

PERFORMANCE //

CORPORATE GOVERNANCE STATEMENT

1 // DECLARATION OF CONFORMITY

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

The recommendations of the Government Commission of 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 electronic Federal Gazette as applicable from time to time, have
been complied with in full since the prior Declaration of Conformity dated March 2009.

In the future, it is intended that they will continue to be fully complied with.

HERZOGENRATH, MARCH 2010


AIXTRON AG

FOR THE EXECUTIVE BOARD OF AIXTRON AG

FOR THE SUPERVISORY BOARD OF AIXTRON AG



PAUL HYLAND
CHAIRMAN



KIM SCHINDELHAUER
CHAIRMAN

2 // INFORMATION ABOUT CORPORATE GOVERNANCE PRACTICES

2.1 // CORPORATE GOVERNANCE REPORT BY THE EXECUTIVE BOARD AND SUPERVISORY BOARD OF AIXTRON AG

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

Both this Corporate Governance Report, according to item 3.10. of the German Corporate Governance Code ("Code" / "GCGC"), and the joint Declaration of Conformity, issued by the Executive Board and the Supervisory Board according to Section 161 German Stock Corporation Act (AktG) on March 2010 are components of the Declaration of Corporate Governance pursuant to Section 289a of the German Commercial Code (HGB) and 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 five years.

(2.1.1) FULL COMPLIANCE

AIXTRON has complied with all recommendations of the German Corporate Governance Code, as applicable from time to time, for the last five years, including fiscal year 2009. Our internal monitoring and control systems meet the requirements of Section 404 of the Sarbanes-Oxley Act and are considered effective in supporting our "Compliance" activities, responsibilities and tasks. Therefore, our current Declaration of Conformity, dated March 2010, again confirms that AIXTRON is fully compliant with all the recommendations of the German Corporate Governance Code.

The Company also complies with nearly all suggestions of the Code.

In reaction to the financial market crisis, the German Parliament passed new regulations for Executive Board member remuneration and Supervisory Board monitoring duties in the Act to Modernize Accounting, Reporting and Auditing (Bilanzrechtsmodernisierungsgesetz or BilMoG) and the Act on the Appropriateness of Executive Board Compensation (Gesetz zur Angemessenheit der Vorstandsvergütung or VorstAG), both of which have also now been incorporated in the German Corporate Governance Code as amended on June 18, 2009. AIXTRON had already complied with most of these regulations before they came into force; evidence that conscientious corporate governance over and above what is required by law is considered to be a matter of course for us.

For instance; the full Supervisory Board took into account all relevant appropriateness and sustainability criteria when concluding the fixed total remuneration (items 4.2.2. and 4.2.3. GCGC) for each member currently holding office on the Executive Board. We have, since fiscal year 2006, publicly disclosed individualized total Executive Board remuneration, broken down into fixed and variable remuneration components (cash remuneration and stock options). D&O insurance for all Executive and Supervisory Board members was appropriately adjusted when last extended, on January 1, 2010, to conform to the new regulations (pursuant to item 3.8. of the GCGC).

The Corporate Governance regulations on severance pay and commitments to make payments should a member cease to hold office in the Executive Board by virtue of a change of control had been adopted in 2008 (item 4.2.3. paras. 4 and 5 GCGC), and new management contracts at AIXTRON have been in compliance with the stricter requirements since 2005. Former contracts have been appropriately adjusted when being extended in fiscal year 2009.

Accordingly, if a change of control situation exists, the individual members of the Executive Board shall be entitled to receive a severance pay in an amount equal to the fixed and variable compensation expected to be owed by the Company for the remaining term of the service contract, however, not exceeding an amount equal to twice the annual compensation.

We have also taken the issue of the need for diversity into account when selecting Executive Board members. This particular issue is now included in the German Corporate Governance Code (item 5.1.2. para. 1 GCGC) and we are compliant, both in terms of internationality as well as previous professional experience and technical expertise.

An independent and appropriately experienced Supervisory Board member (item 5.3.2. GCGC) has chaired the Audit Committee since 2005. We believe that we have already fulfilled the requirement for diversity in the Supervisory Board (item 5.4.1 GCGC) by virtue of the various competencies of its members (in respect of finance, capital market, technology and market experience).

