

Information on shareholders' rights pursuant to Section 124a sentence 1 No. 2 and Section 121 para. 3 No. 3 Stock Corporation Act

1. Information on Ad Item 1 pursuant to Section 124a sentence 1 No. 2 Stock Corporation Act

Pursuant to Sections 172, 173 Stock Corporation Act, voting on Ad Item 1 is not planned as the Supervisory Board has approved the Annual Financial Statements and Consolidated Financial Statements prepared by the Management Board, thus the Annual Financial Statements have been established. Section 175 (1) sentence 1 Stock Corporation Act merely stipulates that the Management Board convene the Annual General Meeting for the purpose of accepting (inter alia) the established Annual Financial Statements and Management Report as well as for voting, on appropriation of distributable, profit and, in the case of a parent company, also for the purpose of accepting the Consolidated Financial Statements and Management Report as approved by the Supervisory Board. The special case pursuant to Section 173 Stock Corporation Act, according to which the Annual General Meeting would be entrusted with establishing the Annual Financial Statement if the Management Board and Supervisory Board decide this, also does not apply. The Management Board and Supervisory Board have not taken a resolution of such kind, rather they have singularly approved the Annual Financial Statements.

2. Information pursuant to Section 121 para. 3 No. 3 Stock Corporation Act on shareholders' rights

a) Applications for addenda to the agenda, submitted by a minority as defined in Section 122 para. 2 AktG

Shareholders whose aggregate share ownership equates to a proportionate amount of € 500,000 of the capital stock, i.e. equivalent to 500,000 unit shares, may demand the inclusion of items on the agenda and the publication of the same. Each application must be accompanied by a justification or proposed resolution. Applications must reach the Company at the address indicated in (b) before the close of 18 April 2010.

b) Applications and election proposals submitted by shareholders

Shareholders who would like to submit queries about the Annual General Meeting or file counter-proposals to the proposals submitted by the Management and/or Supervisory Boards or nominate candidates for election must submit these to the following address only:

PAION AG
Investor Relations
Martinstrasse 10 – 12
52062 Aachen
Germany
Telefax: +49 (0)241 4453-120

Counter-proposals and proposals for candidates for election that fulfill the requirements of Sections 126, 127 Stock Corporation Act (Aktengesetz, AktG) and are received in good time prior to the close of 4 May 2010 at this address will be made available upon receipt to other shareholders in line with statutory provisions on the internet at www.paion.com/hv. Any comments by the administration will also be published on the aforementioned internet page.



c) Shareholder rights to information pursuant to Section 131 para. 1 AktG

During the Annual General Meeting any shareholder is entitled to request information from the Management Board about matters relating to the Company, including legal and business relationships to affiliated companies and about the situation of the Group and the companies included in the consolidated financial statements to the extent that such information is necessary to enable a factual judgement of the respective item on the agenda. Pursuant to Section 26 para. 2 of the articles of incorporation, the chairman of the meeting is authorised to place time restrictions on the right of shareholders to speak and ask questions; in particular, he is authorised to define a reasonable period of time for the entire Annual General Meeting, for individual items on the agenda and for individual contributions and questions, either at the start or during the course of the Annual General Meeting.