



Comparable arrangements for employees are only in place in a small number of individual cases. Notwithstanding this, the terms of the Performance Share Plan, in which members of the Management Board and Infineon managers and selected Infineon employees worldwide participate, contains a rule that takes effect in the event of a defined change-in-control event, namely, when a party holds at least 30 percent of the voting rights in Infineon Technologies AG. The principal stipulation of the rule is that the four-year vesting period provided by the plan ends prematurely in the event of a change of control. This Performance Share Plan rule does not apply to members of the Management Board.

## Corporate Governance Report

@ [www.infineon.com/  
corporate-governance-report](http://www.infineon.com/corporate-governance-report)

The Corporate Governance Report is publicly available at [www.infineon.com/corporate-governance-report](http://www.infineon.com/corporate-governance-report).

## Declaration on Corporate Governance

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## Compensation report

This Compensation report, which forms part of the Management Report, explains the principles applied in determining compensation for the Management Board and Supervisory Board of Infineon Technologies AG and the level of remuneration paid to the individual members of the Management Board and Supervisory Board in accordance with the applicable legal requirements and the recommendations of the German Corporate Governance Code in the version dated May 5, 2015 (Deutscher Corporate Governance Kodex – “DCGK”). Infineon believes that transparent and understandable reporting of Management Board and Supervisory Board compensation represents a fundamental element of good corporate governance.

### Management Board compensation

#### Compensation system

The Management Board compensation system – similar to the compensation paid to the individual members of the Management Board – is defined and regularly reviewed by the full Supervisory Board on the basis of proposals from the Executive Committee. In accordance with applicable legal requirements and the recommendations of the DCGK, the compensation paid to the members of the Management Board is intended to reflect the typical level and structure of management board compensation at comparable companies in Germany and elsewhere, as well as Infineon’s economic position and future prospects. The duties, responsibilities and performance of each member of the Management Board are also to be considered, as is Infineon’s wider pay structure. This includes considering Management Board compensation in relation to the compensation of senior management and of the workforce as a whole, including changes in the level of compensation over time. The stated objective is that the compensation structure should be designed in such a way that it promotes sustainable business development, with a cap in place in the event of exceptional developments. Infineon aims to set compensation at a level that is competitive both nationally and internationally, so as to inspire and reward dedication and success in a dynamic environment.

The periodic review of the Management Board compensation system was performed by an external independent compensation expert during the 2016 fiscal year. Regardless of the existence of some scope for maneuverability, the expert concluded that the Company’s compensation system complies with the requirements of the German Stock Corporation Act (Aktiengesetz) and the DCGK and is in line with current market conditions (for details of the review, see “Review of the Management Board compensation system and individual contracts” in this chapter).



### Components of the Management Board compensation system

There have been no changes in the Management Board compensation system in the 2016 fiscal year compared to the 2015 fiscal year.

All members of the Management Board receive as compensation for their service an annual income which – based on target achievement of 100 percent – comprises approximately 45 percent fixed compensation and approximately 55 percent variable compensation components:

- › Fixed compensation: The fixed compensation comprises a contractual basic annual salary that has no link to performance and is paid in twelve equal monthly installments.
- › Variable (performance-related) compensation: The variable compensation comprises three components: an annual bonus (short-term incentive), a multiple-year bonus (mid-term incentive) and a long-term variable compensation component (long-term incentive).

The **short-term incentive (STI)** is intended to reward performance over the preceding fiscal year, reflecting Infineon's recent progress. Assuming a 100 percent target achievement of the variable compensation, the STI constitutes approximately 20 percent of target annual income. It is set by the Supervisory Board in a two-phase process:

- (i) At the beginning of each fiscal year, the target functions with respect to the two key performance indicators "free cash flow" and "Return on Capital Employed (RoCE)" are defined uniformly for all members of the Management Board. Underpinning the consistent approach taken to managing the business, the same target indicators – supplemented by the Segment Result – are used as the basis for determining the variable compensation components (bonus payments) for Infineon managers and employees. The two key performance indicators referred to above, which are described in more detail in the chapter "Internal Management System", are equally weighted for the purposes of measuring the STI.
- (ii) At the end of the fiscal year, the actual levels of target achievement for free cash flow and RoCE and, hence the amount of the STI, are determined by the Supervisory Board.

An STI is paid only if, on the basis of the approved financial statements, the levels of target achievement reach at least the 50 percent threshold for both performance indicators (free cash flow, RoCE). If one of the two target thresholds is not achieved, no annual bonus is paid for the relevant fiscal year. If the thresholds are achieved, the arithmetic mean of the two target achievements is calculated and used as the percentage rate to determine the actual STI amount. A cap of 250 percent applies, meaning that the maximum amount that can be paid is two-and-a-half times the target STI (= 100 percent), regardless of the actual achievement level. The Supervisory Board may, in addition, increase or reduce the amount to be paid in each case by up to 50 percent, as it sees fit, based on the performance of the Management Board as a whole, Infineon's position, and any exceptional factors. A lower limit applies in this case such that the amount to be paid cannot be less than the amount that would be due given 50 percent target achievement. The upper limit for an upward adjustment is the cap of 250 percent.

If the term of office on the Board begins or ends during a fiscal year, the entitlement to STI is calculated on a pro-rata monthly basis (one twelfth for each month started). Members of the Management Board are not entitled to receive an STI bonus for the fiscal year in which they resign from office or terminate their contracts of their own volition or if their contract is terminated by the Company for good cause.

