

Supervisory Board Report

The Supervisory Board fully satisfied its responsibilities and duties as stipulated by law, in the Articles of Association and by-laws in fiscal year 2015.

We continuously monitored the Executive Board's management activities and advised it on all matters important to the company so that we were assured at all times that the Company was managed in a legal, orderly, proper and cost-effective manner.

During the reporting year, the Supervisory Board did not make use of the option to inspect the books and documentation of the Company (Section 111 (2) German Stock Corporation Act (AktG)). This was not necessary due to the regular, intensive and satisfactory reporting by the Executive Board, the audit by and discussions with the Auditor (German Public Auditors) and the supplementary monitoring measures described.

Composition of the Supervisory Board and Executive Board

The Executive Board fully satisfied its verbal and written reporting duty to the Supervisory Board. It involved us and our specialist committees in all material business transactions and highly significant decisions for the Company.

At the meetings (both in plenary sessions as well as in the committees) with the Executive Board, we had in-depth discussions about the information presented to us. Cooperation with the Executive Board was characterized in all respects by responsible and targeted activities.

Outside of the meetings we regularly consulted within the Supervisory Board, and the Executive Board informed us of important events in the AIXTRON Group in a timely manner.

Between meetings I met regularly – also in my role as a member of the Capital Market Committee – with the Chief Executive Officer, Martin Goetzeler. In addition to talking about the current business situation, we also talked about issues related to strategic alignment, the risk situation, risk management and compliance. Between meetings, the Chairman of the Audit Committee, Prof. Dr. Blättchen, and the Chairman of the Technology Committee, Prof. Dr. Denk, maintained active dialogue with the respective responsible Executive Board members.

All Supervisory Board members also received detailed quarterly reports on the status of the Company as well as other information such as internal control reports, meeting minutes, company presentations, research analyst reports, consensus reports, press releases and AIXTRON's financial reports.

As in every year, we also consulted with the Executive Board on the risk situation, risk management and compliance in the Company and carefully checked the corresponding developments and measures.

The Executive Board presented all transactions subject to approval to the Supervisory Board in a timely manner. After thorough consultation and review we gave our consent where appropriate.

Focus of plenary sessions

During 2015, the Supervisory Board held four ordinary Supervisory Board meetings on February 23, May 19, September 16 and December 2. All six Supervisory Board members were present at the first three meetings, while only Dr. Komischke was absent with valid excuse at the fourth meeting on December 2, 2015.

In the **four ordinary meetings**, we regularly discussed in detail the development of the business of the AIXTRON Group, particularly in light of the continuing market weakness and the price/competition pressure. During these meetings we were able to form a sufficient picture of the current business situation using the current financial figures and the updated forecast reports and development plans (orders, revenues, competition, market shares). Deviations from the budget plan during the course of business were explained in detail and justified.

In the ordinary Supervisory Board meetings in February, May, September and December 2015, we were informed of the progress of various projects, relevant product developments, new technologies (examples: OLED, power electronics), key customer orders (example: San'an, a major contract from China), relevant projects, key developments in the regions (example: integration of Plasma Si) as well as internal reorganization processes (examples: sub-division into three technology groups, further layoffs, new career and remuneration structures).

A particular focus in all four meetings was the longer than expected qualification processes for the AIX R6 MOCVD system and the associated modification costs and cost inefficiencies as well as the impact on other customers. The risks associated with the major contract awarded for this system were also discussed in detail. After the customer informed the Executive Board on December 9, 2015 that the customer specifications had not been met, an ad-hoc announcement was published without undue delay.

In view of various cost-cutting programs that have already been implemented, our discussions and evaluations in the 2015 fiscal year once again concentrated on the market environment and the market opportunities for the various AIXTRON technology groups. In this context, we also explored possible M&A opportunities, particularly with a view to targeted improvement of market access.

In addition, the following topics were addressed in the individual meetings:

Supervisory Board meetings in 2015

The meeting on **February 23, 2015** concentrated on the Annual and Consolidated Financial Statements for the 2014 fiscal year and the respective discussions and resolutions on the agenda. We reported on this information in detail in our report for the 2014 fiscal year. We also discussed in detail the existing horizontal and vertical comparison of Board remuneration and came to the conclusion that remuneration, both horizontally and vertically, is appropriate. In addition, we looked at the agenda of the 2015 Annual General Meeting and the resolutions it proposed. In view of the significant increase in takeover activities on the capital market, we discussed the relevance and potential alternatives in the event of a takeover bid.

At the meeting on **May 19, 2015** we discussed, in addition to the recurring issues mentioned above, the possibilities for dissolving the Genus Trust which expired in March 2015. It was formed as part of the takeover of Genus, Inc. to secure claims arising from the stock option plans which were part of the acquisition. We asked the Executive Board to assess a transfer of the assets to Germany. We also talked about various ways to use or convert the property on Kaiserstrasse at the headquarters in Herzogenrath.

At the meeting on **September 16, 2015** we discussed with the Executive Board, among other things, the definition of the relevant management levels in relation to the *law on the equal participation of men and women in executive management positions* in force since May 2015 and passed or confirmed the target quotas to be set by the Supervisory Board (Executive Board: 0%; Supervisory Board: approx. 20%). Due to the upcoming elections for a new Supervisory Board during the 2016 Annual General Meeting, we decided that the Nomination Committee should take up its work again.

