



# NOTICE OF

Virtual Annual General Meeting  
of Infineon Technologies AG  
on 25 February 2021

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# Overview with information pursuant to section 125 AktG in conjunction with Table 3 of the Implementing Regulation (EU) 2018/1212

## A. Specification of the notification

1. **Unique identifier of the event:** Virtual Annual General Meeting of Infineon Technologies AG 2021
2. **Type of notification:** Convening of the Annual General Meeting

## B. Specification of the issuer

1. **ISIN:** DE0006231004
2. **Name of the issuer:** Infineon Technologies AG

## C. Specification of the Annual General Meeting

1. **Date of the Annual General Meeting:** 25 February 2021
2. **Time of the Annual General Meeting (start):** 10:00 (CET) (9:00 UTC)
3. **Type of Annual General Meeting:** Annual General Meeting as a virtual event without the physical presence of shareholders or their proxies
4. **Location of the Annual General Meeting:**

URL to the company's Internet Service for following the Annual General Meeting in audio and video form and for exercising shareholders' rights:  
<http://infineon.com/aggm>.

Location of the Annual General Meeting as defined by the German Stock Corporation Act: Am Campeon 1-15, 85579 Neubiberg, Germany

5. **Technical record date: 18 February 2021, midnight (CET) (23:00 hours UTC)**

The shareholding entered in the stock register on the day of the Annual General Meeting is the decisive criterion for exercising participation and voting rights – irrespective of the actual number of shares held. Applications for changes to the stock register that are received by the company after the registration deadline during the period from 19 February 2021, 00:00 (CET) up to and including 25 February 2021, midnight (CET), will only be processed and taken into account with effect from the day after the Annual General Meeting, i.e. on 26 February 2021. The *technical record date* is therefore 18 February 2021, midnight (CET).

6. **Internet address for the Annual General Meeting / URL:**

<http://infineon.com/aggm>

## Further information on the convening of the Annual General Meeting (blocks D to F of table 3 of the Appendix to the Implementing Regulation (EU) 2018/1212):

Further information on attendance at the Annual General Meeting (block D), the Agenda (block E) and the deadlines for exercising other shareholder rights (block F) is available at:

<http://infineon.com/agm>.

## Overview of the Agenda

1. **Submission of the approved Separate Financial Statements of Infineon Technologies AG and the approved Consolidated Financial Statements, both as of 30 September 2020, the combined Management Report for Infineon Technologies AG and the Infineon Group, and the report of the Supervisory Board for the 2020 fiscal year**
2. **Utilization of unappropriated profit**
3. **Approval of the acts of the members of the Management Board**
4. **Approval of the acts of the members of the Supervisory Board**
5. **Appointment of the Company and Group auditor for the 2021 fiscal year and the auditor for the review of the Half-Year Financial Report as well as for the possible review of other quarterly financial reports for the 2021 fiscal year**
6. **Resolution on the approval of the compensation system for Management Board members**
7. **Resolution on the amendment of compensation and the compensation system for members of the Supervisory Board as well as the corresponding amendment to the Articles of Association (article 11 of the Articles of Association)**
8. **Creation of a new Authorized Capital 2021/I for the purpose of issuing shares to employees and executives of Infineon and its Group companies, excluding the subscription rights of existing shareholders, and the corresponding amendment to the Articles of Association (article 4, paragraph 7 of the Articles of Association)**
9. **Resolution on the amendment of article 4, paragraph 1, sentence 3 of the Articles of Association in line with changes in legislation brought about by the Act Implementing the Second Shareholder Rights Directive (ARUG II)**
10. **Resolution on amendments to articles 7 and 9 of the Articles of Association regarding the Supervisory Board's rules of procedure**

Infineon Technologies AG  
Neubiberg  
ISIN: DE0006231004

Neubiberg,  
January 2021

Dear Shareholders,

Notice is hereby given that the

### **Annual General Meeting of Infineon Technologies AG**

will take place on

**Thursday, 25 February 2021 at 10:00 a.m. (CET)**

in the form of a virtual event without the physical presence of the shareholders or their proxies.

The entire Annual General Meeting will be broadcast live online (audio and video) via the Internet Service and will be open for all shareholders who are entered in the company's stock register on the day of the Annual General Meeting. The exercise of shareholder rights, in particular the exercise of voting rights, requires registration for the meeting in due time and in the proper form and will be performed exclusively by way of mail ballot or by granting power of attorney to company proxies. The location of the Annual General Meeting within the meaning of the German Stock Corporation Act is the Company's registered office, Am Campeon 1-15, 85579 Neubiberg.

## I. Agenda

1. **Submission of the approved Separate Financial Statements of Infineon Technologies AG and the approved Consolidated Financial Statements, both as of 30 September 2020, the combined Management Report for Infineon Technologies AG and the Infineon Group, and the report of the Supervisory Board for the 2020 fiscal year**

These documents also include the compensation report as well as the explanatory report on the disclosures pursuant to section 289a, paragraph 1, and section 315a, paragraph 1, of the German Commercial Code (*Handelsgesetzbuch - HGB*) in the version applicable in the 2020 fiscal year. The documents referred to above have already been published on the Infineon website at [www.infineon.com/agm](http://www.infineon.com/agm). They will also be made available during the Annual General Meeting and their content presented in detail.

The Corporate Governance Statement (*Erklärung zur Unternehmensführung*) pursuant to sections 289f and 315d, HGB (including the Corporate Governance Report) is available on the Infineon website at [www.infineon.com/corporate-governance-statement](http://www.infineon.com/corporate-governance-statement). The summarized separate Non-Financial Report is also available on the company website at [www.infineon.com/csr\\_reporting](http://www.infineon.com/csr_reporting).

The Supervisory Board has approved the Separate Financial Statements and the Consolidated Financial Statements prepared by the Management Board. The Separate Financial Statements have therefore been adopted in accordance with section 172, first sentence of the German Stock Corporation Act (*Aktiengesetz - AktG*). A resolution of the Annual General Meeting pertaining to this particular item on the Agenda is not required.

## 2. Utilization of unappropriated profit

The Management Board and the Supervisory Board propose to utilize €286,248,760.82 of the unappropriated profit (*Bilanzgewinn*) of €287,302,650.14, as reported by Infineon Technologies AG for the 2020 fiscal year, to pay a dividend of €0.22 per qualifying share and to transfer the remaining sum of €1,053,889.32 to other revenue reserves (*Gewinnrücklagen*).

Unappropriated profit will therefore be utilized as follows:

Unappropriated profit	€ 287,302,650.14
Distribution to shareholders	€ 286,248,760.82
Transfer to revenue reserves	€ 1,053,889.32

The proposal takes into account the 4,790,406 own shares held at the time of announcing the Annual General Meeting that do not qualify for a dividend. If the number of shares qualifying for a dividend should change prior to the resolution concerning the utilization of unappropriated profit being adopted, the Management Board and the Supervisory Board will propose to the Annual General Meeting a correspondingly amended resolution concerning the utilization of unappropriated profit that still provides for the payment of a dividend of €0.22 per qualifying share and correspondingly adjusted amounts for the distribution and the amount transferred to revenue reserves.

In accordance with section 58, paragraph 4, second sentence, AktG, any dividend resolved by the Annual General Meeting will fall due for payment on the third business day following the resolution of the Annual General Meeting, i.e. on 2 March 2021.

## 3. Approval of the acts of the members of the Management Board

The Management Board and the Supervisory Board propose that the acts of the members of the Management Board in office during the 2020 fiscal year be approved for this period. The vote on the approval of the acts of the members of the Management Board at the Annual General Meeting is due to be held separately for each individual member.

## 4. Approval of the acts of the members of the Supervisory Board

The Management Board and the Supervisory Board propose that the acts of the members of the Supervisory Board in office during the 2020 fiscal year be approved for this period. The vote on the approval of the acts of the members of the Supervisory Board at the Annual General Meeting is due to be held separately for each individual member.

## 5. Appointment of the Company and Group auditor for the 2021 fiscal year and the auditor for the review of the Half-Year Financial Report as well as for the possible review of other quarterly financial reports for the 2021 fiscal year

In concurrence with the recommendation of its Investment, Finance and Audit Committee, the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be appointed Company and Group auditor for the 2021 fiscal year as well as the auditor for the review of the Half-Year Financial Report pursuant to sections 115 and 117 of the German Securities Act (*Wertpapierhandelsgesetz – WpHG*) for the 2021 fiscal year as well as for the possible review of other quarterly financial reports pursuant to section 115, paragraph 7, WpHG, for the 2021 fiscal year.

The Investment, Finance and Audit Committee has confirmed that its recommendation is free from undue influence by third parties and that it was not subject to any restriction regarding the selection of auditors within the meaning of article 16, section 6 of the EU Statutory Audit Regulation.

## 6. Resolution on the approval of the compensation system for Management Board members

Pursuant to section 120a, paragraph 1, AktG in the version applicable since 1 January 2020, which takes account of the Act Implementing the Second Shareholders' Rights Directive (*Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie – ARUG II*) dated 12 December 2019, the Annual General Meeting of a listed company is required to pass a resolution on the approval of the compensation system in place for Management Board members whenever any significant change is made to the system and no later than every four years.

On 20 November 2020, the Supervisory Board adopted a new compensation system for Management Board members that complies with the requirements of ARUG II and takes into account the recommendations of the revised version of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex – DCGK*). The Supervisory Board proposes that the said compensation system, which was adopted by the Supervisory Board on 20 November 2020 and is attached as an appendix to item 6 on the Agenda, be approved.

## 7. Resolution on the amendment of compensation and the compensation system for members of the Supervisory Board as well as the corresponding amendment to the Articles of Association (article 11 of the Articles of Association)

Pursuant to section 113, paragraph 3, AktG in the version applicable since 1 January 2020, the Annual General Meeting of a listed company is required to pass a resolution regarding the compensation and the compensation system for the members of the Supervisory Board at least every four years.

The current regulations for Supervisory Board compensation are set out in article 11 of Infineon Technologies AG's Articles of Association and were resolved at the Annual General Meeting held in 2016. Following an in-depth review, the Management Board and the Supervisory Board concluded that these regulations are no longer in line with the market in some respects and should be adjusted accordingly. A further reason for amending the system at this stage is to take greater account of the recommendation contained in the revised version of the DCGK, according to which the additional time commitment required for special functions on the Supervisory Board should be adequately reflected in the level of compensation.

