Executive Board Report on Agenda Item 9

Executive Board Report on Agenda Item 9 as per Art. 9 para. 1 lit. c) ii) SE Regulation in connection with section 71 para. 1 no. 8 sentence 5; section 186 para. 3 sentence 4; para. 4 sentence 2 German Stock Corporation Act (Aktiengesetz, "AktG")

- Translation for Convenience Purposes -

The resolution adopted by the Annual General Meeting of 16 May 2018 under Agenda Item 8 provided for an authorization to purchase and use treasury shares. This authorization has not been used. The authorization is valid until 15 May 2023 and thus will expire before the intended date on which the Annual General Meeting in 2023 shall be held. For this reason, and to maintain flexibility regarding the purchase and the use of treasury shares, a new authorization for the purchase and the use of treasury shares in accordance with section 71 para. 1 no. 8 AktG with the option to exclude subscription rights, shall be resolved while revoking the already existing authorization dated 16 May 2018.

At the time of convening the Annual General Meeting, the company holds 1,084,105 treasury shares.

The proposed resolution on Agenda Item 9 provides that the company, pursuant to section 71 para. 1 no. 8 AktG, be authorized to acquire own shares up until 24 May 2027 of in total 10 percent of the share capital that exists at the time of the adoption of the resolution or – if this amount is lower – that exists at the time the authorization is exercised. The shares acquired under this proposed authorization, together with other treasury shares which are owned by the company or which are ascribed to the company in accordance with sections 71a et seq. AktG, shall not exceed 10 percent of the share capital at any time. The proposed authorization may thus be exercised fully or partially, on one or more occasions, in pursuit of one or several purposes directly by the company or even by companies that are dependent on the company, or by direct or indirect majority-owned companies of the company or by third parties mandated to do so by the company or its dependent companies or direct or indirect majority-owned companies of the company. At the discretion of the Executive Board, the shares shall either 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 by means of a public invitation to tender such an offer.

If, in accordance with the proposed authorization, shares are purchased on the stock exchange, the consideration paid by the company for each share of the company (exclusive of ancillary acquisition costs) must not exceed the average closing price of a share traded in XETRA trading system (or any comparable successor system) on the Frankfurt Stock Exchange on the last three days of trading before the obligation to purchase the shares by more than 10 percent, or undercut such price by more than 20 percent.

If the shares are purchased through a public offer or a public invitation to tender purchase offers, the company may either determine a purchase price or a purchase price range at which it is willing to purchase the shares. The authorization stipulates specific details for determining the purchase price or the purchase price range.

The purchase price offered or the limits for the purchase price range per share of the company (exclusive of ancillary acquisition costs) must not exceed the average closing price of a share traded in XETRA trading system (or any comparable successor system) on the Frankfurt Stock Exchange on the last three days of trading before the day on which the public offer or the public invitation to tender an offer is made public, by more than 10 percent, or undercut this price by more than 20 percent. The details of the offer or the public invitation to tender purchase offers shall be determined by the Executive Board of the company.

If there are material variances in the price compared to the tendered purchase price or the fixed purchase price range once a purchase offer or the public invitation to tender a purchase offer has been announced, the offer or the invitation to tender such an offer may be adjusted accordingly. In this case, in accordance with the proposed authorization, the average price as traded on the three trading days prior to such an adjustment being made public will be taken into account. The purchase offer or the invitation to tender such an offer may provide for additional requirements.

It is possible that, in the event of a public purchase offer or a public invitation to tender purchase offers, the volume of company shares offered by the shareholders exceeds the volume of shares required by the company. If this is the case, the attribution can be executed according to quotas in order to facilitate the process. The privileged acceptance of smaller offers or of smaller parts of offers up to maximum 100 shares may be provided for in order to curb the administration cost required to process such a public purchase offer or public invitation to tender sales offers, or to eliminate fractions of shares. It is possible to apply a rounding rule according to commercial principles in these cases.

