission on the Corporate Governance Code in the version of June 6, 2008, with the following exemptions, partly due to specific corporate particularities:

**Section 2.3.2**

The Company cannot comply with the recommendation to communicate electronically to all domestic and foreign financial service provider, shareholders and associations of shareholders the convening of the general shareholders' meeting including all convocation documents, if the prerequisites for agreement are fulfilled, as with the regard to the existing freefloat no sufficiently secure identification and addressing of the shareholders can be assured. However, irrespective of the requirement pursuant to § 125 AktG, the Company will send these documents electronically for information purposes to those shareholders who wish to receive and request them electronically.

**Section 3.8 Paragraph 2.**

The D&O (directors' & officers') liability insurance taken out by Epigenomics AG for its Executive Board and Supervisory Board members includes a deductible. However, we think a deductible is not a precondition for responsible management; responsible management rather is a self-evident duty of all board members. Therefore, the "adequacy" of the amount of a deductible is not of particular importance. Accordingly, we did not and will not comply with the recommendation in Section 3.8. paragraph 2 regarding the adequacy of the deductible.

**Section 4.2.3 Paragraph 3, Sentence 4**

The stock options granted to Executive Board members in the past were not related to relevant comparison parameters. With regard to existing stock option programs a retroactive change of performance targets is not excluded, and for extraordinary, unforeseen developments a possibility of limitation (cap) has not been agreed upon. We think that the responsibility and motivation of Executive Board members are not improved by referring to comparison parameters and that a possibility of limitation (cap) is not necessary due to the structure of the existing stock option programs. Therefore, the aforementioned recommendations pursuant to Section 4.2.3 paragraph 3 of the Code were not adhered to with regard to stock options granted in the past and with regard to existing stock option programs and will not be complied with.

**Section 5.1.2 Paragraph 2, Sentence 3**

An age limit for members of the Executive Board has not been specified. Such a general limit could restrict the members of the Supervisory Board in their selection of particularly qualified and experienced candidates. From our point of view, age is not necessarily an adequate criterion for the disqualification of candidates. Furthermore, the age structure of the Executive Board does not suggest the adoption of an age limit within the foreseeable future. Accordingly, we did not and will not comply with the recommendation in Section 5.1.2 paragraph 2 regarding an age limit for members of the Executive Board.

### **Section 5.3.3**

The Supervisory Board takes the view that the requirement to form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the General Shareholders' Meeting is with regard to the Company's size not necessary. Furthermore, this task is already been addressed by the Company's Personnel and Compensation Committee.

### **Section 5.4.1, Sentence 2**

Due to the aforementioned reasons, an age limit for members of the Supervisory Board has neither been specified. An age limit would inappropriately narrow the shareholders' right to elect the members of the Supervisory Board. Accordingly, we did not and will not comply with the recommendation in Section 5.4.1 sentence 2 regarding an age limit for members of the Supervisory Board.

### **Section 5.4.3**

The recommendation to communicate the nominee proposals for the Supervisory Board Chairmanship to the shareholders cannot be followed, as pursuant to section 10 subsection 4 of the Company's Articles of Association the Supervisory Board itself elects among its members a Chairperson. According to section 2 subsection 1 sentence 2 of the Rules of Procedure of the Supervisory Board the election of the Chairperson shall occur subsequent to the general shareholders' meeting in which at least one new member of the Supervisory Board has been elected, in a meeting to be held without specific convocation. As a consequence, a previous announcement of the nominee proposal cannot be realised.

### **Section 5.4.7 Paragraph 1, Sentence 3**

The Company adheres to the recommendation in Section 5.4.7 paragraph 1 concerning compensation for committee work with the exception that there will be no separate compensation for the mere membership in committees apart from presidency. Since the committee work is evenly distributed among the members of the Supervisory Board, a differentiated compensation appears not necessary regarding the bare membership in committees.

### **Section 5.4.7 Paragraph 2.**

The compensation of the Supervisory Board members contains no performance-related component. A performance-related compensation would not lead to an additional increase in incentive or motivation. The adoption of performance related compensation components in the future shall be subject of a future decision of the Annual General Shareholders' Meeting, as the case may be.

Berlin, December 2008

**On behalf of the Supervisory Board:**

**On behalf of the Executive Board:**

Prof. Dr. Dr. Rolf Krebs  
(Chairman of the Supervisory Board)

Geert Walther Nygaard (CEO) Dr. Oliver Schacht (CFO)