The Management Board and the Supervisory Board therefore propose to the Annual General Meeting that the compensation system for Supervisory Board members, which is attached as an appendix to item 7 on the Agenda, be adopted effective 1 October 2021 and that article 11 of the Articles of Association of Infineon Technologies AG be amended accordingly effective 1 October 2021 as follows. The Annual General Meeting instructs the Management Board to submit the amendment to the Articles of Association for entry in the commercial register in such a way that it is entered on or as soon as possible after 1 October 2021:

*“(1) Each member of the Supervisory Board shall receive a fixed compensation per fiscal year, comprising the basic compensation (a) and – if certain functions are performed within the Supervisory Board – a supplement (b):*

*(a) The basic compensation amounts to € 100,000.00*

*(b) The Chair shall receive a supplement equivalent to 100% of the basic compensation in accordance with point (a) and the Deputy Chair a supplement equivalent to 30% of the basic compensation.*

*Each member of the Investment, Finance and Audit Committee shall receive a supplement of € 40,000.00 and each member of a further Supervisory Board committee – with the exception of the Mediation Committee – a supplement of € 25,000.00. For the Chairs of the Investment, Finance, and Audit Committee and the Strategy and Technology Committee, the supplement shall amount to 200% of the relevant supplement paid to the members of the respective committees.*

*The committee-related supplements shall only apply if at least three meetings of the respective committee take place during any given fiscal year. If a Supervisory Board member performs more than one of the aforementioned functions, that person shall receive all the supplements provided for in each case. However, the total amount paid to the Supervisory Board member for the committee-related supplements stipulated in article 11, first paragraph (b), second and third sentences, is limited to a maximum amount of € 100,000.00.*

*Any member who joins the Supervisory Board, takes up a position in one of its committees, takes on a specific function within the Supervisory Board during the current fiscal year, or ceases to perform any of those duties during the current fiscal year shall receive one twelfth of the relevant annual compensation component for each (started) month of membership or performance of function.*

*(2) The company shall pay each member of the Supervisory Board a meeting attendance fee of € 2,000.00 per meeting of the Supervisory Board or one of its committees, irrespective of whether attended in person, virtually or by telephone. For extraordinary meetings held in the form of a telephone or video conference call and during which no resolutions are passed, Supervisory Board members shall receive a reduced attendance fee of € 1,000.00. If more than one meeting is held on a single day, the attendance fee shall only be payable once as a fixed amount of € 2,000.00.*

*(3) The company shall reimburse the members of the Supervisory Board for their out-of-pocket expenses and any value added tax payable by them in this connection. The company shall also pay to the members of the Supervisory Board any value added tax arising on their fixed compensation and meeting attendance fees. In addition, any employer’s social security contributions that may be payable under foreign laws for supervisory board activities shall be paid by the company. The members of the Supervisory Board shall be included in any Directors’ and Officers’ liability insurance policy maintained by the company, subject – at the discretion of the company – to an appropriate excess insurance amount. The premiums for this insurance coverage shall be paid by the company.*

*(4) The fixed compensation shall be payable within one month of the end of the fiscal year to which the compensation relates and the meeting attendance fees shall be payable within one month of the relevant meeting.*

*(5) The preceding paragraphs 1 to 4 shall apply effective 1 October 2021.”*

**8. Creation of a new Authorized Capital 2021/I for the issuance of shares to employees and executives of Infineon and its Group companies, excluding the subscription rights of existing shareholders, and the corresponding amendment to the Articles of Association (article 4, paragraph 7 of the Articles of Association)**

Authorized Capital 2016/I amounting to €30 million expires on 17 February 2021. It was primarily intended to service the share programs existing for Infineon Group executives as part of their variable compensation, namely the Performance Share Plan (PSP) and the Restricted Stock Unit Plan (RSUP).

The PSP and RSUP share programs remain in place. The purpose of creating a new Authorized Capital 2021/I – which corresponds in most respects to the Authorized Capital 2016/I about to expire, not least in terms of its volume – is to enable the company to continue to issue new shares to service the PSP and the RSU. No further authorized capital is currently available to issue shares to employees and members of management bodies (Management Board and boards of directors).

The Management Board and the Supervisory Board propose that the following resolution be taken:

a. With the approval of the Supervisory Board, the Management Board shall be authorized to increase the Company’s share capital in the period up to 24 February 2026 – either once or in partial amounts – by a total of up to €30 million by issuing new no-par-value registered shares against contributions in cash for the purpose of issuance to employees and Management Board members of the Company as well as to employees and members of boards of directors of its Group companies. The subscription rights of existing shareholders shall be excluded in relation to these shares. Shares may be issued to employees in such a manner that the contribution to be paid on such shares is covered by the portion of the net income for the year that the Management Board and the Supervisory Board could transfer to revenue reserves pursuant to section 58, paragraph 2, AktG. The Management Board is required to determine the further rights attached to the shares and the terms of the share issue with the approval of the Supervisory Board (Authorized Capital 2021/I).

b. Article 4, paragraph 7 of the Articles of Association shall be revised with the following wording:

*“(7) Subject to approval by the Supervisory Board, the Management Board shall be authorized to increase the share capital in the period up to 24 February 2026 – either once or in partial amounts – by a total of up to € 30 million by issuing new no-par-value registered shares against contributions in cash for the purpose of issuance employees and Management Board members of the Company and to employees as well as to members of boards of directors of its Group companies. The subscription rights of existing shareholders shall be excluded*

*in relation to these shares. The shares may be issued to employees in such a manner that the contribution to be paid on such shares is covered by the portion of the net income for the year that the Management Board and the Supervisory Board could transfer to revenue reserves pursuant to section 58, paragraph 2, AktG. The Management Board is required to determine the further rights attached to the shares and the terms of the share issue with the approval of the Supervisory Board (Authorized Capital 2021/I)."*

**9. Resolution on the amendment of article 4, paragraph 1, third sentence of the Articles of Association in line with changes in legislation brought about by the Act Implementing the Second Shareholder Rights Directive (ARUG II)**

The Act Implementing the Second Shareholder Rights Directive (ARUG II) dated 12 December 2019 amended various provisions of the German Stock Corporation Act (AktG), including those relating to share registers. Pursuant to section 67, paragraph 1, AktG of the version effective since 1 January 2020, shareholders are now also required to provide an electronic address for entry in the share register. This amendment has been applied since 3 September 2020; article 4, paragraph 1, third sentence, of the Articles of Association is to be amended accordingly.

The Management Board and the Supervisory Board therefore propose that article 4, paragraph 1, third sentence of the Articles of Association be brought into line with the amended statute and reworded as follows:

*"In order to be entered in the company's share register, shareholders must inform the company of the number of shares they hold and their electronic mail address as well as, in the case of natural persons, their name, address and date of birth or, in the case of legal persons, their company name, business address and registered offices."*

**10. Resolution on amendments to articles 7 and 9 of the Articles of Association regarding the Supervisory Board's rules of procedure**

The Management Board and the Supervisory Board also propose to modernize and simplify the provisions set out in the Articles of Association regarding the Supervisory Board's rules of procedure and to amend articles 7 and 9 of the Articles of Association as follows:

"§ 7

*Chair and Deputy Chair*

- (1) *In accordance with the provisions of the Co-determination Act (Mitbestimmungsgesetz), the Supervisory Board elects a chairperson and a deputy chairperson from among its members. The election of the Chair of the Supervisory Board shall be conducted under the leadership of the Deputy Chair or – if that person is also being newly elected – of the eldest Supervisory Board member present.*
- (2) *In the event of a tied vote among Supervisory Board members, the Chair of the Supervisory Board shall be entitled to two votes if voting again results in a tie after being held for a second time regarding the same item.*

- (3) *If declarations need to be made or received in order to implement the Supervisory Board's resolutions, the Chair shall act on behalf of the Supervisory Board. Other Supervisory Board documents and announcements are required to be signed by the Chair.*
- (4) *The Deputy Chair shall deputize for the Chair if the latter is prevented from attending a Supervisory Board meeting for any reason, unless otherwise stipulated in the Articles of Association or the Supervisory Board's rules of procedure. If the Deputy Chair deputizes for the Chair, that person shall have the same rights as the Chair with the exception of the second vote to which the Chair is entitled in accordance with article 7, paragraph 2 and the Co-determination Act.*
- (5) *If either the Chair or the person elected to deputize for the Chair in accordance with article 7, paragraph 1, first sentence, leave office before the end of their term, a new election shall be held among the members of the Supervisory Board to replace the person who has left office for the remaining term without undue delay.*

§ 9

*Convening Meetings and Passing Resolutions*

*The convening of Supervisory Board meetings and the passing of Supervisory Board resolutions shall be based on statutory provisions and, unless otherwise legally stipulated, on the Articles of Association and the Supervisory Board's rules of procedure."*

## II. Reports and appendices to items on the Agenda

### Appendix to item 6 on the Agenda – compensation system for Management Board members

#### 1. Principles of the compensation system

Infineon always views its business activities from a long-term perspective with the objective of consistently creating added value for its customers, shareholders, employees and the company alike. Infineon's strategy is guided by global mega-trends that will continue to shape the world going forward, including demographic and social change, climate change, the scarcity of resources, urbanization and digital transformation. In light of these overriding global trends, Infineon focuses on the fast-growing areas of energy efficiency, mobility, security, the IoT and big data. Within these markets, Infineon orients itself towards structural drivers, i.e. areas that are expected to see above-average growth in the long term on the back of these trends or those which have major potential for innovation.

At the heart of this strategy is Infineon's "Product to System" approach, which focuses the entire value chain on achieving commercial success for its customers. The approach is also supported by other factors, including a broadly based culture of innovation, the constant pursuit of technological leadership, a high level of quality awareness, in-house production that differentiates us from our competitors and a sales strategy tailored to our various key markets. As a result, Infineon is able to offer its customers market-leading products of outstanding quality and deliverability, enabling it to achieve profitable growth and expand faster than the market as a whole. All these factors promote Infineon's goal of achieving and securing a leading position in the markets and applications in which it operates, while at the same time successfully addressing forward-looking issues.

Infineon defines success not only by the objectives it achieves, but also by the path it takes to accomplish them: sustainability plays a key role in the way its people think and act. However, the long-term corporate concept of responsible thought and action applies not only to commercial objectives. In addition to gaining a more comprehensive understanding of customers' systems, optimizing products and solutions, and achieving an appropriate level of profitability, it is also essential that Infineon is managed in a sustainable and responsible manner for the common good.

As an integral part of this strategy, the Management Board compensation system makes an important contribution towards attaining the corporate objectives described above. The fact that Infineon's key performance indicators are built into the Management Board compensation system helps incentivize Infineon's long-term sustainable growth objectives, simultaneously improving both profitability and return on investment. It is also considered important to reward performance that contributes to Infineon's strategic, technical and structural development. Taking account of performance compared to that of its relevant peers is also aimed at ensuring that Infineon outperforms its competitors in the long run, while at the same time aligning the interests of the Management Board and shareholders more closely. Infineon is also aware of its responsibility towards society as a whole. For this reason, non-financial criteria – primarily environmental, social and governance (ESG) factors – also play an important role in determining the compensation of Management Board members.

When developing the Management Board compensation system, the Supervisory Board was therefore guided by the following key principles:

Table 1

#### *Principles of the Management Board compensation system*

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To promote the long-term, sustainable development of Infineon's business and support its key corporate strategies

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To comply with the regulatory requirements of the German Stock Corporation Act and the German Corporate Governance Code

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To rigorously pursue performance-related compensation by setting ambitious, but realistic targets (pay-for-performance basis)

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To create incentives to outperform relevant peers through relative performance criteria

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To consider the interests of shareholders and the requirements of relevant stakeholders

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To add Environmental, Social and Governance (ESG) criteria with the aim of promoting sustainable corporate development

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To communicate Management Board compensation both internally and externally in a transparent manner

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To synchronize and standardize internal target structures with the aim of ensuring equal incentives for the Management Board and senior executives

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To incorporate state-of-the art, standard market elements and mechanisms

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The compensation system applies to all members of Infineon's Management Board appointed to their functions subsequent to the resolution passed by the Supervisory Board on 20 November 2020.

For Management Board members already in office at that date, the compensation system will principally apply with effect from 1 October 2021 (and thus from the beginning of the 2022 fiscal year). The rules relating to the Long Term Incentive (LTI), on the other hand, are to be applied as soon as the next allocation is made on 1 April 2021 (and thus for the 2021 fiscal year). The rationale for the early implementation of the new LTI rules is, firstly, that the Performance Share Plan (PSP) for employees (which has also been conceived as an LTI plan) is to be converted with effect from 1 April 2021 and that it is therefore desirable to synchronize that change with the Management Board's LTI. Secondly, the procedure ensures that a further Mid Term Incentive (MTI) tranche will not need to be allocated in the 2021 fiscal year, as the MTI is no longer a component of the compensation system and is now incorporated in the LTI.

In order to implement the compensation system, the Supervisory Board intends to agree upon corresponding modifications to the service contracts of the current Management Board members on Infineon's behalf.

