

## Invitation to the Annual General Shareholders' Meeting 2013 of Epigenomics AG, Berlin

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Dear Shareholders,

We invite you to attend

### the Annual General Shareholders' Meeting of Epigenomics AG

on **Monday, May 6, 2013 at 11:00 a.m.**, in the premises of Deutsche Bank AG, Friedrichsaal, Unter den Linden 13-15 (entrance Charlottenstrasse), 10117 Berlin, Germany.

#### Agenda

1.

**Presentation of the approved annual financial statements and the approved consolidated financial statements as well as the management report of Epigenomics AG and the Group management report, the report of the Supervisory Board and the explanatory report of the Executive Board as to the specifications pursuant to Section 289 Paragraph 4, Section 315 Paragraph 4 German Commercial Code (HGB) as well as to the specifications pursuant to Section 289 Paragraph 5, Section 315 Paragraph 2 No. 5 HGB for the fiscal year 2012**

The aforementioned documents can, as of the calling of the meeting, be inspected on the internet at [www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html](http://www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html) and at the offices of Epigenomics AG, Kleine Präsidentenstrasse 1, 10178 Berlin, Germany. Upon request, every shareholder will promptly receive a copy of these documents free of charge.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the Executive Board; thus, the annual financial statements are formally approved according to Section 172 Sentence 1 of the German Stock Corporation Act (AktG). The documents specified under this item of the agenda are to be presented to the Annual General Shareholders' Meeting without the adoption of a resolution by the Annual General Shareholders' Meeting being required.

2.

#### **Resolution on the discharge of the members of the Executive Board for the fiscal year 2012**

The Executive Board and the Supervisory Board propose that discharge be granted to the members of the Executive Board holding office in the fiscal year 2012 with regard to such term.

3.

#### **Resolution on the discharge of the acts of the members of the Supervisory Board for the fiscal year 2012**

The Executive Board and the Supervisory Board propose that discharge be granted to the members of the Supervisory Board holding office in the fiscal year 2012 with regard to such term.

4.

#### **Resolution regarding the modification of the remuneration of the members of the Supervisory Board and the corresponding amendment of Section 12 of the Articles of Association**

According to Section 12 Paragraph 1 of the Articles of Association the members of the Supervisory Board receive for each full fiscal year of service on the Supervisory Board a fixed remuneration in the amount of EUR 20,000.00. According to Section 12 Paragraph 2 the chairperson of the Supervisory Board shall receive three times and deputy chairpersons twice this amount.

Since the reduction of the size of the Supervisory Board to only three members and the corresponding abolition of Supervisory Board committees, it has become apparent that the tasks of the Supervisory Board have significantly increased. The advisory and supervisory activities have significantly increased. The intensifying activity is furthermore influenced by the important structural measures that the Company is facing at present and in the future. Among these measures are, in particular, the procedure for the admission of Epi proColon® in the U.S., the market introduction of Epi proColon® in the U.S. following admission, as well as securing the financing of the Company for the related operational tasks. The aforementioned aspects have significant repercussions, in particular also in the areas of accounting processes, auditing of annual financial statements and risk management. This accounts for an amplification, as regards time and content, of the involvement of the Supervisory Board in these areas; owing to their special position as emphasised by statutory law, this is in particular true for members of the Supervisory Board who meet the conditions as independent financial expert within the meaning of Section 100 Paragraph 5 AktG.

The aforementioned circumstances shall be reflected by a revision of Section 12 Paragraph 1 and 2 of the Articles of Association. The proposed amendments therefore include setting the annual fixed remuneration at EUR 30,000.00. The chairperson of the Supervisory Board shall continue to receive three times this – increased – amount. Furthermore, the proposal includes an additional remuneration for the deputy chairperson of annually EUR 10,000.00 instead of the current doubling of the fixed remuneration. An additional remuneration in an amount of EUR 10,000.00 annually shall also be granted to a member of the Supervisory Board who is independent financial expert within the meaning of Section 100 Paragraph 5 AktG; this does not apply, if the independent financial expert is the chairperson or deputy chairperson of the Supervisory Board. In the future, the remuneration of the Supervisory Board shall be payable on a half-yearly basis. In accordance with the current stipulation, no variable remuneration shall be paid in the future. The amendments shall apply as of the beginning of the current fiscal year 2013.

Otherwise the regulations pertaining to the remuneration of the members of the Supervisory Board remain unamended.

Therefore, Executive Board and Supervisory Board propose to resolve:

- a) Section 12 Paragraph 1 and Paragraph 2 of the Articles of Association shall be amended as follows:

"(1) The members of the Supervisory Board shall receive for each full fiscal year of service a fixed remuneration in the amount of EUR 30,000.00. The fixed remuneration of the chairperson of the Supervisory Board shall be three times the amount pursuant to Sentence 1. The deputy chairperson and a member of the Supervisory Board who fulfills the requirements of Section 100 Paragraph 5 AktG and who is not the chairperson or deputy chairperson of the Supervisory Board, shall, in addition to the remuneration pursuant to Sentence 1, receive an annual remuneration of EUR 10,000.00. The remunerations are payable on a half-yearly basis respectively after the expiry of the first half-year period of a fiscal year as well as after the expiry of the respective fiscal year.

(2) Members of the Supervisory Board who have been a member of the Supervisory Board, or fulfill the respective requirements pursuant to Paragraph 1, for a part of the fiscal year only, shall receive a remuneration which is reduced *pro rata temporis*."

- b) The provisions on remuneration pursuant to Section 12 Paragraph 1 and 2 as amended in accordance with paragraph a) above, shall apply as of the beginning of the fiscal year 2013.

## 5.

### **Resolution on the cancellation of the existing Authorized Capital 2011/I and the creation of a new Authorized Capital 2013/I with the authorization to exclude subscription rights in Section 5 Paragraph 9 of the Articles of Association**

Following the subscription offer completed in January 2013, the share capital of the Company currently amounts to EUR 11,967,847.00. At the same time, the Company is required to be in a position to cover potential future financing needs in a flexible manner. Taking these circumstances into account and to this end, the present Authorized Capital 2011/I is to be replaced by a new Authorized Capital 2013/I in an aggregate amount of up to EUR 1,196,784.00 (corresponding to slightly under 10% of the present share capital), whereby the present Authorized Capital 2011/I shall only be cancelled, if and when it is ensured

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that the new Authorized Capital 2013/I is available. Now, therefore, the Executive Board and the Supervisory Board propose to resolve:

- a) The authorization in Section 5 Paragraph 9 of the Articles of Association, under which the Executive Board is authorized, until June 27, 2016, to increase, with the consent of the Supervisory Board, the share capital of the Company once or several times by up to EUR 881,841.00 (Authorized Capital 2011/I), is cancelled. The cancellation becomes effective upon its registration with the commercial register.
- b) A new Authorized Capital (Authorized Capital 2013/I) is created, and to the end Section 5 Paragraph 9 of the Articles of Association is restated as follows:

"(9) The Executive Board is authorized until May 5, 2018 to increase, with the consent of the Supervisory Board, the share capital of the Company once or several times by up to EUR 1,196,784 against contribution in cash and/or in kind by issuing new non-par value bearer shares (Authorized Capital 2013/I). Subscription rights shall be granted to the shareholders. The new shares can also be subscribed by one or more credit institutions or undertakings acting according to Section 53 Paragraph 1 Sentence 1 or Section 53b Paragraph 1 Sentence 1 or Paragraph 7 of the German Banking Act (KWG) under the obligation to offer the shares to the shareholders for subscription (indirect subscription right). The Executive Board is, however, authorized to exclude, with the consent of the Supervisory Board, the shareholders' statutory subscription rights in the following events:

