

Please note: translation is provided for informational purposes only.

**DECLARATION OF COMPLIANCE 2011
WITH THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO
SECTION 161 PARAGRAPH 1 OF THE GERMAN STOCK CORPORATION ACT (AKTG)**

The Executive Board and the Supervisory Board of Epigenomics AG hereby declare that, since the last declaration of compliance in March 2011, Epigenomics AG has complied, and complies, with the recommendations of the German Government Commission on the German Corporate Governance Code in the version of May 26, 2010 (hereinafter also "Code"), in each case with the exceptions set forth below.

Section 2.3.2

In the past, the company did not send notification of the convening of the Annual General Shareholders' Meeting with the convention documents to all domestic and foreign financial services providers, shareholders and shareholders' associations by electronic means. The transmission by electronic means requires the consent of the Annual General Shareholders' Meeting. Such consent has been granted by the Annual General Shareholders' Meeting only by resolution of 28 June 2011. Starting with the Annual General Shareholders' Meeting 2012, the company intends to send notification of the convening of the Annual General Shareholders' Meeting, including all pertaining documents, to the shareholders by electronic means, to the extent that the consent of the individual shareholders also has been granted.

Section 4.1.5

When filling managerial positions in the company, the Executive Board considers company-specific situations and seeks to achieve an appropriate diversity. This applies both to the internationality of the managerial staff and to the appropriate consideration of women. However, it is ultimately in the corporate interest to fill managerial positions with the most suitable male or female candidate. Therefore, in our opinion, sweeping requirements inadequately restrict the Executive Board in its decision on the filling of managerial positions.

Section 4.2.3 Paragraphs 2 and 3

The service contracts of the Executive Board members do not and did not provide that both positive and negative developments are taken into account when determining variable compensation components. Therefore, the granting of stock options to Executive Board members in the past did not relate to demanding, relevant comparison parameters. The existing deviation from the Code in this respect is due to the fact that we believe that relating to comparison parameters does not improve the sense of responsibility and the motivation of the Executive Board members and that a possibility of limitation (cap) is not necessary due to the structure of our existing stock option programs.

The service contracts of the Executive Board members include a compensation structure which is oriented toward sustainable growth of the company. Due to the current business model the service contracts of the Executive Board members do not, however, provide that variable compensation elements on a multi-year assessment basis. However, there is no deviation from recommendations of the Code in this respect. As a result of the German Act on the Appropriateness of Executive Board Compensation (VorstAG), Section 87 paragraph 1 of the German Stock Corporation Act has been amended and the Code has been adjusted accordingly. Instead of the former recommendation that variable compensation components should also include components with long-term incentives containing risk elements, the Code reflects the amended statutory provisions and no longer

Please note: translation is provided for informational purposes only.

contains any recommendation in this respect. When concluding or amending service contracts of Executive Board members, the Supervisory Board, as a matter of course, observes the applicable statutory requirements for the structuring of the compensation of the Executive Board members and will decide in each case also in the future whether or not the Code recommendations regarding variable compensation components are complied with.

Section 4.2.3 Paragraphs 4 and 5

The service contracts with Executive Board members of Epigenomics AG do not include a severance payment cap in case of a premature extraordinary termination due to a change of control pursuant to Section 4.2.3 paragraphs 4 and 5. In case of such an extraordinary termination, the payout of the basic compensation for the remaining contractual period is provided. An agreement of a severance payment cap would be contradictory to the nature of a service contract for Executive Board members, which is regularly concluded for the term of appointment and could potentially not accommodate sufficiently for the concrete circumstances in a change of control case. Accordingly, we did not and will not comply with the recommendation in Section 4.2.3 paragraph 5.

Section 5.3.3

The Supervisory Board took and 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 Annual General Shareholders' Meeting is not necessary with regard to the size of the Company. Instead, this task is also performed in the Supervisory Board by the Personnel and Compensation Committee.