## 2. Procedures for determining, reviewing and implementing the compensation system

In accordance with section 87a, paragraph 1, AktG, the Supervisory Board decides upon a clear and understandable system of compensation for Management Board members and determines the actual compensation for each Management Board member on this basis. The Executive Committee of the Supervisory Board is responsible for preparing Supervisory Board resolutions regarding the compensation system and for reviewing the system as a whole on a regular basis.

With regard to the compensation system, the Supervisory Board endeavors to ensure that internal corporate targets are synchronized and consistent between the Management Board and senior executives in order to ensure a uniform incentive effect at management level.

The Supervisory Board is required to submit the compensation system it has decided upon to the Annual General Meeting for approval whenever any significant change is made and every four years at the latest. If the Annual General Meeting does not approve the system as submitted, the Supervisory Board is required to submit a revised compensation system to the Annual General Meeting for approval by the following Annual General Meeting at the latest. All service contracts that need to be amended, extended or newly concluded must be based on this compensation system.

If the Supervisory Board consults an external compensation expert to develop the compensation system and assess the appropriateness of compensation, it is required to ensure that the expert is independent of the Management Board and the company and take precautions to avoid any conflicts of interest.

### a. Independence; avoidance of and treatment of conflicts of interest

The Supervisory Board and its Executive Committee take appropriate measures to ensure that any potential conflicts of interest with regard to Supervisory Board members involved in discussions and decisions on the compensation system are avoided and, where necessary, resolved. Each member of the Supervisory Board is required to report any conflicts of interest to the Chair of the Supervisory Board. The Chair of the Supervisory Board is required to disclose any conflicts of interest concerning his/her own person to the Deputy Chair of the Supervisory Board. The Supervisory Board decides on a case-by-case basis how to deal with any conflicts of interest that may arise. In particular, any Supervisory Board member who is affected by a conflict of interest may not attend a meeting or participate in individual deliberations and decisions made by the Supervisory Board or its Executive Committee.

### b. Reviewing the appropriateness of Management Board compensation

In accordance with applicable legal requirements and the recommendations of the DCGK, the compensation paid to members of the Management Board is required to reflect the typical level and structure of management board compensation at peer companies as well as Infineon's economic position and future prospects. The duties, responsibilities and performance of each Management Board member are also considered, as is Infineon's wider pay structure.

To ensure appropriateness, the Supervisory Board performs both horizontal and vertical comparisons at regular intervals.

The horizontal view compares the compensation of Infineon's Management Board members with that of comparable companies.

A vertical view is also taken, whereby the company's internal compensation structure is assessed by comparing the compensation of the Management Board with that of senior executives (in Germany and for internationally comparable functions) and the workforce as a whole. Apart from the current status, changes in the level of compensation over time are also considered.

## 3. Overview of Management Board compensation components

The Infineon Management Board's compensation system comprises the components shown in the following overview. Fixed compensation consists of the basic annual salary, fringe benefits and the company pension scheme. Variable (i.e. performance-related) compensation comprises the one-year Short Term Incentive (STI) and the four-year Long Term Incentive (LTI).

Table 2  
Overview of the various components of the compensation system

### Fixed compensation

**Basic annual salary** Fixed, non-performance-related compensation paid in twelve equal monthly installments

**Fringe benefits** Primarily a company car with chauffeur (also for private use) and an allowance for health and nursing care insurance as well as various insurance and general employee benefits

**Company pension plan** Defined contribution plan that provides an annual pension contribution and capital market-oriented interest

### Variable (i.e. performance-related) compensation

#### Short Term Incentive (STI)

Performance criteria	<ul style="list-style-type: none"> <li>› 1/3 Return on Capital Employed (RoCE) as planned</li> <li>› 1/3 Free Cash Flow (FCF) as planned</li> <li>› 1/3 Segment Result Margin (SRM) as planned</li> </ul>
Modifier (0.7 to 1.3)	<ul style="list-style-type: none"> <li>› Collective performance of the Management Board</li> <li>› Extraordinary developments</li> </ul>
Performance period	One year
Limitation/cap	250% of the allocation amount
Payment	In cash, after performance period ends



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**Long Term Incentive (LTI)**

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Plan type	Performance Share Plan
Performance criteria	› 80% relative Total Shareholder Return (TSR) › 20% ESG targets
Performance period	Four years
Waiting period	Four years
Limitation/cap	250% of the allocation amount
Payment	Generally in shares, after waiting period expires

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**Other contractual elements**

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<b>Malus and clawback</b>	Partial or complete reduction or reclamation of variable compensation components
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<b>Share Ownership Guidelines (SOG)</b>	Mandatory personal investment in Infineon shares
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Chairman of the Management Board (CEO)	150% of gross annual basic salary
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Full member of the Board	100% of gross annual basic salary
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Accumulation phase	Generally five years
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<b>Maximum compensation</b>	Maximum compensation payable to the Management Board capped in accordance with section 87a, paragraph 1, number 1, AktG (including fringe benefits and expenses for company pension plans)
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Chairman of the Management Board (CEO)	€ 7,200,000
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Full member of the Board	€ 4,200,000
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<b>Change-of-control clause</b>	In the event of a change of control, right of extraordinary termination within limited period of time and with restricted severance pay regulation
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**4. Compensation structure**

Total target compensation is defined as the sum of the fixed compensation (comprising annual basic salary, fringe benefits and company pension) and variable compensation components (based on an assumed target achievement of 100% for the STI and LTI). Basic annual salary, fringe benefits and the company pension plan account for 36%, 1% and 11% respectively of the target total compensation set for the

Chairman of the Management Board, while the STI and the LTI account for 17% and 35% respectively. In line with the pay-for-performance model, variable compensation therefore exceeds fixed compensation. Moreover, the stronger weighting of the LTI compared to the STI is designed to promote Infineon's sustainable, long-term development. In the case of the ordinary members of the Management Board, slightly different percentages within a very low single-digit range apply for the LTI and fringe benefits.

The relative share of individual compensation elements may vary slightly for new appointments, depending on the level of fringe benefits and company pension plan expenses in each case. In addition, the relative share may deviate from those stated above in the event of any payments made to a newly appointed member in recognition of taking up office for the first time.

In the 2022, 2023 and 2024 fiscal years, the STI allocation amount for Management Board members with service contracts already in place at the time the new compensation system is introduced will be temporarily increased to offset any shortfall in payments resulting from the discontinuation of the Mid Term Incentive (MTI) (see point 5. b. (1) (d)). In these fiscal years, basic annual salary, fringe benefits and the company pension plan will account for 33%, 1% and 11% respectively of the target total compensation set for the Chairman of the Management Board. The STI will account for 24% and the LTI for 32% of target total compensation, whereby it is ensured in all cases for these purposes that the LTI amount will exceed the STI amount. In the case of the ordinary members of the Management Board, slightly different percentages within a very low single-digit range apply for the STI, LTI and fringe benefits.

**5. The individual compensation components****a. Fixed compensation****(1) Basic annual salary**

The basic annual salary is a fixed, non-performance-related compensation that is paid in twelve equal monthly installments. The amount of basic annual salary paid is based on the experience and the areas of activity as well as the responsibility taken by each individual Management Board member. Furthermore, when determining the amount, consideration is given to the compensation paid by a peer group of entities to ensure that the level of compensation is both appropriate and competitive.

**(2) Fringe benefits**

In accordance with their service contracts, Management Board members are entitled to a chauffeur-driven company car, which may also be used for private purposes. Infineon also pays an allowance for health and nursing care insurance. Furthermore, an accident insurance policy is maintained to cover Management Board members. Other fringe benefits relate mainly to statutory obligations (such as the payment of inventor's fees) or general benefits that are also available to other Infineon employees. These include in particular the use of company social facilities (where applicable at reduced rates) such as the canteen, the fitness studio, child vacation care, the Medical Service Center and underground parking (including an e-charging station). The company also bears the cost of medical health tests and preventive medical check-ups.

### (3) Pension benefits

Each member of the Management Board receives a defined-contribution pension entitlement that is largely based on the pension plan applicable for all company employees. Infineon sets up a personal pension account (basic account) for each beneficiary and makes annual pension contributions accordingly. Interest is added annually to the balance of the basic account using the highest statutory interest rates valid for the life insurance industry (guaranteed interest rates) until disbursement of the pension begins. Infineon may also award surplus credits to the account. 95% of any income earned over and above the guaranteed interest rate is credited to the pension account, either at the date when disbursement of the pension begins or, at the latest, when the beneficiary reaches the age of 60. The balance of the basic account when disbursement of the pension begins (due to age, invalidity or death) – increased by an adjusting amount in the event of invalidity or death – constitutes the retirement benefit entitlement and is paid out to Management Board members or their surviving dependents in twelve annual installments, or, if so requested by the Management Board member, in eight annual installments, as a lump sum or as a life-long pension.

If the entitlements of Management Board members have either not yet legally vested or have legally vested but are not protected by the state pension insurance scheme (*Pensionssicherungsverein*), Infineon maintains pension reinsurance policies in favor of, and pledged to, the Management Board members concerned.

In line with the plan rules applied to Infineon employees, the amounts credited to the pension accounts of Management Board members are paid out upon or after reaching the age of 67, provided the service contract has ended. Upon request, amounts can also be paid out at an earlier point in time if the service contract arrangements end on or after reaching the age of 60 or, in the case of commitments made from 2012 onwards, on or after reaching the age of 62. If beneficiaries elect to have their pension paid out in monthly installments, the pension amount is adjusted automatically each year in accordance with the Infineon pension plan.

### (4) Other fixed compensation components

In individual cases, the Supervisory Board may grant a payment to a new Management Board member in recognition of their taking up office. A payment of this nature could be awarded in particular to offset any variable compensation a new Management Board member were to lose as a result of joining Infineon from a previous employer. Such payments must always be at an appropriate level. Furthermore, they are included in and therefore limited by the amount of maximum compensation determined for the member concerned.

## b. Variable compensation

### (1) Short Term Incentive (STI)

The STI focuses on incentivizing profitability and return on investment, while taking into account the collective performance of the Management Board. On the one hand, Infineon's three key performance indicators – Return on Capital Employed (RoCE), Free Cash Flow (FCF), and Segment Result Margin (SRM) – are integrated in the STI as performance-related criteria and linked accumulatively. On the other hand, a criteria-based modifier is used to assess the collective performance of the Management Board (e.g. for achieving strategic corporate targets) and to determine possible corrections by the Supervisory Board in the event of extraordinary developments. The Supervisory Board determines the level of target achievement after the end of each fiscal year, also taking into account the criteria-based modifier.



Diagram 1: Illustrative representation of the Short Term Incentive.

The overall target achievement of the performance criteria is calculated using target achievement curves and is limited to a maximum target achievement of 250%. The criteria-based modifier is applied on the basis of criteria defined in advance and determined by the Supervisory Board before the beginning of the respective fiscal year and can range from 0.7 to 1.3. The payout amount is therefore calculated by multiplying the individual allocation amount by the overall target achievement and the criteria-based modifier and is also limited to 250% of the allocation amount.

### (a) Performance criteria and measuring target achievement

The STI focuses on Infineon's three key financial performance indicators – RoCE, FCF and SRM. Each of these three key criteria contributes a one-third proportion to the overall target achievement for the STI.

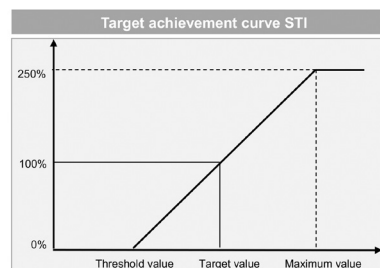


Diagram 2: Illustrative target achievement curve for the performance criteria RoCE, FCF and SRM. The specific target, threshold and maximum values are published ex-post in the Compensation Report.