(2.1.2) SHAREHOLDERS AND ANNUAL GENERAL MEETING

In the 2009 fiscal year, the ordinary Annual General Meeting was held in Aachen on May 20. The invitation to the Annual General Meeting was announced online, in a timely manner, in the German Federal Gazette (Bundesanzeiger) and included the agenda with resolutions from the Executive and Supervisory Boards and the necessary conditions for participating in the Annual General Meeting and exercising voting rights. The Company's ADS (American Depositary Shares) holders received additional special proxy voting forms in the required timeline. All of the reports and

documentation required by law were available from our website at www.aixtron.com from the date the Annual General Meeting was formally called. Immediately after the Annual General Meeting, the Company published the attendance figures and voting results in a press release and on the AIXTRON website.

Six out of seven agenda topics required General Meeting approval. Around 41 percent of AIXTRON common stock was represented at the Meeting and all resolutions were passed with majorities of at least 93.7 percent of the entitled votes. Under agenda item 2, a vote was taken on distributing a dividend of EUR 0.09 per share for the 2008 fiscal year. Under agenda item 6, the Annual General Meeting passed a resolution providing renewed authorization to acquire and use the Company held shares and, under agenda item 7, to move the Company's registered office to Herzogenrath.

As the Company's administrative headquarters and sales functions had already moved from Aachen to Herzogenrath, the Annual General Meeting's resolution also moved the Company's registered office pursuant to its Articles of Incorporation from Aachen to Herzogenrath.

(2.1.3) EXECUTIVE BOARD AND SUPERVISORY BOARD

The Executive Board and Supervisory Board worked closely together throughout the year for the benefit of the business enterprise. Their joint goal is to increase the sustainable value of the Company.

In accordance with the requirements of the German law, AIXTRON AG has a two-tier governance system characterized by a clear separation of management and supervisory functions. The Executive Board is responsible for managing the Company and informs the Supervisory Board regularly, comprehensively and without delay, on business development opportunities, corporate planning and strategy, and the risk status of the Company. The Supervisory Board appoints Executive Board members and oversees and advises the Executive Board regarding its management duties, accounting procedures and risk management. Key decisions (such as setting up or disposing of operating sites or land, starting or ending business activities, granting or taking up loans, etc.) require Supervisory Board approval pursuant to the Executive Board's rules of procedure.

Since 2005, AIXTRON AG'S Executive Board has comprised the following three members:

Name	Position	First Appointment	End of Term
Paul Hyland	Chairman, President and Chief Executive Officer	April 1, 2002	March 31, 2015
Wolfgang Breme	Executive Vice President and Chief Financial Officer	April 1, 2005	March 31, 2013
Dr. Bernd Schulte	Executive Vice President and Chief Operating Officer	April 1, 2002	March 31, 2015

Paul Hyland's and Dr. Bernd Schulte's contracts were recently extended for another five years to March 31, 2015 as announced at the Annual General Meeting on May 2009.

The Supervisory Board of AIXTRON AG comprised of six members at the end of 2009, four of whom also serve on the Audit Committee.

Name	Position	Member since	End of Term
Kim Schindelhauer*	Chairman of the Supervisory Board	2002	AGM 2012
Dr. Holger Jürgensen*	Deputy Chairman of the Supervisory Board	2002	AGM 2012
Prof. Dr. Wolfgang Blättchen*	Chairman of the Audit Committee, Financial Expert**	1998	AGM 2012
Karl-Hermann Kuklies		1997	AGM 2012
Prof. Dr. Rüdiger von Rosen		2002	AGM 2012
Joachim Simmroß*		1997	AGM 2012

* Member of the Audit Committee

** since 2005

According to a resolution passed by the General Meeting in May 2007, the term of office of all six Supervisory Board members terminates upon closing of the General Meeting resolving on the approval of their activities during fiscal year 2011 (assumed during AGM in May 2012). As required under the German Corporate Governance Code in item 5.4.2., the Supervisory Board includes no more than two former Executive Board members, namely Mr. Schindelhauer and Dr. Jürgensen.

Other directorships, held by Executive and Supervisory Board members, are listed under [38 //](#) in the Notes to the Consolidated Financial Statements. The Company did not conclude or carry out any material transactions with related parties during the fiscal year 2009.