The **mid-term incentive (MTI)** is intended to reward sustained performance by the Management Board reflecting Infineon's medium-term progress. In combination with the long-term incentive, the MTI ensures compliance with the stock corporation law requirement that the structure of compensation is "oriented toward sustainable growth of the enterprise". Assuming a 100 percent target achievement of the variable compensation, the MTI constitutes approximately 20 percent of target annual income.

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A new MTI tranche, each with a term of three years, commences every fiscal year. The incentive is paid in cash at the end of the three-year term. The amount of the payment is determined on the basis of actual RoCE and free cash flow figures during each three-year period. For these purposes, the target values for RoCE and free cash flow for each individual year of an MTI tranche correspond to the STI targets set each year in advance. The level of target achievement for both the RoCE target and the free cash flow target must reach a threshold of 50 percent in each year of the relevant three-year period, otherwise the level of target achievement for the purposes of the MTI is set to zero for the year concerned. If the thresholds are exceeded, the level of target achievement determined for the STI applies for the relevant annual tranche of the MTI. The MTI to be paid at the end of the three-year period is determined by calculating the arithmetic mean of the three annual target achievement levels. Unlike the STI, the MTI is paid as calculated, even if the mean level of target achievement for the three-year period is below the 50 percent threshold. A cap of 200 percent applies, meaning that the maximum amount that can be paid is two times the target MTI (= 100 percent), regardless of the actual achievement level.

The Supervisory Board may increase or reduce the amount to be paid under the MTI in each case by up to 50 percent, as it sees fit, based on the performance of the Management Board as a whole, Infineon's situation and any exceptional factors. When exercising its judgment in this respect, the Supervisory Board also takes into account the level of achievement of the three-year target for revenue growth and Segment Result that is set each year by the Supervisory Board exclusively for this purpose. Unlike the STI, there is no lower limit for the amount by which the Supervisory Board can adjust the MTI; for the upper limit, however, the cap applies (200 percent).

If the term of office commences during a fiscal year, the MTI tranche is determined on a pro-rata basis (1/36 for each month of a full MTI tranche started). Upon leaving Infineon, regulations ensure that the member of the Management Board can only receive an MTI payment for the actual number of MTI tranches during his/her term of office. MTI tranches already started are forfeited if a mandate or service contract of a member of the Management Board comes to an end before the due date, for instance if a member resigns from office or terminates the contractual arrangements of his/her own volition or if the contract is terminated by the Company for good cause.

The **long-term incentive (LTI)** is intended to reward long-term and, similar to the MTI, sustained performance on the part of members of the Management Board and, additionally, to ensure that their interests are aligned with the interest of the Company's shareholders regarding a positive share price development. Assuming a 100 percent target achievement of the variable compensation, the LTI constitutes approximately 15 percent of target annual income.

With effect from the 2014 fiscal year, the LTI is awarded in the form of a Performance Share Plan. As well as being relevant for members of the Management Board, the new LTI also applies – with minor differences attributable to specific circumstances – to Infineon managers and selected Infineon employees worldwide.

The (virtual) performance shares are allocated – initially on a provisional basis – on October 1 of each fiscal year for the fiscal year beginning on that date. The performance shares are allocated on the basis of the contractually agreed “LTI allocation amount” in euros. The number of performance shares is determined by dividing the LTI allocation amount by the average price of the Infineon share (Xetra closing price) during the nine months prior to the allocation date. The prerequisites for the definitive allocation of the – at that stage still virtual – performance shares are (i) that the relevant member of the Management Board invests 25 percent of his or her individual LTI allocation amount in Infineon shares (with the own-investment already required to be undertaken in conjunction with the provisional allocation) and (ii) that the holding period of four years applicable both for the member's own-investment and for the performance shares has come to an end. Moreover, 50 percent of the performance shares are performance-related; they are only allocated definitively if (iii) the Infineon share outperforms



the Philadelphia Semiconductor Index (SOX) between the date of the performance shares' provisional allocation and the end of the holding period. If the conditions for the definitive allocation of performance shares – either of all or of only those that are not performance-related – are met at the end of the holding period, the member of the Management Board acquires a claim against the Company for the transfer of the corresponding number of (real) Infineon shares. Performance shares which do not achieve the target are forfeited. The value of the performance shares definitively granted to the member of the Management Board per LTI tranche at the end of the holding period may not exceed 250 percent of the relevant LTI allocation amount; the performance shares above this amount are forfeited (cap).

The shares are transferred to a securities custodian account attributable to the member of the Management Board; thereafter, he/she can freely dispose of them. The same also applies to Infineon shares acquired in conjunction with the own-investment requirement at the end of the holding period.

The Supervisory Board has the right, at the end of the holding period, to make a value-equivalent cash settlement to the member of the Management Board rather than actually transfer Infineon shares.

If the member of the Management Board leaves office during the first two years of the full four-year holding period applicable to the performance shares of a particular LTI tranche, those performance shares are forfeited unless the reason for leaving office is that the member of the Management Board has reached the age limit specified in his/her service contract. Only the holding period for the own-investment shares expires when the member of the Management Board leaves office; at that stage the member of the Management Board concerned can freely dispose of the shares. If the member of the Management Board leaves office at a later date – except the member resigns from office or terminates the contractual arrangements of his/her own volition, or if the contract is terminated by the Company for good cause – the LTI tranche (including the own-investment) remains in place unchanged. The member of the Management Board is then treated in all respects as if he/she were still in office; there is no pro rata reduction in the LTI tranche due to leaving office early.