- for fractional amounts;
- if the new shares are issued according to Section 185 Paragraph 3 Sentence 4 AktG against contribution in cash at an issue price which is not significantly below the stock exchange price of the shares already listed, and the *pro rata* notional portion of the share capital represented by the new shares does not exceed ten per cent (10%) of the share capital at the time this authorization is registered with the commercial register, or, if lower, at the respective time when the authorization is exercised. Other shares which have been newly issued by the Company by way of a capital increase against contribution in cash during the term of this authorization pursuant or corresponding to Section 186 Paragraph 3 Sentence 4, or which have been sold following a repurchase, in each case under exclusion of subscription rights, shall be counted towards the 10% limitation. Furthermore, shares in relation to which there is an option or conversion right or obligation, or a share delivery right in favor of the Company, based on bonds with warrants or convertible bonds or participation rights that have been issued during the term of this authorization under exclusion subscription rights pursuant to Section 221 Paragraph 4 Sentence 2 in connection with Section 186 Paragraph 3 Sentence 4 AktG by the Company or its subsidiaries, shall be counted towards the 10% limitation.
- for capital increases against contribution in kind in order to be able to offer the new shares to third parties with regard to mergers or upon the purchase of enterprises, parts of enterprises, participations in enterprises or other assets;
- as far as it is necessary to grant subscription rights for new shares to holders or creditors of option rights or creditors of convertible bonds or participation rights issued by the Company or its subsidiaries upon the exercise of the option or conversion rights or the exercise of share delivery rights, or performance of conversion or option obligations.

The Executive Board is further authorized to determine the further details of the implementation of capital increases from the Authorized Capital 2013/I. The Supervisory Board is authorized to amend the wording of the Articles of Association after implementation of a capital increase from the Authorized Capital 2013/I or after expiry of the term of the authorization in accordance with the capital increase from the Authorized Capital 2013/I."

- c) The Executive Board is instructed to file the cancellation of the existing Authorized Capital 2011/I for registration with the commercial register only together with the resolved creation of a new Authorized Capital 2013/I in the amount of EUR 1,196,784.00 in Section 5 Paragraph 9 of the Articles of Association. The filing is to be made in a manner that the registration of the creation of the new Authorized Capital 2013/I in the commercial register does not occur before the registration of the cancellation of the current Authorized Capital 2011/I, and further that the

registration of the cancellation of the current Authorized Capital 2011/I occurs only if the imminent registration of the new Authorized Capital 2013/I is ensured.

**6.**

**Resolution on the cancellation of the existing Authorized Capital 2011/II and the creation of a new Authorized Capital 2013/II with the authorization to exclude subscription rights in Section 5 Paragraph 10 of the Articles of Association**

As described in item 5 of the agenda, the share capital of the Company currently amounts to EUR 11,967,847.00, and the Company is required to be in a position to cover any potential financing needs in a flexible manner. Therefore, also the current Authorized Capital 2011/II shall be replaced by a new Authorized Capital 2013/II in an aggregate amount of up to EUR 4,787,138.00 (corresponding to slightly under 40% of the present share capital), whereby the present Authorized Capital 2011/II shall only be cancelled, if and when it is ensured that the new Authorized Capital 2013/II is available. Now, therefore, the Executive Board and the Supervisory Board propose to resolve:

- a) The authorization in Section 5 Paragraph 10 of the Articles of Association, under which the Executive Board is authorized until June 27, 2016, to increase, with the consent of the Supervisory Board, the share capital of the Company once or several times by up to EUR 377,936.00 (Authorized Capital 2011/II), is cancelled. The cancellation becomes effective upon its registration with the commercial register.
- b) A new Authorized Capital (Authorized Capital 2013/II) is created, and to this end Section 5 Paragraph 10 of the Articles of Association is restated as follows:

"(10) The Executive Board is authorized until May 5, 2018 to increase, with the consent of the Supervisory Board, the share capital of the Company once or several times by up to EUR 4,787,138.00 against contribution in cash and/or in kind by issuing new non-par value bearer shares (Authorized Capital 2013/II). Subscription rights shall be granted to the shareholders. The new shares can also be subscribed by one or more credit institutions or undertakings acting according to Section 53 Paragraph 1 Sentence 1 or Section 53b Paragraph 1 Sentence 1 or Paragraph 7 of the German Banking Act (KWG) under the obligation to offer the shares to the shareholders for subscription (indirect subscription right). The Executive Board is, however, authorized to exclude, with the consent of the Supervisory Board, the shareholders' statutory subscription rights in the following events:

- for fractional amounts;
- for capital increases against contribution in kind in order to be able to offer the new shares to third parties with regard to mergers or upon the purchase of enterprises, parts of enterprises, participations in enterprises or other assets.

The Executive Board is further authorized to determine the further details of the implementation of capital increases from the Authorized Capital 2013/II. The Supervisory Board is authorized to amend the wording of the Articles of Association after implementation of a capital increase from the Authorized Capital 2013/II or after expiry of the term of the authorization in accordance with the capital increase from the Authorized Capital 2013/II."

- c) The Executive Board is instructed to file the cancellation of the existing Authorized Capital 2011/II for registration with the commercial register only together with the resolved creation of a new Authorized Capital 2013/II in the amount of EUR 4,787,138.00 in Section 5 Paragraph 10 of the Articles of Association. The filing it to be made in a manner that the registration of the creation of the new Authorized Capital 2013/I in the commercial register does not occur before the registration of the cancellation of the current Authorized Capital 2011/II, and further that the registration of the cancellation of the current Authorized Capital 2011/II occurs only if the imminent registration of the new Authorized Capital 2013/II is ensured.

**7.**

**Resolution on the revision of the existing authorization to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and the exclusion of subscription right as well as the amendment of the Conditional Capital IX and of Section 5 Paragraph 5 of the Articles of Association**

Under item 8 of the agenda, the annual general shareholders' meeting of May 2, 2012 has resolved an authorization to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and the exclusion of subscription rights as well as the creation of a conditional capital (Conditional Capital IX) and the corresponding amendment of the Articles of Association. Against the background that flexibility to cover potential financing needs is essential for the Company, these resolutions, which have not been utilized to date, shall now be adapted to the increased share capital of the Company. To this end, the maximum aggregate number of shares for which option or conversion rights or obligations, and share delivery rights can be established shall be increased to 5,130,000 shares representing an aggregate notional portion of the share capital of EUR 5,130,000.00. Furthermore, the authorization shall, in particular, be valid until May 5, 2018.

The Executive Board and the Supervisory Board therefore propose to resolve:

**a) Revision of authorization to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude shareholders' subscription rights**

The authorization resolved by the general shareholders' meeting of May 2, 2012 under item 8 of the agenda shall be revised as follows:

*(1) Term of authorization, nominal amount, term, number of shares and further specifications of the bonds and/or participation rights*

The Executive Board is authorized until May 5, 2018, subject to Supervisory Board approval, to issue, once or several times, convertible bearer or registered bonds with warrants, convertible bonds, participation rights or a combination of these instruments in an aggregate nominal amount of up to EUR 40,000,000.00 with or without a fixed term and to grant conversion rights to, or impose conversion obligations upon, the holders or creditors of convertible bonds and/or convertible participation rights and grant option rights, or impose option obligations upon the holders or creditors of bonds with warrants and/or participation rights with warrants for up to a total of 5,130,000 non-par value bearer shares of the Company representing an aggregate notional portion of the share capital of the Company of up to EUR 5,130,000.00 as further specified in the terms and conditions of these bonds or participation rights. The terms and conditions of the bonds or participation certificates may, instead of conversion or option rights for the holders or creditors or the bonds or participation certificates, provide for (i) an obligation to exercise an option or conversion right at the end of the term or another point in time or (ii) the right for the Company, at final maturity of the bonds or participation rights (including maturity due to the exercise of a termination right), to grant to the holders or creditors non-par value shares of the Company or another listed company, entirely or partially instead of the payment of the due cash amount ("share delivery right").