Prior to the Supervisory Board Meeting of December 4, 2009, 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 questionnaire, the Supervisory Board resolved that it is acting efficiently in accordance with item 5.6. of the Code. Presentations and clarifications from AIXTRON senior managers during the 2009 Supervisory Board meetings, and more detailed strategic planning updates from the Executive Board were deemed very helpful towards the efficiency of the Supervisory Board's duties and performance, and will be continued in the future. In the course of 2010, the Supervisory Board members intend to increase their focus on AIXTRON'S competitive positioning, capital market and compliance issues.

The Company had first initiated D&O insurance in 1997 covering the activities of members of the Executive Board and members of the Supervisory Board, with a deductible that was considered standard for the market at that time. At the end of 2009, the policy provided for Executive Board members a deductible of EUR 25,000 per insured event per year, and for Supervisory Board members a deductible of EUR 5,000 per insured event per year. In the wake of the VorstAG, the D&O insurance contracts for Executive Board and Supervisory Board members were adapted as follows: with effect from January 1, 2010 the deductible amounts to a minimum of 10% of the respective, potential loss incurred, but cannot exceed a factor of 1.5 of the respective annual fixed remuneration.

(2.1.4) SHARES HELD BY EXECUTIVE AND SUPERVISORY BOARD MEMBERS

As of December 31, 2009, members of AIXTRON AG'S Supervisory Board directly and indirectly held a total of 8,805,912 shares or 8.7% of the Company's share capital, which stood at EUR 100,667,177 at the year end, after a capital increase in October. Dr. Holger Jürgensen held 7.67%, Kim Schindelhauer 1.03% of the shares, the Company had issued. As of December 31, 2009, the AIXTRON Executive Board neither directly nor indirectly held any of the shares the Company had issued. Executive Board member stock options arising from the stock option plans are set out and explained in the Remuneration Report below.

The purchase and sale of AIXTRON AG shares by persons according to Section 15a of the German Securities Trading Act (Wertpapierhandelsgesetz or WpHG) is published without delay after receipt of the notification, on the AIXTRON website, under the category "Corporate Governance/ Directors Dealings". In accordance with Section 10 of the German Securities Prospectus Act (Wertpapierprospektgesetz or WpPG) every transaction is also published in an annual document, which is available via the Company website. In the 2009 fiscal year, two such transactions covering the sale of a total of 200,000 AIXTRON shares were published.

(2.1.5) TRANSPARENCY

In the interest of maximum transparency, shareholders, shareholder associations, potential investors, financial analysts, and the media are regularly and promptly informed of the AIXTRON Group's business performance. The internet is the communication channel predominantly used for this purpose.

Reporting on the business status and financial results of the AIXTRON AG and the AIXTRON Group is carried out in German and/or English, in the form of:

// The Annual Report with Group Annual Report, Group Management Report and Supervisory Board Report

// The AG's Financial Statements and the related Management Report

- // The explanatory report by the Executive Board pursuant to Sections 289 para. 4 and 5 315 para. 4 of the German Commercial Code (HGB)
- // The Form 20-F for the United States Securities and Exchange Commission ("SEC")
- // Interim financial reports
- // Quarterly analyst conference calls
- // Public Company presentations
- // Ad-hoc and IR corporate news releases
- // Forms 6-K for the SEC
- // Marketing news releases

Important recurring dates, such as the date of the Annual General Meeting or the publication dates for the financial reports, are detailed in the financial calendar. This and the above-mentioned reports, speaker notes, presentations, and releases are available via the Company website.

(2.1.6) REPORTING AND AUDIT

The Group interim financial reports as of March 31, June 30, and September 30, 2009, and the Consolidated Financial Statements for fiscal year 2009, have been prepared in accordance with IFRS (International Financial Reporting Standards). The separately reported parent-company Annual Financial Statements 2009 for AIXTRON AG, on which dividend payment is based, are prepared in accordance with German accounting standards (HGB).

The Consolidated Financial Statements are audited by the external auditor and are adopted by the Supervisory Board. The auditor agreed that the Chairman of the Supervisory Board or 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.

(2.1.7) STOCK OPTION PLANS

AIXTRON AG currently has four stock option plans, which reserve shares or AIXTRON American Depositary Shares (ADS) for issuance to members of the Executive Board, officers and employees of the Company.