## Return on Capital Employed (RoCE)

RoCE is defined as operating income from continuing operations after tax, divided by capital employed, which comprises non-current assets and net working capital. This ratio measures the company's ability to generate returns from a capital market perspective and – by comparing it against the company's own weighted cost of capital – provides information on the extent to which returns have been generated over and above shareholders' and debt holders' expectations. In order to determine RoCE for the purposes of the STI, operating income is based on the Segment Result (for definition, see the comments below on the SRM). The inclusion of RoCE in the calculation of the STI is aimed at ensuring the efficient utilization of the company's resources and facilitating value-based business management in the long term. The STI is therefore directly linked to the company's operating success and promotes the corporate strategy by providing an incentive to increase RoCE.

## Free Cash Flow (FCF)

FCF is defined as cash provided by and/or used in investing and operating activities from continuing operations, adjusted for cash flows related to the purchase and sale of financial investments. This ratio measures operating profitability in cash flow terms by measuring the ability to convert operating success into cash inflows and thus finance day-to-day operations and fund required investments out of the ongoing business. It is therefore a good indicator of the company's ability to repay financial debt. Gearing Management Board compensation to the generation of a sustainable positive FCF helps incentivize the effective and systematic management of net working capital and investments. As a performance criterion, FCF therefore contributes significantly to the successful implementation of Infineon's growth strategy.

## Segment Result Margin (SRM)

SRM is defined as the Segment Result expressed as a percentage of revenue. Segment Result measures operating income (or loss) excluding certain impairment losses (such as impairment losses on goodwill), the earnings impact of restructuring and closures, share-based compensation expense, acquisition-related depreciation/amortization and other expenses, gains (or losses) on the sale of businesses or interests in subsidiaries and other income (or expense), including litigation costs. The SRM measures the operating profitability of the individual segments as a percentage of revenue. The inclusion of the SRM as a performance criterion therefore creates an incentive to improve the earnings performance of the various segments on a sustained basis, and hence increase the profitability of Infineon as a whole.

## Defining target values for RoCE, FCF and SRM and determining target achievement

At the beginning of each fiscal year, the Supervisory Board sets the target figures for all target achievement levels up to 250% for the three key financial performance criteria, as derived from the company's annual budget. In order to determine the various target achievement levels, actual values as reported in the respec-

tive approved consolidated financial statements of Infineon Technologies AG are compared with the target values set at the beginning of the fiscal year. Actual target achievement is calculated on the basis of the defined target values and target corridors for each performance criterion and can range between 0% and 250%. If the actual value achieved is below or equal to the threshold value, target achievement is deemed to be 0%. If the actual value achieved is equal to or greater than the maximum value, target achievement is deemed to be 250%. Overall target achievement for the purposes of the STI is calculated by adding the equally weighted target achievements determined for each of the three performance criteria and can also range between 0% and 250%. The thresholds, target and maximum values as well as the actual levels of target achievement are published ex-post in the Compensation Report for the respective fiscal year.

## (b) Criteria-based modifier

Apart from the financial performance criteria described above, the STI also includes the use of a criteria-based modifier. The criteria-based modifier enables the Supervisory Board to assess the collective performance of the Management Board and take appropriate account of extraordinary developments that were not adequately reflected in the targets set at an earlier stage. After the end of the respective fiscal year, the Supervisory Board applies a factor of between 0.7 and 1.3 to determine the overall level of target achievement.

The collective performance of the Management Board rewards the extent to which the Management Board contributes to the sustainable development of the company as a whole – in strategic, technical or structural terms. Prior to the beginning of each fiscal year, the Supervisory Board selects the criteria that it has determined are relevant for the fiscal year in question, based on the following categories:

- Sustainable strategic, technical or structural development of the business
- Portfolio-related measures, particularly successful mergers and acquisitions as well as corresponding integration measures
- Successful development of new growth markets, expansion of market position
- Optimizations, efficiency improvement programs, restructuring
- Successful completion of key projects
- Improved innovative strength and delivery capabilities
- Progress in Environmental, Social & Governance (ESG) matters

Extraordinary developments include, for example, exceptional, far-reaching and unforeseeable changes in the economic situation (e.g. economic crises). Generally, unfavorable market developments are explicitly excluded from situations deemed to constitute extraordinary developments. The procedure used to determine the criteria-based modifier is published ex-post in the Compensation Report.

### (c) Payout

The STI payout amount is calculated by multiplying the individual STI allocation amount by the overall target achievement and the criteria-based modifier and is limited to 250% of the individual allocation amount. The actual payment is made in cash as soon as possible after the Supervisory Board has determined the amount to be paid, but no later than five months after the end of the fiscal year.

### (d) Temporary increase of the STI allocation amount for current service contracts

With the conversion of the current service contracts to the new Management Board compensation system with effect from 1 October 2021 (i.e. for the 2022 fiscal year) and, in the case of the LTI with effect from 1 October 2020 (i.e. with the allocation made on 1 April 2021 for the 2021 fiscal year), the previous variable compensation element MTI will be discontinued. The allocation amount previously awarded for the MTI has now been largely added to the LTI. This change has the effect of increasing the weighting of long-term variable compensation.

The MTI will dwindle to the extent that the MTI tranches already allocated which have not yet expired will continue to run. However, no new MTI tranches will be issued after 1 October 2020. As the previous MTI allocation amount has now been added to the LTI with a four-year performance period, a temporary payout shortfall arises, which will be compensated by temporarily increasing the STI allocation amount for the Management Board members concerned in the 2022, 2023 and 2024 fiscal years.

### (2) Long Term Incentive (LTI)

The Long Term Incentive (LTI) is a Performance Share Plan with a four-year performance period.

The performance period begins on 1 October of the first fiscal year of the performance period and ends on 30 September four years later. During this period, performance is measured based on two criteria, namely a financial performance criterion based on relative Total Shareholder Return (TSR) as compared to a selected sector peer group and a non-financial performance criterion derived from strategic ESG targets. The TSR and the ESG targets contribute 80% and 20% to the overall target achievement respectively. Accordingly, the LTI contributes significantly to the long-term and sustainable development of Infineon, while additionally aligning the interests of the Management Board and the shareholders.

The LTI tranche is allocated on 1 April in the first fiscal year of the performance period (allocation date). The waiting period begins on the allocation date. Unlike the performance period, the waiting period ends four years after the allocation date, i.e. on 31 March. To determine the number of Performance Shares provisionally awarded on the allocation date, at the beginning of the performance period the individual LTI allocation amount is divided by the average share price over the last 60 trading days prior to the beginning of the performance period. The extent of target achievement is determined at the end of the four-year performance period. The definitive number of Performance Shares to be

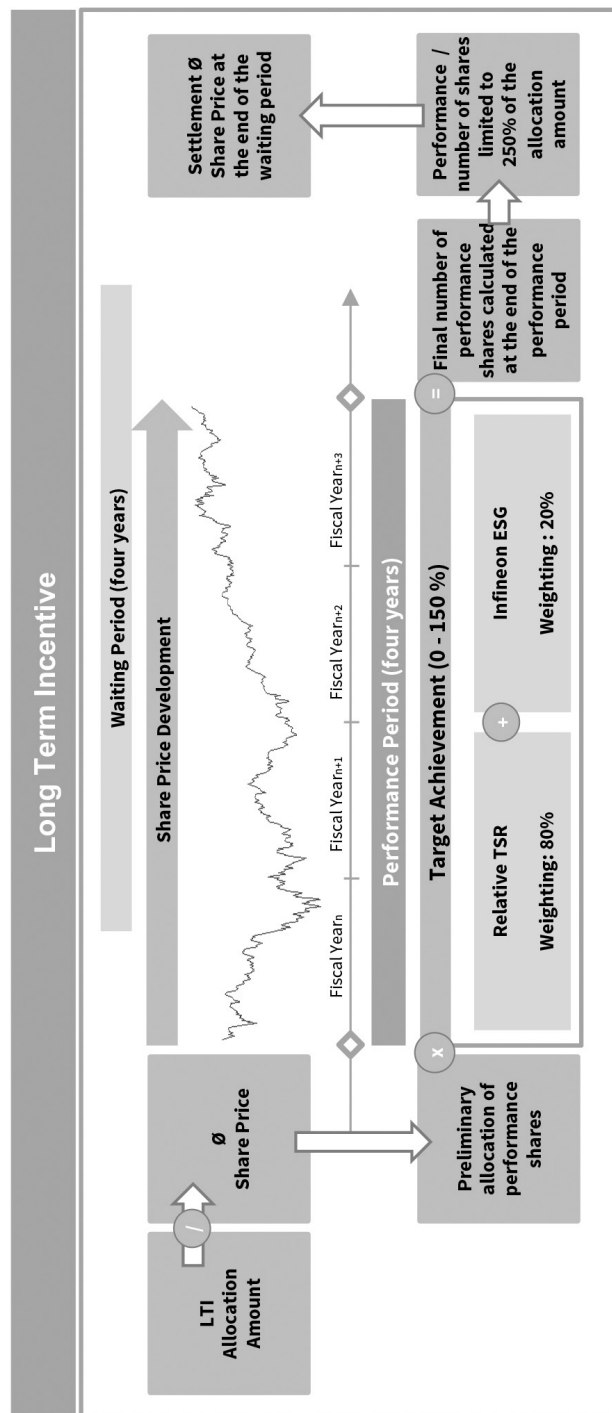


Diagram 3: Illustrative representation of the Long Term Incentive.

allocated after the end of the waiting period is calculated by multiplying the number of provisionally allocated Performance Shares by the total target achievement of the two performance criteria applied during the performance period. The definitive allocation of Performance Shares in an LTI tranche may not result in the Management Board member's gain (before taxes) exceeding 250% of the respective LTI allocation amount. Above this cap, any Performance Shares that could still theoretically be allocated will lapse.

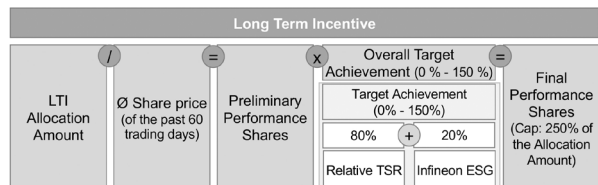


Diagram 4: Illustrative representation of the Long Term Incentive (Performance Share Plan).

### (a) Performance criteria and measuring success

#### Relative TSR

The Relative TSR is defined as Infineon's share price performance over the performance period, including dividends per share paid during that period (cumulative and notionally reinvested) compared to a pre-defined peer group. The TSR measures the total shareholder return, reflects the overall success of an investment, and is used as an indicator to determine the increase in market or company value. The inclusion of the TSR in the calculation means that Management Board compensation takes account of the company's relative performance, while at the same time linking the interests of the Management Board with those of the shareholders, e.g. the desire to outperform the competition over the long term. Target achievement for the TSR is based on a comparison with Infineon's main international competitors, as shown in Table 3.

Table 3  
Sector peer group

Analog Devices	NXP Semiconductors
Broadcom	Omron
China Electronics Huada Technology Company	ON Semiconductor
Cree	Power Integrations
Dialog Semiconductor	Qualcomm Incorporated
Elmos Semiconductor	Renesas Electronics
Fuji Electric	Rohm
GigaDevice	Shanghai Fudan Microelectronics Group
Knowles	Silicon Laboratories
Macronix International	STMicroelectronics
MediaTek	Texas Instruments
Microchip	Toshiba
Micron	Vishay Intertechnology
Mitsubishi Electric	Winbond
Nuvoton Technology	

The Supervisory Board considers the sector peer group to be appropriate given that it consists of listed companies operating within the same sub-markets as Infineon and since the companies included are in direct competition with Infineon and therefore operate under comparable market conditions to Infineon. Only companies that exist (and remain) as a legally independent entity throughout the performance period are considered part of the peer group. The Supervisory Board may adjust the peer group as it sees fit prior to the beginning of a new performance period.