The Supervisory Board of AIXTRON SE convened for its last ordinary meeting of the year on **December 2, 2015**. We discussed in detail the 2016 budget adjusted to the current business forecast which was presented by the Executive Board. This budget was approved after the meeting by circular resolution and is once again subject to the condition that the planned expenditures are reviewed on a regular basis and adjusted to the development of the business. The 2016 budget includes detailed sales revenues, income, financial and investment plans, as well as the planned personnel development at AIXTRON. We discussed new laws, guidelines and specifications and revised the by-laws for the Supervisory Board. The Executive Board reported on the definition of target quotas for the percentage of women at the two management levels below the Executive Board which the Executive Board defined as follows with the resolution on September 29, 2015: first management level: 0% (current: 0%); second management level: 8.3% (current: 8.3%). The deadline for achieving these targets is June 30, 2017.

Finally, in the last meeting of the year, we conducted a self-evaluation of our activities using an extensive questionnaire distributed to the members of the Supervisory Board in advance of the meeting which found that the Supervisory Board and its committees are working efficiently.

Committees

The Supervisory Board currently has four committees: an Audit Committee, a Technology Committee, a Nomination Committee and a Capital Market Committee.

The **Audit Committee** addresses, in particular, monitoring of the accounting process, compliance, the effectiveness of the internal control system, the risk management system, the internal audit system and the implementation of the rules in accordance with Section 404 Sarbanes-Oxley Act (SOA 404). The Chairman of the Audit Committee, Prof. Dr. Blättchen, is an independent Supervisory Board member whose area of expertise is reporting and audits (as required by law: Section 107 (4); Section 100 (5) AktG and who has particular knowledge and experience in the application of internal control processes. In the reporting year as well, the Audit Committee was responsible for auditing the financial statements and monitored in particular the required independence of the auditor and any additional services performed by the auditor. Finally, it issued the mandate to the auditor, identified the focal points of the audit and handled the fee arrangements. The Committee Chair reported regularly on the work of the Audit Committee to the Supervisory Board.

The Audit Committee convened four times in 2015; each meeting was attended by all three Committee members. In addition to accounting issues related to the financial and earnings situation, the Audit Committee looked at the following issues, among others:

- The engagement of the auditing firm Deloitte & Touche GmbH to audit the Individual Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group as of December 31, 2015, the US Annual Report in the 20-F form, the risk screening system in the meaning of Section 91 (2) AktG and the internal controls for the financial reporting in the meaning of SOA 404 and the preparation of a Management Letter and findings in accordance with Section 7.2.3 DCGK (German Code of Corporate Governance) at AIXTRON SE
- Review of the Statement of Independence and the "Management Letter" written by the Auditor (main conclusions from 2014 audits of the Individual Financial Statements and the Consolidated Financial Statements of the AIXTRON Group and of the internal control system)
- Regular discussion of the quarterly reports and the semi-annual report in telephone conferences
- Audit focal points for Deloitte & Touche GmbH for the audit of the 2015 AIXTRON Individual Financial Statements and Consolidated Financial Statements
- 2016 audit focal points of the German Financial Reporting Enforcement Panel (DPR)
- Integration of the accounting system of Plasma Si following its acquisition and discussions on how to handle accounting for the major contract awarded by San'an
- Dissolution of the Genus Trust
- Update of the Compliance Manual and transfer to an e-learning system
- Quarterly risk management report (ordinary risk management of the Executive Board pursuant to Section 91 (2) AktG)
- Improved performance of the risk management system as well as its direct incorporation into the internal forecast and business planning
- Reduction of the SOX inspections
- Adoption of an anti-corruption guideline
- Internal R&D audit in a separate teleconference
- Information security as well as the implementation of software to improve the information security
- Update of the report on the use of "conflict minerals"
- New relevant guidelines, laws and regulations

The **Technology Committee** focuses in particular on issues related to the technology market positioning of AIXTRON, patents, product planning (product roadmaps) and technology developments, possible technology acquisitions and other issues related to diversification. The current level of technical development of the MOCVD system technology AIX R6 was additionally discussed. The Committee also heard reports about the core processes in the area of development. The focus of the Technology Committee's work, in addition to the status reports from the individual technology areas, was on further developments of products and their critical assessment.

The Committee Chair, Prof. Dr. Denk, regularly reported to the Supervisory Board on the activities of the Technology Committee in the plenary meetings. In fiscal year 2015, the Technology Committee convened in four meetings which were all attended by all three committee members.

The **Nomination Committee**, consisting of three members, makes nomination proposals to the Supervisory Board if Supervisory Board positions need to be replaced; in doing so, it also takes into account its own targets defined in 2010 for its future composition as well as the requirements of the German Corporate Governance Code (DCGK) for appropriate diversity and an appropriate number of independent Supervisory Board members. Due to the upcoming election for the entire Supervisory Board in 2016, the Nomination Committee convened once in the 2015 fiscal year on December 1, 2015.

To evaluate M&A opportunities and strategy options with possible capital market relevance, the **Capital Market Committee** with its two members held a total of six conference calls in 2015 (on June 2, 5 and 19, on September 8 as well as on October 1 and 29).

Corporate Governance and Declaration of Conformity

The Supervisory Board regularly follows the development of the Corporate Governance Standards and, together with the Executive Board, issues a joint **Corporate Governance report**. We will continue to support the Executive Board in its efforts to remain in full compliance with the German Corporate Governance Code recommendations.

