

# CORPORATE GOVERNANCE

## Declaration of Corporate Governance

AIXTRON is committed to the principles of transparent, responsible corporate governance aimed at creating sustainable value. Through appropriate management and supervision of the Company, we - the Executive Board and the Supervisory Board - aim to underpin the trust placed in us by our shareholders, the financial markets, our customers, business partners, employees and the general public. We are convinced that good corporate governance is an essential basis for the success of our Company.

The declaration of corporate governance in accordance with the German Commercial Code (HGB) as well as the current joint declaration of conformity by the Executive Board and the Supervisory Board in accordance with § 161 of the German Stock Corporation Act (AktG) are published in the Annual Report and on the AIXTRON website in German and English language.

### Declaration of Conformity

The German Corporate Governance Code was revised on December 16, 2019 and became the basis for the Declaration of Conformity upon publication in the Federal Gazette on March 20, 2020 ("DCGK 2020"). The Executive Board and the Supervisory Board of AIXTRON SE declare that AIXTRON SE has complied with the recommendations of the DCGK 2020 and will continue to comply with them in the future, in each case with the following exception:

### Consideration for the Chairmanship and Deputy Chairmanship of the Supervisory Board as well as the Chairmanship and Membership of Committees in Supervisory Board Compensation (G.17 DCGK 2020)

According to G.17 DCGK 2020, Supervisory Board compensation shall take into account the Chair and Deputy Chair of the Supervisory Board as well as the Chair and membership of committees. The Supervisory Board compensation resolved by the Annual General Meeting on May 16, 2018 only takes into account the chairmanship and deputy chairmanship of the Supervisory Board and the chairmanship of the Audit Committee in addition to membership of the Supervisory Board. Further consideration of the deputy chairmanship of the Audit Committee and a chairmanship and deputy chairmanship of the other committees is not considered appropriate, as the time and effort involved in these activities is already adequately covered by the Supervisory Board compensation.

Furthermore, the Executive Board and the Supervisory Board of AIXTRON SE declare that AIXTRON SE has complied with the recommendations of the version of the German Corporate

Governance Code dated February 7, 2017 (“**DCGK 2017**”) applicable until March 20, 2020, with the following exceptions (in addition to the deviation from recommendation No. 5.4.6 para. 1 sentence 2 DCGK 2017 already described above, which corresponds to recommendation G.17 DCGK 2020):

### **Composition of the Executive Board (4.2.1 Sentence 1 DCGK 2017)**

According to Section 4.2.1 Sentence 1 of the DCGK 2017 recommends that the Executive Board should consist of several persons and have a chairman or spokesman. The Executive Board of AIXTRON SE consisted of two persons in the past fiscal year until September 30, 2020, and was expanded by one person as of October 1, 2020. A chairman or spokesman of the board was not appointed for the fiscal year 2020. In the course of the expansion of the Executive Board, the Supervisory Board has appointed Dr. Grawert as Chairman of the Executive Board with effect from April 1, 2021.

### **Maximum limits for Executive Board remuneration (4.2.3 para. 2 Sentence 6 DCGK 2017)**

According to Section 4.2.3 para. 2 sentence 6 DCGK 2017, the remuneration of the members of the Executive Board as a whole and with regard to its variable remuneration components should have maximum limits in terms of amounts. The total remuneration of the members of the Executive Board of AIXTRON SE under the previous remuneration system, which was still applicable in the period relevant here until March 20, 2020, includes both a fixed remuneration and various variable remuneration components. Accordingly, the variable remuneration is limited with regard to the variable bonus for the entire Executive Board to a maximum of EUR 6.5 million, whereby in the case of the commitment to shares the point in time of the commitment is decisive, i. e. any increases in value of the shares after their transfer to the Executive Board member are possible in excess of the aforementioned maximum limit.

The current remuneration system, which applies to Executive Board contracts signed after March 20, 2020, provides for maximum limits in terms of amount.

### **Standard limit for length of service on the Supervisory Board and age limit for Supervisory Board members (5.4.1 para. 2 Sentence 2 DCGK 2017)**

According to Section 5.4.1 (2) Sentence 2 DCGK 2017, the Supervisory Board shall specify concrete objectives for its composition which, with due regard to the Company-specific situation, shall take into account, among other things, a standard limit to be specified for the length of membership of the Supervisory Board. An optimum length of membership is difficult to define and the Supervisory Board considers it advantageous to retain the experience and knowledge currently available on the Board. This includes, for example, many years of knowledge of the Company and the niche markets addressed by the Company as well as comprehensive knowledge of capital market and

financially relevant issues of a globally positioned Group. The Supervisory Board has therefore not set a regular limit for the length of membership of the Supervisory Board in the relevant period.