The Supervisory Board is required to define suitable alternative LTI instruments of commensurate value if it is impossible or not desired by the Supervisory Board to offer an LTI on the basis of the Performance Share Plan.

Prior to the introduction of the Performance Share Plan, the Company maintained a stock option plan as an LTI, which was resolved at the 2010 Annual General Meeting. Subject to compliance with the terms of the Stock Option Plan 2010 – particularly the attainment of the absolute and percentage performance targets – the stock options allocated to members of the Management Board on the basis of this plan may still be exercised until December 14, 2019.

Additionally, the Supervisory Board has the option – based in all cases on its own best judgment – to grant a **special bonus**, among other things for special achievements of the Management Board or its individual members. This bonus is capped, however, at a maximum of 30 percent of the fixed compensation of the member of the Management Board.



## Management Board compensation in the 2016 fiscal year in accordance with German Accounting Standard 17 (DRS 17)

### Total compensation

Total compensation to members of the Management Board pursuant to DRS 17 and benefits to the individual members of the Management Board – also presented in accordance with DRS 17 – are shown in the following table:

in €	Dr. Reinhard Ploss Chief Executive Officer		Dominik Asam Chief Financial Officer		Dr. Helmut Gassel <sup>3</sup> Member of the Management Board	
	2016	2015	2016	2015	2016	2015
<b>Fixed compensation</b>						
Basic annual salary	1,075,000	1,075,000	750,000	750,000	171,250	-
Fringe benefits	35,724	35,909	41,185	41,368	8,714	-
<b>Total fixed compensation</b>	<b>1,110,724</b>	<b>1,110,909</b>	<b>791,185</b>	<b>791,368</b>	<b>179,964</b>	<b>-</b>
<b>Variable compensation</b>						
Single-year variable compensation (STI)	474,720	831,840	336,260	589,220	76,153	-
Multi-year variable compensation						
Mid Term Incentive (MTI) <sup>1</sup>						
2013 – 2015 tranche	-	242,620	-	177,921	-	-
2014 – 2016 tranche	288,460	242,620	201,537	177,921	-	-
2015 – 2017 tranche	158,240	277,280	112,087	196,407	-	-
2016 – 2018 tranche	158,240	-	112,087	-	25,384	-
Long Term Incentive (LTI)						
Performance Share Plan <sup>2</sup>	244,367	228,277	164,024	153,225	-	-
<b>Total variable compensation</b>	<b>1,324,027</b>	<b>1,822,637</b>	<b>925,995</b>	<b>1,294,694</b>	<b>101,537</b>	<b>-</b>
<b>Total compensation</b>	<b>2,434,751</b>	<b>2,933,546</b>	<b>1,717,180</b>	<b>2,086,062</b>	<b>281,501</b>	<b>-</b>

1 The values include the annual MTI tranche granted in the respective fiscal year based on the fulfilment of the plan requirements.

2 The figures for the active members of the Management Board in the 2016 fiscal year are based on a fair market value per performance share amounting to €7.07 (2015: €5.31), which was calculated using a Monte-Carlo simulation model taking account of the value-reducing cap.

3 With effect from July 1, 2016 Dr. Helmut Gassel was appointed Member of the Management Board and Chief Marketing Officer. He is responsible for Sales & Marketing, Regions, Strategy Development, Mergers & Acquisitions and Intellectual Property.

in €	Jochen Hanebeck <sup>3</sup> Member of the Management Board		Arunjai Mittal <sup>4</sup> Member of the Management Board		Total	
	2016	2015	2016	2015	2016	2015
<b>Fixed compensation</b>						
Basic annual salary	171,250	-	562,500	750,000	2,730,000	2,575,000
Fringe benefits	7,697	-	26,962	29,445	120,282	106,722
<b>Total fixed compensation</b>	<b>178,947</b>	<b>-</b>	<b>589,462</b>	<b>779,445</b>	<b>2,850,282</b>	<b>2,681,722</b>
<b>Variable compensation</b>						
Single-year variable compensation (STI)	76,153	-	336,260	589,220	1,299,546	2,010,280
Multi-year variable compensation						
Mid Term Incentive (MTI) <sup>1</sup>						
2013 – 2015 tranche	-	-	-	177,921	-	598,462
2014 – 2016 tranche	-	-	201,537	177,921	691,534	598,462
2015 – 2017 tranche	-	-	112,087	196,407	382,414	670,094
2016 – 2018 tranche	25,384	-	112,087	-	433,182	-
Long Term Incentive (LTI)						
Performance Share Plan <sup>2</sup>	-	-	-	153,225	408,391	534,727
<b>Total variable compensation</b>	<b>101,537</b>	<b>-</b>	<b>761,971</b>	<b>1,294,694</b>	<b>3,215,067</b>	<b>4,412,025</b>
<b>Total compensation</b>	<b>280,484</b>	<b>-</b>	<b>1,351,433</b>	<b>2,074,139</b>	<b>6,065,349</b>	<b>7,093,747</b>

1 The values include the annual MTI tranche granted in the respective fiscal year based on the fulfilment of the plan requirements.

