

Translation for Convenience Purposes

## Explanatory Report by the Executive Board regarding the information pursuant to Sections 289a (1) and 315a (1) of the German Commercial Code (HGB) for Fiscal Year 2019

In the Management Report of the Company and the Group Management Report the Executive Board disclosed information pursuant to Sections 289a (1) and 315a (1) of the German Commercial Code, HGB, which is explained in this report as follows:

The **share capital** (Grundkapital) of AIXTRON SE as of December 31, 2019 amounted to EUR 112,927,320.00 divided into 112,927,320 registered shares with a proportional interest in the Company's share capital of EUR 1.00 per no-par value registered share. Each no-par value share represents the proportionate share in AIXTRON's share capital and carries one vote at the Company's Annual General Meeting. All registered shares are fully paid in. The Company has issued a share certificate representing multiples of shares (global share); according to Art. 6 (4) sentence 2 of the Company's Articles of Association, the shareholders do not have the right to the issue of a share certificate representing their share(s).

There are no **voting or transfer restrictions** on AIXTRON's registered shares that are related to the Company's Articles of Association. There are no classes of securities endowed with **special control rights**, nor are there any provisions for **control of voting rights**, if employees participate in the share capital without directly exercising their voting rights.

As per December 31, 2019, the following additional **capitals** were in place according to different General Meeting resolutions and have not been utilized as per December 31, 2019 with the amounts referred to below:

| <b>(EUR or number of shares)</b>   | <b>31 Dec 2019</b> | <b>Resolution</b> |
|--|--------------------|-------------------|
| Authorized Capital 2018 – Capital increase for cash or contribution in kind with or without preemptive rights for shareholders | 45,944,218         | 16/05/2018        |
| Authorized Capital 2017 - Capital increase for cash with preemptive rights for shareholders                                    | 10,518,147         | 09/05/2017        |
| Conditional Capital 2018 – Authorization to issue bonds with or without preemptive rights for shareholders                     | 25,000,000         | 16/05/2018        |
| Conditional Capital II 2012 – Stock Options Program 2012   | 4,208,726          | 16/05/2012        |
| Conditional Capital II 2007 – Stock Options Program 2007   | 2,686.523          | 22/05/2007        |

**Authorized Capital 2018:** Based on the resolution of the General Meeting on May 16, 2018, the Executive Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital before May 15, 2023 either in one or multiple amounts by a total of up to EUR 45,944,218.00 by the issue of no-par registered shares in return for cash and/or contributions in kind. In principle, shareholders shall be granted subscription rights. However, under certain conditions stipulated in the authorization, the shareholders' pre-emptive rights may be excluded with the consent of the Supervisory Board. So far, the Executive Board has not made any use of this authorization.

**Authorized Capital 2017:** Based on the resolution of the General Meeting on May 9, 2017, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the Company's share capital on one occasion or in partial amounts on several occasions by up to a total of EUR 10,518,147.00 against cash contributions by issuing new registered no-par value shares until May 8, 2022. Shareholders must be granted pre-emptive rights. However, the Executive Board shall be authorized, with approval of the Supervisory Board, to exclude shareholders' pre-emptive rights in order to eliminate fractions resulting from the subscription ratio. So far, the Executive Board has not made any use of this authorization.

**Contingent Capital 2018:** Based on the resolution of the General Meeting on May 16, 2018, the Executive Board is authorized until May 15, 2023, with the consent of the Supervisory Board, to issue on one or more occasions bearer or registered options and/or convertible bonds, profit participation certificates and/or income bonds (or combinations of these instruments) (together the Bonds) of an aggregate par value of up to EUR 350,000,000.00 with or without a limitation of maturity, and to grant holders or creditors option or conversion rights (also with conversion or option obligations or any rights to offer on the part of the Company) up to a total 25,000,000 new no-par registered shares of the Company representing a proportionate amount in the share capital of up to EUR 25,000,000.00 in accordance with the detailed terms for the Bonds. In principle, the shareholders are entitled to a subscription right, meaning the Bonds must be offered to the shareholders of the Company for purchase as a matter of principle. However, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription right for Bonds. So far, the Executive Board has not made any use of this authorization.