In accordance with the proposed authorization, the Executive Board shall be authorized, with the consent of the Supervisory Board, to sell purchased treasury shares of the company via the stock exchange or by offering these to all shareholders in proportion to their shareholdings. Moreover, treasury shares that have been purchased may be used for any and all other legally permissible purposes, especially also for the purposes listed below:

Treasury shares that have been purchased shall be offered and transferred subject to the exclusion of the subscription right in order to meet the obligations of the company resulting from the stock option program 2012 as adopted by the Annual General Meeting of 16 May 2012 under Agenda Item 8. The Annual General Meeting of 16 May 2012, resolved on a contingent capital increase which shall be executed only insofar as the holders of the issued subscription rights utilize their subscription rights under the stock option program 2012 in accordance with section 192 para. 2 no. 3 AktG. Upon adopting the resolution regarding the authorization to purchase and to utilize treasury shares, the Executive Board shall be authorized, with the consent of the Supervisory Board, to utilize treasury shares excluding the shareholders' subscription right to serve the subscription rights under the stock options. This option is a suitable mean to prevent any dilution of the participation quota and the voting rights of the existing shareholders, as may occur to a certain degree if the subscription rights from newly-created shares are fulfilled.

It shall equally be possible to sell the purchased treasury shares outside of the stock exchange in return for cash to third parties, excluding the subscription right. This is in the interest of the company, so as to be able to respond swiftly and flexibly and cover capital requirements at short notice. This enables the Executive Board to exploit opportunities under favorable stock exchange situations and to achieve as high as possible a resale price through market-value pricing in order to strengthen the equity as best as possible and to access new groups of investors. Hereby, shares that have been purchased may only be sold at a price which does not significantly undercut the price of shares of the same class at the time of the sale. To this extent, the authorization facilitates especially a faster and more cost-effective placement of the shares compared to their sale to shareholders inclusive of a subscription right. The shareholders' interests in respect of their assets and voting rights are protected accordingly as per section 186 para. 3 sentence 4 AktG. The final selling price for treasury shares will be specified close to the time of the sale. The Executive Board shall endeavor to keep any potential markdown of the share price as low as possible, while taking the current market situations into consideration. Interested shareholders may uphold their participation quota subject to largely the same conditions through share purchases on the market. Moreover, this authorization is limited to a maximum total of 10 percent of the share capital at the time the resolution is adopted by the Annual General Meeting or - if lower - at the time the shares in the company are sold. This 10 percent threshold of the share capital shall include those shares which will be issued or sold while this authorization is in effect and subject to the direct or commensurate application of section 186 para. 3 sentence 4 AktG, such as for example by utilizing an authorization to issue new shares from authorized capital excluding the subscription right. Moreover, this threshold of 10 percent of the share capital shall include those shares which will be issued or are to be issued to serve bonds with option and/or conversion rights (conversion/option obligations) provided that the bonds are issued while this authorization is in effect and subject to the commensurate application of section 186 para. 3 sentence 4 AktG, excluding the subscription right.

Moreover, the proposed authorization provides that the purchased shares also be used to meet obligations from bonds with option and/or conversion rights or conversion and/or option obligations which were or will be issued by the company or by companies dependent on the company or which are directly or indirectly majority-owned by the company. It may prove advisable, in lieu of using new shares from a capital increase, to fully or partially use treasury shares to meet conversion and/or option rights or conversion and/or option obligations as, contrary to using contingent capital, no new shares need to be created. In deciding whether treasury shares be supplied, or the contingent capital be utilized, the Executive Board shall carefully weigh the interests of the company and of the shareholders.

It shall be possible to issue treasury shares in return for assets, including receivables against the company or third parties or release from liabilities, especially in the context of company mergers or in connection with the acquisition of companies, parts of a company or stakes in a company. This is to enable the company to offer treasury shares as consideration - even in combination with other forms of consideration - and especially, to settle receivables against the company through treasury shares or to effect a release from liabilities through the issuance of treasury shares. Company expansions usually require quick decision-making. The Executive Board is to respond swiftly and flexibly to opportunities that present themselves on the market and shall be able to exploit possibilities to expand the company. The price at which treasury shares are used in such a case depends on the individual circumstances of the respective case and on the individual moment of time. When determining the pricing ratios, the Executive Board is to ensure that the shareholders' interests are adequately protected. Generally, the value of the shares to be used as consideration for the shares offered shall be determined on the basis of the market price of the company's shares. A systematic formula relating to a share price is, however, not provided, especially so as not to question negotiated results due to fluctuations of the market price. However, there are currently no specific acquisition projects.