2 The figures for the active members of the Management Board in the 2016 fiscal year are based on a fair market value per performance share amounting to €7.07 (2015: €5.31), which was calculated using a Monte-Carlo simulation model taking account of the value-reducing cap.

3 With effect from July 1, 2016 Jochen Hanebeck was appointed to the Management Board with responsibility for Operations.

4 With effect from June 30, 2016 Arunjai Mittal resigned from the Management Board, his service contract ended with effect from September 30, 2016. The variable compensation elements STI and MTI awarded to Arunjai Mittal in the 2016 fiscal year were earned entirely during his membership of the Management Board.



In accordance with a mutual agreement reached with the Supervisory Board, Mr. Mittal resigned as member of the Management Board effective June 30, 2016, with his service contract coming to an end effective September 30, 2016. In the period between the resignation date and definitively leaving office at the end of the 2016 fiscal year, Mr. Mittal continued to serve the Company on a similar scale to his previous workload, in order to facilitate the transfer of duties and allow his successor to familiarize himself with the job. For the period from July to September 2016, Mr. Mittal received the following compensation: fixed compensation of €187,500, fringe benefits amounting to €8,948. In line with contractual terms, multi-year variable compensation (MTI) also continues to be paid to Mr. Mittal for the currently relevant tranches (see table). Accordingly, the actual level of target achievement was assumed for the 2014 – 2016 tranche ending September 30, 2016, while for the 2015 – 2017 and 2016 – 2018 tranches, a provision of €393,320.13 was recognized, based on the forecasted average level of target achievement for the period 2016 to 2018 (119.7 percent). In addition, it was agreed in the contract termination agreement between Mr. Mittal and the Company that the Performance Shares (LTI) previously allocated to Mr. Mittal are not forfeited as a consequence of his resignation. On October 1, 2015, Mr. Mittal was allocated 23,200 Performance Shares with a fair value of €164,024 for the 2016 fiscal year. At the same time, Mr. Mittal has given a commitment – for the period of one year following the termination of his contract i.e. until September 30, 2017 – not to work for any of Infineon's major competitors. In accordance with the contract termination agreement concluded with Mr. Mittal, the Company is not required to pay any compensation for this post-contractual non-competition clause. Total multi-year variable compensation, paid at the termination of Mr. Mittal's activities on the Management Board, amounted to €557,344.13.

Members of the Management Board did not receive any loans from Infineon, either in the 2016 or 2015 fiscal years.

Similarly, they did not receive any benefits from third parties in the 2016 and 2015 fiscal years, whether promised or actually paid, for their Board activities at Infineon.

#### Fringe benefits

In accordance with their service contracts, members of the Management Board are entitled to a chauffeur-driven company car, which may also be used privately. Operating and maintenance costs for the company car and chauffeur are borne by the Company. Taxes arising on the fringe benefit related to private usage are borne by the members of the Management Board.

The Company also maintains accident insurance policies for members of the Board.

#### Share-based compensation

As described in the section "Management Board compensation", the contractually agreed LTI is granted to members of the Management Board in the form of "performance shares". The average price of the Infineon share relevant for the number of performance shares granted for the 2016 fiscal year was €10.56 (2015: €8.49).

A fair market value of €7.07 (2015: €5.31) per performance share granted in the 2016 fiscal year was determined, taking account – among other things – of the 250 percent cap set on the LTI allocation amount.

The following table shows the number of performance shares awarded to members of the Management Board in the 2016 fiscal year. In addition, the table contains information relating to the Stock Option Plan 2010, on the basis of which stock options were allocated to members of the Management Board for the final time in the 2013 fiscal year.

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	Performance Share Plan				
	Fiscal year	Virtual performance shares outstanding at the beginning of the fiscal year	Virtual performance shares newly granted at the beginning of the fiscal year		Virtual performance shares outstanding at the end of the fiscal year
		Number	Number	Fair value grant date in €	Number
<b>Member of the Management Board</b>					
Dr. Reinhard Ploss (Chief Executive Officer)	2016	90,572	34,564	244,367	125,136
	2015	47,582	42,990	228,277	90,572
Dominik Asam (Chief Financial Officer)	2016	62,088	23,200	164,024	85,288
	2015	33,232	28,856	153,225	62,088
Dr. Helmut Gassel <sup>1</sup> (Member of the Management Board)	2016	-	-	-	-
	2015	-	-	-	-
Jochen Hanebeck <sup>2</sup> (Member of the Management Board)	2016	-	-	-	-
	2015	-	-	-	-
Arunjai Mittal <sup>3</sup> (Member of the Management Board)	2016	62,088	-	-	62,088
	2015	33,232	28,856	153,225	62,088
<b>Total</b>	2016	214,748	57,764	408,391	272,512
	2015	114,046	100,702	534,727	214,748

1 With effect from July 1, 2016 Dr. Helmut Gassel was appointed Member of the Management Board and Chief Marketing Officer. He is responsible for Sales & Marketing, Regions, Strategy Development, Mergers & Acquisitions and Intellectual Property.

2 With effect from July 1, 2016 Jochen Hanebeck was appointed to the Management Board with responsibility for Operations.

3 With effect from June 30, 2016 Arunjai Mittal resigned from the Management Board, his service contract ended with effect from September 30, 2016. The total cost of share-based compensation for Mr. Mittal relates to his period as member of the Management Board. We refer to the performance shares allocated to Mr. Mittal during the 2016 fiscal year in "Management Board compensation in the 2016 fiscal year in accordance with German Accounting Standard 17 (DRS 17)" in this chapter. The cost of these performance shares amount to €164,136.