In the latest **Declaration of Conformity** in accordance with Section 161 AktG dated February 2016, with the exception of the deviations stated, the Executive and Supervisory Boards certified full compliance with the recommendations of the German Corporate Governance Code.

No conflicts of interest were reported by the members of the Supervisory or Executive Board.

Composition of the Executive and Supervisory Board

There were no changes in the composition of the Executive and Supervisory Boards in fiscal year 2015.

Audit and Annual Financial Statements

Following the resolution passed at the Company's Annual General Meeting on May 20, 2015, the Supervisory Board awarded the mandate to audit the Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group for fiscal year 2015 to Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf.

The auditors also reviewed the Company's Annual Report in Form 20-F and the internal control system in accordance with the Sarbanes-Oxley Act, as well as measures implemented by the Executive Board to detect, at an early stage, business risks that could potentially jeopardize the performance and existence of the Company. It was also agreed that the auditors would, if necessary, inform the Supervisory Board or make a note in the audit report of any facts found during their examination which conflict with the Declaration of Conformity under Section 161 AktG issued by the Executive Board and the Supervisory Board. As in previous years, the auditors did not make note of any such findings for fiscal year 2015.

The Financial Statements of AIXTRON SE as of December 31, 2015 and the Management Report were prepared in accordance with the requirements of the German Commercial Code (HGB), while the Consolidated Financial Statements as of December 31, 2015 and the Group Management Report were prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS). Deloitte & Touche GmbH, an independent registered public accounting firm, has audited the 2015 Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group, both of which were given an unqualified audit opinion. The auditors found that the Management Reports of both AIXTRON SE and the AIXTRON Group present a true and fair view of the current position and prospects of AIXTRON SE and the AIXTRON Group. The audit team with auditor in charge Dr. Holger Reichmann has audited the Financial Statements of the Company since 2012.

The Annual Financial Statement documents (Annual Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group as of December 31, 2015, including the Management Report of the Company and the Group) and the audit reports by the auditors were submitted to the Audit Committee and the Supervisory Board for examination in a timely manner. We **examined these documents** in detail. The Annual Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group, as well as the respective Management Reports, were **discussed in detail** with the Company's auditors at the meeting of the Audit Committee and entire Supervisory Board on February 22, 2016, with due consideration given to the auditor's reports. The auditor, who participated in both the meeting of the Audit Committee as well as the subsequent Supervisory Board meeting, reported on the key audit results, which also covered the internal control and risk management system as they relate to the accounting process. The auditor was available to answer any additional questions raised by the Audit Committee or Supervisory Board. The Supervisory Board also discussed the 2015 Annual Report "Form 20-F" as required by the U.S. Securities and Exchange Commission (SEC).

Following our own examination, we had no objections to the single-entity or consolidated financial statements submitted. The respective Management Reports matched our own assessment of the Company and the Group's situation. We fully concurred with the auditor's results and opinion and consequently, in a resolution **passed** on February 22, 2016, we approved both the Annual Financial Statements of AIXTRON SE and the Consolidated Financial Statements of the AIXTRON Group prepared by the Executive Board for fiscal year 2015. The Annual Financial Statements of AIXTRON SE are therefore **formally adopted**. Form 20-F for fiscal year 2015 was approved for filing with the SEC.

Note of thanks from the Supervisory Board

We would like to thank the Executive Board and all employees around the world. We would also like to thank the employee representatives for their constructive work with various boards and councils within the Company. Also, we would like to express our appreciation to the shareholders for their support and their ongoing confidence in AIXTRON SE.

Herzogenrath, February 2016

AIXTRON SE



Kim Schindelhauer
Chairman of the Supervisory Board

Corporate Governance Report

1. Declaration on Corporate Governance

1.1 Declaration of Conformity

In accordance with Section 161 German Stock Corporation Act (AktG), the Executive Board and the Supervisory Board of AIXTRON SE declare:

AIXTRON SE meets all recommendations of the Government Commission on the German Corporate Governance Code (Regierungskommission "Deutscher Corporate Governance Kodex") published by the Federal Ministry of Justice (Bundesministerium der Justiz) in the official section of the German Federal Gazette (Bundesanzeiger), in the version dated May 5, 2015, with the exception of the deviations declared below:

Consideration of the relationship between the remuneration of the Executive Board and the remuneration of senior management and staff overall at the present time and over the course of its historical development (Section 4.2.2 (2) Sentence 3 German Corporate Governance Code (DCGK))

The German Corporate Governance Code (DCGK) recommends in Section 4.2.2 (2) Sentence 3 that the Supervisory Board should take into account the relationship between the remuneration of the Executive Board and senior management and staff overall at the present time and over the course of its historical development when determining the total remuneration of individual members of the Executive Board, with the Supervisory Board specifying how the senior management and the relevant staff are to be differentiated for the comparison. The Supervisory Board did not explicitly specify at the time of the conclusion of the current contracts with the Executive Board how the senior management and the relevant overall staff are to be differentiated from the Executive Board. The relationship between the remuneration of the Executive Board and the remuneration of senior management and the relevant overall staff, however, is used as a basis to assess the appropriateness of the remuneration of the Executive Board pursuant to Section 4.2.2 (2) Sentence 2 DCGK.