The bonds or participation rights may – other than in Euro – be issued in the legal currency of another country, limited to the corresponding value expressed in Euro. They may also be issued by a subsidiary of the Company. For such event, the Executive Board is authorized to assume, subject to Supervisory Board approval, the guarantee on behalf of the Company for the bonds or participation rights and to grant to the holders or creditors option or conversion rights for non-par value bearer shares of the Company or to agree on option or conversion obligations or a share delivery right.

The bonds shall be divided into notes.

*(2) Subscription right, exclusion of subscription right*

The bonds and/or participation rights shall be offered to the shareholders for subscription. To the extent the shareholders are not granted a direct subscription right, the statutory subscription right shall be granted to the shareholders in such a manner that the bonds and/or participation rights will be underwritten by one or more credit institutions, by one or more companies acting in accordance with Section 53 Paragraph 1 Sentence 1 or Section 53b Paragraph 1 Sentence 1 or Paragraph 7 of the German Banking Act (KWG) or by a group or a syndicate of credit institutions and/or such companies subject to the obligation to offer the bonds and/or participation rights to the shareholders for subscription. If the bonds or participation rights are issued by a subsidiary, the Company must ensure that the statutory subscription rights are granted to the shareholders of the Company in accordance with both preceding sentences.

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However, the Executive Board, subject to Supervisory Board approval, is authorized to exclude any fractional amounts resulting from the subscription ratio from the subscription right and to exclude the shareholders' subscription rights to the extent required to grant a subscription right to the holders or creditors of previously issued bonds with warrants, convertible bonds or convertible participation rights (and/or bonds or participation rights with share delivery right) in an amount to which such holders or creditors would be entitled as shareholders after the exercise of the option or conversion rights, in case of the performance of obligations to exercise option or conversion rights, or after the exercise of a share delivery right.

The Executive Board is further authorized, subject to Supervisory Board approval, to entirely exclude the subscription right for bonds and/or participation rights with warrants or conversion rights or obligations (and/or bonds or participation rights with share delivery right) which are issued against payment in cash to the extent that the Executive Board has concluded, following an examination in accordance with its legal duties, that the issuing price of the bonds and/or participation rights is not significantly below their hypothetical market value calculated on the basis of recognized, particularly financial mathematical, methods. This authorization to exclude the subscription right only applies to bonds or participation rights with an option or conversion right or obligation or with a share delivery right of the Company for shares representing a notional portion of the share capital which in the aggregate does not exceed 10% of the share capital, neither at the time this authorization takes effect nor – if this value is lower – at the time of the exercise of this authorization. Treasury shares which are disposed of under an exclusion of the shareholders' subscription right pursuant to Section 71 Paragraph 1 No. 8 in connection with Section 186 Paragraph 3 Sentence 4 AktG during the term of this authorization until the issuance of the respective bonds or participation rights shall be counted towards the aforementioned 10% limitation. Furthermore, shares issued from an authorized capital under exclusion of the subscription right pursuant to Section 203 Paragraph 1 in connection with Section 186 Paragraph 3 Sentence 4 AktG during the term of this authorization until the issuance of the respective bonds or participation rights shall be counted towards the aforementioned 10% limitation.

To the extent that participation rights without a right or obligation to convert, without a right or obligation to exercise an option and without a share delivery right are issued, the Executive Board is authorized to entirely exclude the shareholders' subscription right, subject to Supervisory Board approval, if these participation rights have bond-like characteristics, i.e. do not confer membership rights in the Company, do not provide for a participation in the liquidation proceeds and the amount of interest is not calculated based on the annual surplus, the balance sheet profit or the dividend. In addition, interest and issue price of the participation rights must, in this case, correspond to current market terms at the time of issuance.

*(3) Option right; conversion ratio*

If bonds or participation rights with warrants are issued, one or more warrants will be attached to each note and/or each participation certificate and will entitle or oblige – including due to a share delivery right – the holders or creditors to subscribe for non-par value bearer shares of the Company as further specified by the terms and conditions of the bonds or participation certificates determined by the Executive Board. With respect to Euro-denominated bonds or participation rights with warrants issued by the Company, the terms and conditions of the bonds or participation certificates may provide that the option price may also be paid by way of transfer of notes and/or participation certificates or by offsetting against the claim for repayment under the notes and/or the participation rights and, as the case may be, an additional cash payment or an option premium in cash. The notional *pro rata* amount of the share capital attributable to the shares which may be subscribed for under each note and/or participation certificate must not exceed the nominal amount of such note and/or the participation certificate in addition to, if applicable, an additional cash payment or an option premium in cash. Any fractions of shares may, if so provided for in the terms and conditions of the bonds and/or participation certificates, be added up for the subscription of whole shares, against additional payment if necessary.

If convertible bonds or convertible participation rights are issued, the holders of bearer bonds or bearer participation rights, otherwise the creditors of the notes and/or participation certificates, have the indefeasible right or the obligation to convert their notes and/or participation certificates as further specified in the terms and conditions of the bonds and/or participation

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rights determined by the Executive Board into bearer shares of the Company or, as the case may be, to take delivery of such bearer shares. The conversion ratio is determined by dividing the nominal amount, or the issue price which is below the nominal amount, of a note or a participation certificate, by the determined conversion price for one non-par value bearer share of the Company; for this calculation of the conversion ratio, an additional cash payment or a cash conversion premium may be added to the nominal amount or the issue price of a note or participation certificate. The terms and conditions of the bonds and/or participation certificates may provide that the conversion ratio is variable and the conversion price (subject to the minimum price as described hereafter) is determined within a pre-determined range depending on the development of the stock price of the Company during the term of the bond and/or participation certificate. The conversion ratio may in any event be rounded up or down to the next whole number; furthermore, an additional payment or a conversion premium, in each case payable in cash, may be determined. Also, it may be provided that fractional amounts resulting from the conversion ratio that cannot be converted can be added up and/or settled in cash.

*(4) Option and conversion price; anti-dilution protection*

The option or conversion price to be determined in each case for a non-par value share of the Company must – except for those cases where an option or conversion obligation or a share delivery right is foreseen – at least be equal to 80% of the unweighted average closing price of the non-par value shares of the Company as quoted in the electronic trading system of the Frankfurt Stock Exchange on the ten trading days preceding the day when the Executive Board has adopted the resolution to issue the bonds and/or participation rights, or – if a shareholders' subscription right is granted – at least be equal to 80% of the unweighted average stock exchange price of the shares of the Company as quoted in the electronic trading system of the Frankfurt Stock Exchange during the subscription period except for those days which are necessary to timely announce the option or conversion price pursuant to Section 186 Paragraph 2 Sentence 2 AktG. If an obligation to exercise an option or conversion or a share delivery right is foreseen, the option or conversion price – as further specified in the terms and conditions of the bonds and/or participation certificates – may be equal to either at least the aforementioned minimum price or at least the unweighted average price of the shares of the Company as quoted in the electronic trading system of the Frankfurt Stock Exchange during a reference period of 15 trading days preceding the day of the final maturity or other determined point in time, as applicable, even if this average stock price is below the aforementioned minimum price (80%). The *pro rata* amount of the share capital attributable to the non-par value shares to be issued must not exceed the nominal amount of the bonds and/or participation rights including, if applicable, an additional cash payment or cash conversion or option premium. Sections 9 Paragraph 1 and 199 Paragraph 2 AktG shall remain unaffected.

