

Declaration of Conformity with the German Corporate Governance Code

(convenience translation: only the German version is binding)

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 declare each year that the company has complied and is complying with the recommendations of the latest version of the "Government Commission German Corporate Governance 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 the last declaration of conformity in December 2013, PAION AG complied in the fiscal year 2014 and continues to comply with all recommendations of the „Government Commission on the German Corporate Governance Code" (version dated 24 June 2014), with the following exception:

Formation of committees (clause 5.3.3)

The German Corporate Governance Code recommends that the Supervisory Board shall form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the General Meeting. The Supervisory Board of PAION AG consists of three members. The nomination of candidates is carried out by the whole Supervisory Board, so that the Supervisory Board has refrained from forming a nomination committee.

Aachen, December 2014

Supervisory Board of PAION AG

Dr Jörg Spiekerkötter
Chairman of the Supervisory Board

Management Board of PAION AG

Dr Wolfgang Söhngen
Chairman of the Management Board

Dr Mariola Söhngen
Member of the Management Board

Abdelghani Omari
Member of the Management Board