Upper limits for remuneration of the Executive Board (Section 4.2.3 (2) Sentence 6 DCGK)

The German Corporate Governance Code (DCGK) recommends in Section 4.2.3 (2) Sentence 6 that the remuneration of the Executive Board members in total and with respect to their performance-based salary components should have upper limits in terms of amounts. The total remuneration of Executive Board members at AIXTRON SE includes both a fixed salary and various performance-based salary components. The performance-based remuneration is limited to a maximum of EUR 6.5 million with respect to the performance-based bonus for the entire Executive Board. Half of the performance-based remuneration is awarded in the form of Company stock options. The amount of the respective stock option is subject to the aforementioned upper limit at the time of its awarding. In this respect, the recommendation has been complied with. The shares are only transferred to the entitled recipient three years after being awarded. Within this time frame, the members of the Executive Board benefit to an unlimited extent from the potential rise in the price of the shares, which may be viewed as a deviation from the wording of the recommendation. A further limit on the performance-based remuneration with respect to the time of the transfer of the shares does not seem to be in the interests of the parties, since the essential incentive of share-based remuneration – to work toward increasing corporate value – would be counteracted and the Executive Board members would be placed at a disadvantage above such an upper limit in the event of a further increase in the stock price. An upper limit in terms of amounts for the total remuneration is thus not explicitly included in the current contracts for the Executive Board members.

Control limits for length of term on the Supervisory Board (Section 5.4.1 (2) DCGK)

In Section 5.4.1 (2) DCGK, it is recommended that the Supervisory Board designates specific objectives for its composition, while considering the specifics of the company, by taking into consideration a definable control limit for the length of term on the Supervisory Board. It is difficult to define an ideal length of term, and it in the light of the current situation of the company the Supervisory Board considers it to be advantageous to maintain the current expertise on the board. This includes, for example, long-standing knowledge of the company and the niche markets the company is focused on as well as comprehensive knowledge of capital markets and financial-related topics for a company dual listed in Germany and the United States. Given these factors, the Supervisory Board has determined at this time to not set a limit for the length of term on the Supervisory Board.

Since the last Declaration of Conformity was issued in February 2015, AIXTRON SE has fully complied with the recommendations laid out in the German Corporate Governance Code (DCGK), in the version of June 24, 2014, and the recommendations in DCGK, in the version of May 5, 2015, since being announced in the official section of the Federal Gazette, with the exception of the deviations mentioned above.

Herzogenrath, February 2016
AIXTRON SE

For the Executive Board of AIXTRON SE

Martin Goetzeler
Chairman & Chief Executive Officer

For the Supervisory Board of AIXTRON SE

Kim Schindelbauer
Chairman of the Supervisory Board

1.2 Information regarding Corporate Governance Practices

AIXTRON SE has had a **Code of Ethics** since 2006 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 Investors/Corporate Governance.

In addition, AIXTRON has issued a **Compliance Code of Conduct** applicable to the Executive and Supervisory Boards, as well as all employees throughout the world, which holds them accountable for conscientious conduct in conformity with the law. Amongst the topics addressed, this Code covers the following issues: responsibility and respect towards society 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, safety 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. In addition, due to particular requirements set by NASDAQ, AIXTRON SE has a separate NASDAQ Code of Conduct. The full texts of the Compliance Code of Conduct and the NASDAQ Code of Conduct can also be downloaded from the AIXTRON website in the Investors/Corporate Governance section under "Code of Conduct".

In 2010, AIXTRON issued a Compliance Manual which applies to all members of the 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 and on the resulting conduct requirements applicable to the Executive Board, the Supervisory Board and the employees. Regular training is held for employees to reinforce these requirements. This manual is regularly updated to reflect amended statutory requirements and was therefore also amended in fiscal year 2015. The content of the manual was transferred to an e-learning platform at the end of the year. This makes it possible to verify on a regular basis that AIXTRON employees are aware of and understand the requirements. Each quarter, the senior managers declare in writing that the compliance requirements of AIXTRON SE 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. Management principles were defined for the company's senior managers which include what is required of managers when dealing with employees.

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 and tin) within the AIXTRON supply chain. The code includes information on U.S. rules regarding the use of conflict minerals, the process of due diligence in the supply chain, the expectations for supply chain partners and suppliers and the consequences in the event of non-compliance. The complete text of the Vendor Code of Conduct can be accessed on the AIXTRON website in the Investor/Corporate Governance section under "Conflict Minerals Regulations".

1.3 Executive Board and Supervisory Board Operating Procedures; Composition and Mode of Operation of Committees

As a European company (Societas Europaea), AIXTRON SE is subject not only to the German Stock Corporation Act, but also to the superordinate European SE regulations and the German SE Implementation Act. The Company has a dual management and supervisory 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 is responsible for the appointment of the Executive Board members and oversees and advises the Executive Board in its management duties. For certain transactions and measures specified in the Articles of Association of AIXTRON SE or the Executive Board's by-laws, 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 material agreements that do not require approval under the Articles of Association or the Executive Board's by-laws. 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 2015 for the benefit of the Company. The common goal continues to be the return to profitability.

Executive Board

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.

AIXTRON SE's Executive Board is comprised of two members:

Name	Position	First Appointment	End of Term
Martin Goetzeler	Chief Executive Officer	March 1, 2013	February 28, 2017
Dr. Bernd Schulte	Chief Operating Officer	April 1, 2002	March 31, 2018

Notwithstanding the Executive Board's statutory joint and several liability and the obligation of its 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 schedule of responsibilities:

The Chief Executive Officer coordinates the tasks of the Executive Board and is additionally responsible for the operating business of the AIXTRON Group, focusing in particular on Strategic Planning, Investor Relations Management & Communications, Procurement, Human Resources, Finances and Reporting, Corporate Governance, Compliance & Risk Management, Information Technology, Legal and Quality Management as well as Environment, Social and Governance. The Chief Operating Officer is responsible for the Group's Research and Development, Marketing, Sales, Customer Service, Production and Logistics and Facility Management.

