

Declaration on Corporate Governance

The Declaration on Corporate Governance (Section 289f German Commercial Code) comprises the Declaration of Conformity, information on corporate governance practices and a description of the Management Board and Supervisory Board procedures. Our aim is to present PAION's corporate governance principles as clearly and concisely as possible. You will find the complete declaration on our webpage under <http://www.paion.com/media-and-investors/corporate-governance/declaration-on-corporate-governance>. The Management Board and the Supervisory Board jointly prepare the Declaration on Corporate Governance and are each responsible for the parts of the report that concern them.

The Declaration on Corporate Governance is combined for PAION AG and the Group. Accordingly, the statements apply equally to PAION AG and the Group, unless otherwise stated below.

Explanation on Corporate Governance

The Supervisory Board and the Management Board of PAION AG are both committed to the principles of responsible management and governance aimed at sustainable value creation and set great store by these principles in their actions. In ensuring good and transparent corporate governance, the Supervisory Board and the Management Board of PAION AG are guided by the statutory provisions as well as the suggestions and recommendations of the Government Commission of the German Corporate Governance Code. The suggestions and recommendations laid down in the German Corporate Governance Code are based on internationally and nationally recognized standards of good and responsible business management.

In December 2020, the Supervisory Board and the Management Board released their annual Declaration of Conformity following the recommendations of the Government Commission of the German Corporate Governance Code in accordance with section 161 of the German Stock Corporation Act. The declaration is provided permanently on the company website (<http://www.paion.com/media-and-investors/corporate-governance/declaration-of-conformity>) alongside now outdated Declarations of Conformity from previous years.

Since issuing the last declaration of conformity in December 2019, PAION AG has complied with all recommendations of the German Corporate Governance Code 16 December 2019 (effective since publication in the Federal Gazette on 20 March 2020) with the exception of the recommendation in F.2 with regard to the time of public disclosure of the mandatory financial information during the year and in C.5 regarding the number of mandates of the members of the Supervisory Board. The Declaration of Conformity from December 2021 with the details is reproduced below.

Declaration of Conformity with German Corporate Governance Code

Pursuant to section 161 of the German Stock Corporation Act (AktG), the Management Board and the Supervisory Board of PAION AG have an obligation to annually declare that the company has complied and will comply with the recommendations of the latest version of the "Government Commission German Corporate Governance Code" (the "Code") published by the Federal Ministry of Justice in the official section of the Federal Gazette, or which of the recommendations have not been or are not being applied and why.

Pursuant to section 161 of the German Stock Corporation Act, the Management Board and the Supervisory Board of PAION AG declare: Since issuing the last declaration of conformity in December 2020, PAION AG has complied with all recommendations of the Code as published on 20 March 2020 („DCGK 2019/2020“), with the exception of the following deviations.

- Recommendation F.2 DCGK 2019/2020:

According to recommendation F.2 DCGK 2019/2020, the consolidated financial statements and the group management report shall be publicly accessible within 90 days of the end of the financial year and the mandatory financial information during the year shall be publicly accessible within 45 days of the end of the respective reporting period.

The company has not complied with recommendation F.2 DCGK with regard to the time of public disclosure of the mandatory financial information during the year, beginning with the half-year report 2021. The deviation from the recommendation is due to the following fact:

The sales reports of the remimazolam licensees, which are essential for the half-yearly reports, may only be expected at the end of July of each year at the earliest. To ensure that this information, important for the half-year reports, is always considered, the company will also not comply with recommendation F.2 DCGK 2019/2020 regarding the timing of the public disclosure of the mandatory interim financial information in the future.

- Recommendation C.5 DCGK 2019/2020:

“Supervisory Board Members, who are members of the Management Board of a listed company, shall not have, in aggregate, more than two Supervisory Board mandates in non-group listed companies or comparable functions, and shall not accept the Chairmanship of a Supervisory Board in a non-group listed company”.

