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## **Information regarding proxy voting at the Annual General Meeting to be held on 23 May 2018**

Dear Shareholders,

As outlined in the invitation to the Annual General Meeting, after having granted such power of attorney, shareholders may also exercise their votes in the General Meeting by voting proxy (e.g. a financial institution, a shareholder association or other third parties). In addition, we are pleased to offer you a proxy voting service through representatives nominated by PAION AG who will exercise your voting rights in accordance with your instructions.

### **1. Proxy to a person in your trust**

Shareholders who do not personally attend the Annual General Meeting, may exercise their votes through a proxy (e.g. a financial institution, a shareholders' association or other third parties).

In case you would like to be represented by a proxy, please proceed as follows:

Apply for your personal admission ticket for the Annual General Meeting of PAION AG on 23 May 2018 in Aachen. Once you have received your admission ticket, please complete the Proxy Authorisation for Third Persons (for further details see below under section 3), conclude it with e.g. your signature or any other means in accordance with Section 126b BGB and provide it together with the admission ticket to the voting proxy. The evidence of proxy assignment can also be transmitted to the company by mail, facsimile or e-mail to the address given in section 2.

No evidence in text form (*Textform*) is required if proxy voting rights are awarded to financial institution, shareholder associations or equivalent persons, institutes, companies or associations pursuant to Section 135 para. 8 and Section 135 para. 10 in conjunction with Section 125 para. 5 AktG, but the authorised representative must be in possession of a verifiable letter of authority. Said letter must also be complete and may only contain declarations relating to the exercise of voting rights. We therefore ask that our shareholders wishing to grant proxy voting rights to a bank, a shareholder association or equivalent persons, institutes, companies or associations pursuant to Section 135 para. 8 and Section 135 para. 10 in conjunction with Section 125 para. 5 AktG coordinate with their authorised representative on the form in which they grant power of attorney. The admission card for shareholders will include a form for such voting proxy.

### **2. Proxy to the Company appointed proxies**

PAION AG offers its shareholders the option of representation by voting proxies appointed by the company and bound to adhere to instructions.

The authorisations can be transmitted in writing, by facsimile, e-mail or otherwise in writing (see address details below). In the event they are transmitted via e-mail, please attach the completed authorisation and instruction form that was enclosed with the admission card. The form may only be sent in electronic format as an attachment ("PDF" or "TIF"). The authorisation and instruction form can also be downloaded at [www.paion.com/media-and-investors/annual-general-meeting/](http://www.paion.com/media-and-investors/annual-general-meeting/). Even if you choose to authorise the voting proxies, registration and submission of proof of share ownership must still be provided prior to the deadline, as described in Section III. 1. and 3. of the invitation to the Annual General Meeting.

If the voting proxies appointed by the Company are to be authorised, the shareholder must issue clear instructions as to how his or her vote should be exercised for each of the items on the agenda. If no specific or contradictory or unclear instructions have been issued, the voting proxies appointed by the Company will refrain from voting on the respective agenda item. The voting proxies appointed by the Company are bound to vote in accordance with your instructions and are authorised to appoint substitute proxies. Neither prior to nor during the General Shareholders Meeting will the voting proxies appointed by the Company accept instructions to submit a request to address the Annual General Meeting, record objections to the Annual General Meeting or ask questions or put forward motions.



Shareholders who would like to avail themselves of this option and issue authorisation to the voting proxies appointed by the Company require an authorisation form for this purpose, which they can also use to give instructions. This form will be included with the admission card sent to the shareholders. If shareholders would like to issue an authorisation to the voting proxies appointed by the Company, such shareholders must complete an authorisation and instruction form, and has to return it to the Company by Tuesday, 22 May 2018, 24:00 (CEST) by mail, facsimile, e-mail or otherwise to the following address, with receipt being decisive:

PAION AG  
c/o BADER & HUBL GmbH  
Wilhelmshofstrasse 67  
74321 Bietigheim-Bissingen  
Germany

Telefax: +49 (0)7142 788667-55  
E-Mail: [hauptversammlung@baderhubl.de](mailto:hauptversammlung@baderhubl.de)

If motions and/or election proposals from shareholders regarding the agenda of our Annual General Meeting are received that are subject to disclosure requirements, these will be published on our website at [www.paion.com/media-and-investors/annual-general-meeting/](http://www.paion.com/media-and-investors/annual-general-meeting/).

In case the proxies receive several authorisations and instructions via different transmission channels (mail, facsimile or e-mail), the last valid authorisation with the respective instructions will be regarded as binding.

The personal attendance of a shareholder or an authorised third party (e.g. banks or associations of shareholders) at the Annual General Meeting will be deemed to constitute a revocation of the proxy and instructions previously given to the company proxies.

### **3. Proxy forms**

The admission ticket contains a form for the proxy authorisation for a third person as well as a proxy and instruction form for granting a proxy and instructions to the Company's nominees. The respective forms are also offered to the shareholders on the internet at [www.paion.com/media-and-investors/annual-general-meeting/](http://www.paion.com/media-and-investors/annual-general-meeting/). As stipulated in Section 48 para. 1 no. 5 WpHG the forms will be provided to the shareholders on request by mail or directly at the Annual General Meeting.

Kind regards,

PAION AG  
Management Board