Notwithstanding Section 9 Paragraph 1 AktG, the option or conversion price may be reduced pursuant or corresponding to Section 216 Paragraph 3 AktG based on an anti-dilution provision as further specified in the terms and conditions of the bonds and/or participation rights to preserve the rights of the holders and/or creditors of the bonds and/or participation certificates if the Company, during the option or conversion period, (i) increases the share capital by issuing new shares in a capital increase from retained earnings, (ii) increases the share capital or sells treasury shares by granting an exclusive subscription right to its shareholders (notwithstanding a possible exclusion of subscription rights for fractional amounts) or (iii) while granting an exclusive subscription right to its shareholders (notwithstanding a possible exclusion of subscription rights for fractional amounts) issues, grants or guarantees additional bonds or participation rights with option or conversion rights or the obligation to exercise an option or conversion or with a share delivery right, and in the cases (i) to (iii) the holders or creditors of already existing option or conversion rights or the debtors of already existing option or conversion obligations or share delivery rights are not granted the subscription rights they would have been entitled to by statute following the exercise of the option or subscription right or performance of the option or conversion obligation, or the exercise of the share delivery right by the Company. The reduction of the option or conversion price may also be effected by a cash payment upon the exercise of the option or conversion right or the performance of the option or conversion obligation. To the extent required to protect against dilution, the terms and conditions of the bonds and/or participation rights, in the aforementioned cases, may also provide for an adjustment of the number of the option or conversion rights or obligations or share delivery rights per note and/or

participation certificate. The terms and conditions of the bonds and/or participation certificates may also provide for an adjustment of the option or conversion rights or obligations or share delivery rights in the event that the Company's capital is reduced or other extraordinary measures are taken or events occur that are connected with an economic dilution of the value of the option or conversion rights or obligations or share delivery rights (e.g. third parties gaining control of the Company). Sections 9 Paragraph 1 and 199 Paragraph 2 AktG shall remain unaffected.

*(5) Further specifications*

The terms and conditions of the bonds and/or participation certificates may provide that – if the option or conversion is exercised – the Company shall be entitled – instead of granting new non-par value shares – to pay a cash amount equal to the unweighted average closing price of the non-par value shares of the Company in the electronic trading system of the Frankfurt Stock Exchange during the ten trading days following the day on which the declaration exercising the option or conversion was made for the number of shares that would otherwise have been to be delivered.

The terms and conditions of the notes and/or participation certificates may also provide that the bonds and/or participation rights may, at the election of the Company, be converted into existing shares of the Company or shares of another listed company or that the option right or obligation may be fulfilled or discharged by delivering such shares instead of new shares from conditional capital.

The Executive Board is authorized, subject to Supervisory Board approval, to determine the further details concerning the issuance and features of the bonds and/or participation rights, in particular, interest rate, issue price, term and denomination, subscription and/or conversion ratio, creation of an option or conversion obligation or a share delivery right, determination of an additional cash payment, settlement or adding-up of fractional amounts resulting from the conversion ratio, cash payment instead of delivery of shares, anti-dilution provisions, option and conversion period, the ranking and a possible sharing of losses, as well as, within the aforementioned range, the option and/or conversion price and the issue price of the new shares, and to provide for a subscription right of the holders or creditors of the bonds or participation rights in the event that the Company or a Group company issues additional bonds or participation rights with option or conversion rights or obligations or a share delivery right, or, as the case may be, to determine any such details in coordination with the competent bodies of the Group company issuing the bonds and/or participation rights.

**b) Amendment of the Conditional Capital IX**

The Conditional Capital IX is amended as follows, in accordance with the resolution in subsection a) above:

The Company's share capital is conditionally increased by up to EUR 5,130,000.00 through issuance of up to 5,130,000 new common bearer shares representing a notional portion of the share capital of EUR 1.00 per share (Conditional Capital IX). The conditional capital increase serves the purpose of granting shares to holders or creditors of bonds or participation rights issued by the Company or a subsidiary on the basis of the authorization resolution dated May 6, 2013, until May 5, 2018, if option or conversion rights are exercised, option or conversion obligations are performed or the Company exercises an election right to entirely or partially grant non-par value shares of the Company instead of payment of the due cash amount. The issuance of the new shares occurs at the respective option or conversion price or the lower issue price, in each case as further to be determined and specified in accordance with the aforementioned authorization resolution.

The conditional capital increase is only to be implemented if bonds or participation rights are issued in accordance with the authorization resolution of the General Shareholders' Meeting dated May 6, 2013, and only to the extent that

- option or conversion rights are exercised or
- holders or creditors of bonds or participation rights who are under an obligation to exercise an option or to convert perform their obligation to exercise the option or to convert or



- the Company exercises an election right to grant non-par value shares of the Company instead of paying a due cash amount

and to the extent that no cash settlement is granted or treasury shares or shares of another listed company are delivered. The newly issued shares shall carry dividend rights from the commencement of the fiscal year in which the shares are issued, or, as far as legally permissible, if no resolution on the application of the profit of the fiscal year immediately preceding the year of the issuance has been adopted when the new shares are issued, from the commencement of this fiscal year immediately preceding the year of the issuance. The Executive Board is authorized, subject to Supervisory Board approval, to determine the further details concerning the implementation of the conditional capital increase.

**c) Amendment of Section 5 Paragraph 5 of the Articles of Association**

Section 5 Paragraph 5 of the Articles of Association shall be amended as follows:

"(5) The Company's share capital is conditionally increased by up to EUR 5,130,000.00 divided into 5,130,000 new common bearer shares representing a notional portion of the share capital of EUR 1.00 per share (Conditional Capital IX). The conditional capital increase is only to be implemented to the extent that

- (a) the holders or creditors of bonds with warrants or conversion rights under bonds or participation rights issued by the Company or a subsidiary, or guaranteed by the Company, based on the authorization of the Executive Board by resolution of the Shareholders' Meeting on May 6, 2013, until May 5, 2018, exercise their option or conversion rights or
- (b) the holders or creditors of bonds or participation rights issued by the Company or a subsidiary, or guaranteed by the Company, based on the authorization of the Executive Board by resolution of the Shareholders' Meeting on May 6, 2013, until May 5, 2018, are obliged to exercise an option or to convert and fulfill this obligation or
- (c) the Company exercises an election right to grant shares of the Company instead of paying a cash amount due for payment to the holders or creditors of bonds or participation rights issued by the Company or a subsidiary, or guaranteed by the Company, based on the authorization of the Executive Board by resolution of the Shareholders' Meeting on May 6, 2013, until May 5, 2018,

and to the extent that no cash settlement is granted and no shares from an authorized capital, treasury shares or shares of another listed company are delivered. The issuance of the new shares occurs at the respective option or conversion price or the lower issue price, in each case as further to be determined and specified in accordance with the aforementioned authorization resolution dated May 6, 2013. The newly issued shares shall carry dividend rights from the commencement of the fiscal year in which the shares are issued, or, as far as legally permissible, if no resolution on the application of the profit of the fiscal year immediately preceding the year of the issuance has been adopted when the new shares are issued, from the commencement of this fiscal year immediately preceding the year of the issuance. The Executive Board is authorized, subject to Supervisory Board approval, to determine the further details concerning the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the wording of the Articles of Association in accordance with the amount of the capital increase from the Conditional Capital IX."

**8.**

**Resolution on the amendment of the Conditional Capital IV and the amendment of Section 5 Paragraph 6 of the Articles of Association**

The currently existing Conditional Capital IV in the amount of EUR 123,485.00 is no longer required in the full amount, because option rights resulting from the Stock Option Program 03-07 of the Company established by resolution of the Annual General Shareholders' Meeting of August 1, 2003, can only be exercised for 1,000 shares.

Therefore, the Executive Board and the Supervisory Board propose to resolve:

- a) The amount of the Conditional Capital IV shall be adapted from EUR 123,485.00 to EUR 1,000.00.

- b) Section 5 Paragraph 6 Sentence 1 of the Articles of Association shall be amended as follows:  
"(6) The share capital is conditionally increased by up to EUR 1,000.00 divided into up to 1,000 non-par value bearer shares representing a notional portion of the share capital of € 1.00 per share (Conditional Capital IV)."

