

Translation for Convenience Purposes



**Ordinary General Meeting 2013  
of AIXTRON SE, Herzogenrath**

**Agenda Item 4**

**(Resolution on the approval of the system for remuneration of the members of  
the Executive Board)**

**System of remuneration for the members of the Company's Executive Board**

**(Excerpt from No. 30 of the notes to the consolidated financial statements as  
part of the annual report 2012)**

## 30. Identity of related parties

Related parties of the Company are members of the Executive Board and members of the Supervisory Board.

### Executive Board Remuneration

The Supervisory Board as a whole is responsible for establishing the structure of the remuneration system and for the total remuneration for individual members of the Executive Board. It regularly discusses and reviews remuneration for appropriateness.

The remuneration level of the Executive Board members of AIXTRON SE is aligned with the commercial and financial situation and future prospects of the Company and the level and structure of Executive Board remuneration at comparable companies as well as the compensation structure in place in other areas of the Company. In addition, the responsibilities, experience and contribution of each individual Executive Board member, and the desire to retain them, are taken into account when calculating the remuneration.

Executive Board remuneration currently consists of three components: fixed remuneration (including benefits in kind and payments into a private pension insurance), a variable bonus, and may include stock-based remuneration.

The Executive Board employment contracts stipulate an annual income for the fixed remuneration component. The fixed remuneration component is non-performance-related and is paid out on a monthly basis (13 times a year) as a salary. Additional payments in kind are made, chiefly consisting of company car usage and payments for private pension insurance.

The variable bonus scheme for the collective Executive Board (profit-sharing) is based on consolidated net income for the year and is paid from an “accrued internal bonus”, defined as up to 10% of the modified consolidated net income for the year, but not to exceed EUR 6.5 million in total. The modified consolidated net income for the year is obtained from the Company’s Consolidated Financial Statements (IFRS) certified by the auditor, less a consolidated loss carry forward figure and those amounts that are to be allocated to retained earnings in the Annual Financial Statements of AIXTRON by law or in accordance with the Articles of Association. The consolidated loss carry forward is obtained from consolidated net losses from previous years, less consolidated net income from subsequent fiscal years.

In addition, as a variable component acting as a long-term incentive with an element of risk, the members of the Executive Board may receive a share-based payment in the form of options that are granted under AIXTRON’s stock option plans. The stock option plans, including the exercise thresholds, are adopted at each General Meeting. The number of options granted to the Executive Board is stipulated by the Supervisory Board. Further details on the outstanding stock options of the Executive Board as well as comments on the respective stock option plans are set out further in this report.

The appropriateness of the above mentioned remuneration components, and the likelihood that they do not encourage Management to take unreasonable risks, are regularly reviewed by the Supervisory Board.

If the tenure of any Executive Board member ends prematurely as result of a revocation of the appointment, such member 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 employment contract, however, not exceeding an amount equal to twice

the annual compensation (severance cap). Any payments beyond this severance pay shall be excluded.

If the tenure of any Executive Board member ends prematurely and the employment contract is terminated by mutual agreement, the total amount of any payments agreed to be paid by the Company to the Executive Board member as part of such an agreement may not exceed the amount of the severance pay which the Executive Board member would receive in the event of a revocation of the appointment with due regard to the severance cap.

If any Executive Board Member terminates the employment relationship after a change of control, such member 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 employment contract, however, not exceeding the severance cap, i.e. an amount equal to twice the annual compensation. Any payments beyond this severance pay shall be excluded. 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 holds more than 50% of the Company's registered share capital.

The Executive Board members have no individual Company pension benefits, which would result in pension provisions being required to be made by AIXTRON, and receive no loans from the Company.

In accordance with Section 120(4) of the German Stock Corporation Act, the remuneration system was approved by the General Meeting on May 18, 2010.

In its meeting on December 5, 2012, the Supervisory Board decided to renew the contract of Wolfgang Breme, Chief Financial Officer and Executive Board member. The contract, which would have expired on March 31, 2013, has been prolonged until March 31, 2016. In this context, a new compensation scheme for this and future management contracts was decided.

The new compensation scheme envisages that variable bonuses - which will be continued to be provided from an "accrued internal bonus" as defined above – will be paid half through a monetary element and half in shares. That part of the variable bonus payable in shares will be converted into whole numbers of shares of the Company and will be deferred until the third bank working day following the ordinary General Meeting in the third fiscal year after having been granted to the Board members. The number of the shares to be granted for the part of the variable bonus payable in shares will be determined in accordance with the closing price of the share of the Company on the third bank working day following the ordinary General Meeting which is presented with the annual financial statements of the Company and the consolidated financial statements for the fiscal year for which the bonus is granted. The shares will be granted from treasury shares.

As a result of this new compensation scheme, the Board members will not only participate in positive, but also in negative developments of the share price which may occur during the extended waiting period of several years, and the orientation towards a sustainable growth of the Company is strengthened; therefore, the Supervisory Board has decided to incorporate corresponding provisions on compensation into future management contracts (upon conclusion or renewal). The new provisions as described will apply to the Board member Wolfgang Breme as of the effective date of his new management contract and half of his bonus will therefore be payable in shares as of April 1, 2013.

On February 18, 2013 Mr. Martin Goetzeler was appointed as new Executive Board member of AIXTRON SE; he will take up his office on March 1, 2013. His management contract also contains provisions reflecting the new compensation scheme.

The revised remuneration system will be submitted for approval to the General Meeting on May 23, 2013.