The target achievement for Infineon's TSR performance criterion is determined using the ranking method. In this context, the TSR is calculated for Infineon and all companies in the sector peer group and ranked according to size. The resulting ranking results in a percentile rank showing where Infineon's TSR is positioned.

The TSR target achievement can range between 0% and 150%. If Infineon's TSR is positioned at the 60th percentile, the target achievement is 100%. A position at or below the 25th percentile results in a target achievement of 0%, while a position at or above the 75th percentile results in a target achievement of 150%. Target achievements between the defined target achievement points are interpolated linearly.

80% of the TSR's target achievement is included in the overall target achievement of the LTI.

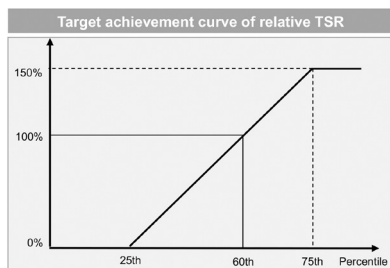


Diagram 5: Target achievement curve of the Relative TSR.

## ESG

ESG targets are defined as non-financial, quantitative and qualitative performance criteria relating to environmental, social and governance (ESG) matters. These include, for example, contributions to global climate protection (such as carbon neutrality by 2030) or the furthering of diversity at Infineon that has a positive impact on innovation, employee commitment and financial performance. Establishing a clear link between ESG targets and Infineon's business and sustainability strategies on the one hand and current market requirements on the other creates incentives for managing the company on a sustainable basis in the best interest of stakeholders. The ESG targets are therefore important in that they align the interests of both the Management Board and other stakeholders and contribute to the long-term sustainable success of the Group as a whole.

The specific ESG targets to be used for a particular tranche are determined and definitively resolved by the Supervisory Board prior to the beginning of the performance period. The Supervisory Board defines up to three specific ESG targets, which are weighted equally. For the time being, the Supervisory Board will set targets in the areas of diversity (social) and sustainability (environmental). At the end of the performance period, target achievement is determined on the basis of a target/actual comparison and, as in the case of the LTI financial performance criterion, can range from 0% to 150%. The specific ESG targets, target achievement curves and target achievements are disclosed ex-post in the Compensation Report. The Supervisory Board is entitled to determine further ESG targets and their relative weightings.

ESG targets contributes 20% to overall target achievement for the LTI.

### (b) Payout

After the end of the final fiscal year of the four-year performance period, the Supervisory Board determines the number of Performance Shares that will be definitively allocated. Infineon allocates the definitive number of Performance Shares after the end of the waiting period. Within one month after the end of the waiting period, it transfers to the members of the Management Board the number of Infineon Technologies AG shares that corresponds to the number of Performance Shares definitively allocated (ISIN: DE0006231004, "Infineon Shares"). The definitive share transfer in connection with the LTI is limited to a value of 250% of the individual allocation amount.

The Supervisory Board reserves the right to make a cash settlement rather than actually transferring Infineon shares. The Supervisory Board is required to make the decision prior to the end of the four-year waiting period; otherwise the right to make a cash settlement lapses. If the Supervisory Board decides to settle in cash, the amount to be paid out is calculated by multiplying the number of Performance Shares definitively allocated by the average share price over the last 60 trading days prior to the end of the four-year performance period. Payment must be made within one month after the end of the waiting period. Here too, the definitive LTI payout amount is limited to 250% of the individual allocation amount.

## c. Other contractual elements

### (1) Malus and clawback

The service contracts of Management Board members include so-called "malus and clawback" clauses, which allow variable compensation that has either already been paid or not yet paid to be reclaimed or reduced under certain conditions. All variable components of Management Board compensation, i.e. both the STI and the LTI, are covered by the clauses entitling Infineon to reclaim or reduce amounts.

If a Management Board member has breached the duties set forth in Section 93 AktG either intentionally or through gross negligence, the Supervisory Board may, taking into account the circumstances of the individual case and considering the interests of both contracting parties, reduce or cancel the payout amount for the STI and the LTI for the fiscal year in which the breach of duty occurred either in full or in part (malus). If a breach of duty becomes known at a later date, any STI already paid out for the fiscal year in which the breach of duty occurred can also be reclaimed in full or in part if no more than three years have lapsed since payment (clawback). The Supervisory Board decides on these matters in each individual case, based on its own professional judgement. In reaching its decision, the Supervisory Board is required in particular (but not exclusively) to take account of the significance of the duty that had been breached, the weight of any causal contribution and the amount of any damages incurred. The Supervisory Board is required to prioritize the LTI before reclaiming the STI. The amount of any reduction, cancellation or reclamation must be determined on the basis of the gross amount of the STI and the LTI.

Irrespective of any action taken, the Supervisory Board reserves the right to assert other claims in accordance with the service contract and applicable statutory provisions (e.g. claims for damages).

### (2) Share Ownership Guidelines (SOG)

In order to further align the interests of Management Board members and shareholders and to ensure the sustainable, long-term development of Infineon, each Management Board member is required to invest a fixed amount of Infineon Technologies AG shares and hold them on a long-term basis. The amount to be invested is based on the gross annual basic salary of the respective Management Board member.

The Chairman of the Management Board of Infineon (CEO) is required to invest the equivalent of 150% of his gross annual basic salary and all other members of the Management Board the equivalent of 100% of their gross annual basic salaries in Infineon shares. An accumulation phase of five years generally applies.

Management Board members are obliged to hold the required number of shares during the term of the service contract and for a period of two years after termination of the service contract.

### **(3) Maximum compensation**

The individual variable compensation components as well as the total of all compensation components of Management Board members, including fringe benefits and company pensions (total compensation) are subject to a cap. The maximum amount of total compensation that can be awarded to each member of the Management Board for a given fiscal year has been set in accordance with section 87a, paragraph 1, number 1, AktG. Accordingly, compensation may not exceed the amount of €7,200,000 for the Chairman of the Management Board or €4,200,000 for a full member of the Management Board (maximum compensation).

Due to the temporary increase in the STI allocation amount for current service contracts, a maximum compensation of €8,200,000 (Chairman of the Management Board) and €4,800,000 (full member of the Management Board) will apply for the 2022, 2023 and 2024 fiscal years.

## **6. Duration of service contracts**

The duration of the service contracts of Management Board members corresponds to the period of appointment and, in the event of reappointment, is extended by the period of reappointment. As a general rule, Management Board members are initially appointed for a period of three years. The period of reappointment is usually five years.

Due to the fixed term of the service contracts, they do not generally include the option of an ordinary termination of contract (i.e. termination of contract without compelling reason). In the event of a change of control, for a limited period of time Management Board members have a special right of termination in accordance with section 8 below. The right of both parties to give extraordinary notice of termination for compelling reason pursuant to section 626 of the German Civil Code (*Bürgerliches Gesetzbuch – (BGB)*) remains unaffected. Service contracts end automatically at the end of the month in which a Management Board member would reach the entry age for an unreduced standard retirement pension under the German state pension plan, irrespective of whether the member concerned actually participates in that plan.

## **7. Regulations governing the early termination of service contracts**

If a service contract ends during a fiscal year, the STI and LTI allocation amounts for the fiscal year concerned are reduced pro rata temporis on a monthly basis (by one twelfth for each full month not completed in the respective fiscal year). The agreed performance criteria and due dates for payment remain in place. Early payment or settlement of the STI and LTI is therefore not possible.

Entitlements to STI and LTI for the fiscal year in which the member leaves office lapse without replacement or compensation (unless there is a compelling reason for leaving office for which the member is not responsible) and also if the member's contract is terminated for a compelling reason for which the member is responsible (section 626, BGB). Similarly, all entitlements lapse in connection with LTI tranches provisionally allocated for previous fiscal years and which have not yet been definitely allocated.

If a severance payment is disbursed in the event of early termination of a service contract, the amount paid must comply with the recommendations made in the current version of the DCGK. If a post-contractual non-competition clause applies, the severance payment will be taken into account when calculating the settlement payment.

## **8. Change of control**

The service contracts of Management Board members include a change-of-control clause, which stipulates the terms that apply when the activities of a Management Board member are terminated due to a significant change in Infineon's ownership structure. A change of control within the meaning of this clause occurs when a third party, either individually or in conjunction with another party, acquires at least 50% of the voting rights in Infineon Technologies AG as defined in section 30 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz – WpÜG*).

Members of the Management Board have the right to resign and terminate their service contracts within twelve months of the announcement of any such change of control. Any members who choose to do so are entitled to continued payment of their annual basic salary and variable compensation components until the end of the originally agreed duration of their term of office, up to a maximum of 24 months.

At the date of the Supervisory Board's resolution on the Management Board compensation system, in line with the previous recommendation contained in section 4.2.3, paragraph 5, DCGK 2017, the severance payment for the service contracts of current members of the Management Board was limited to 36 months rather than 24 months. The period is due to be reduced to 24 months when the service contracts are amended.

The service contracts of Management Board members otherwise contain no promises of severance pay for situations in which contracts are terminated early.

## **9. Temporary deviation from the Management Board compensation system**

Under special and extraordinary circumstances (e.g. in the event of a serious financial or economic crisis), in accordance with section 87a, paragraph 2, second sentence, AktG, the Supervisory Board may temporarily deviate from the compensation system if deemed necessary in the interest of Infineon's long-term well-being. Unfavorable market developments are explicitly excluded from the definition of special and extraordinary circumstances. The necessity for such a temporary deviation is required to be examined and assessed by the Executive Committee of the Supervisory Board. Based on the findings of the Executive Committee, the Supervisory Board determines the necessity of any deviations in the form of a resolution.

Even in the event of a deviation from the Management Board compensation system, the compensation of Management Board members must be geared to the long-term and sustainable development of Infineon and take into account the company's overall situation as well as the Management Board's performance. The option to temporarily deviate is limited to the compensation structure, the performance criteria and the weightings of the STI and the LTI as well as their respective ranges of possible target achievement. If it is not possible to recreate the incentive effect of the compensation system by adjusting the relevant components, the Supervisory Board is also entitled, under the same conditions described above, to temporarily replace individual compensation components with others or grant additional compensation components.

If the option to deviate has been exercised, the Compensation Report is required to include an explanation of the necessity for the deviation and details of the compensation components affected by the deviation in accordance with section 162, paragraph 1, number 5, AktG.

## **Appendix to item 7 on the Agenda – compensation system for Supervisory Board members**

### **1. Principles of the compensation system**

Infineon always views its business activities from a long-term perspective with the objective of consistently creating added value for its customers, shareholders, employees and the company alike. Infineon's strategy is guided by global mega-trends that will continue to shape the world going forward, including demographic and social change, climate change, the scarcity of resources, urbanization and digital transformation. In light of these overriding global trends, Infineon focuses on the fast-growing areas of energy efficiency, mobility, security, the IoT and big data. Within these markets, Infineon orients itself towards structural drivers, i.e. areas that are expected to see above-average growth in the long term on the back of these trends or those which have major potential for innovation.

The Supervisory Board advises and monitors the Management Board and is therefore closely involved in key aspects of operational and strategic issues of corporate management. As a requisite for effective action, the competency profile and the catalog of objectives set out for the composition of the Supervisory Board need to be met to the fullest possible extent. Supervisory Board compensation also plays a key role in this context. The amount of compensation paid should be commensurate with the various tasks performed by the members of the Supervisory Board and the company's economic situation (cf. section 113, paragraph 1, third sentence, AktG) and should also ensure that the Infineon Supervisory Board is attractive for suitable candidates in the face of national and international competition. An appropriate level of Supervisory Board compensation in line with market conditions therefore promotes Infineon's business strategy and long-term development.

