

Authorisation and Instructions to the Company's Proxies of PAION AG

(please fill in)

<Surname, First name of the shareholder>

<Street, No.>

<City, Postcode, Country>

I/We herewith grant authorisation to the proxy representatives of PAION AG, Mr Marcus Graf or Mrs Norma Körnig, both employees of Haubrok Corporate Events GmbH (Widenmayerstr. 32, 80538 Munich, Germany, fax +49 (0) 89 21027 298) to each hold the power of attorney, to represent me/us at the Annual General Meeting of PAION AG on August 26, 2005 and to exercise or have the vote exercised for me/us in the manner subsequently described. (please mark with a cross)

- I/We agree with the proposals of the administration in respect of **all** items of the agenda.
- I/We do **not** agree with the proposals of the administration in respect of all items of the agenda, but issue **individual instructions** as mentioned below.

Individual instructions

Please only fill in if you did not vote for the proposals provided by the administration in respect of all agenda items.

In this case please issue an instruction for each agenda item regarding the relevant proposal suggested by the administration. Only one instruction may be issued for each item of the agenda. If you do not explicitly issue instructions in respect of the individual agenda items, the proxy representatives will abstain from voting for these items.

Agenda item	YES	NO	ABSTENTION
2. Adoption of a resolution to formally approve the actions of the members of the Management Board for the financial year 2004	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Adoption of a resolution to formally approve the actions of the Supervisory Board for the financial year 2004	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Appointment of the auditors to audit the annual financial statements for the financial year 2005	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Election of new members to the Supervisory Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Adoption of a resolution in respect of the remuneration of the Supervisory Board for the financial year 2004	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Adoption of a resolution to amend the articles of incorporation in respect of the remuneration of the Supervisory Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Adoption of a resolution to revoke the previously Approved Capital 2004, create new Approved Capital I and to amend the articles of incorporation accordingly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Adoption of a resolution to authorise the issue of convertible and warrant-linked bonds and the creation of new Conditional Capital I and simultaneously to revoke the previous authorisation to issue convertible and warrant-linked bonds and the Conditional Capital 2004, and to amend the articles of incorporation accordingly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Adoption of a resolution to create Conditional Capital III to service the 2005 stock option plan and to amend the articles of incorporation accordingly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Adoption of a resolution to authorise the purchase of treasury stock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Amendment of the articles of incorporation in respect of the depository period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Amendment of the articles of incorporation to reflect the requirements of the government's draft Act on Corporate Integrity and Modernisation of the Right to Contest Shareholders' Resolutions (<i>Gesetz zur Unternehmensintegrität und Modernisierung des Anfechtungsrechts</i> , UMAG): amendments to sections 3, 23, 24 and 26 of the articles of incorporation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(City)

(Date)

(Signature 1st shareholder)

(if applicable signature 2nd shareholder)

Important:

Regardless of the means by which the proxy is issued, please ensure that your authorisation and instructions are issued no later than 6 p.m. on Wednesday, August 24, 2005 (deadline for receipt by the company's proxies). Authorisation and instructions which have not arrived at the aforementioned address by 6 p.m. on August 24, 2005 will not be considered.