Herzogenrath, February 22, 2021  
AIXTRON SE

The Executive Board of AIXTRON SE



**Dr. Jochen Linck**



**Dr. Bernd Schulte**



**Dr. Felix Grawert**

For the Supervisory Board of AIXTRON SE



**Kim Schindelhauer**

Chairman of the Supervisory Board

## Information on Corporate Governance Practices

### Compliance Management

Since 2006, AIXTRON SE has had a **Code of Ethics** for Executive Board members and certain managers in finance. The aim of this Code is to promote upright and ethical conduct, including the ethical handling of conflicts of interest, the complete, fair, precise, timely and transparent disclosure of quarterly and annual reports, compliance with prevailing laws, rules and regulations and the immediate internal reporting of breaches of the Code where necessary and to ensure accountability for compliance with the Code. The complete text of the Code can be found on the AIXTRON website under "Code of Ethics" in the Investors/Corporate Governance section.

In addition, a **Compliance Code of Conduct** applies to the Executive and Supervisory Boards, to the senior management team as well as all to employees Group-wide, holding them accountable for conscientious conduct in conformity with the law. Among the topics addressed, this Code covers the following issues: responsibility and respect towards people and the environment, compliance with the legal conditions, legal and ethical conduct by each individual employee, loyalty to the Company, fair and respectful treatment of fellow employees, rejection of any form of discrimination, dealing responsibly with corporate risks, acting in an environmentally responsible manner, security in all operating areas, working in a professional manner, reliability and fairness in all business relationships, compliance with guidelines on giving/accepting unfair advantages, dealing with insider information and the treatment of Company property. The full texts of the Compliance Code of Conduct can be downloaded from the AIXTRON website in the Investors/Corporate Governance section under "Code of Conduct".

Furthermore, AIXTRON issued a Group-wide **Compliance Manual** in 2010 which applies to all members of the Executive and Supervisory Boards as well as senior management and which is based on the principles of the Compliance Code of Conduct. The Compliance Manual provides detailed explanations on the compliance organization at AIXTRON, the legal and regulatory requirements and on the resulting conduct requirements applicable to the Executive Board, Supervisory Board, senior management and employees. This Compliance Manual is regularly updated to reflect new/amended legal and regulatory requirements as well as Company internal specifications, most recently in January 2021. The teaching of the contents is an elementary component of the Company-wide compliance training offer. Compliance training is mandatory for members of the senior management team as well as for all other employees of the Group. This is controlled and monitored by our Compliance Office.

In addition, every quarter, the Group-wide members of the senior management as well as select key staff members declare in writing that the compliance requirements were observed in their area of responsibility. If the Compliance Manual has been updated, they also declare that they will take note of the updated version and follow and communicate its contents within their area of responsibility. In addition, management principles were defined for the Company's senior managers which include what is required of senior managers when dealing with employees.

AIXTRON has a **whistleblower system**. Notifications of violations of legal, regulatory and internal Company requirements can be sent confidentially to the Chairman of the Supervisory Board of AIXTRON SE via a specified e-mail address or in the form of a letter. The Chairman of the Supervisory Board decides together with the Compliance Department, depending on the subject matter and scope of the report, whether to involve other persons and/or bodies. In the event of proven violations or grievances, the involved persons/body will work out proposed solutions with the aim of a prompt remedy, including any necessary sanctions and improvements to the management and monitoring processes. Any reports or indication received will be treated discreetly, confidentially and anonymously by the persons/bodies involved. AIXTRON will not impose any reprisals against employees who report violations.

Furthermore, AIXTRON has established a **Vendor Code of Conduct**, which defines ethical, moral and legal standards related to the purchase and use of what are known as conflict minerals (gold, tantalum, tungsten, tin) within the AIXTRON supply chain. The key content of this code includes information on U.S. rules regarding the use of conflict minerals, the expectations placed on suppliers and the consequences in the event of non-compliance.

The full text of the Vendor Code of Conduct can be accessed on the AIXTRON website in the Company/Suppliers/Compliance section or in the Supplier Management section respectively.