Dr. Chris Tanner, member of the Supervisory Board of PAION AG, was a member of the management board of the listed company Cassiopea SpA. until the end of 2020 and had more than two further Supervisory Board mandates in non-group listed companies or comparable functions. With the departure of Dr. Tanner from the Management Board with effect of 31 December 2020 of the listed company, PAION AG complies with recommendation C.5 of the Code.

PAION AG will continue to comply with the recommendations of the DCGK 2019/2020 with the aforementioned deviation from recommendation F.2.

Aachen, December 2021

The Supervisory Board of PAION AG

For the Supervisory Board: Dr. Jörg Spiekerkötter, Chairman of the Supervisory Board

The Management Board of PAION AG

Dr. James Phillips, Chairman of the Management Board

Abdelghani Omari, Member of the Management Board”

Code of Conduct

PAION AG has developed into a renowned and respected company focused on the clinical development of drugs in anesthesia for which there is a high unmet medical need. As a listed clinical drug development and research company, PAION carries a major responsibility towards many stakeholders. Doctors and patients alike must be able to rely on our ability to develop safe and effective

products. Business partners, shareholders and investors must also be able to place trust on us that all our activities and relationships both with business partners and governmental authorities remain within the framework and principles of integrity in business relationships as recorded in our corporate “Code of Conduct”. Please visit <http://www.paion.com/media-and-investors/corporate-governance/code-of-conduct> for more information about the Code of Conduct at PAION.

Information on Company management and supervision

In accordance with the provisions of the German Stock Corporation Act, PAION AG has a dual management and control structure with two bodies, the Management Board and the Supervisory Board. The Management Board currently consists of two members who are jointly responsible for the management of the company. The Supervisory Board appoints, monitors and advises the Management Board and is directly involved in decisions that are of fundamental importance to the company. In accordance with the Articles of Association, the Supervisory Board consists of five members. Since the Supervisory Board member Dr Irina Antonijevic resigned from office in January 2022, the Supervisory Board consists of the following four members:

- Dr Jörg Spiekerkötter (Chairman), member of the Supervisory Board since 2007
- Dr Karin Dorrepaal (Deputy Chairperson), member of the Supervisory Board since 2012
- Dr Chris Tanner, member of the Supervisory Board since 2017
- Dr Markus Leyck Dieken, member of the Supervisory Board since 2019

The Supervisory Board will propose to the Annual General Meeting on 25 May 2022 to appoint Mr. Michael Schlenk as Supervisory Board member to succeed Dr Irina Antonijevic.

Regarding the composition of the Supervisory Board, the Supervisory Board pays attention primarily to the qualification of candidates, their experience and internationality, as well as to the principle of diversity, specifically the representation of women. Moreover, the Supervisory Board has determined that these goals are supposed to be considered for recommendations for the election of Supervisory Board members to the Annual General Meeting. Taking into consideration the specific circumstances of PAION AG, the Supervisory Board adopted the following objectives regarding its composition.

The members of the Supervisory Board shall as a group possess the required knowledge, ability and expert experience required to complete the tasks of the Supervisory Board ("Competence Profile"). The competence profile includes:

- Experience and knowledge in corporate management, accounting, risk management and governance/compliance;
- Knowledge of the German and international capital markets;
- especially the knowledge relating to PAION AG in research and development, production and selling/distribution of pharmaceuticals;
- Knowledge of international cooperation models (e.g. licensing agreements, R&D agreements).

The Supervisory Board determined that the Supervisory Board shall have no more than one member who was a former member of the Management Board of the company. The Supervisory Board shall not have any members who act as board members or consultants for major competitors or have business or personal relations to the company or the Management Board members, which could give rise to a conflict of interest which is significant and not temporary. The Supervisory Board members shall have sufficient time to perform their mandate. Members who serve at the same time as active management board members shall have no more than

three Supervisory Board mandates in total. The age limit for Supervisory Board members is 75 years. Tenure is limited to an aggregate total of fifteen years. Exceptions to this rule require a unanimous decision of the Supervisory Board. The international nature of the company shall be adequately reflected in the composition of its Supervisory Board. Therefore, it is desired that at least one member possesses an international background. Furthermore, the Supervisory Board resolved that at least one of its five members must be female. This target shall be periodically reviewed and/or revised in accordance with current legal requirements.

