

## 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" or which of the recommendations have not been or are not being applied.

Pursuant to section 161 of the German Stock Corporation Act, the Management Board and the Supervisory Board of PAION AG declare that: Since the last declaration of conformity in December 2012, PAION AG complied with all recommendations of the „Government Commission on the German Corporate Governance Code" (version dated 15 May 2012), 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.

On 13 May 2013, the "Government Commission on the German Corporate Governance Code" submitted a new version of the Code, which was published in the Federal Gazette (Bundesanzeiger) on 10 June 2013. PAION AG has also complied and will continue to comply with all recommendations of this version, with the exception of the recommendation in clause 5.3.3 to form a nomination committee.

Aachen, December 2013

Supervisory Board of PAION AG

Management Board of PAION AG

Dr Jörg Spiekerkötter  
Chairman of the Supervisory Board

Dr Wolfgang Söhngen  
Chairman of the Management Board

Dr Mariola Söhngen  
Member of the Management Board