## **Executive Board and Supervisory Board Operating Procedures as well as Composition and Mode of Operation of Committees**

AIXTRON SE is a European stock Company (Societas Europaea) and is subject not only to the German stock corporation law but also to the superordinate European SE regulations and the German SE Implementation Act. The Company has a dual management and control structure consisting of an Executive Board and a Supervisory Board.

The Executive Board is responsible for managing the Company and informs the Supervisory Board regularly, comprehensively and without delay about all relevant issues involving strategy, planning, business development, the risk situation, risk management and compliance.

The Supervisory Board appoints the Executive Board members and oversees and advises the Executive Board in its management duties. To perform certain transactions and measures specified in the Articles of Association of AIXTRON SE or the Executive Board's Rules of Procedure, the Executive Board must obtain the prior approval of the Supervisory Board. The Executive Board is required to report to the Supervisory Board on the conclusion, amendment or termination of important agreements that do not require approval under the Articles of Association or the Executive Board's Rules of Procedure. The Executive Board is also required to notify the Supervisory Board of all material events, even those that do not require the approval of the Supervisory Board.

As in previous years, the Executive Board and the Supervisory Board worked closely together throughout 2020 for the benefit of the Company. The shared objective is to secure AIXTRON's leading market positions in the long term in order to benefit from growing end markets.

No committees have been set up by AIXTRON SE's Executive Board.

The Supervisory Board of AIXTRON SE has established four committees, an Audit Committee, a Nomination Committee, a Capital Market Committee and a Remuneration Committee (since September 2019). The Supervisory Board is authorized to establish additional committees from among its members.

The Audit Committee consists of a Chairwoman and two other members. As an independent member, the Chairwoman of the Audit Committee, Prof. Dr. Anna Gersbacher, has expertise in the areas of accounting and auditing (§ 107 para. 4, § 100 para. 5 AktG) and special knowledge and experience in the application of internal control procedures. The members are also familiar in their entirety with the sector in which AIXTRON is represented, which is partially due to their many years of experience. The Audit Committee deals in particular with the monitoring of accounting, the accounting process, corporate governance & compliance, the effectiveness of the internal control system, the risk management system, the internal audit system and the audit of the financial statements. Furthermore, the Audit Committee submits to the full Supervisory Board a reasoned recommendation for the appointment of the auditor. It monitors the necessary independence of the auditor and the additional services provided by the auditor. Finally, it deals with the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement.

The committee chairwoman, Prof. Dr. Anna Gersbacher, reports regularly to the Supervisory Board on the work of the Audit Committee.

The Nomination Committee, which consists of three members of the Supervisory Board, makes election proposals to the full Supervisory Board in the event of new appointments to executive bodies and discusses issues relating to the replacement of members of the Supervisory Board.

For the purpose of evaluating, supporting and implementing projects with capital market relevance, a Capital Market Committee has existed since 2014, consisting of two members, the Chairman of the Supervisory Board and another member elected from among the Supervisory Board members.

In addition, a Remuneration Committee was established, consisting of Chairman Kim Schindelhauer and two other members of the Supervisory Board, which deals with the application of the new remuneration system in accordance with the revised DCGK.

Further details on the work of the Executive Board, Supervisory Board and committees during fiscal year 2020 can be found in the [Report of the Supervisory Board](#), which is part of the Annual Report and can be downloaded from the AIXTRON website. Full details of the composition of the committees can be found in the section "[Supervisory Board and its composition](#)".

## Executive Board and its composition

According to Article 8 of AIXTRON SE's Articles of Association, the Executive Board consists of two or more people. The Supervisory Board determines the precise number of Executive Board members. It also decides whether there should be a Chairman and whether deputy members or a Deputy Chairman should be appointed.

At the time of reporting, AIXTRON SE's Executive Board is comprised of three members who jointly manage the business as equal members of the Executive Board:

### Executive Board

(as of December 31, 2020)

Name	Position	Since	End of Term
Dr. Felix Grawert	President	August 14, 2017	August 13, 2025
Dr. Bernd Schulte	President	April 1, 2002	March 31, 2021
Dr. Jochen Linck	President	October 1, 2020	September 30, 2023

The appointment of Executive Board member Dr. Bernd Schulte will regularly expire at the end of March 31, 2021. At his own request, Dr. Bernd Schulte is no longer available for further appointment. On December 21, 2020, the Supervisory Board appointed Dr. Christian Danninger as a new member of the Executive Board in the function of Chief Financial Officer (CFO) with effect from July 1, 2021 or earlier. The appointment was made for three years.