In the reporting year, under the terms of the 2007 stock option plan, we have released a third tranche (Tranche 2009) by issuing 778,850 new stock options at an exercise price of EUR 24.60. Each stock option grants the right to subscribe one AIXTRON share. A waiting period of at least two years applies to 50% of the granted options and a further 25% can be exercised after at least three years. The remaining 25% can be exercised only after at least four years and the maximum duration of the stock options is 10 years.

Pursuant to the new regulations in the VorstAG, any stock option plans launched in the future will be structured so that the stock options cannot be exercised for four years.

As per December 31, 2009, the Tranches 2007 and 2008 of the 2007 stock option plan and the previous stock option plans (AIXTRON 1999 and 2002 plans, Genus Stock Option Plan 2000) still had outstanding options to subscribe to 5,005,621 AIXTRON shares or ADS.

A more detailed description of the different stock option plans and a summary of all the stock option transactions can be found in the Notes to the Consolidated Financial Statements under [25 // Share-based payments](#).

(2.1.8) REMUNERATION REPORT

As in previous years, the AIXTRON Remuneration Report 2009 is included in this Corporate Governance Report. It comprises of data that, in accordance with the requirements of the German Commercial Code (HGB) and the IFRS, are an integral part of the Notes to the Annual Financial Statements/Consolidated Financial Statements or of the Management Report/Group Management Report. Therefore, the information explained in this report is not additionally presented in detail in the Notes to the Annual Financial Statements/Consolidated Financial Statements or in the Management Report/Group Management Report.

EXECUTIVE BOARD REMUNERATION

The Supervisory Board meeting in plenary session is responsible for establishing the structure of the remuneration system and the total remuneration for individual members of the Executive Board. It regularly discusses and reviews the remuneration for appropriateness.

The level of remuneration of the Executive Board members of AIXTRON AG is aligned with the commercial and financial situation and future prospects of the Group 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 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 stock-based remuneration.

In the Executive Board contracts of employment, an annual income is stipulated 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 pension insurance.

The variable remuneration is paid from an „accrued internal bonus“, defined as up to 10% of the modified Group consolidated net income for the year concerned, but cannot exceed a maximum of EUR 6.5m. 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 earnings reserves in the Annual Financial Statements of AIXTRON AG 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 the consolidated net income from subsequent fiscal years.

In addition, as a variable component acting as a long-term incentive, the members of the Executive Board receive a stock-based remuneration in form of option rights arising from the stock option plans of AIXTRON AG. The stock option plans, including potential exercise barriers, are resolved by the Annual General Meeting. The number of option rights for 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 on 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.

In fiscal year 2009, the total fixed and variable remuneration of the Executive Board (including benefits in kind and pension allowance) totaled EUR 5,148,351 (2008: EUR 2,507,112; 2007: EUR 2,641,498). Moreover, the Executive Board was granted 156,000 option rights in 2009 (2008: 156,000; 2007: 156,000) with an option value on allocation of EUR 1,344,720 (2008: EUR 276,120; 2007: EUR 677,040). The division between the individual members of the Executive Board for the years 2007 to 2009 is presented in the table below.

Executive Board Member	Year	Fixed* (EUR)	Variable (EUR)	Total fixed and variable remuneration (EUR)	Options granted (number)	Option value on allocation (EUR)	Total EB remu- neration (EUR)
Paul Hyland	2009	433,554	1,790,641	2,224,195	52,000	448,240	2,672,435
	2008	442,615	689,831	1,132,446	52,000	92,040	1,224,486
	2007	359,166	517,490	876,656	52,000	225,680	1,102,336
Wolfgang Breme	2009	308,968	1,119,151	1,428,118	52,000	448,240	1,876,358
	2008	308,555	344,916	653,471	52,000	92,040	745,511
	2007	295,789	258,745	554,534	52,000	225,680	780,214
Dr. Bernd Schulte	2009	376,887	1,119,151	1,496,038	52,000	448,240	1,944,278
	2008	376,279	344,916	721,195	52,000	92,040	813,235
	2007	310,926	258,745	569,671	52,000	225,680	795,351
Dr. William W.R. Elder	2009	0	0	0	0	0	0
	2008	0	0	0	0	0	0
	2007	468,140	172,497	640,637	0	0	640,637
Total	2009	1,119,409	4,028,942	5,148,351	156,000	1,344,720	6,493,071
	2008	1,127,449	1,379,663	2,507,112	156,000	276,120	2,783,232
	2007	1,434,021	1,207,478	2,641,498	156,000	677,040	3,318,538

* incl. benefits in kind and allowance for pensions

In total, as at December 31, 2009, the AIXTRON Executive Board held options to subscribe to 806,516 shares in the Company (December 31, 2008: 650,516; December 31, 2007: 556,391). The amounts of shares, underlying the options, are set out below. The realizable profits from exercising of the stock options can differ significantly from the figures shown in the table.