**9.**

**Resolution on the changes of the Conditional Capital V and the amendment of Section 5 Paragraph 7 of the Articles of Association**

The currently existing Conditional Capital V in the amount of EUR 129,535.00 is no longer required in the full amount, because option rights resulting from the Stock Option Program 06-10 of the Company established by resolution of the Annual General Shareholders' Meeting of July 10, 2006, can be only exercised for 102,195 shares.

Therefore, the Executive Board and the Supervisory Board propose to resolve:

- a) The amount of the Conditional Capital V shall be adapted from EUR 129,535.00 to EUR 102,195.00.
- b) Section 5 Paragraph 7 Sentence 1 of the Articles of Association shall be amended as follows:  
"(7) The share capital is conditionally increased by up to EUR 102,195.00 divided into up to 102,195 non-par value bearer shares representing a notional portion of the share capital of EUR 1.00 per share (Conditional Capital V)"

**10.**

**Resolution on the Amendment of Section 18 Paragraph 2 of the Articles of Association (Voting right, adoption of resolution)**

The Executive Board and the Supervisory Board propose that Section 18 Paragraph 2 of the Association be amended as follows:

- "(2) A shareholder can designate a proxy to participate in the Shareholders' Meeting. The statutory provisions apply to the granting of proxy authorization, its revocation and the evidence of proxy authorization vis-à-vis the Company."

**11.**

**Appointment of the auditor for the fiscal year 2013**

The Supervisory Board proposes that the auditing company UHY Deutschland AG Wirtschaftsprüfungsgesellschaft, Berlin, be elected to serve as the auditor for the annual financial statements and the consolidated financial statements for the fiscal year 2013 as well as for the review of the half year financial report.

The auditing company UHY Deutschland AG Wirtschaftsprüfungsgesellschaft has issued the statement according to Section 7.2.1 of the German Corporate Governance Code.

**Report of the Executive Board on agenda items 5 and 6 pursuant to Section 203 Paragraph 2 Sentence 2 in connection Section 186 Paragraph 4 Sentence 2 AktG**

Pursuant to Section 203 Paragraph 2 Sentence 2 in connection with Section 186 Paragraph 4 Sentence 2 AktG, the Executive Board issues a written report on each of the authorizations to exclude subscription rights in relation to the new Authorized Capitals 2013/I and 2013/II as per items 5 and 6 of the agenda which is released in full below:

The Annual General Shareholders' Meeting of June 28, 2011, passed a resolution to the effect that the Executive Board is authorized until June 27, 2016, to increase the share capital of the Company, with the consent of the Supervisory Board, once or several times by up to EUR 4,409,205.00 against contribution in cash and/or in kind by issuing new non-par value bearer shares (Authorized Capital 2011/I). In the same Annual General Shareholders' Meeting, the Executive Board was further authorized until June 27, 2016, to increase the share capital of the Company, with the consent of the Supervisory Board, once or

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several times by up to EUR 17,636,830.00 against contribution in cash and/or in kind by issuing new non-par value bearer shares (Authorized Capital 2011/II). In connection with the capital decrease which was equally resolved by the Annual General Shareholders' Meeting of June 28, 2011, the Authorized Capital 2011/I has been reduced to EUR 881,841.00, and the Authorized Capital 2011/II has been reduced to EUR 3,527,366.00. The Authorized Capital 2011/II has been largely utilized in a subscription offer in early 2013, and currently amounts only to EUR 377,936.00. Together, the Authorized Capitals 2011/I and 2011/II therefore currently amount to EUR 1,259,777.00. This corresponds to approximately 10% of the share capital.

In the view of the Executive Board, this is not sufficient to put the Company in a position to cover a potential financing need at short notice and to be capable of acting should one of the strategic options materialize which the Company has been continuously reviewing since the beginning of 2012. This applies in particular, if the financial, asset and profit situation of the Company is taken into account as well as the fact that Epi proColon® needs to be introduced to the U.S. market if the admission proceedings are successfully completed. With the proposals under agenda items 5 and 6, the Executive Board shall be authorized, subject to the approval by the Supervisory Board, to increase the share capital of the Company once or several times by up to EUR 1,196,784.00 (Authorized Capital 2013/I), and EUR 5,130,000.00 (Authorized Capital 2013/II), respectively, in each case until May 5, 2018 and against contribution in cash or in kind by issuing new non-par value bearer shares. Therewith, the amount of the Authorized Capital 2013/I corresponds to slightly under 10%, and the amount of the Authorized Capital 2013/II corresponds to slightly under 40% of the current share capital.

In case of a utilization of the Authorized Capital 2013/I and the Authorized Capital 2013/II, the shareholders will, in principle, have a subscription right. The subscription right may also be granted by way of an indirect subscription right (Section 186 Paragraph 5 AktG).

In specific cases the Executive Board shall, however, be authorized, subject to approval by the Supervisory Board, to exclude the subscription right of the shareholders. An exclusion of the subscription rights shall thereby be permissible both for the Authorized Capital 2013/I as well as for the Authorized Capital 2013/II in the following to instances:

- Shareholders' subscription rights can first be excluded for fractional amounts. This shall simplify the implementation of an issuance in which the subscription right, in principle, is granted to the shareholders. Fractional amounts might result from the respective volume of the capital increase and the necessity of a practical subscription ratio. The value of such fractional amounts is, in general, of minor value for the individual shareholder, whereas the costs of the issuance would be considerably higher without such exclusion of the subscription right. In addition, the possible dilution effect is normally marginal due to the restriction to only fractional amounts. The new shares for which the subscription right has been excluded due to fractional amounts will be used to the best possible purpose for the Company. The exclusion of the subscription right therefore serves practical purposes and simplifies the implementation of an issuance, and is therefore in the interests of the Company and its shareholders. In determining the subscription ratio, the Executive Board will take into account the interest of the shareholders to keep fractional amounts small.
- Furthermore, the Executive Board shall be entitled to exclude the shareholders' subscription right in the event of a capital increases against contribution in kind. The Executive Board is thereby enabled to use, in singular eligible cases, shares of the Company for the acquisition of enterprises, parts of enterprises, participations in enterprises or other assets. It may become necessary during negotiations to offer as consideration not cash but shares. The possibility to offer shares in the Company as consideration creates an advantage in the competition regarding attractive acquisition objects as well as the required flexibility to make use of upcoming opportunities to acquire enterprises, parts of enterprises, participations in enterprises or other assets while preserving the Company's cash resources. In addition, a consideration in shares may be useful with respect to an optimal financing structure. The proposed authorization to exclude subscription rights is therefore, in the view of the Executive Board, in the interest of the Company and its shareholders. The Company does not have a disadvantage, since the issuance of shares against contribution in kind requires the contribution in kind to be of fair value in relation to the value of the shares. When determining the value relation, the Executive Board will ensure that the interests of the

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Company and its shareholders are adequately considered and that an adequate consideration will be obtained by the Company for its new shares.

The proposed Authorized Capital 2013/I provides for two additional cases where an exclusion of subscription rights shall be possible:

- It shall be possible to exclude the subscription right if the new shares are issued in a capital increase against contribution in cash at an issuing price which is not materially below the stock market price pursuant to Section 186 Paragraph 3 Sentence 4 AktG. This authorization enables the Company to promptly and flexibly realize opportunities on the market in its different business areas and to satisfy capital needs which may arise therefrom or from other operational reasons, even on very short notice. The exclusion of the subscription right enables the Company not only to take prompter action, but also enables the placement of shares at a price close to the market price, i.e. without the discount which, in general, is required in connection with an issuance with subscription rights. This results in higher issuance proceeds to the benefit of the Company. In addition, with such placement, new groups of shareholders can be addressed. The German Stock Corporation Act does not provide for a fixed limit on the discount. When utilizing the authorization, the Executive Board will determine – with the consent of the Supervisory Board – in compliance with legal regulations, the discount as low as possible according to the market conditions prevailing at the time of the placement. The shares issued under exclusion of subscription rights according to Section 186 Paragraph 3 Sentence 4 AktG must not, in aggregate, exceed 10% of the share capital, neither at the time the authorization by the general annual shareholders' meeting of May 6, 2013 becomes effective nor at the time it will be utilized. Shares newly issued by the Company during the term of the authorization in a capital increase against contribution in cash or shares acquired and subsequently re-sold by the Company during this period count towards this limitation, if and to the extent the subscription right is excluded in accordance with Section 186 Paragraph 3 Sentence 4 AktG or the re-sale occurs in accordance with this provision. If, during the term of the authorization, convertible bonds, bonds with warrants or participation rights or a combination of these instruments are issued under an exclusion of the subscription right of the shareholders pursuant to Section 221 Paragraph 4 Sentence 2 in connection with Section 186 Paragraph 3 Sentence 4 AktG, those shares, for which a conversion or option right or obligation, or a share delivery right in favour of the Company exist based on these instruments, are also to be counted towards the limitation.