During financial year 2021 all members were independent and younger than 75 years. The Supervisory Board takes the view that the Chairman of the Supervisory Board, Dr. Jörg Spiekerkötter, should be regarded as independent from the company and the Management Board, despite his tenure of more than 12 years as member of the Supervisory Board. The Supervisory Board believes that the Chairman's long-standing company-specific experience and expertise is conducive to the goals of advising and supervising the Management Board and coordinating the Supervisory Board's work in a lasting and objective manner. Moreover, there are no circumstances in his specific case that might cause a material and not merely temporary conflict of interests based on the tenure of his Supervisory Board membership. The Chairman of the Supervisory Board coordinates its work and chairs its meetings. The Chairman of the Supervisory Board maintains regular contact with the Management Board. In the By-Laws developed for the Management Board, the Supervisory Board laid down the duties of the Management Board. This includes the provision of information and reports, the allocation of duties, and further defines the necessary levels of co-operation within the Management Board including the processes and business transactions requiring approval by the Supervisory Board. The Supervisory Board established an Audit Committee chaired by Dr. Chris Tanner, an independent member of the Supervisory Board with specific knowledge and experience in the application of accounting principles and the auditing of financial statements. Furthermore, Dr. Jörg Spiekerkötter and Dr. Markus Leyck Dieken are members of the Audit Committee. The Supervisory Board established a Human Resources & Nomination Committee chaired by Dr. Karin Dorrepaal, an independent member of the Supervisory Board. Furthermore, Dr. Jörg Spiekerkötter and Dr. Chris Tanner are members of the Human Resources & Nomination Committee. In addition, the Supervisory Board established a Research & Development (R&D) Committee which was chaired by Dr. Dr. Irina Antonijevic. After her retirement from the Supervisory Board in January 2022, no decision has yet been taken on the succession to the Chair of the Research & Development Committee. Dr. Karin Dorrepaal and Dr. Markus Leyck Dieken are members of the R&D Committee. Duties and tasks of the Supervisory Board and its committees are also regulated by specific rules of procedure. From time to time, the Supervisory Board reviews and assesses the work of the Supervisory Board and its committees using a checklist and questioning of the members of the Supervisory Board ("self-assessment"). The Supervisory Board lastly conducted such a self-assessment of the effectiveness of its work and the work of its committees in January 2021 using the checklist¹ and questioning of the members of the Supervisory Board. Further details concerning the work of the Supervisory Board can be found in the Report of the Supervisory Board.

PAION AG has taken out a D&O insurance policy for the members of the Management Board and the Supervisory Board. This insurance policy provides partial coverage for the Management Board and the Supervisory. Insurance coverage is not provided in the event of fraudulent actions, omissions or deliberate breaches of duty.

The Supervisory Board has set an age limit of 65 for members of the Management Board. The Supervisory Board and the Management Board work together on long-term succession planning for the Management Board members.

The Supervisory Board and the Management Board will continue to start the timely planning of successors in the future.

Conflicts of interest of the Management or Supervisory Board members must be disclosed immediately to the Supervisory Board. No conflicts of interest involving the members of the Supervisory Board in accordance with Recommendation E.1 of the German Corporate Governance Code in the version dated 16 December 2019 were reported in financial year 2021.

¹ Die Effizienzprüfung des Aufsichtsrats, Ein Leitfaden zur Evaluation, Hans Böckler Stiftung

Both members of the Management Board are also Managing Directors of PAION Deutschland GmbH, PAION Holdings UK Ltd and its subsidiaries as well as of PAION Netherlands B.V. and PAION Scandic ApS. Further mandates held by members of the Management Board and Supervisory Board are listed in the notes to the Consolidated Financial Statements.