Executive Board Member	Allocation	Outstanding (shares)	Exercisable (shares)	Option value on allocation (EUR)	Exercise price (EUR)	Maturity
Paul Hyland	Nov 2009	52,000	0	448,240	24.60	Nov 2019
	Nov 2008	52,000	0	92,040	4.17	Nov 2018
	Dec 2007	52,000	0	225,680	10.09	Dec 2017
	May 2006	55,000	27,500	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	0	152,625	7.48	May 2017
	May 2001	5,000	0	106,500	26.93	May 2016
	May 2000	5,400	1,350	114,507	67.39	May 2015
Wolfgang Breme	Nov 2009	52,000	0	448,240	24.60	Nov 2019
	Nov 2008	52,000	0	92,040	4.17	Nov 2018
	Dec 2007	52,000	0	225,680	10.09	Dec 2017
	May 2006	55,000	27,500	84,150	3.83	Nov 2016
Dr. Bernd Schulte	Nov 2009	52,000	0	448,240	24.60	Nov 2019
	Nov 2008	52,000	0	92,040	4.17	Nov 2018
	Dec 2007	52,000	0	225,680	10.09	Dec 2017
	May 2006	55,000	27,500	84,150	3.83	Nov 2016
	May 2004	35,000	35,000	107,800	6.17	Nov 2014
	May 2003	0	0	48,950	3.10	Nov 2013
	May 2002	27,500	0	152,625	7.48	May 2017
	May 2001	5,000	0	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	18.70	May 2014
Total		806,516	184,986			

In accordance with IFRS 2, the "option value on allocation" is also the basis for inclusion as expenses in the profit and loss account for options issued after November 7, 2002. For stock options issued before November 7, 2002, the fair value was calculated as per the Black-Scholes model.

In the reporting year 2009, the Executive Board members exercised 0 (2008: 6,875; 2007: 217,485) option rights, and none (2008: 0; 2007: 0) expired.

The current Executive Board members have no individual company pension benefits which would result in pension provisions. Instead, the combined Executive Board annual pension allowance (EUR 120,000 p.a. in 2009, 2008 and 2007), paid by AIXTRON and included in the fixed remuneration, is transferred by the Executive Board members into independent insurance contracts with a benevolent fund allowance.

The Company's net obligation in respect of defined benefit pension plans reflects commitments to two former members of the Executive Board of AIXTRON AG. As at the end of 2009, this resulted in pension provisions totaling 1,028,464 (2008: EUR 845,012; 2007: EUR 878,003).

The Executive Board members receive no loans from the Company.

SUPERVISORY BOARD REMUNERATION

Remuneration of the Supervisory Board is regulated by the Articles of Association of AIXTRON AG. Accordingly, the annual fixed compensation for each individual member of the Supervisory Board is EUR 18,000. The Chairman's compensation is three times this amount and the Deputy Chairman's one and a half times this amount. The members of the Supervisory Board also receive, in aggregate, a variable compensation of 1 % of the Company's retained earnings, less an amount corresponding to 4 % of the paid-in contributions to the share capital. The Chairman of the Supervisory Board receives 6/17, the Deputy Chairman 3/17, and each other member of the Supervisory Board 2/17 of the variable compensation. The variable compensation is limited to four times the fixed compensation per Supervisory Board member. In addition, members of the Audit Committee receive an attendance fee of EUR 1,500 for attending a committee meeting, with the Chairman of the committee receiving twice this amount. The total annual attendance fee per Supervisory Board member is limited to one and a half times that individual's fixed compensation.