	Stock Option Plan 2010						Total expense for share-based compensation in €
	Fiscal year	Stock options outstanding at the beginning of the fiscal year	Stock options outstanding at the end of the fiscal year	Stock options exercised in the fiscal year	Stock options forfeited in the fiscal year <sup>1</sup>	Exercisable stock options outstanding at the end of the fiscal year	
		Number	Number	Number	Number	Number	
<b>Member of the Management Board</b>							
Dr. Reinhard Ploss (Chief Executive Officer)	2016	433,214	307,500	95,800	29,914	120,000	323,243
	2015	433,214	433,214	-	-	120,000	314,286
Dominik Asam (Chief Financial Officer)	2016	350,952	130,952	167,740	52,260	-	213,678
	2015	350,952	350,952	-	-	-	217,610
Dr. Helmut Gassel <sup>2</sup> (Member of the Management Board)	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Jochen Hanebeck <sup>3</sup> (Member of the Management Board)	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Arunjai Mittal <sup>4</sup> (Member of the Management Board)	2016	229,167	229,167	-	-	-	160,607
	2015	229,167	229,167	-	-	-	197,925
<b>Total</b>	2016	1,013,333	667,619	263,540	82,174	120,000	697,528
	2015	1,013,333	1,013,333	-	-	120,000	729,821

1 When exercising stock options members of the Management Board may only make gains up to a pre-determined amount (cap). Where the cap has been reached in the fiscal year stock options are forfeited.

2 With effect from July 1, 2016 Dr. Helmut Gassel was appointed Member of the Management Board and Chief Marketing Officer. He is responsible for Sales & Marketing, Regions, Strategy Development, Mergers & Acquisitions and Intellectual Property.

3 With effect from July 1, 2016 Jochen Hanebeck was appointed to the Management Board with responsibility for Operations.

4 With effect from June 30, 2016 Arunjai Mittal resigned from the Management Board, his service contract ended with effect from September 30, 2016. The total cost of share-based compensation for Mr. Mittal relates to his period as member of the Management Board. We refer to the performance shares allocated to Mr. Mittal during the 2016 fiscal year in "Management Board compensation in the 2016 fiscal year in accordance with German Accounting Standard 17 (DRS 17)" in this chapter. The cost of these performance shares amount to €164,136.



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Further details regarding the performance shares granted on October 1, 2016 for the 2017 fiscal year to the members of the Management Board are provided in note 17 to the Consolidated Financial Statements.

#### Special bonuses

The Supervisory Board did not award any special bonuses to members of the Management Board during the 2016 fiscal year.

#### Other awards and benefits

In the 2009 fiscal year, the Company entered into a restitution agreement with each of the active members of the Management Board at that time. Dr. Ploss is the only current member of the Management Board affected by the agreement. These agreements stipulate that the Company covers all costs and expenses of any legal, governmental, regulatory and/or parliamentary proceedings and investigations as well as arbitration proceedings, in which the member of the Management Board is involved in conjunction with his/her activities on behalf of the Company. However, the agreements specifically exclude any restitution of costs if the proceedings concerned constitute a breach of the duty of care owed in conjunction with section 93, paragraph 2, AktG.

#### Management Board compensation in the 2016 fiscal year in accordance with the German Corporate Governance Code

The DCGK recommends that the individual compensation components of each member of the Management Board be disclosed in accordance with specified criteria. It also recommends that disclosure is based on the model tables – in part diverging from DRS 17 – provided in the appendix to the Code.

#### Compensation granted in accordance with DCGK

The following table shows the value of compensation granted for the 2015 and 2016 fiscal years, including fringe benefits, as well as the minimum and maximum values that can be achieved for the 2016 fiscal year.

Unlike in the disclosures in accordance with DRS 17, the STI is required to be disclosed pursuant to the DCGK at the target value (i.e. the value in the event of 100 percent target achievement). The MTI is required to be disclosed – in a deviation from DRS 17 – at the target value for an “average probability scenario” at the grant date. For these purposes, Infineon assumes 100 percent target achievement. In addition, the pension expense, i.e. the service cost pursuant to IAS 19 (see “Commitments to members of the Management Board upon termination of their Board activities” in this chapter), is also required to be included in the amount of total compensation disclosed in accordance with the DCGK.

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Compensation granted to members of the Management Board in accordance with the DCGK (total compensation and compensation components) as well as the minimum and maximum values that can be achieved are shown in the following table:

in €	Dr. Reinhard Ploss Chief Executive Officer				Dominik Asam Chief Financial Officer			
	2016	2015	2016 (min.)	2016 (max.)	2016	2015	2016 (min.)	2016 (max.)
<b>Fixed compensation</b>								
Basic annual salary	1,075,000	1,075,000	1,075,000	1,075,000	750,000	750,000	750,000	750,000
Fringe benefits	35,724	35,909	35,724	35,724	41,185	41,368	41,185	41,185
<b>Total fixed compensation</b>	<b>1,110,724</b>	<b>1,110,909</b>	<b>1,110,724</b>	<b>1,110,724</b>	<b>791,185</b>	<b>791,368</b>	<b>791,185</b>	<b>791,185</b>
<b>Variable compensation</b>								
Single-year variable compensation (STI)	480,000	480,000	-	1,200,000	340,000	340,000	-	850,000
Multi-year variable compensation								
Mid Term Incentive (MTI)								
2015 – 2017 tranche	-	480,000	-	-	-	340,000	-	-
2016 – 2018 tranche	480,000	-	-	960,000	340,000	-	-	680,000
Long Term Incentive (LTI)								
Performance Share Plan <sup>1</sup>	244,367	228,277	122,183	912,500	164,024	153,225	82,012	612,500
<b>Total variable compensation</b>	<b>1,204,367</b>	<b>1,188,277</b>	<b>122,183</b>	<b>3,072,500</b>	<b>844,024</b>	<b>833,225</b>	<b>82,012</b>	<b>2,142,500</b>
Pension expense	-	219,796	-	-	271,061	272,721	271,061	271,061
<b>Total compensation (DCGK)</b>	<b>2,315,091</b>	<b>2,518,982</b>	<b>1,232,907</b>	<b>4,183,224</b>	<b>1,906,270</b>	<b>1,897,314</b>	<b>1,144,258</b>	<b>3,204,746</b>

1 The figures of the active members of the Management Board in the 2016 fiscal year are based on a fair market value per performance share amounting to €7.07 (2015: €5.31), which was calculated using a Monte-Carlo simulation.

2 With effect from July 1, 2016 Dr. Helmut Gassel was appointed Member of the Management Board and Chief Marketing Officer. He is responsible for Sales & Marketing, Regions, Strategy Development, Mergers & Acquisitions and Intellectual Property. Due to current actuarial assumptions past service costs for Dr. Gassel amounting to €1,981,124 have been recorded in the 2016 fiscal year in accordance with IAS 19.

3 With effect from July 1, 2016 Jochen Hanebeck was appointed to the Management Board with responsibility for Operations. Due to current actuarial assumptions past service costs for Mr. Hanebeck amounting to €2,326,793 have been recorded in the 2016 fiscal year in accordance with IAS 19.

4 With effect from June 30, 2016 Arunjai Mittal resigned from the Management Board, his employment ended with effect from September 30, 2016. With relation to his pension expense, in accordance with his contract of employment Mr. Mittal is treated as if he had remained a member of the Management Board until September 30, 2016.

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For information regarding the compensation paid to Mr. Mittal after termination of his Board activities (i.e. for the months July to September 2016), see “Management Board compensation in the 2016 fiscal year in accordance with German Accounting Standard 17 (DRS 17)” in this chapter.



Dr. Helmut Gassel <sup>2</sup> Member of the Management Board				Jochen Hanebeck <sup>3</sup> Member of the Management Board				Arunjai Mittal <sup>4</sup> Member of the Management Board			
2016	2015	2016 (min.)	2016 (max.)	2016	2015	2016 (min.)	2016 (max.)	2016	2015	2016 (min.)	2016 (max.)
171,250	-	171,250	171,250	171,250	-	171,250	171,250	562,500	750,000	562,500	562,500
8,714	-	8,714	8,714	7,697	-	7,697	7,697	26,962	29,445	26,962	26,962
<b>179,964</b>	-	<b>179,964</b>	<b>179,964</b>	<b>178,947</b>	-	<b>178,947</b>	<b>178,947</b>	<b>589,462</b>	<b>779,445</b>	<b>589,462</b>	<b>589,462</b>
77,000	-	-	192,500	77,000	-	-	192,500	340,000	340,000	-	850,000
-	-	-	-	-	-	-	-	-	340,000	-	-
231,000	-	-	462,000	231,000	-	-	462,000	340,000	-	-	680,000
-	-	-	-	-	-	-	-	-	153,225	-	-
<b>308,000</b>	-	-	<b>654,500</b>	<b>308,000</b>	-	-	<b>654,500</b>	<b>680,000</b>	<b>833,225</b>	-	<b>1,530,000</b>
25,458	-	25,458	25,458	29,321	-	29,321	29,321	241,677	241,183	241,677	241,677
<b>513,422</b>	-	<b>205,422</b>	<b>859,922</b>	<b>516,268</b>	-	<b>208,268</b>	<b>862,768</b>	<b>1,511,139</b>	<b>1,853,853</b>	<b>831,139</b>	<b>2,361,139</b>

### Allocation amount in accordance with DCGK

Since compensation granted to members of the Management Board for the 2016 fiscal year does not always coincide with amounts disbursed in a particular fiscal year, a separate table is presented – in accordance with the relevant DCGK recommendation – showing the amounts flowing to members of the Management Board for the 2016 fiscal year (the “allocation amount” (“Zufluss”)).

In line with the DCGK recommendations, the fixed compensation and the STI are required to be disclosed as the allocation amount for the relevant fiscal year concerned. In the case of the MTI, the DCGK recommends that this is disclosed as flowing to members of the Management Board in the fiscal year in which the plan term of the relevant MTI tranche ends. In this sense, in addition to the fixed compensation and the STI granted for the 2016 fiscal year, the allocation amount for the 2014–2016 MTI tranche also flowed to the members of the Management Board in the 2016 fiscal year. In accordance with the DCGK, share-based payments are deemed to be allocated on the basis of the relevant time and value for German tax law purposes. In line with the DCGK recommendations, the pension expense meaning the service cost pursuant to IAS 19 constitutes the allocation amount (see previous table), even though it is not – strictly speaking – an allocation.