It shall be possible to use treasury shares that have been purchased in connection with share-based compensation or stock programs for employees of the company or of companies affiliated with the company. Moreover, it shall be possible to issue treasury shares to persons who are or were in an employment relationship with the company or with one of its affiliated companies as well as to board members of companies affiliated with the company. The issue of treasury shares to employees, which is generally contingent upon a reasonable vesting period of several years, protects the interests of the company and its shareholders as it encourages the employees' identification with their company and consequently increases the company's shareholder value. The use of existing treasury shares as share price-related and value-based compensation components in lieu of a capital increase or a cash payment may also prove financially advisable for the company. When assessing the purchase price to be paid by employees, it is possible to extend a reasonable discount as is customary for employee shares, which is tied to the company's performance. Shares may equally be offered, promised and transferred to the above persons in connection with the respective programs at no cost. To achieve the above goals, the exclusion of the shareholders' subscription right is required.

Moreover, it shall be possible to use treasury shares to issue them to members of the company's Executive Board as a component of their variable compensation. Here, too, the exclusion of the shareholders' subscription right is required. The new remuneration system approved by the Annual General Meeting on 20 May 2020, which applies to the Executive Board service contracts of the incumbent Executive Board members, includes a share-based granting of variable components of compensation. By transferring the shares only after a multi-year vesting period has expired, part of the compensation is deferred while consolidating the ties with the company by involving the members of the Executive Board, who during this vesting period experience not only the positive, but also the negative trends of the share price, in the company's sustained increase in value. For this purpose, the responsibility lies with the Supervisory Board of AIXTRON SE and the proposed authorization applies to the Supervisory Board. In accordance with its legal obligation under section 87 AktG, the Supervisory Board ensures in this case that the overall compensation (including the components extended by the shares) is reasonably proportionate to the responsibilities and the performance of the member of the Executive Board as well as the company's situation and does not exceed the customary compensation unless there is a special reason for this.

Moreover, the Executive Board shall have the possibility to exclude the shareholders' subscription right in the event of selling treasury shares that had been purchased by way of an offer tendered to the shareholders, with the consent of the Supervisory Board, to the benefit of the holders or the creditors of bonds with conversion rights and/or option rights (conversion obligations and/or option obligations) issued by the company or companies that are dependent on the company or directly or indirectly majority-owned by the company. This facilitates the granting of subscription rights for shares to which the holders or creditors would be entitled following the exercise of the conversion and/or option right or upon fulfilment of the conversion and/or option obligation. This may protect against diluting their value or prevent that other measures have to be taken in order to protect against a dilution of the value.

Finally, the company is authorized to redeem treasury shares without requiring the Annual General Meeting to adopt any further resolution. Such an authorization is equally customary and corresponds with market practices. It allows the company to respond to the individual capital market situation appropriately and flexibly. The Executive Board is authorized insofar to adjust the Articles of Association to the change in the number of no-par value registered shares. In accordance with section 237 para. 3 no. 3 AktG, the proposed authorization provides that the Executive Board may redeem the shares even without a capital decrease. Redeeming the shares without a capital decrease results in an increase of the proportion of the remaining no-par value registered shares in the company's share capital. The Executive Board is authorized to amend the number of shares in the Articles of Association accordingly.

In any case, the Executive Board will carefully review whether it will utilize the authorization to acquire treasury shares excluding a right to offer as well as to use treasury shares excluding the share-holders’ subscription right. This possibility shall only be referred to if, in the opinion of the Executive Board and of the Supervisory Board, it protects the interests of the company and therefore, of its shareholders, and if it is reasonable.

The Executive Board will report at the next respective Annual General Meeting on each and any utilization of the authorization to purchase as well as to use treasury shares.