With the Supervisory Board's approval, the Executive Board has adopted by-laws that are regularly reviewed to ensure they are appropriate and up to date. They include a list of matters that are of fundamental or substantial importance and about which the Executive Board is required to make formal resolutions. Examples of such material decisions requiring formal resolutions are: decisions on strategies, corporate plans and budgets; significant changes in the organization of the Company and Group; the commencement or discontinuation of areas of activity within the Company; the acquisition and sale of land and land rights; the conclusion, amendment, and termination of intercompany or significant license or cooperation agreements; the commissioning of material external consulting and research projects; fundamental questions in the area of human resources and human resources policy; determination of the principles governing representation in business organizations and associations; appointments to the management and supervisory bodies of subsidiaries and associated companies; important publications and information for the public above and beyond normal reporting requirements; the initiation of lawsuits and legal disputes; the granting of collateral and assumption of guarantees.

The Executive Board's by-laws and the Articles of Association each contain a list of material transactions and measures which require the prior approval of the Supervisory Board. Transactions and measures requiring approval pursuant to the Articles of Association or by-laws include, but are not limited to, decisions to build or dispose of operating sites or land; the starting or ending of business activities; granting or taking out of loans, etc.

According to the by-laws, meetings of the Executive Board are to be held at least twice a month or whenever the Company's interests shall so dictate. Executive Board meetings are convened and directed by the Chairman of the Executive Board. Any member of the Executive Board may request an Executive Board meeting be convened for a specific issue. If the Chairman cannot attend, the meeting shall be chaired by a Board member appointed by the Chairman or the oldest member of the Executive Board in terms of age. The Executive Board shall be deemed to have quorum if all members have been invited and more than half of the members are able to participate in person, via telephone link or by video conference, when resolutions are being voted on. The Executive Board makes decisions by a simple majority of the votes cast by the members involved in the meeting unless otherwise provided by law, the Articles of Association or by-laws. In the case of a tie, the Executive Board Chairman casts the deciding vote. With two Executive Board members, the Supervisory Board Chairman shall be asked to mediate in the event of a tie.

Every Executive Board member must immediately disclose conflicts of interest to the Supervisory Board and other members of the Executive Board. Members of the Executive Board may only take on part-time activities, especially posts on company and supervisory boards outside of the Group, after receiving Supervisory Board approval.

Supervisory Board

Pursuant to Article 11 of AIXTRON SE's Articles of Association, the Supervisory Board consists of six members. The Annual General Meeting can specify any other number of Supervisory Board members, providing that the total is divisible by three. 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. The term of office of the Supervisory Board members listed below ends after the Annual General Meeting in 2016.

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.

At the end of fiscal year 2015, AIXTRON'S Supervisory Board consisted of the following six members:

Name	Position	Member since	Term ends
Kim Schindelhauer 1) 2) 3) 4) 5)	Chairman of the Supervisory Board	2002	AGM 2016
Prof. Dr. Wolfgang Blättchen ^{1) 4)}	Deputy Chairman of the Supervisory Board, Chairman of the Audit Committee, Independent Financial Expert ⁶⁾	1998	AGM 2016
Dr. Andreas Biagosch ²⁾		2013	AGM 2016
Prof. Dr. Petra Denk ^{2) 3)}	Chair of the Technology Committee	2011	AGM 2016
Dr. Martin Komischke		2013	AGM 2016
Prof. Dr. Rüdiger von Rosen ^{1) 3)}	Chairman of the Nomination Committee	2002	AGM 2016

1) Member of the Audit Committee

2) Member of the Technology Committee

3) Member of the Nomination Committee

4) Member of the Capital Market Committee

5) Former Executive Board member of AIXTRON AG

6) Since 2005

The Company is in compliance with the requirement for diversity on the Supervisory Board (Section 5.4.1 DCGK) due to the broad range of skills that individual Supervisory Board members have (in the areas of finance, capital markets, M&A, technology and market experience). Already in 2010, a target of approx. 20% women on the Supervisory Board was set at AIXTRON SE. The Supervisory Board has one female member, Prof. Dr. Denk, representing a share of close to 17% in arithmetical terms. Against this background, the Supervisory Board continues to think that the above mentioned goal is worthwhile and therefore confirms the target of approx. 20% (Section 5.4.1 (2) DCGK) which also complies with the new legal requirements (Section 111 (5) AktG (German Stock Corporation Act)) for the share of women on the Supervisory Board.

The Supervisory Board shall include what they consider to be an adequate number of independent members. Within the meaning of Section 5.4.2 DCGK, a Supervisory Board member will not be considered independent, in particular, if he or she has personal or business relations with the Company, its executive bodies, a controlling shareholder or an enterprise associated with the latter which may cause a substantial and not merely temporary conflict of interest. The Supervisory Board's goal is that at least half of its members are independent. Since the Supervisory Board consists solely of elected representatives of shareholders who are to be viewed as independent members according to DCGK, the Company has complied with this objective.

The Supervisory Board shall not have more than two former members of the Executive Board (Section 5.4.2 DCGK).