In line with a DCGK suggestion, the recommendation of most investors and voting rights advisors and the predominant practice of DAX 30 companies, Supervisory Board compensation at Infineon consists exclusively of fixed compensation. This approach corresponds to the function of the Supervisory Board as an independent advisory and monitoring body within the framework of German stock corporation law.

The Supervisory Board compensation system as described here is due to apply from 1 October 2021 and therefore from the beginning of the 2022 fiscal year.

### **2. Procedures for determining, reviewing and implementing the compensation system**

A resolution on the compensation of Supervisory Board members is required to be adopted by the Annual General Meeting at least every four years, based on a proposal put forward by the Management Board and the Supervisory Board in accordance with section 113, paragraph 3, first sentence, AktG. In this resolution the Annual General Meeting can either confirm the compensation of the Supervisory Board or amend the respective provisions in the Articles of Association regarding the compensation system.

In accordance with the Supervisory Board's rules of procedure, Supervisory Board resolutions on proposals to be submitted to the Annual General Meeting relating to Supervisory Board compensation are prepared by the Executive Committee.



### 3. Overview of Supervisory Board compensation components

The structure of Supervisory Board compensation at Infineon is based on the fundamental idea that, apart from an appropriate level of basic compensation, the greater time commitment of the Chair and the Deputy Chair of the Supervisory Board, as well as that of the various chairpersons and members of committees, should be adequately taken into account in the form of function-based supplements.

#### a. Basic compensation

The annual basic compensation for a member of the Supervisory Board is €100,000.

#### b. Function-based supplements

The annual function-based supplements take account of the additional responsibility and greater time commitment associated with the various functions. Furthermore, this approach ensures compliance with recommendation G.17 contained in the DCGK.

##### (1) Chair and Deputy Chair

The annual function-based supplements amount to 100% of the basic compensation for the Chair and 30% of the basic compensation for the Deputy Chair of the Supervisory Board.

The Chair of the Supervisory Board plays a key role, serving as the primary point of contact for the Chairman and other members of the Management Board, including the contact necessary both outside of and between meetings, and is responsible for coordinating and organizing the activities of the Supervisory Board. The Deputy Chair assists the Chair in performing these tasks.

##### (2) Committee members

Committees contribute significantly to the effectiveness of the Supervisory Board. Membership in a committee generally involves a significant time commitment. Members of the Investment, Finance and Audit Committee therefore receive a function-based supplement of €40,000, while members of other Supervisory Board committees – with the exception of the Mediation Committee – receive €25,000.

##### (3) Committee chairpersons

As a general rule, the Chair of the Supervisory Board chairs the meetings of the Mediation, Executive and Nomination Committees. Since the additional time commitment involved is already compensated for by the function-based supplement payable to the Chair of the Supervisory Board, no separate function-based supplement is provided for in the Supervisory Board compensation system.

The Chair of the Investment, Finance and Audit Committee receives an annual function-based supplement equivalent to 200% of that payable to the Investment, Finance and Audit Committee's members. The higher amount of compensation reflects the particular responsibility of this committee and its chairperson. The importance of an effective audit committee for an enterprise has been amply demonstrated by the accounting scandals that have come to light in the recent past.

In addition to the Investment, Finance, and Audit Committee, the Strategy and Technology Committee is particularly important for a highly innovative high-tech company such as Infineon. Its chairperson therefore receives an annual function-based supplement equivalent to 200% of that payable to the Strategy and Technology Committee's members.

#### (4) Limitation of committee-related function-based supplements

A committee-related function-based supplement is paid on condition that at least three committee meetings have taken place in the respective fiscal year. This condition ensures that Supervisory Board members only receive more than the basic compensation if a relevant additional time commitment has actually been necessary.

If Supervisory Board members perform more than one function, they are entitled to receive all the function-based supplements specified for them. However, in the case of the committee-related function-based supplements described under (2) and (3), the maximum they can receive may not exceed an amount equivalent to 100% of the basic compensation. In line with the above rules, the compensation of a member of the Supervisory Board is limited to €200,000, that of the Chair of the Supervisory Board to €300,000 and that of the Deputy Chair to €230,000.

#### c. Meeting attendance fees

Supervisory Board members receive an attendance fee of €2,000 per meeting of the Supervisory Board or one of its committees that is attended in person. For extraordinary meetings in the form of telephone or video conference calls, during which a resolution is not taken, a reduced attendance fee of €1,000 is paid to reflect the fact that such meetings usually involve a lesser time commitment. If more than one meeting is held on a single day, the attendance fee is only payable once as a fixed amount of €2,000.

### 4. Payment date; pro-rata payment

The basic compensation and any function-based supplements are payable within one month of the end of the fiscal year to which the compensation relates. Meeting attendance fees fall due for payment within one month of the relevant meeting.

Any member who joins the Supervisory Board, takes up a position in one of its committees, takes on a specific function within the Supervisory Board during the current fiscal year, or ceases to perform any of those duties during the current fiscal year are entitled to receive one twelfth of the relevant annual compensation component for each (started) month of membership or performance of function.

### 5. Reimbursement of out-of-pocket expenses

Supervisory Board members are reimbursed for any expenses incurred in connection with the performance of their duties, including any value added tax payable by law. In addition, Infineon bears the cost of any employer's social security contributions that may be payable for supervisory board activities under foreign laws.

## 6. D&O insurance

Supervisory Board members are covered by a financial loss liability insurance policy for representative bodies and specified executives (D&O insurance) in the event that Infineon maintains such a policy.

## 7. Compensation-related legal transactions

No compensation-related legal transactions pursuant to section 87a, paragraph 1, second sentence, number 8, AktG have been concluded with the members of the Supervisory Board.

## Report of the Management Board on item 8 of the Agenda – Creation of a new Authorized Capital 2021/I for employee shares (article 4, paragraph 7 of the Articles of Association)

Direct shareholdings have long been a proven component of compensation for executives at listed companies. At Infineon, this method of compensation is reflected in the Performance Share Plan (PSP) for Management Board members and Infineon Group executives and in the Restricted Stock Unit Plan (RSUP), which applies to Infineon Group executives (but not to Management Board members). Both plans are due to be revised during the 2021 fiscal year. The PSP and the RSUP are serviced as a general rule by the issuance of Infineon shares.

Under the terms of the PSP, virtual Performance Shares are provisionally granted once a year. Achievement is measured over a four-year performance period – primarily on the basis of the financial performance criterion of relative Total Shareholder Return (TSR) as compared to a selected peer group and partially based on non-financial performance criteria such as environmental, social and governance (ESG) targets. Depending on actual target achievement at the end of the four-year performance period, the virtual Performance Shares are converted as a general rule into Infineon shares. For certain executives, participation in the PSP is linked to the requirement to personally purchase and hold a specified number of Infineon shares (Share Ownership Guidelines).

The RSUP serves to supplement the PSP and is structured so that restricted stock units are also allocated once a year. These restricted stock units are subsequently converted into Infineon shares on a step-by-step basis (25% each year) over the following four years if specified criteria are met.

The issuance of shares in conjunction with the PSP and the RSUP is designed to integrate executives at Infineon and bolster their identification with the enterprise. The arrangements are also intended to enable executives to participate in Infineon's long-term success as responsible-minded shareholders, thus encouraging a greater sense of responsibility throughout the organization. Finally, given the multi-year maturities of the tranches issued under the PSP and RSUP, the two plans are designed to ensure the long-term retention of executives within the company.

Taking all factors into consideration, the issuance of shares in connection with the PSP and the RSUP, with the subscription rights of existing shareholders excluded, is in the overall interest of Infineon and its shareholders. Moreover, German legislation encourages enabling employees to participate in the share capital of their company, including various simplifications permitted by the German Stock Corporation Act (AktG).

The new Authorized Capital of up to €30 million will only be utilized to service the exchange of Performance Shares and Restricted Stock Units allocated to employees and Management Board members of Infineon Technologies AG as well as employees and members of the management of Group companies for real Infineon shares at the end of the four-year waiting period for the purpose of settling PSP and RSUP tranches. In order to issue shares in this manner to the plan participants, it is necessary to exclude the subscription rights of existing shareholders.

The new shares intended for PSP participants will be issued at the lowest issue price in return for a capital contribution in cash. In the case of allocations to employees, shares may also be issued in compliance with the conditions set out in more detail in section 204, paragraph 3, AktG, thereby reducing the expense borne by employees. According to this legislation, the contribution to be paid on the shares is covered by the portion of the

net income for the year that the Management Board and Supervisory Board could transfer to revenue reserves in accordance with section 58, paragraph 2, AktG. In this case, an amount corresponding to the lowest issue price of the new shares is reclassified from special reserves (as recorded in the Separate Financial Statements) to share capital. This procedure does not apply to shares issued to members of the Management Board of Infineon Technologies AG or boards of directors of Group companies.

The proposed nominal amount of the Authorized Capital 2021/I of up to €30 million (i.e. up to 15 million shares) is equivalent to approximately 1.1% of the current share capital. In putting forward this proposal, the Supervisory Board and the Management Board were guided by the expected need for shares to service the PSP and RSUP share plans. No further authorized capital is available to issue shares to employees and members of the Management Board of Infineon Technologies AG or boards of directors of Group companies.

As a general rule, Infineon is also entitled to use repurchased own shares to service rights accruing in conjunction with the PSP and the RSUP. Alternatively, Infineon is entitled to make a cash payment to plan participants. Infineon should, however, have the necessary flexibility to create and issue new shares either as an alternative or in addition to issuing its own shares or making cash-settlement payments. The principal benefits arising from the utilization of Authorized Capital 2021/I to service the PSP and the RSUP are the ability to deploy the shares regardless of any previous buy-back and simultaneously safeguard Infineon's liquidity.

In each specific case, the Management Board will, in future, continue to diligently examine whether the participation of an executive or group of executives in the PSP and the RSUP (and hence the potential issue of Infineon shares to plan participants at a later date with the subscription rights of existing shareholders excluded) is in the best interest of the company and its shareholders. Similarly, the Management Board and the Supervisory Board will ensure that the utilization of Authorized Capital 2021/I to fulfill the rights of PSP and RSUP participants complies with the aforementioned conditions. Authorized Capital 2021/I will only be utilized to service any rights arising in conjunction with the PSP and the RSUP if deemed to be in the interest of the company and its shareholders.

The Management Board will keep the Annual General Meeting informed of the extent to which Authorized Capital 2021/I is being utilized.

### III. Other information

#### 1. Total number of shares and voting rights

The share capital of the Company totals €2,611,842,274 and is divided into 1,305,921,137 no-par-value shares at the time the Annual General Meeting is convened. The total number of shares includes 4,790,406 own shares held at the time the Annual General Meeting is convened, which do not carry any shareholder rights.

#### 2. Annual General Meeting without the physical presence of the shareholders and their proxies (virtual Annual General Meeting)

Based on section 1, paragraphs 2 and 6 of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic ("**COVID-19 Act**"), published as section 2 of the Act on Mitigating the Consequences of the COVID-19 pandemic in Civil, Insolvency and Criminal Procedural Law dated 27 March 2020 as well as the Regulation on the Extension of Measures in Company, Cooperative, Association and Foundation Law on Mitigating the Consequences of the COVID-19 Pandemic, the Management Board, with the approval of the Supervisory Board, has resolved to hold the Annual General Meeting as a virtual event without the physical attendance of the shareholders or their proxies. Due to the unforeseeable further development of the COVID-19 pandemic and the corresponding rules of conduct, this measure is intended in particular to avoid health risks for shareholders, employees, external service providers as well as board members and ensure planning security. The Annual General Meeting will be held in the physical presence of the Chair of the Annual General Meeting and members of the Management Board and the Supervisory Board (with the inclusion, as required, of a notary public commissioned to record the minutes) as well as company proxies at the company's registered office, Am Campeon 1-15, 85579 Neubiberg, Germany, i.e. the location of the Annual General Meeting as defined in section 121, paragraph 3, AktG. The physical attendance of shareholders or their proxies is not possible.