Furthermore, the Supervisory Board appointed Executive Board member Dr. Felix Grawert as Chairman of the Executive Board effective April 1, 2021.

Notwithstanding the Executive Board's overall legal responsibility and the obligation of the Executive Board members to collaborate closely and in confidence with their colleagues, the assigned responsibilities of the individual members of the Executive Board are as follows in accordance with the currently valid **business distribution plan** as of October 1, 2020:

Within the AIXTRON GROUP, **Executive Board member Dr. Grawert** is responsible for Strategic Planning, Marketing, Sales, Customer Service, Human Resources, Finance and Reporting.

Within the Group, **Executive Board member Dr. Schulte** is responsible for Research and Development, Investor Relations & Communications, Corporate Governance, Environment, Social Affairs and Corporate Governance, Compliance & Risk Management, Legal Affairs, and until September 31, 2020, Information Technology, Procurement, Quality Management, Manufacturing, Logistics and Facility Management. Following the resignation of Dr. Schulte, the areas not covered by Dr. Linck will initially be taken over by Dr. Grawert.

Since October 1, 2020, **Executive Board member Dr. Linck** has been responsible within the Group for Procurement, Product Cost Management, Manufacturing and Logistics, Quality Management, IT, Facility Management and - since February 1, 2021 - Research and Development.

With the approval of the Supervisory Board, the Executive Board has adopted Rules of Procedure which are regularly reviewed for their appropriateness and topicality. Among other things, they contain a list of matters of fundamental or significant importance on which the Executive Board must formally resolve. This concerns, for example, decisions on: the Company's strategies, business plans and budgets; material changes to the Company and Group organization; the commencement or cessation of the Company's activities; the acquisition and sale of land or land rights; the conclusion, amendment and termination of corporate or significant license agreements; the award of major external consulting and research contracts; fundamental issues relating to human resources and personnel policy; determining the principles for representation in business organizations and associations; appointments to the management and supervisory bodies of subsidiaries and associated companies; important publications and information to the public outside the regular publicity; initiating lawsuits and legal disputes; providing collateral and assuming guarantees.

The Rules of Procedure for the Executive Board and the Articles of Association each contain a catalog of significant transactions and measures that additionally require the prior approval of the Supervisory Board. The transactions and measures requiring approval under the Articles of Association or the Rules of Procedure include, for example, decisions on the establishment or sale of business premises, the acquisition or sale of land, the commencement or discontinuation of business activities or the granting or taking out of loans.

In accordance with the Rules of Procedure, meetings of the Executive Board take place at least twice a month and when the well-being of the Company so requires. Meetings of the Executive Board are convened and chaired by the Executive Board. Each member of the Executive Board can arrange an additional meeting on a specific topic at any time. The Executive Board constitutes a quorum if all members have been invited and more than half of its members are present at the time the resolution is adopted, whereby members of the Executive Board connected by telephone or video conference are deemed to be present. Unless otherwise provided by law, the Articles of Association or the Rules of Procedure, the Executive Board shall decide by a simple majority of the votes cast. In the case of a Board of Management consisting of two members, the Chairman of the Supervisory Board had to be consulted and asked for mediation in the event of a tie.

Each member of the Executive Board will disclose conflicts of interest to the Supervisory Board without delay and inform the other members of the Executive Board accordingly. Members of the Executive Board may only take on secondary activities, in particular Supervisory Board mandates outside the Company, with the approval of the Supervisory Board.



## Long-term succession planning for the Executive Board and age limit for the Executive Board

AIXTRON is a global Company operating in a very dynamic and technologically demanding market environment. Therefore, it is of strategic importance for AIXTRON to have a competent Executive Board and to appoint suitable candidates to the Executive Board. After the complete change of generation in the Executive Board, the Supervisory Board will also pursue a long-term succession planning. As part of the succession planning, the Supervisory Board and the Executive Board will also discuss suitable internal candidates to be appointed to the Executive Board. The age limit for the Executive Board is 65 years and is set out in the Executive Board's Rules of Procedure.

## Supervisory Board and its composition

Pursuant to Article 11 of AIXTRON SE's Articles of Association, the Supervisory Board consists of five members. The members of the Supervisory Board are generally appointed until the end of the Annual General Meeting in which the shareholders represented ratify the approval of the Supervisory Board's activities for the fourth fiscal year after the term of office begins, whereby the fiscal year in which the appointment was made is not included.