In fiscal year 2009, the compensation of the Supervisory Board totaled EUR 567,345 (2008: EUR 446,958; 2007: EUR 269,751). The Supervisory Board compensation for the years 2007 to 2009 comprised in detail:

Supervisory Board Member	Year	Fixed (EUR)	Variable (EUR)	Attendance Fee (EUR)	Total (EUR)
Kim Schindelhauer* (Chairman of the Supervisory Board)	2009	54,000	135,651	6,000	195,651
	2008	54,000	93,162	6,000	153,162
	2007	54,000	30,618	6,000	90,618
Dr. Holger Jürgensen* (Deputy Chairman of the Supervisory Board)	2009	27,000	67,826	6,000	100,826
	2008	27,000	46,581	6,000	79,581
	2007	27,000	15,309	6,000	48,309
Prof. Dr. Wolfgang Blättchen* (Chairman of the Audit Committee)	2009	18,000	45,217	12,000	75,217
	2008	18,000	31,054	12,000	61,054
	2007	18,000	10,206	12,000	40,206
Karl-Hermann Kuklies	2009	18,000	45,217	0	63,217
	2008	18,000	31,054	0	49,054
	2007	18,000	10,206	0	28,206
Prof. Dr. Rüdiger von Rosen	2009	18,000	45,217	0	63,217
	2008	18,000	31,054	0	49,054
	2007	18,000	10,206	0	28,206
Joachim Simmroß*	2009	18,000	45,217	6,000	69,217
	2008	18,000	31,054	6,000	55,054
	2007	18,000	10,206	6,000	34,206
Total	2009	153,000	384,345	30,000	567,345
	2008	153,000	263,958	30,000	446,958
	2007	153,000	86,751	30,000	269,751

*Member of the Audit Committee

As in previous years, there were no payments made to any Supervisory Board member for advisory services in the year 2009.

The Supervisory Board members receive no loans from the Company.

2.2 // OTHER, VOLUNTARY CORPORATE GOVERNANCE PRACTICES

AIXTRON AG has had a Code of Ethics procedure since 2006 for the Executive Board members and selected key managers in Finance. The aim of the Code is to prevent misconduct and promote upright and ethical conduct, including 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, the immediate internal reporting of breaches of the Code and responsibility for compliance with the Code. The complete text of the Code may be found via the AIXTRON website.

In addition, AIXTRON has issued a Code of Conduct applicable to all employees in all Company offices throughout the world and holds them accountable to conduct that is conscientious and in conformity with the law. The Code covers, amongst other topics, the following issues: Responsibility and respect towards mankind and the environment, compliance with overall 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 aware manner, security in all operating areas, professional work, reliability and fairness in all business relationships, compliance with guidelines on giving/taking unfair advantage, dealing with insider information and treatment of Company property. The full text of the Code of Conduct may also be downloaded from the AIXTRON website.

3 // WORKING PRACTICES OF EXECUTIVE AND SUPERVISORY BOARD MEMBERS

3.1 // TASKS AND COMPOSITION OF THE BOARDS

Pursuant to guidelines inherent in company law, the Executive Board of AIXTRON AG is responsible for managing the Company and informs the Supervisory Board regularly, comprehensively and without delay, regarding business development opportunities, corporate planning and strategy, and the Company's risk situation.

According to Article 8 of AIXTRON AG'S Articles of Incorporation, the Executive Board comprises of two or more persons. The Supervisory Board determines the precise number of Executive Board members. It also decides whether a Chairman, deputy members or a Deputy Chairman should be appointed.

In addition to joint and several liability of each Executive Board member under law and their obligation to work closely and confidentially with their colleagues, the responsibilities of the individual members of the Executive Board are allocated, as follows:

AIXTRON'S President and Chief Executive Officer, Mr. Paul Hyland, coordinates the tasks of the Executive Board and is responsible for the corporate operations at the AIXTRON Group, focusing in particular on Strategic Planning, Communications, Product Development & Manufacturing, as well as Procurement & Logistics. The Chief Financial Officer, Mr. Wolfgang Breme, in addition to Group finances is also responsible for Corporate Governance & Compliance, IT, Human Resources and Legal & Risk Management. The Chief Operating Officer, Dr. Bernd Schulte, has responsibility within the Group for Business Development/Operations, Marketing, Sales & Service, Technology, Technology Transfer and Research & Development.

The Supervisory Board monitors Executive Board compliance with its management duties; it appoints Executive Board members and advises it in matters of corporate governance, accounting procedures and risk management.