This responds, in accordance with statutory regulations, to the need of the shareholders for a dilution protection regarding their investment. Due to the limitation of capital increases with exclusion of subscription rights, each shareholder has, in principle, the possibility to purchase the number of shares necessary to preserve its participation quota at substantially the same terms and conditions on the stock exchange. Thus, in the event of the usage of this authorized capital under exclusion of subscription rights, it is ensured that the interests regarding the investment and the voting rights are adequately preserved in correspondence with the legal rationale of Section 186 Paragraph 3 Sentence 4 AktG, whereas the Company obtains further flexibility for the benefit of all shareholders.

- Finally, the Executive Board shall be entitled to exclude the subscription right as far as holders or creditors of option rights or creditors of convertible bonds or participation rights issued by the Company or its subsidiaries are granted a conversion right or subscription right for new shares in accordance with the terms and conditions of the issuance, or as far as, based upon those instruments, there is a conversion or subscription obligation or a share delivery right. For an easier placement in the capital market, the terms and conditions of bonds with warrants and convertible bonds normally provide for a protection against dilution which ensures that holders or creditors of bonds with warrants or convertible bonds or participation rights are granted subscription rights equivalent to those of shareholders for a subsequent issuance of shares. Holders or creditors of bonds with warrants, convertible bonds or participation rights are thereby treated as if they had exercised their conversion or subscription rights or option or conversion obligations had been triggered, or share delivery rights had been exercised, and as if the holders or creditors of bonds with warrants, convertible bonds or participation rights were shareholders. In order to be able to provide the relevant issuance (of bonds with warrants, convertible bonds or participation rights) with

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such a protection against dilution, the subscription right of the shareholders for these shares needs to be excluded. This serves the purpose of an easier placement of the issuance and, therefore, the interests of the Company and its shareholders in an optimized financing structure of the Company.

In every specific case, the Executive Board will thoroughly review whether it will make use of the authorization to increase the capital under exclusion of the shareholders' subscription rights. It will make use of this authorization only if the Executive Board and the Supervisory Board, taking into account the terms and conditions of the capital increase, are of the opinion that this is in the interest of the Company and, therefore, its shareholders. It will report to the Annual General Shareholders Meeting on every utilization of the Authorized Capital 2013/I or of the Authorized Capital 2013/II.

**Report of the Executive Board on agenda item 7 pursuant to Section 221 Paragraph 4 Sentence 2 in connection with Section 186 Paragraph 4 Sentence 2 AktG**

The Executive Board and the Supervisory Board propose to the Annual General Shareholders' Meeting under item 7 of the agenda to revise the authorization granted to the Executive Board by the General Shareholders' Meeting of May 2, 2012 in section a) of item 8 of the agenda, to issue bonds with warrants, convertible bonds, participation rights or a combination of these instruments and to exclude the subscription right, and to authorize the Executive Board to issue, subject to Supervisory Board approval, until May 5, 2018, once or several times bearer or registered bonds with warrants, convertible bonds, participation rights or a combination of these instruments (and to exclude the shareholders' subscription right) in an aggregate nominal amount of up to EUR 40,000,000.00. The Conditional Capital IX, which is amended accordingly to this end, serves the purpose to deliver shares in respect of the bonds with warrants, convertible bonds and participation rights based on the revised authorization.

Pursuant to Section 221 Paragraph 4 Sentence 2 in connection with Section 186 Paragraph 4 Sentence 2 AktG, the Executive Board issues a written report on the revised authorization to exclude the subscription right in connection with the revised authorization which is released in full below:

The proposed revised authorization to issue bonds, participation rights or a combination of these instruments in an aggregate nominal amount of up to EUR 40,000,000.00 as well as the increase of the Conditional Capital IX to EUR 5,130,000.00 is intended to broaden the Company's options to finance its activities (as further described below) and to give the Executive Board access, subject to Supervisory Board approval, to quick and flexible financing in the interest of the Company, in particular in case of propitious capital market conditions.

The shareholders are, in principle, entitled to a statutory subscription right for bonds with warrants or conversion rights or obligations or with a right of the Company to, entirely or partially, grant to the holders or creditors of the bonds non-par value shares of the company instead of payment of a due cash amount ("share delivery right"), Sections 221 Paragraph 4, 186 Paragraph 1 AktG. In principle, shareholders are entitled to a statutory subscription right for participation rights, regardless of whether the participation rights carry option or conversion rights or obligations or a share delivery right. To the extent that shareholders are not granted the possibility to directly subscribe for the bonds or participation rights, the Executive Board may make use of the possibility to issue bonds or participation rights to a credit institution, to a company which is deemed equivalent to a credit institution by statute and by the proposed resolution, or to several, also to a syndicate of, credit institutions and/or such equivalent companies, with the obligation for offer the bonds or participation rights to the shareholders in accordance with their subscription right (indirect subscription right within the meaning of Section 221 Paragraph 4 Sentence 2 in connection with Section 186 Paragraph 5 AktG).

The authorization provides for the possibility to exclude the subscription right for fractional amounts resulting from the conversion ratio. This enables the utilization of the requested authorization by round amounts and thereby facilitates the implementation of the shareholders' subscription right. Furthermore, the proposed resolution includes the authorization to exclude the subscription right in favor of the holders or creditors of previously issued option or conversion rights or obligations and/or bonds or participation rights with respect to which the Company has a share delivery right. The advantage of this is that the option and/or conversion price for previously issued option or conversion rights or obligations or share delivery rights does not need to be reduced which allows for increased aggregate proceeds for the Company. Both exclusions of the subscription right are therefore in the interest of the Company and its shareholders.

The issue price of the new shares, in case of an exclusion of the subscription right, must in each case at least be equal to 80% of the stock exchange price of the shares, determined at a time which is close to the issuance of the bonds and/or participation rights. The possibility of an extra amount (which may increase in accordance with the term of the bonds or participation rights) allows for the terms and conditions of the bonds or participation rights to take into account the respective conditions on the capital markets at the time of issuance. If option or conversion obligations or a share delivery right for the Company are foreseen, the option or conversion price may also be aligned to the average stock market price of the shares of the Company prior to the issuance of the shares, even if it is below the aforementioned minimum price. These structuring options enable the Company to successfully place the bonds or participation rights in the market at favorable conditions for the Company and taking into account the prevailing market conditions at the time when the bonds or participation rights are issued.