The Supervisory Board elects a Chairman and a Deputy Chairman from among its members. The Supervisory Board Chairman or – if he is unable to do so – his Deputy convenes and conducts the Supervisory Board meetings.

The Supervisory Board has adopted Rules of Procedure. They govern the tasks, rights and obligations of the Supervisory Board, the organization of meetings and resolutions and the formation of committees. The Rules of Procedure of the Supervisory Board were last revised in fiscal year 2020. In 2019, the wording of the transactions requiring approval in the Rules of Procedure was adapted to the wording of the Articles of Association. The Audit Committee has separate Rules of Procedure established by the Supervisory Board.

The Chairman of the Supervisory Board is generally available for discussions with investors but only to the extent that such discussions take place within a reasonable framework and the topics fall within the sole competence of the Supervisory Board.

In order to enable gradual personnel changes in the Supervisory Board, the election periods were no longer set uniformly for the Board as a whole when the Supervisory Board was voted in at the Annual General Meeting in May 2016, but instead with differing terms. The term of office of the Supervisory Board members therefore expires at the end of the Annual General Meeting up to the end of which the respective individual was elected.

Currently, the composition of the Supervisory Board in accordance with the Articles of Association and as determined by the General Meeting is as follows:

## Composition of the Supervisory Board

(as of December 31, 2020)

Name	Position	Since	End of Term
Kim Schindelhauer <sup>1)2)3)4)5)</sup>	Chairman of the Supervisory Board Chairman of the Remuneration Committee	2002	AGM 2022
Prof. Dr. Anna Gersbacher <sup>1)</sup>	Chairwoman of the Audit Committee, independent financial expert	2019	AGM 2024
Prof. Dr. Andreas Biagosch <sup>1)4)</sup>		2013	AGM 2021
Prof. Dr. Petra Denk <sup>2)3)</sup>		2011	AGM 2021
Frits van Hout <sup>2)3)</sup>	Deputy chairman of the Supervisory Board	2019	AGM 2024

1) Member of the Audit Committee

2) Member of the Remuneration Committee

3) Member of the Nomination Committee

4) Member of the Capital Market Committee

5) Former AIXTRON Executive Board member

## Composition of Committees

Audit Committee	Nomination Committee	Capital Market Committee	Remuneration Committee
Prof. Dr. Anna Gersbacher (Chairwoman)	Frits van Hout	Kim Schindelhauer	Kim Schindelhauer (Chairman)
Kim Schindelhauer	Prof. Dr. Petra Denk	Prof. Dr. Andreas Biagosch	Prof. Dr. Petra Denk
Prof. Dr. Andreas Biagosch	Kim Schindelhauer		Frits van Hout

Both Prof. Dr. Denk and Prof. Dr. Biagosch will apply for re-election to the Supervisory Board at the 2021 Annual General Meeting.

## Independence of Supervisory Board Members

The Supervisory Board shall include what it considers to be a sufficient number of independent members. A Supervisory Board member shall be deemed independent if he or she is independent of the Company and its Executive Board and independent of a controlling shareholder (Recommendation C.6 para. 2 DCGK 2020). Pursuant to Recommendation C.7 (1) Sentence 2 DCGK 2020, a Supervisory Board member shall be deemed independent if he or she has no personal or business relationship with the Company or the Executive Board that could give rise to a material conflict of interest that is not merely temporary. The Supervisory Board has set itself the goal that at least half of its members must be independent. Since all members of the Supervisory Board, which consists exclusively of elected shareholder representatives, are to be regarded as independent this objective is also met. The independent members of the Supervisory Board are not named separately here, as the list would include the entire Supervisory Board (see table of Supervisory Board members).

With Mr. Schindelhauer, the Supervisory Board includes one former member of the Executive Board whose term of office as a member of the Executive Board, however, dates back more than

two years (refer also to C.7 DCGK 2020). In particular, the Supervisory Board thus includes no more than two former members of the Executive Board (recommendation C.11 DCGK 2020).

In the run-up to the Supervisory Board meeting on December 11, 2020, the members of the Supervisory Board received the self-evaluation questionnaire prepared annually by the Chairman of the Supervisory Board. After evaluation of the questionnaire, it was determined that the Supervisory Board performs its activities efficiently in accordance with recommendation D.13 of the DCGK 2020.

Further mandates of the members of the Executive Board and the Supervisory Board are listed in the notes to the consolidated financial statements in section 34 "[Supervisory Board and Management Board](#)".