The total compensation allocated to the individual members of the Management Board for the 2016 fiscal year in accordance with DCGK – analyzed by component – is shown in the following table:

in €	Dr. Reinhard Ploss Chief Executive Officer		Dominik Asam Chief Financial Officer		Dr. Helmut Gassel <sup>1</sup> Member of the Management Board		Jochen Hanebeck <sup>2</sup> Member of the Management Board		Arunjai Mittal <sup>3</sup> Member of the Management Board	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Fixed compensation</b>										
Basic annual salary	1,075,000	1,075,000	750,000	750,000	171,250	-	171,250	-	562,500	750,000
Fringe benefits	35,724	35,909	41,185	41,368	8,714	-	7,697	-	26,962	29,445
<b>Total fixed compensation</b>	<b>1,110,724</b>	<b>1,110,909</b>	<b>791,185</b>	<b>791,368</b>	<b>179,964</b>	<b>-</b>	<b>178,947</b>	<b>-</b>	<b>589,462</b>	<b>779,445</b>
<b>Variable compensation</b>										
Single-year variable compensation (STI)	474,720	831,840	336,260	589,220	76,153	-	76,153	-	336,260	589,220
Multi-year variable compensation										
Mid Term Incentive (MTI)										
Tranche 2013 – 2015	-	552,300	-	405,020	-	-	-	-	-	405,020
Tranche 2014 – 2016	706,080	-	507,792	-	-	-	-	-	507,792	-
Long Term Incentive (LTI)										
Stock Option Plan 2010	550,000	-	962,500	-	-	-	-	-	-	-
Performance Share Plan	-	-	-	-	-	-	-	-	-	-
<b>Total variable compensation</b>	<b>1,730,800</b>	<b>1,384,140</b>	<b>1,806,552</b>	<b>994,240</b>	<b>76,153</b>	<b>-</b>	<b>76,153</b>	<b>-</b>	<b>844,052</b>	<b>994,240</b>
Pension expense	-	219,796	271,061	272,721	25,458	-	29,321	-	241,677	241,183
<b>Total compensation (DCGK)</b>	<b>2,841,524</b>	<b>2,714,845</b>	<b>2,868,798</b>	<b>2,058,329</b>	<b>281,575</b>	<b>-</b>	<b>284,421</b>	<b>-</b>	<b>1,675,191</b>	<b>2,014,868</b>

- 1 With effect from July 1, 2016 Dr. Helmut Gassel was appointed Member of the Management Board and Chief Marketing Officer. He is responsible for Sales & Marketing, Regions, Strategy Development, Mergers & Acquisitions and Intellectual Property. Due to current actuarial assumptions past service costs for Dr. Gassel amounting to €1,981,124 have been recorded in the 2016 fiscal year in accordance with IAS 19.
- 2 With effect from July 1, 2016 Jochen Hanebeck was appointed to the Management Board with responsibility for Operations. Due to current actuarial assumptions past service costs for Mr. Hanebeck amounting to €2,326,793 have been recorded in the 2016 fiscal year in accordance with IAS 19.
- 3 With effect from June 30, 2016 Arunjai Mittal resigned from the Management Board, his service contract ended with effect from September 30, 2016. With relation to his pension expense, in accordance with his contract of employment Mr. Mittal is treated as if he had remained a member of the Management Board until September 30, 2016.

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For information regarding the compensation allocated to Mr. Mittal after termination of his Board activities (i.e. for the months July to September 2016), see “Management Board compensation in the 2016 fiscal year in accordance with German Accounting Standard 17 (DRS 17)” in this chapter.

### Commitments to members of the Management Board upon termination of their Board activities

#### Allowances and pension entitlements in the 2016 fiscal year

The members of the Management Board who were in their positions prior to the introduction of the new compensation system in 2010 are contractually entitled to a defined benefit pension payment; these entitlements were not affected by the new compensation system. In the 2016 fiscal year, this only relates to Dr. Ploss, who, under these arrangements, has an entitlement to an annual retirement benefit of €210,000. This entitlement is already vested, both contractually and under the applicable statutory provisions (for details of the review of pension entitlements of Dr. Ploss adopted by the Supervisory Board, see the end of this section).



In accordance with the compensation system in place since 2010, Mr. Asam, Dr. Gassel, Mr. Hanebeck and Mr. Mittal – all of whom took up office after the new system had been approved – have each received a defined contribution pension commitment (rather than a defined benefit pension commitment based on the number of years of service), which is essentially identical to the Infineon pension plan applicable to all employees. The Company has accordingly set up a personal pension account (basic account) for each beneficiary and makes annual pension contributions to it. The Company adds annual interest to the balance in the basic account using the highest statutory interest rates valid for the insurance industry (guaranteed interest rates) until disbursement of the pension begins and may also award surplus credits. Ninety-five percent of any income earned over and above the guaranteed interest rate is credited to the pension account, either at the date on which 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 the member of the Management Board or his or her surviving dependents in twelve annual installments, or, if so requested by the member of the Management Board, in eight annual installments, as a lump sum or as a life-long pension.