Prior to the Supervisory Board Meeting on December 2, 2015, each Supervisory Board member received the annual questionnaire from the Chairman examining the efficiency of the Supervisory Board's activities. Based on its evaluation of the returned questionnaires, the Supervisory Board resolved that it is acting efficiently in accordance with Section 5.6 DCGK.

Other directorships held by Executive and Supervisory Board members are listed under Item 36 "Supervisory Board and Executive Board" in the Notes to the Consolidated Financial Statements.

The Company did not initiate or conclude any material transactions with related parties during the 2015 fiscal year.

The Supervisory Board has adopted its own set of by-laws, governing Supervisory Board duties, rights, obligations and organization procedures for meetings and resolutions, including the formation of appropriate committees. The Audit Committee and the Technology Committee both operate according to separate by-law requirements approved by the Supervisory Board. The Supervisory Board's by-laws were revised in 2015.

An independent and expert member of the Supervisory Board has chaired the Audit Committee since 2005 in accordance with Section 5.3.2 DCGK. The Technology Committee was created on May 19, 2011. To evaluate M&A opportunities and strategy options with possible capital market relevance, the Supervisory Board formed a Capital Market Committee as of April 12, 2014.

The Supervisory Board, like the Audit Committee and Technology Committee, generally holds four ordinary meetings per year. The Nomination and Capital Market Committees convene as necessary.

As requested by the Chairman of the Supervisory Board, the Executive Board participates in all Supervisory Board meetings (usually four times a year), gives written and oral reports on the various points on the agenda and proposed resolutions, and answers questions posed by individual Supervisory Board members. Between meetings, detailed quarterly reports on the status of the Company from the Executive Board are made available to all Supervisory Board members. Furthermore, in numerous telephone calls and face-to-face meetings, the Supervisory Board Chairman, the Chairman of the Audit Committee and the Chair of the Technology Committee are informed by the Executive Board about relevant material developments and forthcoming decisions on material issues.

Resolutions of the Supervisory Board and its committees are generally passed during formally convened meetings. In exceptional cases, Supervisory Board members may, if justified, participate in a board or committee meeting remotely via telephone or video conference. The Supervisory Board and its committees are deemed to have a quorum if two-thirds, but at least three of its members, are able to participate in person for the adoption of a resolution (outside of formal meetings, if no objections are raised by any member, it is possible by casting votes in writing, by fax, telephone, e-mail or a combination of these communication media). Resolutions are adopted if a majority of the votes are cast in favor. In the case of a tie, the Chairman of the meeting casts the deciding vote.

Every member of the Supervisory Board must disclose conflicts of interest to the Supervisory Board, especially those conflicts arising from a consulting contract or board position for a customer, supplier, creditor or other business partner. If a material, not just temporary, conflict of interest involving a Supervisory Board member cannot be resolved to the satisfaction of the Supervisory Board, it will result in that member being required to resign.

Operating Procedures and Composition of Committees

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

The Supervisory Board of AIXTRON SE currently has four committees: the Audit Committee, the Technology Committee, the Nomination Committee and the Capital Market Committee. The Supervisory Board is authorized to form other committees with its members.

The Audit Committee is composed of one chairman and two other members. The Chairman of the Audit Committee, Prof. Dr. Blättchen, is an independent member whose area of expertise is reporting and audits (as required by law: Section 107 (4); Section 100 (5) AktG) and who has particular knowledge and experience in the application of internal control processes. The Audit Committee addresses, in particular, the monitoring of the accounting process, compliance, the effectiveness of the internal control system, the risk management system, the internal audit system and the implementation of the rules in accordance with Section 404 Sarbanes-Oxley Act (SOA 404). In addition, the Audit Committee is responsible for auditing the financial statements and ensures in particular the required independence of the auditor and any additional services performed by the auditor. Finally, it issues the mandate to the auditor, identifies the focal points of the audit and handles the fee arrangements. The Committee Chair reports regularly on the work of the Audit Committee to the Supervisory Board.

The Technology Committee is composed of one chair and two other members. It deals, in particular, with questions of AIXTRON's market positioning in technology, patents, product planning (product roadmaps) and technology development, potential technology acquisitions and other topics relating to diversification. The Committee Chair, Prof. Dr. Denk, regularly reports to the Supervisory Board on the activities of the Technology Committee.

Due to the upcoming elections of the Supervisory Board as part of the 2016 Annual General Meeting, the Nomination Committee of the Supervisory Board convened once (on December 1) in fiscal year 2015. The Nomination Committee also consists of a chair and two other members. The Committee, chaired by Prof. Dr. von Rosen, makes nomination proposals to the Supervisory Board if a board member needs to be replaced.

To evaluate M&A opportunities and strategy options with potential capital market relevance, the Supervisory Board formed a Capital Market Committee consisting of two members as of April 12, 2014

The details on the interaction and cooperation of the Executive Board, the Supervisory Board and its committees during fiscal year 2015 can also be found in the Supervisory Board Report, which is part of this Company's Annual Report and can be downloaded from the AIXTRON corporate website.

2. Corporate Governance Report

2.1. Report on Corporate Governance from the Executive and Supervisory Boards

AIXTRON is committed to observing the principles of transparent and responsible conduct of its business aimed at creating value on a sustainable basis by employing appropriate corporate governance. We, the Executive and Supervisory Boards of AIXTRON SE, seek to further strengthen the trust placed in us by our shareholders, financial markets, customers, business partners, employees and the general public through appropriate management and supervision. We are convinced that good corporate governance is an essential element in our Company's success.