As the holding of the Annual General Meeting in the form of a virtual event based on the COVID-19 Act will require some modifications to the procedure of the meeting and the exercising of shareholder rights, we ask our shareholders to pay special attention to the following information.

Shareholders and their proxies who are entered in the stock register on the day of the Annual General Meeting will have the opportunity to attend the entire event live online at: [www.infineon.com/agm](http://www.infineon.com/agm) via video and audio transmission. The live transmission does not allow participation in the virtual Annual General Meeting as defined in section 118, paragraph 1, second sentence, AktG. Subject to the consent of the Chair of the Annual General Meeting, the speeches of the Chairman of the Supervisory Board and the members of the Management Board will also be made available to all interested parties live online.

Prior registration is necessary in order to exercise shareholder rights, particularly voting rights. The registration procedure is explained below in point III.3. Shareholders will receive the login data (shareholder number and individual access code) required to follow the entire virtual Annual General Meeting together with

their registration documents. Shareholders who have already registered for electronic delivery in previous years should use their shareholder number, which they will receive with their registration documents, and their self-assigned access code to register.

The voting rights of shareholders who are entered in the stock register and have registered by the due date may only be exercised by mail ballot or by granting power of attorney and issuing instructions to proxies appointed by the company (company proxy, details are provided below in point III.4). Registered shareholders or their proxies will be given the opportunity to submit questions electronically up to midnight (CET) on 22 February 2021 (details are explained below in point III.6.c). Shareholders or their proxies who have registered in due time who have exercised their voting rights will be given the opportunity to object to one or more resolutions of the Annual General Meeting electronically.

Details are presented below.

### 3. Prerequisites for exercising shareholders' rights, particularly voting rights

#### a. Registration

Shareholders are entitled to exercise their shareholder rights, particularly their voting rights, if they have registered by

**18 February 2021, midnight (CET)**

for the Annual General Meeting and are entered in the stock register at the time of the Annual General Meeting.

Registration must be submitted to the company in German or English either electronically

- via the Internet Service available at [www.infineon.com/agma](http://www.infineon.com/agma)

or in text form (section 126b BGB) via one of the following contact channels:

i. Address: Infineon Technologies AG,  
c/o Computershare Operations Center,  
80249 Munich,  
Germany

ii. Fax: +49 (0)89 30903 – 74675 or

iii. E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Observance with the above deadline is based on the date on which the registration is received by the company.

In addition to their shareholder number, shareholders require an access code for electronic registration online, which they either receive with their AGM documents or have selected themselves via the Internet Service at [www.infineon.com/agma](http://www.infineon.com/agma). This code is still valid if consent to electronic delivery was already given in previous years.

In accordance with legal requirements, shareholders who are only entered in the stock register on or after 4 February 2021 will not receive an invitation without requesting one and will therefore not be sent access data for electronic registration. However, they can request the invitation with the required shareholder number and the individual access code via one of the following contact channels:

i. Address: Infineon Technologies AG,  
c/o Computershare Operations Center,  
80249 Munich,  
Germany

ii. Fax: +49 (0)89 30903 – 74675 or

iii. E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Shareholders who wish to register are requested to do so in good time.

#### b. Proxies

Shareholders who are entered in the stock register are entitled to exercise their voting rights either personally or via a proxy such as an intermediary, a shareholder association or a voting rights advisor. Even in these cases it is necessary to register in good time using a formally acceptable method in accordance with point III.3.a.

Details on voting by proxy are described in point III.5.

#### c. Entry freeze (technical record date); disposability of shares

The exercising of shareholder rights, especially attendance and voting rights, are based on the shareholding entered in the stock register on the day of the Annual General Meeting. Shareholders should note, however, that for technical processing reasons, an entry freeze will apply from the registration deadline (19 February 2021, 00:00 (CET)) until midnight on the day of the Annual General Meeting (25 February 2021 (CET)), i.e. no entries or deletions can be made to the stock register during this period. The technical record date for exercising shareholder rights, particularly participation and voting rights, at the Annual General Meeting is therefore 18 February 2021, midnight (CET).

Registering for the Annual General Meeting does not cause shares to be blocked. Shareholders therefore retain the right to dispose of their shares without restriction, irrespective of the entry freeze (technical record date), even after registration. However, purchasers of shares whose applications for entry are not received by the company in due time may not exercise participation rights and voting rights for these shares at the Annual General Meeting unless they have obtained a power of attorney to do so or an authorization to exercise such rights.

### 4. Exercising voting rights

Shareholders or their proxies may only exercise their voting rights via mail ballot or by issuing power of attorney and instructions to company proxies. In both cases, they are required to register in due time as described in point III.3.

#### a. Voting by mail ballot

Shareholders or their proxies may vote by mail ballot in either German or English. The vote may be cast, amended or revoked in text form by mail, fax, e-mail or electronically via the Internet Service.

Votes cast, amended or revoked by mail ballot in text form must be received by the company via one of the following contact channels by the following deadlines (date of receipt is decisive):

- i. Address: Infineon Technologies AG,  
c/o Computershare Operations Center,  
80249 Munich,  
Germany,  
**by 24 February 2021, midnight (CET)**  
or
- ii. Fax: +49 (0)89 30903 – 74675  
**by 25 February 2021, 10:00 a.m. (CET)**  
or
- iii. E-mail: anmeldestelle@computershare.de  
**by 25 February 2021, 10.00 a.m. (CET).**

Shareholders will be sent a form for voting by mail ballot in text form together with their registration documents. The form is also available online at [www.infineon.com/agm](http://www.infineon.com/agm) and will be sent to shareholders upon request.

Mail ballots can also be cast, amended or revoked electronically via the Internet Service using the shareholder number and individual access code at [www.infineon.com/agm](http://www.infineon.com/agm).

Electronic voting by mail ballot is also possible after 24 February 2021, midnight (CET) on the day of the virtual Annual General Meeting, but must be completed **before voting begins at the virtual Annual General Meeting.**

Voting by mail ballot is only possible with regard to proposals and election nominations made by the Management Board and/or the Supervisory Board pursuant to section 124, paragraph 3, AktG or by shareholders pursuant to section 122, paragraph 2, AktG and included with the present document giving notice of the Annual General Meeting or announced subsequently or made available pursuant to sections 126 and 127 AktG.

b. Voting via company proxies

Shareholders or their proxies may also opt to be represented by Infineon employees designated as proxies (company proxies).

Powers of attorney and instructions to company proxies may be issued, amended or revoked in German or English in text form via one of the following contact channels with the following deadlines (date of receipt is decisive).

- i. Address: Infineon Technologies AG,  
c/o Computershare Operations Center,  
80249 Munich,  
Germany,  
**by 24 February 2021, midnight (CET)**  
or
- ii. Fax: +49 (0)89 30903 – 74675  
**by 25 February 2021, 10:00 a.m. (CET)**  
or
- iii. E-mail: anmeldestelle@computershare.de  
**by 25 February 2021, 10.00 a.m. (CET).**

The form for granting powers of attorney and instructing company proxies in text form will be sent to shareholders together with the registration documents. The proxy and instruction form is also available online at [www.infineon.com/agm](http://www.infineon.com/agm) and will be sent to shareholders upon request.

The granting, amending and revoking of the power of attorney to company proxies can also be performed electronically via the Internet Service available online at [www.infineon.com/agm](http://www.infineon.com/agm) after 24 February 2021, midnight (CET) up to the day of the virtual Annual General Meeting, but must be finalized prior to **the beginning of voting at the virtual Annual General Meeting.**

Company proxies may only vote on items on the Agenda for which they have been issued explicit instructions. The company proxies are obliged to vote in accordance with these instructions and may not vote if they have not received instructions. If the instructions issued are not clear or are contradictory, the company proxies will abstain from voting.

Company proxies will not accept instructions to speak, ask questions, put forward proposals or submit objections to Annual General Meeting resolutions and are only available to vote on proposals and election nominations made by the Management Board and/or the Supervisory Board pursuant to section 124, paragraph 3, AktG or by shareholders pursuant to section 122, paragraph 2, AktG and included with the present document giving notice of the Annual General Meeting or announced subsequently or made available pursuant to sections 126 and 127, AktG.

- c. Precedence of treatment of mail ballots and powers of attorney/instructions issued to proxies as well as further information on exercising voting rights

If powers of attorney and instructions to company proxies are issued in due time both in text form and electronically via the Internet Service or if the voting right is exercised by mail ballot, only the mail ballot submitted electronically via the Internet Service or the power of attorney and instructions issued electronically via the Internet Service to company proxies will be considered binding, irrespective of the time of receipt.

If powers of attorney and instructions are sent to company proxies in text form more than once, the last of these received will be considered binding. The same applies accordingly if more than one vote is cast by mail ballot. However, mail ballots in text form take precedence over the granting of powers of attorney and instructions in text form to company proxies.

Votes cast by mail ballot and instructions to company proxies regarding item 2 on the Agenda remain valid if the proposal for the utilization of unappropriated profit is amended as a result of a change in the number of shares qualifying for payment of a dividend.

## 5. Exercising shareholder rights by proxy; procedure for voting by proxy

Shareholders who are entered in the stock register and have correctly registered in due time may also have their voting rights and other rights exercised by a proxy of their choice, such as an intermediary, a shareholders' association or a voting rights advisor.

Proxies have also not the possibility to be physically present in the virtual Annual General Meeting. They may only exercise voting rights for the shareholders they represent by way of mail ballot or by issuing a (sub-)power of attorney and instructions to company proxies.

Shareholders who wish to exercise their right to vote at the Annual General Meeting via a proxy must ensure that they grant the power of attorney to the proxy in due time and in the proper manner. However, the following requires to be considered when doing so:

If neither a voting rights advisor, a shareholders' association nor any other intermediary covered by section 135, AktG or someone equivalent thereto pursuant to section 135 AktG is authorized, the power of attorney must be granted either

- a. in text form or electronically via the Internet Service vis-à-vis the company, or
- b. in text form directly vis-à-vis the proxy (in which case the company must be notified in text form of the appointment of the proxy)

The same provisions apply if a shareholder wishes to change or revoke the power of attorney.

When granting a power of attorney to voting rights advisors, shareholders' associations or other intermediaries covered by section 135, AktG or someone equivalent thereto pursuant to section 135, AktG or revoking or authorizing a power of attorney, the respective statutory provisions, in particular section 135, AktG, are applicable. According to this provision, in such cases the power of attorney must be granted to a specific proxy and verifiably recorded by that proxy. Furthermore, the power of attorney must be complete and may only contain statements relating to the exercising of voting rights.

However, under certain circumstances, the proxies in question may set out special rules for their own power of attorney. For this reason, shareholders are requested to consult with the proxies concerned in good time regarding the respective form and procedure of the power of attorney.

If an intermediary as defined in section 67a, paragraph 4, AktG is entered in the stock register, the intermediary may only exercise the voting rights for shares that do not belong to him/her based on a power of attorney granted by the beneficial owner of the shares. The same applies to voting rights advisors, shareholders' associations or other intermediaries covered by section 135, AktG or someone equivalent thereto pursuant to Section 135, AktG.

If the shareholder grants a power of attorney to more than one person, the company may reject one or more of these people pursuant to section 134, paragraph 3, second sentence, AktG and article 16, paragraph 2, third sentence of the Articles of Association at its own discretion, observing the principle of equal treatment pursuant to section 53a, AktG.