The Executive Board is further authorized, subject to Supervisory Board approval, to entirely exclude the shareholders' participation right, if the bonds or the participation rights with warrants or conversion rights and/or participation rights with share delivery right are issued against cash payment at a price that is not significantly below the market value of these bonds and/or participation rights. This enables the Company to make use of propitious market conditions very quickly and to obtain better conditions with respect to the interest rate, option and/or conversion price and the issue price of the bonds and/or participation rights by determining the terms and conditions in accordance with current market conditions. If subscription rights were granted, a smooth placement at market conditions would not be possible. Section 186 Paragraph 2 AktG allows for a publication of the subscription price (and therefore the conditions of these bonds and/or participation rights) until the third to last day of the subscription period. However, taking into account the often volatile stock markets, even then a market risk exists over several days which leads to precautionary discounts when the terms and conditions of the bonds and/or participation rights are fixed, and therefore to terms and conditions which do not correspond to the market conditions. Also, if a subscription right is granted, there is uncertainty with respect to its exercise (subscription behavior) which constitutes a risk for a successful placement with third parties or causes additional expenses in connection therewith. Finally, the Company cannot react quickly to propitious or adverse market conditions if a subscription right is granted due to the length of the subscription period; the Company would rather bear the risk of falling share prices during the subscription period which might lead to raising equity at unfavorable conditions.

In this case of an entire exclusion of the subscription right, the provision of Section 186 Paragraph 3 Sentence 4 AktG applies accordingly pursuant to Section 221 Paragraph 4 Sentence 2 AktG. The limit of 10% of the share capital for exclusions of subscription rights provided for in this provision is to be complied with according to the content of the resolution. The maximum amount of the conditional capital that may be used to secure option or conversion rights or obligations or a share delivery right may not exceed 10% of the share capital when the authorization to exclude the subscription right pursuant to Section 186 Paragraph 3 Sentence 4 enters into effect. By way of a corresponding requirement in the authorization resolution it is also ensured that the 10% limit will not be exceeded in case of a capital decrease either, as the authorization to exclude the subscription right must explicitly not exceed 10% of the share capital, neither when the authorization enters into effect nor – if this is the lesser amount – when the authorization is exercised. Treasury shares which are disposed of according to Section 186 Paragraph 3 Sentence 4 AktG as well as shares that are issued from an authorized capital under an exclusion of the subscription right pursuant to Section 186 Paragraph 3 Sentence 4 AktG will count towards this limit, if their disposal and/or issuance occurs during the term of this authorization and prior an issuance of bonds or participation rights without subscription right pursuant to Sections 221 Abs. 4 Satz 2, 186 Abs. 3 Satz 4 AktG. Thereby they reduce the number of shares that may be issued based on the authorization by making use of an exclusion of subscription rights pursuant to Sections 221 Paragraph 4 Sentence 2, 186 Paragraph 3 Sentence 4 AktG.

It further results from Section 186 Paragraph 3 Sentence 4 AktG that the issue price must not be significantly below the stock market price. This shall prevent a significant economic dilution of the value of the shares. Whether such a dilution effect occurs in case of the issuance of bonds or participation rights without subscription right can be determined by calculating the hypothetical market value of the bond and/or participation right based on recognized, particularly financial mathematical, methods and comparing this value with the issue price of the bond and/or participation right. If this issue price – after due examination – is not more than insignificantly lower than the hypothetical stock market price at the time when the bonds and/or participation rights are issued, the exclusion of the subscription right is not prohibited based on the rationale of Section 186 Paragraph 3 Sentence 4 AktG due to the merely

insignificant discount. The proposed resolution therefore provides that the Executive Board – prior to the issuance of the bonds and/or participation rights and after due examination in accordance with its legal duties – must have come to the conclusion that the envisaged issue price of the bonds and/or participation rights does not lead to a significant dilution of the value of the shares, as the issue price of the bonds and/or participation price does not significantly fall short of hypothetical market value calculated pursuant to recognized, in particular financial mathematical methods. Thereby, the arithmetical market value of a subscription right would be reduced to nearly zero such that no significant economic disadvantage may arise for the shareholders due to the exclusion of the subscription right. All this ensures, that no significant dilution of the value of the shares will result from the exclusion of the subscription right.

In addition, the shareholders have the opportunity to maintain their *pro rata* share of the share capital of the Company also subsequent to the exercise of option or conversion rights, the performance of option or conversion obligations or the exercise of a share delivery right through stock market purchases of shares at any time. On the contrary, the authorization to exclude the subscription right offers the Company market-adequate determination of the terms and conditions, maximum security with respect to the possibility to place the bonds and/or participation rights with third parties and the quick utilization of propitious market situations.

To the extent that participation rights without option or conversion rights or obligations and without share delivery right are to be issued, the Executive Board is authorized, subject to Supervisory Board approval, to entirely exclude the shareholders' subscription right, if these participation rights have bond-like characteristics, i.e. do not confer membership rights in the Company, do not provide for a participation in the liquidation proceeds or the amount of interest is not calculated based on the annual surplus, the balance sheet profit or the dividend. In addition, interest and issue price of the participation rights must, in this case, correspond to current market terms at the time of issuance. If these conditions are fulfilled, the exclusion of the subscription right does not result in disadvantages to the shareholders, as the participation rights do not confer membership rights and no share in the liquidation proceeds or in the profit of the Company.

The reports of the Executive Board to agenda items 5 and 6 as well as agenda item 7 set forth above can be inspected, as of the calling of the meeting, on the internet at [www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html](http://www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html) as well as at the premises of Epigenomics AG, Kleine Präsidentenstraße 1, 10178 Berlin, Germany. Upon request, every shareholder will promptly receive a copy of the report free of charge. In addition, the reports will also be available during the Annual General Shareholders' Meeting on May 6, 2013.

## **Further information regarding the calling of the Annual General Shareholders' Meeting**

### **1. Total number of shares and voting rights at time of calling the meeting**

The share capital of the Company amounts to EUR 11,967,847.00 and is divided into 11,967,847 non-par value bearer shares. Pursuant to Section 18 Paragraph 1 of the Articles of Association, each share carries one vote in the Annual General Shareholders' Meeting. The Company does not hold treasury shares. Therefore, the total number of voting rights at the time of the calling of this Annual General Shareholders' Meeting is 11,967,847.

### **2. Attendance of the Annual General Meeting of Shareholders**

Shareholders who register to attend and present proof of their entitlement to the Company shall be entitled to attend the Annual General Shareholders' Meeting and to exercise their voting rights. The proof of entitlement requires a proof in text form by the depositary bank with respect to the shareholding and that relates to the point in time as provided in the German Stock Corporation Act. According to Section 123 Paragraph 3 Sentence 3 AktG, the proof must relate to the beginning of the 21<sup>st</sup> day prior to the Annual General Shareholders' Meeting. In this case, this is the beginning of April 15, 2013, i.e. April 15, 2013, 0:00 a.m. (CEST).

The registration and the proof of entitlement must be in the German or English language and must be received by the Company at the latest by the end of April 29, 2013, i.e. at the latest by April 29, 2013, 12:00 p.m. (CEST), at the following address:

Epigenomics AG  
c/o Deutsche Bank AG  
Securities Production  
- General Meetings –  
Postfach 20 01 07  
60605 Frankfurt am Main, Germany  
or *via* fax: +49 (0)69 12012-86045  
or *via* e-mail: [wp.hv@xchanging.com](mailto:wp.hv@xchanging.com)

A shareholder will only be deemed a shareholder entitled to attend the meeting and to exercise voting rights in relation to the Company if the shareholder has submitted proof of its shareholding. The entitlement to attend and the scope of the voting rights are exclusively determined by the shareholding of the shareholder on the record date. The occurrence of the record date will not hinder a sale of the shareholding. Even in the event of a full or partial sale of the shareholding following the record date, the shares owned by the shareholder on the record date will continue to be exclusively relevant for the attendance of the meeting and the scope of the voting rights. The sale of shares after the record date will not affect the entitlement to attend the meeting or the scope of the voting rights. The same applies if shares are purchased after the record date. Persons who do not own any shares on the record date and become shareholders only after the record date are not entitled to attend the meeting or to exercise voting rights.

### **3. Proxy voting**

Shareholders may exercise their voting rights in the Annual General Shareholders' Meeting also by proxy, e.g. a credit institution, a shareholders' association or any other person of their choice. In the case of proxy voting the conditions for the attendance of the Annual General Shareholders' Meeting and the exercise of voting rights as stated in Section 2 above must also be observed.