Both this Corporate Governance Report, prepared in accordance with Section 3.10 DCGK, and the joint Declaration of Conformity, issued by the Executive Board and the Supervisory Board pursuant to Section 161 AktG in February 2016 are published in the Annual Report and on the AIXTRON corporate website in German and English. AIXTRON also retains previous Declarations of Conformity on its website for a period of at least five years.

Isolated deviations

AIXTRON has complied with all the recommendations laid out in DCGK in the past and, with the exception of the deviations declared in the Declaration of Conformity, also fully complied with DCGK in fiscal year 2015. Our internal monitoring and control systems, which have been regularly tested and are continuously kept up to date, comply with Section 404 of the Sarbanes-Oxley Act and provide us with support in meeting our compliance responsibilities.

The Government Commission on the German Corporate Governance Code has made changes and additions to the Code in May 2015. The German Corporate Governance Code (DCGK) in the currently applicable version of May 5, 2015 was published by the Federal Ministry of Justice and for Consumer Protection on June 12, 2015.

Diversity

As stipulated by DCGK, AIXTRON has set clear targets with regard to appropriate diversity in the management of the Company (Sections 5.1.2 and 5.4.1 DCGK).

Pursuant to Sections 76 (4), 111 (5) AktG, the Supervisory Board and the Executive Board of listed companies or companies that are subject to co-determination, must set targets for the percentage of women on the Supervisory Board, Executive Board and at the two management levels below the Executive Board. These requirements are laid out in Sections 4.1.5 and 5.4.1 (2) (DCGK).

Against the backdrop of demographic change and the associated effect of a lack of sufficiently qualified staff in Germany, AIXTRON has consistently striven for further increases in the percentage of women and the international composition of its employees and management. Nevertheless, the Company's primary commitment is to ensure that the employees possess the required professional and social skills. The availability of qualified female applicants is very limited, particularly due to the low percentage of women still enrolled in technical degree programs.

In view of this, the Supervisory Board and the Executive Board have set the following targets for the percentage of women to be achieved by June 30, 2017:

Body/management level	Target percentage of women	Defined by
Supervisory Board	20%	Supervisory Board
Executive Board	0%	Supervisory Board
1st level below the Executive Board	0%	Executive Board
2nd level below the Executive Board	8.3%	Executive Board

Composition of the Supervisory Board

As early as 2010, the Supervisory Board listed a set of required qualities for future appointments of Supervisory Board members. They were amended most recently in 2015. In fiscal year 2015, the Supervisory Board confirmed the target percentage of women of approx. 20% adopted in 2010 as well as all other existing targets. The targets for the composition of the Supervisory Board are shown in detail below:

- With respect to nominations of Supervisory Board members, the Nomination Committee shall ensure that the Supervisory Board at all times consists of members who, individually and collectively as a team, have the knowledge, skills and experience required to perform their tasks properly. In addition, the members should be independent. The Nomination Committee will strive to enhance the efficiency and transparency of the selection process. As a general rule, the Supervisory Board members are nominated for election for the longest possible period in compliance with the Company's Articles of Association.
- AIXTRON is heavily export-oriented. Experience in the electronics and lighting appliances markets specific to AIXTRON's areas of interest is of the greatest benefit to the Company.
- As a general rule, new members of the Supervisory Board should not be older than 70 when they retire from the Supervisory Board. When elected, they should be available to the Company for at least two election periods.
- The aim should be that the individual Supervisory Board members will have training, qualifications, expertise and international experience that are as diverse as possible so that collectively they will have the necessary knowledge, skills and experience required to perform their tasks properly. They should have company and product oriented relevant experience with an understanding of the business model, the specifics of the industry and the processes in the various departments of business management and administration, including more specifically accounting, audit of the annual financial statements, corporate development, capital markets, technology, special machine production, markets, sales, lighting market, etc.
- It is believed to be in the best interest of the Company to employ the full potential of well-trained and motivated people from different nationalities and both genders. The Supervisory Board thinks that it is appropriate to uphold the target of approx. 20% for the participation of women on the Supervisory Board.
- The Supervisory Board shall include what it considers to be an adequate number of independent members. A Supervisory Board member will not be considered independent, in particular, if he or she has personal or business relations with the Company, its executive bodies, a controlling shareholder or an enterprise associated with the latter that may cause a substantial and not merely temporary conflict of interest.
- At least half of the Supervisory Board members should be independent.
- The Supervisory Board shall not have more than two former members of the Executive Board amongst its members at any one time.
- The Supervisory Board members shall not hold any function as a board member in or act as a consultant for any material competitor of the Company.
- The Supervisory Board must have at least one independent member (as defined by the DCGK) with expertise in accounting, internal control processes and the auditing of annual financial statements. This Supervisory Board member is therefore also a member of the Audit Committee.
- Given the increased demands on the professionalization of Supervisory Board members and with a view to ensuring that their services will be provided as efficiently as possible, as in previous years, new Supervisory Board members should not hold more than five board memberships in other listed companies or other companies with similar demands. For reasons of convenience and efficiency, the aim is to give preference, but not exclusivity, to candidates who are based in Germany or in other parts of Europe.

Additional information regarding the composition of the Supervisory Board can also be found in the section "Supervisory Board" in Chapter 1.3 of this Annual Report.