Equal participation of Men and Women in executive positions

When appointing Executive Board members, selecting Supervisory Board members and filling management positions, the Supervisory Board and Executive Board aim to achieve an appropriate representation of women in these positions.

In a resolution passed in June 2017, the Supervisory Board decided that at least one woman should be a member of the Supervisory Board, consisting of five members in total. Consequently, a target of 20% female representation was set for the reporting period that began on 1 July 2017. The deadline set for achieving the target ends on 30 June 2022. Until the departure of Dr Dr Antonijevic in January 2022, two out of five Supervisory Board seats were occupied by a woman, resulting in a representation of 40%. After Dr. Dr. Antonijevic left the Supervisory Board in January 2022, the target was still achieved, as the Supervisory Board, which consists of five members in accordance with the Articles of Association but currently only has four members, has one woman on it and thus has a quota of 25 %.

The Management Board of PAION AG consists of two members - Dr James Phillips (CEO) and Mr Abdelghani Omari (CFO). There are no women on the company's Management Board. Based on the existing Management Board contracts, the Supervisory Board, in accordance with Section 111 (5) of the German Stock Corporation Act (AktG), had not envisaged a mandatory representation of women on the Management Board of PAION AG by the end of the specified deadline for achieving the target on 30 June 2017. By resolution of 19 June 2017, the Supervisory Board decided that, due to the specific circumstances of the Company, no mandatory representation of women on the Management Board of PAION AG would continue to be provided for until 30 June 2019. By resolution dated 21 May 2019, the Supervisory Board extended this resolution until 30 June 2021 and by further resolution dated 29 March 2022 until 30 June 2023.

The Supervisory Board has dealt intensively with the issue of determining a proportion of women on the Executive Board and has set itself the goal of taking women into account when filling Executive Board mandates. Due to the current Management Board mandates and the small size of the Management Board of the Company, the Supervisory Board has nevertheless initially refrained from setting a binding target for the representation of women on the Management Board of more than 0 % for the period until 30 June 2023 and justifies this as follows:

Since the beginning of 2021, the Management Board of PAION AG has consisted of only two members, none of whom is a woman. This corresponds to a quota of 0 %. Due to the size of the company, the Supervisory Board does not consider it appropriate to increase the number of members of the Management Board at present. Against this background, the specification of a quota of women of more than 0 % would have meant that a quota of at least 50 % (corresponding to one executive board position) would have had to be specified. This is because, according to section 111 (5) sentence 2 AktG, a specification of a percentage must correspond to full numbers of persons.

However, a requirement of 50 % would have had the consequence that the supervisory board would have been considerably and, in the opinion of the supervisory board, unduly restricted in its search for a successor for a departing member of the management board. The Supervisory Board of PAION AG has so far been guided by the suitability of the candidates when filling the positions on the Management Board, so that the Management Board has the knowledge, skills and professional experience required to properly perform its duties. If, in addition, the search for a successor candidate for a vacant management board position were to be

mandatorily limited to the selection of a woman in order to achieve a quota, this would represent a considerable and disproportionate restriction. This is because PAION AG is a highly specialised company in the pharmaceutical sector. The market for promising executives in this industry is not very large, so that the search for professionally suitable candidates is already difficult. A further restriction of the candidates considered on the basis of their professional suitability to a woman would therefore have meant a considerable risk that the Company might not be able to fill vacant Executive Board positions or not be able to do so in time or would have had to refrain from selecting a particularly suitable and promising male candidate. Such a risk in filling a vacant Management Board position affects the Company to a particular extent, as PAION AG is a relatively small company compared to its competitors. Problems in filling the Management Board may therefore not be adequately compensated for and thus lead to considerable competitive disadvantages compared to competing companies. The Supervisory Board therefore considered it more expedient to strive for a consideration of women in the appointment of the Management Board, but to refrain from a binding requirement of a share of 50 %.

