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**DECLARATION OF COMPLIANCE 2014
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 October 2013 and until September 30, 2014, Epigenomics AG has complied with the recommendations of the German Government Commission on the German Corporate Governance Code (hereinafter also "Code") in the version of May 13, 2013 and has since September 30, 2014 complied, and complies, with the recommendations of the Code in the version of June 24, 2014 (published by the Ministry of Justice in the official part of the Federal Gazette on September 30, 2014), in each case with the exceptions set forth below.

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 5

Until December 2013, not all of the service contracts with Executive Board members of Epigenomics AG included severance payment caps in case of a premature extraordinary termination due to a change of control pursuant to Section 4.2.3 paragraph 5. In case of such an extraordinary termination, the payout of the basic compensation for the remaining contractual period was provided. This provision was based on concerns to the effect that 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 particular circumstances in case of a change of control. Accordingly, we have not complied with the recommendation in Section 4.2.3 Paragraph 5 until December 2013 with respect to all service contracts with Executive Board members.

Since January 2014, all service contracts with Executive Board members contain a severance payment cap within the meaning of Section 4.2.3 paragraph 5.

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 as well as the appointment of an adequate number of independent Supervisory Board members. In deviation 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

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paragraph 3. We strive to achieve an appropriate diversity in the Executive Board and the Supervisory Board, especially with respect to the internationality and the participation of women and to ensure that an adequate number of independent Supervisory Board members is elected. 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.

Sections 5.3.1, 5.3.2 and 5.3.3

As a consequence to the reduction of the number of Supervisory Board members from six to three resolved upon in the Annual General Shareholders' Meeting on May 2, 2012 the Supervisory Board considers the formation of committees no longer to be adequate. Committees comprising less than three members and therefore less than the full Supervisory Board could not be delegated powers to take decisions. Therefore, the Supervisory Board has not formed any committees.

Section 5.4.5 Paragraph 1 Sentence 2

The Supervisory Board cannot comply with the recommendation in Section 5.4.5 paragraph 1 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 paragraph 1 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 2

As a consequence of the reduction of the number of the Supervisory Board members from six to three members which was resolved upon in the Annual General Shareholders' Meeting on May 2, 2012, the Supervisory Board committees no longer exist. Accordingly, a separate compensation for the chairmanship or the mere membership in committees is not provided for in deviation from the recommendation Section 5.4.6 paragraph 1 sentence 2.

Berlin, October 2014

On behalf of the Supervisory Board:

On behalf of the Executive Board:

Heino von Prondzynski
(Chairman of the Supervisory Board)

Dr. Thomas Taapken
(CEO/CFO)

Dr. Uwe Staub
(COO)