



**Ordinary General Meeting 2012
of AIXTRON SE, Herzogenrath**

Report by the Executive Board on agenda item 8

It is national and international standard to provide an incentive to the members of the Executive Board and the management and employees by granting subscription rights for the purchase of shares in the Company (share options) as a motivation for performance and loyalty to the Company. This is the purpose envisaged by the AIXTRON Stock Option Plan 2012 and the creation of the Contingent Capital II 2012. The volume of 10 percent of the share capital permitted by law for contingent capital to be used to satisfy share options is not exceeded, whether by taking the Stock Option Plan 2012 or any other existing stock option plans into account. The beneficiaries will, by exercising their share options, be able to participate in the success of their performance which has benefited the Company and therefore its shareholders. This has been practiced by the Company for a number of years and is to be continued in the future. The aim is to ensure that the Company and the group companies will remain attractive as an employer for selected members of the Executive Board and the management, other executives and employees, both currently employed and to be hired in the future.

As an instrument of profit-sharing, the share options to be offered to selected beneficiaries free of charge will entitle them to subscribe shares in the Company. The authorization to issue share options is limited until May 15, 2017. The proposal for the resolution to be adopted provides additionally for the possibility, at the Company's choice, to grant to the beneficiaries own shares or a cash compensation in fulfillment of their share options. This will increase the Company's flexibility to select the fulfillment that is appropriate for the Company upon exercise of the shares options, with due regard to its liquidity position and the dilutive effect for existing shareholders, which will not occur when own shares or cash compensation are granted.

Of the total volume of the share options a maximum of 20 percent each will be allocable to members of the Executive Board of the Company and to members of the management of group companies and a maximum of 60 percent to employees of the Company and affiliated enterprises. The exact group of

beneficiaries and the scope of the share options to be granted to them will be determined by the Executive Board of the Company with the approval of the Supervisory Board. Where share options are to be issued to members of the Executive Board of the Company, the determination, the granting and the exact terms and conditions of the share options will solely be decided by the Supervisory Board. Specifically key employees who are responsible for the economic success of the group as a whole will be given incentives under the Stock Option Plan 2012. Since, however, selected other employees of the group are also responsible for the economic success, share options will also be granted in these specific cases. This applies in particular for executives and employees in countries where stock options are considered to be part of the compensation (for example in the US).

In order to provide a long-term incentive to the beneficiaries to increase the going concern value in the interest of all shareholders, the Stock Option Plan 2012 provides in accordance with § 193 (2) No. 4 German Stock Corporation Act ("AktG") for a waiting period of not less than four years before the share options may be exercised for the first time. In addition, granting and exercising share options is only allowed within a certain issue/exercise period to ensure that no insider knowledge will be used.

The condition for the exercise of subscription rights is that the arithmetic means of the closing auction prices of the shares of the Company in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange reaches or exceeds the exercise price on at least one trading day after expiration of the waiting period (absolute performance target). The exercise price for one share of the Company is equivalent to 130 percent of the arithmetic means of the closing auction prices of the shares of the Company in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange over the twenty trading days preceding the date of issue of the respective share option. The selection of this performance target is, in the opinion of the Executive Board, a reasonable compromise between the interest of the shareholders in an ambitious performance target compensating for the dilution of their shareholdings resulting from the capital increase and the interest of the Company in ensuring that the employees of the Company and its group companies are highly motivated and loyal, which can be achieved to a noticeable degree when beneficiaries are actually given an attractive opportunity to share in the profit of the Company. In selecting the beneficiaries and determining the option terms and conditions, including the number of share options to be granted, the corporate bodies responsible for compensation will take the performance and individual targets into account so as to achieve the aims pursued by the Stock Option Plan 2012.

Where share options are granted to members of the Executive Board, the subscription rights will also be provided with a relative performance target. The exercise of subscription rights by members of the Executive Board is also conditional on the AIXTRON SE share price having progressed better than the TecDAX (relative performance target). Initially, the respective reference values (100 percent) for this purpose will be determined as the arithmetic means of (i) the closing auction prices of the shares of AIXTRON SE in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange and (ii) the end-closing prices of the TecDAX over the three-month period following the issue of the subscription rights. The closing auction price of the shares of AIXTRON SE in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange must then exceed the TecDAX (end-closing price), as measured using the respective reference values, at least once on at least five consecutive trading days in the period beginning one year after the issue of the subscription rights and lasting until the end of their term. The aforementioned comparison must be made for each issue of share options with the reference values being updated accordingly. It is thus ensured that the share options are related to demanding, relevant comparison parameters.

If the relevant performance targets are achieved, every subscription right can be exercised in accordance with the other option terms and conditions.

The possibility of providing for a limitation (cap) ensures that the pecuniary benefit resulting from the share options is limited in case of extraordinary developments and will not lead to disproportionate compensation elements under the Stock Option Plan 2012.

The Executive Board believes that, given the possibility to use own shares or to make a cash compensation at the Company's choice with the approval of the Supervisory Board, rather than issuing new shares from the contingent capital, the authorization to establish the selected AIXTRON Stock Option Plan 2012 is a flexible and at the same time attractive profit-sharing plan to ensure the loyalty and motivation of selected existing and future key employees of the Company and group companies.

Herzogenrath, March 2012

AIXTRON SE

– Executive Board –

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