In the reporting period that began on 1 July 2017, the Management Board of PAION AG resolved to achieve a 20% share of women at the first and second management levels below the Management Board by 31 December 2019. With a quota of 31.6 % as at 31 December 2019, the set target was achieved. The Executive Board also decided in January 2020 to achieve a quota of 35 % women by 31 December 2021. With a quota of 40.7% as at 31 December 2021, this target was achieved. Thus, the company as a whole sees itself on a successful path in its efforts to strengthen the participation of women in the first and second management levels. The Executive Board also decided on 13 December 2021 to maintain the target quota and has set a target of 35% for women by 31 December 2023.

Compliance as a key management duty of the Management Board

Compliance, in the sense of measures designed to ensure adherence to statutory provisions and internal company policies including observance of these measures, represents a key obligation in the PAION group. Pursuant to Section 91(2) of the German Stock Corporation Act, the Management Board is obliged to implement effective measures – namely a monitoring system – to enable the early identification of any developments that may threaten the survival of the company. Pursuant to section 91(3) of the German Stock Corporation Act (AktG), the executive board of a listed company must also establish an internal control system and risk management system that is appropriate and effective with regard to the scope of the company's business activities and its risk situation. The German Corporate Governance Code specifies this obligation by stating that the management board must ensure that the company has a compliance management system and risk controlling system that are geared to the company's risk situation.

PAION AG has implemented a viable internal control system and risk management system in order to ensure the effectiveness and efficiency of its business activities, the correctness of its accounting and compliance with the relevant legal provisions in accordance with Section 91 (3) of the German Stock Corporation Act (AktG), thereby systematically and permanently preventing breaches of law and regulations. This system also ensures that risks are identified, assessed, managed and communicated in a timely manner, that the risk management system as a whole is monitored and controlled, and that potential risks to the company and its subsidiaries are recognised at an early stage in accordance with section 91 (2) of the German Stock Corporation Act (AktG). This is a group-wide, comprehensive and effective internal control system and risk management system that is integrated into the operational business processes and flexibly adapted to the dynamics of the environment. Details of the internal control system and risk management system (compliance management system) implemented at the PAION Group are described in the group management report in the chapter "Risk and Opportunities Report".

The Management Board of a joint stock corporation is jointly and severally liable for the fulfilment of its organizational duties, especially risk management and risk control. The Management Board must define an organizational structure for the company

ensuring that its operations comply with legal requirements. Any infringement of rights and legally protected interests of third parties must reasonably be excluded. A Management Board is only eligible for exemption from liability if it provides evidence of compliance with its organizational obligations.

One of the organizational obligations for the Management Board is represented by the formal assignment of business responsibilities defining the individual areas of responsibility for its members. This plan forms an integral part of the rules of engagement for the Management Board and must be approved by the Supervisory Board. In addition, regular meetings and consultations ensure that the members of the Management Board are well informed of any important developments. In case of any deficits and/or irregularities, the Management Board must collectively implement suitable counter-measures.

The Management Board must not delegate management tasks to lower levels of the organization. This excludes the vast majority of common operational tasks. The Management Board of PAION AG further delegated specific tasks to subordinate executives and expert members of staff in the Legal, Investor & Public Relations as well as Finance departments forming part of its efforts to comply with capital market statutes. These tasks and responsibilities are defined in the individual job descriptions. The members of staff that perform tasks related to compliance within capital market statutes are subject to ongoing monitoring, instruction and training.

All staff and members of the Management and Supervisory Board across the entire PAION Group of companies receive regular communications raising awareness of compliance with relevant financial market regulations. This includes, for example, the handling of sensitive confidential information, specifically insider information.

Transparency and communication

Good corporate governance is distinguished by open, transparent and up-to-date communications. PAION AG ensures this by posting ad-hoc reports on the company's website and by forwarding without delay all relevant information for publication to the relevant service providers (Business Register, Deutsche Börse, Federal Gazette, Europe-wide publication).