Section 5.1.2 Paragraphs 1 and 2 and Section 5.4.1 Paragraphs 2 and 3

In the past, when filling the positions in its bodies, the Executive Board and the Supervisory Board considered the company-specific situation, and also made allowances for potential conflicts of interest as well as the international activities of the company through an appropriate diversity of their members. Deviating from the recommendations in Section 5.1.2 paragraph 2 and in Section 5.4.1 paragraph 2, we consider the commitment to institute special age limits for members of the Executive Board and the Supervisory Board as an inadequate limitation of the voting rights of our shareholders. In addition, we are convinced that sweeping requirements for the composition of the Executive Board as requested in Section 5.1.2 paragraph 1 constrain the Supervisory Board inadequately in its selection of suitable members of the Executive Board. The same applies accordingly to the specification of sweeping objectives regarding the composition of the Supervisory Board, as required in Section 5.4.1 paragraph 2 and assumed in Section 5.4.1 paragraph 3. We use our best efforts to achieve an appropriate diversity in the Executive Board and the Supervisory Board, especially with respect to the internationality and the participation of women. However, it is ultimately in the corporate interest to appoint as members of the Executive Board and the Supervisory Board the most suitable male or female candidates. We therefore believe that sweeping requirements constitute an inadequate limitation of the individual selection of suitable candidates for the Executive Board or the Supervisory Board. Furthermore, a target requirement regarding the composition of the Supervisory Board also inadequately impairs our shareholders' right to elect the Supervisory Board members. Accordingly, we did not and will not comply with these recommendations of the Code.

Section 5.4.3 Sentence 3

As of yet, we have not complied with the recommendation to announce proposed candidates for the Supervisory Board chair to the shareholders, as, pursuant to Section 10 paragraph 4 of the

Please note: translation is provided for informational purposes only.

company's articles of association, the newly composed Supervisory Board elects a chairperson from among its members and such Supervisory Board does not necessarily need to consist of the same persons as the Supervisory Board which is in office prior to the Annual General Shareholders' Meeting and thus at the time when candidates are proposed for the Supervisory Board chair. Against this background, the announcement of the proposed candidates did not appear reasonable. Accordingly, Epigenomics AG has so far not complied with the recommendation in Section 5.4.3 sentence 3. However, in connection with the upcoming new election of the Supervisory Board members in 2012, it is planned to comply with the recommendation.

Section 5.4.5 Sentence 2

The Supervisory Board cannot comply with the recommendation in Section 5.4.5 sentence 2, that a Supervisory Board member who is the member of the Executive Board of a listed company, shall not accept more than a total of three supervisory board mandates in non-group listed companies or in supervisory bodies of companies with similar requirements. The Supervisory Board considers a corresponding limitation of the number of mandates as not necessary, as long as each Supervisory Board member has sufficient time to pursue the duties of his/her mandates. Accordingly, Epigenomics AG did not and will not comply with the recommendation in Section 5.4.5 sentence 2, as long as it is ensured that all Supervisory Board members have sufficient time to pursue the duties of their mandates.

Section 5.4.6 Paragraph 1 Sentence 3

The compensation of the Supervisory Board members for their committee activities is structured such that there is a separate compensation for the committee chairmanship but not for the mere membership in a committee. Since the committee activities are evenly distributed among the members of the Supervisory Board, a separate compensation for the mere membership in committees does not appear necessary. Accordingly, we did not and will not comply with the recommendation in Section 5.4.6 paragraph 1 sentence 3.

Section 5.4.6 Paragraph 2

The compensation of the Supervisory Board members does not include a performance-related component. In our opinion, a performance-related compensation would not lead to an additional incentive or an increase in motivation. Accordingly, we did not and will not comply with the recommendation in Section 5.4.6 paragraph 2. 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.

Section 7.1.2 Sentence 4

Due to the change in the Executive Board as of April 1, 2011, Epigenomics AG did not publish its Consolidated Financial Statements for the financial year 2010 until April 7, 2011. Accordingly, we did not comply with the recommendation in Section 7.1.2 sentence 4 that the Consolidated Financial Statements shall be publicly accessible within 90 days of the end of the financial year. In the future, i.e. as from the publication of the Consolidated Financial Statements for the financial year 2011, we will again comply with the recommendation set forth in Section 7.1.2 sentence 4.

Please note: translation is provided for informational purposes only.

Berlin, December 2011

On behalf of the Supervisory Board:

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

On behalf of the Executive Board:

Geert Walther Nygaard
(CEO)

Dr. Thomas Taapken
(CFO)