Proxy authorization, its revocation and proof of authorization vis-à-vis the Company must be made in text form.

In case of proxy granted to credit institutions, institutions or companies with equivalent status pursuant to Section 135 Paragraph 10 AktG in connection with Section 125 Paragraph 5 AktG, shareholders' associations or any persons or institutions with equivalent status pursuant to Section 135 Paragraph 8 AktG, Section 135 AktG, whereby the proxy must be retained in a verifiable manner, must be complete and may only contain declarations relating to the exercise of voting rights, as well as other regulations shall apply which are provided by the proxyholder with respect to its proxy, and which should be clarified with the proxyholder.

For proxy authorization vis-à-vis the Company as well as for the transmission of the proof of authorization for an authorization given vis-à-vis the proxy and for a possible revocation of the proxy, the following address, fax number and e-mail address are available:

Epigenomics AG  
Ms. Antje Zeise  
Kleine Präsidentenstrasse 1  
10178 Berlin, Germany  
or *via* fax: +49 (0)30 24345-555  
or *via* e-mail: [HV@epigenomics.com](mailto:HV@epigenomics.com)

Forms for the authorization of, and giving instructions to, the proxyholder are attached to each admission card and are also available at the website of Epigenomics AG at [www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html](http://www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html). They will also be provided in text form upon request.

As a special service, the Company offers its shareholders to grant power of attorney in advance of the Annual General Shareholders' Meeting to a proxy nominated by the Company and bound by instructions. In the case of voting by the proxy nominated by the Company, the conditions for the attendance of the Annual General Shareholders' Meeting and the exercise of voting rights as stated in Section 2 above must also be observed. Powers of attorney to the proxy nominated by the Company must be in text form. Instructions must be given to the proxy nominated by the Company; the instructions must also be given in text form. The proxy nominated by the Company is obliged to exercise



the voting rights in accordance with the instructions. The power of attorney and the instructions must be received at the address indicated in the form for the granting of proxy to a proxy nominated by the Company at the latest on Sunday, May 5, 2013, 12.00 p.m. (CEST). The same applies to a possible revocation of the proxy and amendments to the instructions that have been granted and/or given to the proxy nominated by the Company. However, the shareholders remain entitled to personally exercise their rights in the Annual General Shareholders' Meeting or to have them exercised by a different proxy. In this case the proxy granted to the proxies nominated by the Company and bound by instructions is deemed to be revoked, and the proxies nominated by the Company and bound by instructions will therefore not exercise any voting rights on the basis of their proxy. In addition, shareholders or proxies attending the Annual General Meeting of Shareholders may grant power of attorney and give instructions to the proxies nominated by the Company during the Annual General Shareholders' Meeting; proxies will need to ensure that they are entitled to grant this proxy under their legal relationship with the shareholder represented by them.

Shareholders will receive further documents and information (including forms for proxy authorization) together with the admission card; these documents and information are also available on the website of Epigenomics AG at [www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html](http://www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html).

**4. Shareholders' rights pursuant to Section 122 Paragraph 2, Section 126 Paragraph 1, Section 127, Section 131 Paragraph 1 of the German Stock Corporation Act (AktG)**

**Requisitioning of items to be included on the agenda pursuant to Section 122 Paragraph 2 AktG**

Shareholders whose shares amount in aggregate to no less than one-twentieth of the share capital or represent a proportional amount of no less than EUR 500,000.00 (this is equivalent to 500,000 shares) may request that items be included on the agenda and be published. Reasons or a proposal for a resolution must be attached to every new item. Any requisitions must be received in writing by the Company no later than the end of April 5, 2013, i.e. until April 5, 2013, 12:00 p.m. (CEST). Such request must be addressed in writing to the Executive Board of the Company. Please address a request to:

Epigenomics AG  
Executive Board  
to the attention of Ms. Antje Zeise  
Kleine Präsidentenstrasse 1  
10178 Berlin, Germany

Requests for amendments of the agenda that are required to be published and unless they are announced with the notice to call the Annual General Shareholders' Meeting, will be published without undue delay upon receipt of the request in the German Federal Gazette (*Bundesanzeiger*) and will be submitted to those media for publication which may be expected to distribute the information throughout the European Union. In addition, such requests will be disclosed on the internet at [www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html](http://www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html) and communicated according to Section 125 AktG.

The applicants must establish that they have held the shares for at least the three-months prior holding period pursuant to Section 122 Paragraph 2 Sentence 1 AktG in connection with Sections 122 Paragraph 1 Sentence 3 and 142 Paragraph 2 Sentence 2 AktG and that they hold the shares until the request is decided upon in the sense of the aforementioned provisions.

**Motions by shareholders and nominations for elections pursuant to Sections 126 Paragraph 1 and 127 AktG**

Every shareholder is entitled to file counter-motions to the Executive Board's and/or the Supervisory Board's proposals with respect to identified items on the agenda as well as nominations for elections even before the Annual General Shareholders' Meeting. Such counter-motions and election nominations by shareholders are to be made accessible by the Company, including the name of the shareholder, pursuant to Section 126 Paragraph 1 and Section 127 AktG, if they are received the Company under the address:

Epigenomics AG  
Ms. Antje Zeise  
Kleine Präsidentenstrasse 1  
10178 Berlin, Germany

or via fax: +49 (0)30 24345-555

or via e-mail: [HV@epigenomics.com](mailto:HV@epigenomics.com)

at the latest until the expiry of April 21, 2013, i.e. until Sunday, April 21, 2013 12:00 p.m. (CEST), and otherwise comply with the statutory requirements. This includes, in particular, that reasons need to be given for counter-motions (but not election nominations). Sections 126 Paragraph 2, 127 Sentence 1 and 3 AktG also govern the conditions under which counter-motions and election nomination need not be made accessible. Publication will occur pursuant to the statutory regulations on the internet at [www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html](http://www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html). Any comments by the management on the counter-motions and election nominations will likewise be published at this internet address.

In order to be taken into account in the Annual General Shareholders' Meeting, counter-motions and election nominations must be made in the Annual General Shareholders' Meeting, even if they have been sent to, and made accessible by, the Company in accordance with Section 126 Paragraph 1, 127 AktG.

### **Right of shareholders to obtain information pursuant to Section 131 Paragraph 1 AktG**

Every shareholder or shareholder representative present at the Annual General Shareholders' Meeting may request information from the Executive Board on matters concerning the Company to the extent that it is required to make an informed judgment on the agenda items. The duty to provide information includes the legal and business relationships between the Company and its subsidiaries, the situation of the Group and the Company's consolidated subsidiaries. The information provided shall comply with the principles of conscientious and accurate accounting. Information shall, in principle, be given orally; insofar, there is no right for shareholders to receive information in written form. Section 131 Paragraph 3 AktG sets out the conditions under which the Executive Board may refuse to provide the information.

### **Additional explanations**

Additional explanations regarding shareholders' rights pursuant to Section 122 Paragraph 2, Section 126 Paragraph 1, Section 127, and Section 131 Paragraph 1 AktG can be found on the website of Epigenomics AG at [www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html](http://www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html).

## **5. Reference to the Company's website**

This invitation to the Annual General Shareholders' Meeting, the documents that are required to be made available to the Annual General Shareholders' Meeting, in particular the documents with respect to agenda item 1 and the reports by the Executive Board with respect to items 5 and 6 as well as 7 of the agenda, as well as further information relating to the Annual General Meeting of Shareholders can be downloaded from the following website once the Annual General Shareholders' Meeting has been called: [www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html](http://www.epigenomics.com/en/news-investors/investors/annual-general-shareholder-meeting/2013.html).

The documents that are required to be made available at the Annual General Shareholder' Meeting will also be available during the Annual General Shareholders' Meeting on May 6, 2013.

Berlin, March 2013

Epigenomics AG  
The Executive Board