All inside information according to Section 17 Market Abuse Regulation (MAR), Directors' dealings notifications according to Section 19 MAR, press releases, publications of voting right notifications according to Section 40 Securities Trading Act, financial reports, information on the Annual General Meeting as well as information on the company's corporate governance principles can be accessed by the public on the company's website (<http://www.paion.com>). The website also features a financial calendar that provides information on the publication dates of the financial publications as well as an event calendar detailing upcoming presentations by the company. For all events and discussions, PAION AG ensures that no investor receives material information in a favorable manner and that the equal treatment of all shareholders is ensured. Information such as inside information announcements, press releases, quarterly releases, half-year reports and annual reports are also made available in English.

PAION AG reports regularly and promptly on the development of its business as well as the net assets, financial position and operational results for the entire group. The Annual Financial Report is published within 90 days from the end of the respective financial year.

Further information about transparency and communications can be found in the Investor Relations section of the Annual Report.

Shareholders and Annual General Meeting

The shareholders of PAION AG are entitled to exercise their rights at the Annual General Meeting. Each share entitles the holder to one vote. The shareholders have the possibility to exercise their voting rights themselves or to appoint a proxy in writing. PAION AG

implemented facilitating measures for the shareholders to exercise their voting rights by appointing a representative assisting in the exercise of shareholders' voting rights in accordance with their instructions. All reports and documents required to be made available for inspection in connection with the Annual General Meeting are also posted on the PAION webpage (<http://www.paion.com/media-and-investors/annual-general-meeting/>).

Auditing of the financial statements

The consolidated financial statements of PAION AG are drawn up by the Management Board in accordance with the International Financial Reporting Standards. Following vote at the Annual General Meeting, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, branch office (Zweigniederlassung) Cologne, ("Ernst & Young") was commissioned by the Supervisory Board to audit the annual and consolidated financial statements of PAION AG. In September 2021, however, Ernst & Young had to resign from its mandate as Ernst & Young had exceeded the fee cap for permissible non-audit services and could no longer be appointed as auditor of PAION AG for the fiscal year 2021. In January 2022, the competent district court in Aachen appointed Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Munich branch ("Baker Tilly") as auditors of the financial statements and consolidated financial statements for the fiscal year 2021. It was agreed upon between the Supervisory Board and Baker Tilly that the auditor would report to the Chairman of the Supervisory Board or to the Chairman of the Audit Committee, without delay all findings and events essential for the fulfilment of the duties of the Supervisory Board that were discovered during the audit. Furthermore, the auditor is required to inform the Supervisory Board and the Audit Committee, or to include a note in the auditor's report, if he discovers any facts during the audit that are not consistent with the Declaration of Compliance issued by the Management Board and the Supervisory Board in accordance with section 161 of the German Stock Corporation Act. In regard to the audit of the consolidated financial statements and the audit and adoption of the financial statements by the Supervisory Board we refer to the report of the Supervisory Board.

Risk management and compliance management system

Good corporate governance also includes the responsible handling of risks by the company. Details of the risk management system (compliance management system) implemented at the PAION Group in accordance with section 91 (2) and (3) of the German Stock Corporation Act (AktG) are described in the group management report in the chapter " Report on risks and opportunities".

Remuneration of the Management Board and Supervisory Board / Remuneration System, Remuneration Resolution and Remuneration Report

The applicable remuneration system for the Executive Board pursuant to section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), which was resolved by the Annual General Meeting on 27 May 2021, as well as the resolution of the Annual General Meeting of 27 May 2021 pursuant to section 113 (3) sentence 2 of the German Stock Corporation Act (AktG) on the confirmation of the remuneration of the Supervisory Board are available on the website

<https://www.paion.com/de/medien-investoren/corporate-governance/verguetung-vorstand-und-aufsichtsrat/>

accessible.