The Company did not enter into or carry out any material transactions with any related parties in the 2020 fiscal year.

The Audit Committee is chaired by an independent and knowledgeable member of the Supervisory Board in accordance with recommendation D.4 of the DCGK 2020. This is not the Chairman of the Supervisory Board.

Like the Audit Committee, the Supervisory Board holds four regular meetings per calendar year. Extraordinary Supervisory Board meetings as well as meetings of the Nomination Committee and the Capital Market Committee are convened as required.

The Executive Board reports in writing and orally on the individual agenda items and draft resolutions of the Supervisory Board meetings and answers the questions of the individual Supervisory Board members. Between meetings, all members of the Supervisory Board receive detailed quarterly reports from the Executive Board on the situation of the Company. In addition, the Chairman of the Supervisory Board or the Chairwoman of the Audit Committee are informed by the Executive Board about important developments and upcoming important decisions in telephone calls and personal discussions.

As a rule, resolutions of the Supervisory Board and its committees are passed at the meetings. In justified exceptional cases, Supervisory Board members may also participate in a meeting of the Supervisory Board or a committee by telephone or video conference. The Supervisory Board and its committees shall each constitute a quorum if two thirds of its members participate in the adoption of the resolution (outside of meetings by means of a vote conducted in writing, by fax, by telephone or by e-mail or by a combination of these aforementioned communication media, provided that no member of the Supervisory Board objects to this procedure). Resolutions require a simple majority of the votes cast. In the event of a tie, the chairman of the meeting has the casting vote.

Each member of the Supervisory Board shall disclose to the Supervisory Board any conflicts of interest, in particular those that may arise as a result of a consultancy or directorship function with customers, suppliers, lenders or other third parties. Material and not only temporary conflicts

of interest in the person of a member of the Supervisory Board result in that person having to resign from office.

## Self-evaluation of the Supervisory Board

In fiscal year 2020, the Supervisory Board conducted an internal self-evaluation based on a questionnaire, taking into account AIXTRON-specific topics. The results were discussed by the Supervisory Board and confirmed that the cooperation both within the Supervisory Board and with the Executive Board was characterized by a high degree of trust and openness and was always professional and constructive. The Supervisory Board and its committees were also considered to be adequately informed and efficient in their work. Hence there is no fundamental need for change.

## Information on the equal representation of men and women as per § 76 para. 4 and § 111 para. 5 AktG

Pursuant to §§ 76 para. 4 and 111 para. 5 of the German Stock Corporation Act (AktG), the Supervisory boards and Executive Boards of companies that are listed on the stock exchange or subject to co-determination must set target figures for the proportion of women on the Supervisory Boards, Executive Boards and the two management levels below the Executive Board. The DCGK reflects these regulations in principle 9 sentence 2 DCGK 2020 for the Executive Board and in recommendation C.1 sentence 2 DCGK 2020 for the Supervisory Board.

AIXTRON aims to increase both the proportion of women and the internationality of its employees and managers. In doing so, the Company is primarily committed to the professional and social qualification of all employees. In particular, due to the continuing low proportion of women in technical courses of study, the availability of qualified female applicants is very limited.

The **Supervisory Board** of AIXTRON SE had set the following **target figures for the proportion of women** to be reached by **31 December 2021**:

Level	Target per 31.12.2021	Women's quota as of 31.12.2020	Determined by
Supervisory Board	16,7%	40%	Supervisory Board
Executive Board	0%	0%	Supervisory Board

Since the initial determination of the target figures for achievement by December 31, 2021, the Supervisory Board of AIXTRON SE has been reduced from six to five members. The five-member Supervisory Board includes two women, bringing the proportion of female Supervisory Board members to 40%.

The **Executive Board** of AIXTRON SE has set itself the goal of specifically promoting women in the Company. In line with this, the Executive Board has now raised the **targets for the proportion**

**of women** to 10% for the first level below the Executive Board and to 20% for the second level below the Executive Board. These targets are to be achieved by **December 31, 2025**.

Level	New target per 31.12.2025	Former target per 31.12.2021	Women's quota as of 31.12.2020	Determined by
1. tier management	10%	3%	4%	Executive Board
2. tier management	20%	17%	17%	Executive Board

The target figure for the Executive Board corresponded to the current status at the time of resolution. The proportion of women at the first tier below the Executive Board was 4% as of December 31, 2020 (applicable target as of December 31, 2020: 3%) and 17% at the second tier below the Executive Board (applicable target as of December 31, 2020: 13%).