The Executive Board and Supervisory Board of AIXTRON SE are convinced that the Supervisory Board fully complies with its own requirements as well as those for appropriate diversity laid out in DCGK and an appropriate number of independent Supervisory Board members.

For the purposes of continuing education, as part of further professionalization of the Supervisory Board, its members have taken part in advanced training related to their roles as Supervisory Board members and their other professional activities.

Information on remuneration of the Executive Board in accordance with Section 4.2.5. DCGK

Detailed information on the remuneration structure and remuneration of the individual Executive Board members in accordance with Section 4.2.5. DCGK and for information on the remuneration of the Supervisory Board members as well as a detailed list of the outstanding Executive Board stock options can be found in the remuneration report as part of the Company's consolidated management report.

Shareholders and Annual General Meeting

In fiscal year 2015, the Annual General Meeting was held in Aachen on May 20, 2015. The invitation to the Annual General Meeting was announced in a timely manner in the German Federal Gazette (Bundesanzeiger) in accordance with the legal requirements, and included the agenda, the proposed resolutions from the Executive and Supervisory Boards as well as the conditions for participation at the Annual General Meeting and the exercising of voting rights. Holders of the Company's ADS (American Depositary Shares) received special proxy voting forms within the required time frame. All reports and documentation required by law were available on AIXTRON's website, www.aixtron.com, from the date the Annual General Meeting was convened. Directly following the Annual General Meeting, the Company published attendance figures and the voting results in a press release, as well as on its website.

Three out of four agenda points required approval. All of the resolutions were approved with the support of more than 85% of the voters entitled to vote, with a good 46% of AIXTRON share capital being represented at the Annual General Meeting.

Shares Held by Executive and Supervisory Board Members

The Company's share capital amounted to EUR 112,720,355 at the end of 2015. As of December 31, 2015, members of AIXTRON SE's Supervisory Board held, directly and indirectly, a total of 0.5% or 601,429 ordinary shares.

As of December 31, 2015, the AIXTRON Executive Board did not directly or indirectly hold any shares issued by the Company. The options held by Executive Board members under stock option plans and the share- and performance-based components of remuneration granted by the Company are set out and explained in the remuneration report in the Notes to the Annual Financial Statements.

Information regarding the purchase and sale of AIXTRON SE shares by persons performing managerial responsibilities according to Article 15a WpHG (German Securities Trading Act) is published on the AIXTRON website under the category of "Corporate Governance/Director Dealings" immediately after the notification is received. No transactions of this kind were published in fiscal year 2015.

Transparency

In the interest of maximum transparency, shareholders, shareholder associations, potential investors, financial analysts and the media are regularly and promptly informed about the AIXTRON 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 interactive, electronic Annual Report with the Consolidated Financial Statements, the Group Management Report and the Supervisory Board Report
- The AIXTRON SE Annual Financial Statements and the related Management Report
- The annual report on Form 20-F for the United States Securities and Exchange Commission ("SEC")
- Interim financial reports
- (Quarterly) 6-K forms for the SEC
- Transcripts or audio files of quarterly conference calls for the press and analysts
- The form SD required by the SEC with the respective report on the usage of conflict minerals
- Company presentations
- Ad-hoc, company and IR announcements
- Press and marketing releases

Important recurring dates, such as the date of the Annual General Meeting or the publication dates of financial reports, are detailed in the Company's financial calendar published on the AIXTRON website under Investors/Events. This and the above-mentioned reports, speaker notes, presentations, webcasts and press releases are available on the AIXTRON's website for a limited period of time.

Accounting and audit of the annual financial statements

The Group's interim financial reports as of March 31, June 30, and September 30, 2015 and the Consolidated Financial Statements for the period ending on December 31, 2015 were prepared in accordance with the IFRS (International Financial Reporting Standards). The Annual Financial Statements 2015 for AIXTRON SE were prepared in accordance with the German Commercial Code (HGB) and the requirements of the German Stock Corporation Act (AktG).

The Consolidated Annual Financial Statements and the parent company's Annual Financial Statements were audited by the appointed external auditor and approved by the Supervisory Board. The auditor agreed that the Chairman of the Supervisory Board and the Chairman of the Audit Committee would be informed without delay about any reasons for exclusion or exemption and any inaccuracies in the Declaration of Conformity arising in the course of the audit. No such material events were recorded in the current year.

Stock Option Plans

AIXTRON has a total of five stock option plans, under which options are or have been issued for the acquisition of AIXTRON shares to members of the Executive Board, managers and Company employees.

No stock options were issued in the reporting year. In accordance with the amended Section 193 (2) No. 4 AktG of the Act on the Appropriateness of Management Board Remuneration (VorstAG), the options under the 2012 Stock Option Plan can only be exercised, at the earliest point in time, after a waiting period of four years and include an absolute performance target. In addition, stock options issued to members of the Executive Board contain a relative exercise threshold with the TecDAX[®] as a comparison parameter. The maximum term of the stock options is ten years.

As of December 31, 2015, tranches 2014 and 2014_I of the 2012 Stock Option Plan and the 2007, 2008, 2009, 2010, 2011 and 2012 tranches of the 2007 Stock Option Plan and the previous stock option plans (AIXTRON 1999 and 2002 Plans and the Genus Stock Option Plan 2000) still had outstanding options to acquire 2,891,815 AIXTRON shares for exercise.

A more detailed description of the individual stock option plans and a summary of all the stock option transactions can be found in Note 23 "Share-based payment", of the Notes to the Consolidated Financial Statements.