The remuneration report and the auditor's report pursuant to § 162 AktG for the 2021 financial year are also publicly accessible via

the aforementioned website.

Remuneration of the Management Board

The structure and amount of the total remuneration of the members of the Executive Board are determined and regularly reviewed by the Supervisory Board on the basis of the remuneration system adopted by the Annual General Meeting. According to the remuneration system adopted by the Annual General Meeting on 27 May 2021, the remuneration of Executive Board members comprises a fixed annual remuneration, an annual variable bonus, long-term performance-based remuneration components in the form of a multi-year bonus and/or in the form of stock options, and fringe benefits.

In accordance with the statutory provisions, the remuneration of the Executive Board members is disclosed on an individualised basis in the remuneration report pursuant to section 162 of the German Stock Corporation Act (AktG). The complete remuneration system and the complete remuneration report for the 2021 financial year can be found on the Internet at

<https://www.paion.com/de/medien-investoren/corporate-governance/verguetung-vorstand-und-aufsichtsrat/>.

In order to avoid a duplicate presentation, reference is made to the detailed explanations in the remuneration system and remuneration report.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is defined in PAION AG's Articles of Association. Accordingly, the members of the Supervisory Board receive a basic remuneration and attendance fees in addition to the reimbursement of their expenses. There is no performance-related remuneration for the members of the Supervisory Board. The annual basic remuneration is EUR 20,000 and the attendance fee is EUR 1,000 per meeting. Telephone conferences held between meetings are not taken into account when determining the attendance fee. The Chairman of the Supervisory Board shall receive double, and his deputy one and a half times, the basic remuneration or the attendance fee. The attendance fee is paid for a maximum of five meetings per year. The Annual General Meeting on 27 May 2021 confirmed the remuneration in accordance with § 113 para. 3 sentence 2 AktG. The remuneration paid to the members of the Supervisory Board for the financial year 2021 is presented individually in the remuneration report pursuant to § 162 AktG. The complete remuneration report can be found on the internet at

<https://www.paion.com/de/medien-investoren/corporate-governance/verguetung-vorstand-und-aufsichtsrat/>.

In order to avoid a duplicate presentation, please refer to the detailed explanations in the remuneration report. In the 2021 financial year, the members of the Supervisory Board did not receive any remuneration or benefits for services rendered personally, in particular advisory and agency services.

Share transactions by and shareholdings of the members of the Management Board and the Supervisory Board

In accordance with Section 19 MAR, members of the Management Board, the Supervisory Board and persons associated with them are required to disclose the selling or buying of PAION AG shares if the value of the combined transactions reaches or exceeds

EUR 20,000 in any calendar year. These transactions are published by PAION AG immediately on the company's website and notified to the Federal Financial Supervisory Authority. In fiscal year 2021, notifiable transactions were reported by Dr. James Phillips on 12 January 2021. As of 31 December 2021, Dr. James Phillips held 0.02% (17,250 voting rights) of the shares in PAION AG. Mr. Abdelghani Omari and the members of the Supervisory Board did not hold any shares in PAION AG as of 31 December 2021.

Share-based incentive systems

PAION AG has established the stock option programmes 2010, 2014, 2016, 2018 and 2020 as remuneration components with a long-term incentive effect and risk character. The stock option programmes provide for the granting of stock options to employees and members of the Management Board. The concrete structure of the active programmes, e.g. waiting periods and exercise hurdles, as well as the options issued to date under these programmes are presented in the notes to the consolidated financial statements in the chapter "Other notes" (there under "Stock option programmes") and in the remuneration report. In order to avoid a duplicate presentation, reference is made to the explanations in the notes to the consolidated financial statements and the remuneration report.

Aachen, March 2022

The Management Board of PAION AG

Dr. James Phillips

Abdelghani Omari

The Supervisory Board of PAION AG

Dr. Jörg Spiekerkötter

Dr. Karin Dorrepaal

Dr. Markus Leyck Dieken

Dr. Chris Tanner