## Other

The Company has a D&O insurance contract in place, covering the activities of members of the Executive Board and members of the Supervisory Board. Pursuant to the amended § 93, Section 2 AktG following the Act on the Appropriateness of Executive Board remuneration (VorstAG), as well as to the amended recommendation in chapter 3.8. German Corporate Governance Code, the deductible for members of the Executive Board and members of the Supervisory Board is equal to a minimum of 10% of the respective loss incurred. The deductible cannot exceed a factor of 1.5 of the respective annual fixed remuneration.

## Individual Structure of Remuneration

### Executive Board Remuneration

In fiscal year 2012, the cash remuneration of the Executive Board (including benefits in kind and allowances for pensions) totaled EUR 1,124,274 (2011: EUR 7,623,754; 2010: EUR 7,620,046). During the past fiscal year, the Executive Board was allocated 0 options (2011: 0; 2010: 156,000). The breakdown among the individual members of the Executive Board for the years 2010 to 2012 is presented in the table below.

Executive Board Member	Year	Fixed Remuneration*	Variable Remuneration	Total cash Remuneration	Number of Options granted	Value of Options at grant date	Total Remuneration
		(EUR)	(EUR)	(EUR)		(EUR)	(EUR)
Paul Hyland	<b>2012</b>	437.334	-	437.334	-	-	437.334
	<b>2011</b>	436.814	2.888.888	3.325.702	-	-	3.325.702
	<b>2010</b>	434.191	2.888.890	3.323.081	52.000	461.240	3.784.321
Wolfgang Breme	<b>2012</b>	309.413	-	309.413	-	-	309.413
	<b>2011</b>	309.413	1.805.556	2.114.969	-	-	2.114.969
	<b>2010</b>	308.968	1.805.555	2.114.523	52.000	461.240	2.575.763
Dr. Bernd Schulte	<b>2012</b>	377.527	-	377.527	-	-	377.527
	<b>2011</b>	377.527	1.805.556	2.183.083	-	-	2.183.083
	<b>2010</b>	376.887	1.805.555	2.182.442	52.000	461.240	2.643.682
<b>Total</b>	<b>2012</b>	<b>1.124.274</b>	<b>-</b>	<b>1.124.274</b>	<b>-</b>	<b>-</b>	<b>1.124.274</b>
	<b>2011</b>	<b>1.123.754</b>	<b>6.500.000</b>	<b>7.623.754</b>	<b>-</b>	<b>-</b>	<b>7.623.754</b>
	<b>2010</b>	<b>1.120.046</b>	<b>6.500.000</b>	<b>7.620.046</b>	<b>156.000</b>	<b>1.383.720</b>	<b>9.003.766</b>

\* incl. benefits in kind and allowance for pension provisions

As of December 31, 2012, the AIXTRON Executive Board held a total of 914,758 options for the purchase of 923,516 shares of the Company (December 31, 2011: 962,516 shares; December 31, 2010: 962,516 shares). The number of shares underlying the options is set out below. The actual profits from exercising the stock options may differ significantly from the figures shown in the table.

Executive Board member	Allocation date	Outstanding	Exercisable	Value of options at grant date	Exercise price	Maturity
		(number of shares)	(number of shares)	(Euros)	(Euros)	
Paul Hyland	Nov 2010	52,000	-	461,240	26.60	Nov 2020
	Nov 2009	52,000	26,000	448,240	24.60	Nov 2019
	Nov 2008	52,000	39,000	92,040	4.17	Nov 2018
	Dec 2007	52,000	52,000	225,680	10.09	Dec 2017
	May 2006	55,000	55,000	84,150	3.83	Nov 2016
	May 2004	35,000	35,000	107,800	6.17	Nov 2014
	May 2003	27,500	27,500	48,950	3.10	Nov 2013
	May 2002	27,500	-	152,625	7.48	May 2017
	May 2001	5,000	-	106,500	26.93	May 2016
	May 2000	5,400	1,350	114,507	67.39	May 2015
Wolfgang Breme	Nov 2010	52,000	-	461,240	26.60	Nov 2020
	Nov 2009	52,000	26,000	448,240	24.60	Nov 2019
	Nov 2008	13,000	-	23,010	4.17	Nov 2018
	Dec 2007	52,000	52,000	225,680	10.09	Dec 2017
	May 2006	55,000	55,000	84,150	3.83	Nov 2016
Dr. Bernd Schulte	Nov 2010	52,000	-	461,240	26.60	Nov 2020
	Nov 2009	52,000	26,000	448,240	24.60	Nov 2019
	Nov 2008	52,000	39,000	92,040	4.17	Nov 2018
	Dec 2007	52,000	52,000	225,680	10.09	Dec 2017
	May 2006	55,000	55,000	84,150	3.83	Nov 2016
	May 2004	35,000	35,000	107,800	6.17	Nov 2014
	May 2003	-	-	48,950	3.10	Nov 2013
	May 2002	27,500	-	152,625	7.48	May 2017
	May 2001	5,000	-	106,500	26.93	May 2016
	May 2000	2,640	660	55,981	67.39	May 2015
	May 1999	2,976	2,976	35,640	19	May 2014
Total		923,516	579,486			

Under IFRS 2, the "Option value at grant date" is also used as the basis for recognizing options issued after November 7, 2002 under expenses on the Income Statement. For stock options issued prior to November 7, 2002, the fair value was determined using the Black-Scholes model.

In fiscal year 2012, Executive Board members exercised 39,000 options (2011: 0; 2010: 0); 0 options expired (2011: 0; 2010: 0).

The current Executive Board members have no individual company pension benefits which would result in pension provisions being required to be made by the company. Instead, the Executive Board annual pension allowance (a total of EUR 40,000 per person in each of the years; 2012, 2011 and 2010) is paid by AIXTRON and included in the fixed remuneration, and is transferred by the Executive Board members into independent insurance contracts with a benevolent fund or similar plan.