The Company has therefore achieved the targets set.

## Diversity concept for the Executive Board and Supervisory Board; targets for the composition of the Supervisory Board and status of implementation

### Executive Board

As provided for by the DCGK 2020, AIXTRON has addressed diversity objectives ("diversity") in corporate governance (recommendations B.1 and C.1).

When proposing the appointment of new members to the Executive Board by the Nominating Committee, the Supervisory Board takes into account their personal and professional suitability, international experience and leadership quality, the age limit set for members of the Executive Board, and diversity, including aspects such as age, gender, and educational and professional background. The Executive Board should consist of members with different, complementary competence profiles as well as a sufficient age mix and possess different personalities.

In addition to the above-mentioned characteristics, members of the Executive Board should, as far as possible, have different knowledge and experience as well as educational and professional backgrounds, both individually and in their entirety as a team. International experience is an advantage against the background of the Company's international orientation.

In its search for suitable candidates for vacant positions on the Executive Board, the Supervisory Board took the diversity concept into account and, as part of this, also considered female candidates. The Supervisory Board appointed Dr. Linck and Dr. Danninger as members of the Executive Board in each case after weighing up the interests of the Company. Based on the structure now in place, no changes in the composition are planned, so the target for the proportion of women on the Board of Management valid until December 31, 2021 has consequently been set at 0% percent.

## Supervisory Board

The Supervisory Board has set the target for the proportion of women on the Supervisory Board at 16.7% and the deadline for achieving this target on December 31, 2021. With Prof. Dr. Petra Denk and Prof. Dr. Anna Gersbacher, two of the five members of the Supervisory Board are women currently (40%).

The targets for the compositions of the Supervisory Board are shown in detail below:

- When proposing candidates for election to the Supervisory Board, the Nomination Committee ensures that the Supervisory Board always includes members who, individually and collectively as a team, have the knowledge, skills and professional experience required to properly perform their duties. Furthermore, the members should be independent. In this way, the nomination committee contributes to increasing the efficiency and transparency of the selection process. As a general rule, Supervisory Boards should be elected for the longest period of time permitted by the statutes.
- AIXTRON is strongly export-oriented. Experience in AIXTRON's specific global electronics and semiconductor markets is therefore a great advantage.
- As a general rule, an age limit of 70 years should be appropriate for Supervisory Board members upon retirement. New Supervisory Board members should be available to the Company for at least two election periods.
- It is desirable that the individual members of the supervisory board have the most diverse education, qualifications, expertise and international experience possible in order to have the knowledge, skills and professional experience necessary to properly perform their duties. Company- and product-oriented coverage with an understanding of the business model, the industry-specific features and the processes in the various corporate areas of business administration, accounting, auditing, corporate development, capital market, technology, equipment business, markets/distribution, semiconductor market etc. are advantageous.
- It is in the best interests of the Company to utilize the potential of well-trained and motivated employees of different nationalities and genders. The Supervisory Board considers appropriate participation of women on the Supervisory Board to be very important, which is reflected in the current proportion of women on the Supervisory Board of 40%.
- In its opinion, the Supervisory Board should have a sufficient number of independent members, whereby a member of the Supervisory Board shall not be considered independent in particular if he or she has a business or personal relationship with the Company, its executive bodies, a controlling shareholder or a Company affiliated with the latter that could give rise to a material and not merely temporary conflict of interest.
- At least half of the Supervisory Board shall consist of independent members.
- No more than two former members of the Executive Board shall be members of the

Supervisory Board.

- The members of the Supervisory Board shall not exercise directorships or similar positions or advisory tasks for important competitors of the enterprise.
- The Supervisory Board must have at least one member who is independent in accordance with the recommendations of the DCGK 2020 and who has expertise in the areas of accounting, internal control procedures and auditing. This member of the Supervisory Board is then also a member of the Audit Committee.
- Due to the increased demands on the professionalization of the Supervisory Board and in order to simultaneously ensure the greatest possible efficiency of the Supervisory Board's activities as in previous years, new Supervisory Board members should not hold more than five mandates in other listed companies or other companies if they have comparable requirements.

In addition to the goals set for its composition, the Supervisory Board has also drawn up a competence profile for the entire Board. In view of AIXTRON's business activities and the markets addressed by the Company, the Supervisory Board shall have competencies in the areas of technology, finance/accounting, capital markets, strategy and corporate governance. Furthermore, a grown network of contacts and many years of experience in the respective disciplines are advantageous.