The power of attorney can be issued, amended or revoked vis-à-vis the company no later than **24 February 2021, midnight (CET)** in text form via one of the following contact channels, assuming the company is informed in due time. The same applies to the proof of a power of attorney granted to the authorized proxy.

- a. Address: Infineon Technologies AG,  
c/o Computershare Operations Center,  
80249 Munich,  
Germany,  
or
- b. Fax: +49 (0)89 30903 – 74675  
or
- c. E-mail: anmeldestelle@computershare.de

Powers of attorney may also be issued, amended and revoked vis-à-vis the company electronically by means of a shareholder number and an individual access code via the Internet Service available online at [www.infineon.com/agm](http://www.infineon.com/agm) after **24 February 2021, midnight (CET)** up to the day of the virtual Annual General Meeting, but must be sent **before voting begins at the virtual Annual General Meeting**.

For participation in the electronic voting procedure, the proxy requires individual login data. After granting the power of attorney vis-à-vis the company or providing proof of a power of attorney granted to the proxy, the company will provide the necessary login data for the proxy.

Shareholders who wish to make use of the option to appoint a proxy are requested to do so in good time.

A multi-purpose power of attorney, instruction and mail ballot form is available for download online at [www.infineon.com/agm](http://www.infineon.com/agm). This form will also be sent to shareholders free of charge upon request.

## 6. Shareholders' rights (proposals, election nominations, the option to ask questions electronically, submit video messages, object to resolutions to be taken by the Annual General Meeting)

The rights of shareholders prior to and during the Annual General Meeting include the following (further details of shareholders' rights are available online at [www.infineon.com/agm](http://www.infineon.com/agm)):

- a. Additions to the Agenda

Pursuant to section 122, paragraph 2, AktG, shareholders whose aggregate holdings amount to at least one twentieth of the company's share capital or the amount of € 500,000 (equivalent to 250,000 shares) may demand that certain items be included on the Agenda and published. Furthermore, pursuant to section 87, paragraph 4, AktG, the Annual General Meeting may, in accordance with a proposal pursuant to section 122, paragraph 2, first sentence, AktG, reduce the maximum compensation of the Management Board determined pursuant to section 87a, paragraph 1, second sentence, no. 1, AktG. Pursuant to section 124a sentence 2, AktG, a proposal received by the company after the Annual General Meeting has been convened must be made available on the company's website after receipt without undue delay.

Each new item must be accompanied by an argument in favor statement or a draft resolution. The proposal must be addressed in writing to the Management Board of Infineon Technologies AG pursuant to section 122, AktG in conjunction with section 126 BGB. Pursuant to section 122, paragraph 2, third sentence, AktG, any such request must be received by the company at least 30 days prior to the meeting, i.e. by no later than midnight (CET) on 25 January 2021. Pursuant to section 122, paragraph 2 and paragraph 1, AktG, the shareholders concerned must verify that they have owned the above-mentioned minimum number of shares for at least 90 days prior to receipt of the proposal and that they will hold the shares until a decision has been reached by the Management Board with respect to the proposal. Section 70, AktG must be observed when calculating the minimum period of ownership. When calculating the above minimum periods, section 121, paragraph 7, AktG must be applied accordingly.

Please send any supplementary proposals via one of the following contact channels:

- i. Address: Management Board of Infineon Technologies AG,  
Am Campeon 1–15,  
85579 Neubiberg,  
Germany,  
or
- ii. E-mail: hv@infineon.com

Any additions to the Agenda that need to be announced will be published in the Federal Gazette immediately after receipt, unless they have already been announced with the notice convening the Annual General Meeting. They will also be published online on the Infineon website at [www.infineon.com/agm](http://www.infineon.com/agm). Resolution proposals relating to such applications that are duly received by 25 January 2021, midnight (CET), together with items either placed or to be placed on the Agenda pursuant to section 122, paragraph 2, AktG will be treated in the virtual Annual General Meeting as if they had been made at the virtual event.

b. Counterproposals; election nominations

Each shareholder is entitled to submit counterproposals in response to the resolutions proposed on the items on the Agenda. In order for the counterproposals to be made available by the company prior to the Annual General Meeting, pursuant to section 126, paragraph 1, AktG they must be sent to one of the following addresses at least 14 days prior to the Annual General Meeting, i.e. by midnight (CET) on 10 February 2021

- i. to the following address: Infineon Technologies AG,  
Investor Relations,  
Am Campeon 1–15,  
85579 Neubiberg,  
Germany,
- ii. to the following fax number: +49 (0)89 30903 – 74675  
or
- iii. to the following e-mail  
address: hv@infineon.com

Counterproposals sent to other addresses need not be made available.

Any counterproposal sent must be received by the company in due time in order to be considered.

Subject to section 126, paragraphs 2 and 3, AktG, any shareholder counterproposals that are required to be made available will be published online at [www.infineon.com/agm](http://www.infineon.com/agm) together with the name of the shareholder and any argument in favor of the counterproposal as well as any statements made by the company's representative bodies in that regard.

Pursuant to section 127 AktG, these regulations apply mutatis mutandis to any shareholder proposals in respect of candidates for Supervisory Board elections and the selection of the auditor. In addition to the grounds defined in section 126, paragraph 2, AktG, the omission from the proposal of the candidate's name, practiced profession and place of residence also exempts the Management Board from any obligation to make available the proposal of a candidate for election. Similarly, proposals relating to the election of Supervisory Board members do not need to be made available if details of the membership of the person concerned in other statutory supervisory boards and equivalent national or foreign company boards as defined in section 125, paragraph 1, fifth sentence, AktG are not provided. Election proposals do not need to be accompanied by an argument in favor.

As this year's Annual General Meeting is being held as a virtual event without the physical attendance of shareholders and their proxies, no proposals may be submitted during the virtual Annual General Meeting.

During the virtual Annual General Meeting, any counterproposals or election nominations that need to be made available that have been sent by shareholders who are entered in the stock register and have registered in due time will be treated as if they had been made or submitted at the Annual General Meeting.

This does not affect the right of the Chair of the Annual General Meeting to have the proposals of the management voted on first. Should the proposals put forward by the management be accepted with the necessary majority, the counterproposals or (differing) election nominations are thus deemed to have been settled.

- c. Option to submit questions pursuant to section 1, paragraph 2, sentence 1, no. 3, second sentence of the COVID-19 Act exclusively via electronic communication by 22 February 2021, midnight (CET)

During the virtual Annual General Meeting, shareholders do not have a right to information pursuant to section 131, paragraph 1, AktG. However, shareholders who are entered in the stock register and have registered in due time in the proper manner, or their proxies, have the option to submit questions to the company in advance.

The Management Board has decided, with the approval of the Supervisory Board, that shareholders or their proxies must submit their questions to the company electronically no later than two days prior to the virtual Annual General Meeting, i.e. no

later than midnight (CET) on 22 February 2021. An input screen is available for this purpose on the Internet Service at [www.infineon.com/agm](http://www.infineon.com/agm). Other forms of transmission are not permitted. No questions may be submitted or asked after this time or during the Annual General Meeting.

The Management Board decides which questions it will answer and how to answer them at its own reasonable discretion. Moreover, the Management Board is not required to answer every question. However, it may summarize questions and select those deemed to be meaningful in the interest of the other shareholders.

When answering questions during the virtual Annual General Meeting, the name of the person asking the question will only be disclosed (to the extent that questions are answered individually) if consent to do so was expressly stated when the question was submitted.

d. Submitting video messages for publication via the Internet Service

If a virtual Annual General Meeting is held without the physical attendance of shareholders or their proxies, they do not have the opportunity to comment on the Agenda at the Annual General Meeting. The Management Board has therefore decided, with the approval of the Supervisory Board, to give shareholders or their proxies (over and above the requirements of the COVID-19 Act) the opportunity to comment on the Agenda via video messages.

For this reason, shareholders who are entered in the stock register and have registered to attend the Annual General Meeting in due time, or their proxies, will have the opportunity to submit comments regarding the Agenda electronically as a video message using their shareholder number and individual access code via the Internet Service available at [www.infineon.com/agm](http://www.infineon.com/agm) by **18 February 2021, midnight (CET)**. Video messages should not be longer than three minutes and only those in which shareholders or their proxies appear in person will be permitted. By submitting a video message, shareholders or their proxies declare their consent to it being published on the Internet Service, including their names.

Details of the technical and legal requirements for submitting video messages are available via the company's Internet Service at [www.infineon.com/agm](http://www.infineon.com/agm).

The company intends to publish any video messages submitted on its Internet Service prior to the virtual Annual General Meeting, which is accessible only to shareholders via their shareholder number and individual access code at [www.infineon.com/agm](http://www.infineon.com/agm). However, it wishes to point out that there is no legal entitlement to the publication of a video message. In particular, the company reserves the right not to publish video messages with offensive, discriminatory, criminally relevant or obviously false or misleading content, those without any reference to the Agenda, or those submitted in languages other than German. The same also applies to video messages longer than three minutes or those that do not meet technical requirements. Only one video message will be published per shareholder.

The video messages are intended to give shareholders or their proxies an opportunity to make a statement. However, the procedure described above under point III.6.c. and b. applies to questions, counterproposals and election nominations. Please note that questions, counterproposals or election nominations contained in a video message but not submitted as described above under point III.6.c. and b. will not be considered.

e. Filing objections to resolutions of the Annual General Meeting

Shareholders who have exercised their voting rights will have the opportunity to object to resolutions of the Annual General Meeting according to section 245, no. 1, AktG, section 1, paragraph 2, sentence 1, no. 4, COVID-19 Act, via electronic communication with the notary public appointed to record the minutes of the virtual Annual General Meeting.

Any statements in this regard can be made electronically via the Internet Service available at [www.infineon.com/agm](http://www.infineon.com/agm) from the opening of the virtual Annual General Meeting until it is closed by the chair of the meeting.

**7. Information and documents for the Annual General Meeting; website; American Depositary Shares**

The information and documents indicated in section 124a AktG may be viewed and downloaded online at [www.infineon.com/agm](http://www.infineon.com/agm). After the Annual General Meeting, the voting results will also be announced on the same web page and the speeches of the Chairman of the Supervisory Board and the members of the Management Board will be available as recordings. The web page also provides information on issuing a confirmation of the voting count pursuant to section 129, paragraph 5, AktG, which the voter may request up to one month after the Annual General Meeting has been held.

Holders of American Depositary Shares (ADS) will receive the information they require in order to participate in the virtual Annual General Meeting from Citibank, N.A. (depository).

**8. Data protection notice for shareholders**

For the purpose of maintaining the stock register and conducting the Annual General Meeting, the company collects personal data on its shareholders and/or their proxies. This is done to meet its legal obligations pursuant to the COVID-19 Act and enable shareholders to exercise their rights at the Annual General Meeting, particularly at this year's virtual event, which will be conducted without the physical attendance of shareholders or their proxies. Infineon Technologies AG processes the data as the responsible party in accordance with the provisions of the EU Data Protection Regulation ("GDPR") and all other relevant laws. Details regarding the treatment of personal data and the rights of shareholders and/or their proxies in accordance with the GDPR are available online at [www.infineon.com/data-protection-for-shareholders](http://www.infineon.com/data-protection-for-shareholders) and can also be requested in printed form via the addresses provided for registration purposes.

Yours sincerely

Infineon Technologies AG  
The Management Board







# Infineon Technologies AG



**Chairman of the Supervisory Board:**

Dr. Wolfgang Eder

**Management Board:** Dr. Reinhard Ploss (CEO),

Dr. Helmut Gassel, Jochen Hanebeck, Dr. Sven Schneider

**Registered Office:** Neubiberg

**Commercial Register:** Amtsgericht München HRB 126492