**Contingent Capital II 2012:** Based on the resolution of the General Meeting on May 16, 2012, the Company's share capital is conditionally increased by up to EUR 4,208,726.00 by issuing up to 4,208,726 no-par value registered shares. The Contingent Capital II 2012 serves the purpose of securing subscription rights arising from share options which have been issued by the Company until and including May 15, 2017 based on the authorization granted by the General Meeting on May 16, 2012. The contingent capital increase will only be implemented to the extent that the holders of such share options will exercise their option rights and the Company does not grant own shares or cash compensation in fulfillment of the share options. The shares will be issued from the Contingent Capital II 2012 at an issue price equal to the exercise price set forth in (a) (7) of agenda item 8 of the General Meeting on May 16, 2012. The new shares will carry dividend rights from the beginning of the fiscal year in which they are issued.

**Contingent Capital II 2007:** This contingent capital amounts to up to EUR 2,686,523.00. It serves the purpose of securing subscription rights arising from share options issued by the Company under the AIXTRON Stock Option Plan 2007 in the period to May 21, 2012 based on the authorization granted by the General Meeting on May 22, 2007. In fiscal year 2019, no subscription rights were exercised under the terms of this stock option plan. The contingent capital may be utilized until December 31, 2022.

Pursuant to Section 71 (1) no. 8 German Stock Corporation Act, AktG, the Company is authorized to acquire **treasury shares** within the legal limits until May 15, 2023, representing an amount of up to EUR 11,292,473 of the share capital and to use such treasury shares as provided for in the underlying resolution of the General Meeting on May 16, 2018 (agenda item 8). This authorization may not be used by the Company for the purpose of trading treasury shares. The Company may exercise the authorization in full or in partial amounts, on one or more occasions, or in pursuit of one or several purposes. The authorization may equally be exercised by companies that are dependent on the Company or directly or indirectly majority-owned by the Company or by third parties mandated by the Company or its dependent companies to do so. At the discretion of the Executive Board, treasury shares may be purchased (1) via the stock exchange or (2) by means of a public offer made by the Company and directed to all shareholders, or (3) by a public invitation to tender such an offer.

The **Articles of Association** of the Company may be amended by a resolution of the general meeting; any such amendment will become effective upon its registration in the commercial register (Section 181 (3) German Stock Corporation Act, AktG). To the extent that applicable law prescribes a majority of the share capital represented at the general meeting in order to pass a resolution, a simple majority of the share capital represented is sufficient according to Art. 22 (1) sentence 2 of the Articles of Association if this is legally permitted. According to Art. 22 (1) sentence 3 of the Articles of Association, a resolution on any amendments of the Articles of Association requires a majority of two-thirds of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast, unless otherwise prescribed by applicable law (such as Section 193 (1) of the German Stock Corporation Act, AktG, for a contingent capital increase). The Supervisory Board is authorized to amend and restate the Articles of Association in accordance with the scope of the respective capital increase from authorized and contingent capital; the Supervisory Board is further authorized to resolve amendments of and supplements to the Articles of Association solely relating to the wording (Art. 4 clause 2.8 and Art. 26 of the Articles of Association).

As of December 31, 2019, about 30% of **AIXTRON shares** were held by private individuals, and around 69% by institutional investors. Based on their voting rights notifications, the largest institutional shareholders were Baillie Gifford, T. Rowe Price International Funds and Union Investment, each holding more than 5% of AIXTRON shares. According to the definition of Deutsche Boerse AG, 99% of AIXTRON's share capital was in free float.

The Supervisory Board appoints and removes from office the **members of the Executive Board**, who may serve for a maximum term of six years before being reappointed.

If a "**change of control**" situation exists, the individual members of the Executive Board are entitled to terminate their service relationship with AIXTRON with a notice period of three months to the end of the month and to resign from their post on the termination date. Upon termination of the services as a result of a "change of control", all members of the Executive Board will receive a **severance pay** in an amount equal to the fixed and variable compensation expected to be owed by the Company for the remaining term of the service contract, however, not exceeding an amount equal to twice the annual compensation. A "change of control" situation exists if a third party or a group of third parties who contractually combine their shares in order to act subsequently as a third party, directly or indirectly hold more than 50% of the Company's share capital. Apart from the above mentioned, there are no further "change of control" provisions.

Herzogenrath, April 2020

**AIXTRON SE**

- Executive Board -

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Dr. Felix Grawert

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Dr. Bernd Schulte