Pursuant to Article 11 of AIXTRON AG'S Articles of Incorporation, the Supervisory Board consists of six members. The General Meeting can specify any other number of Supervisory Board members divisible by three. The appointment of the Supervisory Board members generally lasts until the end of the Annual General Meeting that resolves on the approval of the Supervisory Board's activities for the fourth fiscal year after the beginning of their appointment.

The Supervisory Board elects a Chairman and a Deputy Chairman amongst its members. The Chairman in office, Mr. Kim Schindelhauer, or – if he is prevented from doing so – his Deputy Dr. Holger Jürgensen, convenes the meetings of the Supervisory Board and leads them.

The Supervisory Board of AIXTRON AG has one permanent committee, the Audit Committee, with Prof. Dr. Wolfgang Blättchen as Chairman and independent financial expert. This committee primarily deals with matters such as accounting, risk management, compliance, the internal control system, the auditors' mandate, identification of areas to be audited, auditors' fee arrangements, while at the same time ensuring the necessary independence of the auditors.

If required, the Supervisory Board may appoint a Nomination Committee, which would be exclusively filled by shareholder representatives. The Nomination Committee can consist of up to four members. Its task is to propose suitable candidates to the Supervisory Board for recommendation to the Shareholders' Meeting.

3.2 // RELEVANT RULES OF PROCEDURE

The Supervisory Board has produced by-laws for the Executive Board that are regularly reviewed to ensure they are appropriate and up to date. They include a listing of matters which 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: the Company's strategy, corporate planning and budgets; significant changes in the organization of the Company and Group; the commencement or discontinuation of areas of activity of the Company; the acquisition and sale of land and land rights; the conclusion, amendment, and termination of intercompany, 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 outside of normal results; the initiation of lawsuits and legal disputes; the granting of collateral and assumption of guarantees.

The Executive Board by-laws also contain a catalog of material transactions requiring Supervisory Board approval, including, but not exclusively, events such as setting up or disposing of operating sites or land, starting or ending business activities, granting or taking up loans.

Meetings of the Executive Board, according to the by-laws, take place at least twice a month, if not otherwise required. The Executive Board meetings are convened and chaired by the Chairman of the Executive Board or another member of the Executive Board pre-appointed by the Chairman if he cannot attend the meeting. An Executive Board quorum exists if all members have been invited and at least two members of the Executive Board are present. The Executive Board makes decisions by a simple majority of the votes cast by the members present unless otherwise determined by the law, the Articles of Incorporation and the by-laws. In case of a tie, the Executive Board Chairman casts the deciding vote.

The Supervisory Board has created rules of procedure of its own accord. They govern Supervisory Board duties, rights and obligations, the organization of meetings and resolutions, as well as the formation of committees. The Audit Committee has its own rules of procedure.

The Supervisory Board, like the Audit Committee, generally holds four ordinary meetings per calendar year (minimum number of meetings according to the by-laws: two per calendar year). As requested by the Chairman of the Supervisory Board, the Executive Board participates in all Supervisory Board meetings, gives written and oral reports on the various points on the agenda and proposed resolutions, and answers questions posed by the individual Supervisory Board members. Between meetings, detailed written monthly and 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, both the Chairman and the Chairman of the Audit Committee, are promptly and comprehensively informed by the Executive Board about material developments and forthcoming decisions.

Resolutions of the Supervisory Board and the Audit Committee are generally passed at meetings. A quorum exists in both bodies if two thirds of their members, including the Chairman or the Deputy Chairman, are present. Decisions are made by a simple majority of the votes cast. In case of a tie, the meeting Chairman casts the deciding vote.

3.3 // ETHICAL PRINCIPLES

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 sideline activities, in particular posts on supervisory boards outside the Group, after receiving Supervisory Board approval.

Likewise, every member of the Supervisory Board must immediately disclose conflicts of interest to the other members of the Supervisory Board, especially those conflicts arising from a consulting contract or board function for a customer, supplier, creditor, or other business partner. If a material conflict of interest involving a Supervisory Board member cannot be resolved, it will result in that member having to resign.

Several specific working practices of the Executive and Supervisory Boards and the Audit Committee during fiscal year 2009 are further described in the Supervisory Board Report and the Letter to the Shareholders. Both reports can be found in the Company's Annual Report and on the AIXTRON corporate website.