The requirement for diversity within the Supervisory Board (recommendation C.1 sentence 2 DCGK 2020) is taken into account, among other things, as a result of the diverse competencies of the individual Supervisory Board members (with regard to areas such as finance, capital markets, M&A, and technology and markets).

The Executive Board and the Supervisory Board of AIXTRON SE are convinced that the composition of the Supervisory Board fully complies with its own objectives and competence profile as well as with the requirement of the DCGK for appropriate diversity and an appropriate number of independent Supervisory Board members.

## **Information on the remuneration of the Executive Board and Supervisory Board and on the remuneration system of the Executive Board**

Detailed information on the structure and amount of remuneration paid to the individual Executive Board members in accordance with principle 25 DCGK 2020 and on the remuneration of the members of the Supervisory Board as well as an exact list of the outstanding Board stock options can be found in the remuneration report as part of the Group's consolidated management report.

The new remuneration system approved by the 2020 Annual General Meeting pursuant to § 87a (1) and (2) sentence 1 AktG has been made publicly available on the Company's website at <https://www.aixtron.com/en/investors/corporate-governance/remuneration-policy>. In accordance with the transitional provisions of § 26j (1) and (2) of the Introductory Act to the Stock Corpo-

ration Act (EGAktG), there is currently no remuneration report on the last financial year prepared in accordance with § 162 AktG, nor is there a resolution on remuneration by the Annual General Meeting in accordance with § 113 (3) AktG. In accordance with §§ 289a (2), 285 No. 9 of the German Commercial Code (HGB) in the version applicable pursuant to Art. 83 (1) of the Introductory Act to the German Commercial Code (EGHGB), the compensation of the members of the Executive Board is described in the remuneration report in accordance with the provisions of the German Commercial Code as part of the Group management report.

## Shareholders and Annual General Meeting

In the 2020 fiscal year, the Annual General Meeting was held in completely virtual form for the first time on May 20, 2020, due to the COVID-19 pandemic and the associated contact restrictions. The invitation to the Annual General Meeting was published in due time in the German Federal Gazette (Bundesanzeiger) in accordance with the statutory requirements and contained, among other things, the agenda with the proposed resolutions of the administration or the Supervisory Board as well as the conditions for attending the Annual General Meeting and exercising voting rights. All reports and documents required by law were available on the AIXTRON website from the time the General Meeting was convened. Immediately after the Annual General Meeting, AIXTRON published the attendance and voting results in a press release and on its website.

Five out of six agenda items were put to the vote. All resolutions were passed with clear majorities, with almost 57% of AIXTRON's share capital represented at the AGM.

## Transparency

To ensure maximum transparency, AIXTRON regularly and promptly informs interested parties such as customers, suppliers, shareholders, shareholder associations, potential investors, financial analysts and the media of the Group's business developments. The internet is the primary communication channel used for this purpose.

Reports on the business situation and financial results of AIXTRON SE and the AIXTRON Group are made available in German and/or English, in the form of:

- The Annual Report with the Consolidated Financial Statements, the Group Management Report and the Supervisory Board Report, including also the Financial Statements and the Management Report of AIXTRON SE
- The Non-financial Group Report (Sustainability Report)
- Interim financial reports
- Quarterly conference calls for the press and analysts and respective transcripts
- Company presentations



- Publication of insider information, as well as Company and press statements.

The date of the Annual General Meeting or the publication dates of the financial reports are summarized in the Company's financial calendar on the AIXTRON website in the section Investors/events and dates. This calendar, as well as the reports, speech manuscripts, presentations, webcasts, and announcements listed above, can be freely viewed on the AIXTRON website for a certain period of time.

## **Accounting and Audit of the Annual Financial Statements**

The quarterly reports as of March 31, June 30, September 30, and the consolidated financial statements as of December 31, 2020 were prepared in accordance with the International Financial Reporting Standards - IFRS. The separate financial statements of AIXTRON SE for fiscal year 2020 were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The consolidated financial statements and the individual financial statements of AIXTRON SE were audited by the auditor and approved by the Supervisory Board. It was agreed with the auditors that the Chairman of the Supervisory Board or the Chairman of the Audit Committee would be informed immediately of any reasons for exclusion or exemption or any inaccuracies in the Declaration of Conformity that arise during the audit. No such duties to inform were triggered in the year under review.