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

The plan rules applicable for Mr. Asam on the one hand and Dr. Gassel, Mr. Hanebeck and Mr. Mittal on the other differ in terms of the initial defined component, the annual transfer to the pension account, and the vesting period:

In addition to a one-time, contractually vested initial component of €540,000 paid as compensation for the loss of vested retirement pension entitlements in connection with the termination agreement with his previous employer, Mr. Asam will receive from the Company for each fiscal year of his membership on the Management Board a pension contribution amounting to between 25 and 40 percent, as determined by the Supervisory Board, of the relevant agreed basic annual salary, i.e. fixed compensation. As in the previous year, the pension contribution for Mr. Asam for the 2016 fiscal year has been set at 30 percent of his basic annual salary, which amounts to €225,000. The pension entitlements arising from the defined contributions made on behalf of Mr. Asam became vested with effect from December 31, 2013.

Dr. Gassel, Mr. Hanebeck and Mr. Mittal have statutorily vested pension entitlements dating from their previous periods of employment with Infineon. The contracts appointing them to the Board specifically state that the amounts made available to cover their vested pension entitlements represent a continuation of those vested entitlements (and are, therefore, not subject to any separate vesting arrangements). The Company makes a fixed annual pension contribution on behalf of Dr. Gassel, Mr. Hanebeck and Mr. Mittal for each full fiscal year of service on the Board, equivalent to 30 percent of the relevant agreed basic annual salary. The Supervisory Board is not required to decide each time on the amount to be contributed. Pension contributions for the 2016 fiscal year amounted to €225,000 for Mr. Mittal and €51,375 each for Dr. Gassel and Mr. Hanebeck (proportionate pension contribution for three months of Board activities).

The amounts credited to the pension entitlement accounts of Dr. Gassel, Mr. Hanebeck and Mr. Mittal – in line with the plan rules applied to Infineon employees – are paid out on or after reaching the age of 67, provided the service contract has also ended, or, upon request, at an earlier point in time if the service contract ends on or after reaching the age of 60. If the beneficiaries elect that their pension be paid out in monthly installments, the pension amount is adjusted automatically each year in accordance with the Infineon pension plan.



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In conjunction with its review of the Management Board compensation system and the compensation of individual members of the Management Board (for details of the review, see “Review of Management Board compensation and individual contracts”), the Supervisory Board passed a resolution to bring the existing pension plan for Dr. Ploss into line with changed circumstances. The previous fixed amount arrangement did not reflect current circumstances, in particular the fact that Dr. Ploss’ appointment as Chief Executive Officer runs until 2020. The Supervisory Board’s recognition of the need to take action was confirmed in the report drawn up by the external compensation expert. Under the new arrangements, Dr. Ploss receives a defined contribution pension commitment for the period from January 2016 onwards, similar to the arrangements already in place for the other members of the Management Board and essentially identical to the Infineon pension plan applicable to all employees. In the case of Dr. Ploss, the fixed contribution amount has been set at 30 percent of his agreed basic annual salary.

Alongside the annual retirement entitlements and related benefit amounts, the following table shows the present values of pension entitlements earned to date and the service cost in accordance with IFRS. As Dr. Ploss’s pension entitlement is already fully vested, no service cost arises for the 2016 fiscal year. The service cost reported in the table for Dr. Gassel, Mr. Hanebeck and Mr. Mittal only relates to periods of current Board activities. The present value of pensions and benefit entitlements also depends on changes in the discount rates that are required to be applied (September 30, 2016: 1.0 percent; September 30, 2015: 2.4 percent).

### Pension entitlements

in €	Fiscal year	Pension entitlements (annual) as of beginning of pension period	Benefit amounts determined for the relevant fiscal year	Present value of pension and benefit entitlement	Original service cost (earned in the current year)
Member of the Management Board					
Dr. Reinhard Ploss (Chief Executive Officer)	2016	210,000	–	6,832,791	–
	2015	205,000	–	5,634,266	219,796
Dominik Asam (Chief Financial Officer)	2016	–	225,000	2,558,440	271,061
	2015	–	225,000	2,163,812	272,721
Dr. Helmut Gassel <sup>1</sup> (Member of the Management Board)	2016	–	51,375	2,780,620	25,458
	2015	–	–	–	–
Jochen Hanebeck <sup>2</sup> (Member of the Management Board)	2016	–	51,375	3,540,697	29,321
	2015	–	–	–	–
Arunjai Mittal <sup>3</sup> (Member of the Management Board)	2016	–	225,000	2,511,117	241,677
	2015	–	225,000	3,322,550	241,183
<b>Total</b>	2016	210,000	552,750	18,223,665	567,517
	2015	205,000	450,000	11,120,628	733,700

<sup>1</sup> With effect from July 1, 2016 Dr. Helmut Gassel was appointed Member of the Management Board and Chief Marketing Officer. He is responsible for Sales & Marketing, Regions, Strategy Development, Mergers & Acquisitions and Intellectual Property. Due to current actuarial assumptions past service costs for Dr. Gassel amounting to €1,981,124 have been recorded in the 2016 fiscal year in accordance with IAS 19.

<sup>2</sup> With effect from July 1, 2016 Jochen Hanebeck was appointed to the Management Board with responsibility for Operations. Due to current actuarial assumptions past service costs for Mr. Hanebeck amounting to €2,326,793 have been recorded in the 2016 fiscal year in accordance with IAS 19.

<sup>3</sup> With effect from June 30, 2016 Arunjai Mittal resigned from the Management Board, his employment ended with effect from September 30, 2016. With relation to his pension provisions, in accordance with his contract of employment Mr. Mittal is treated as if he had remained a member of the Management Board until September 30, 2016.

### Early termination of service contracts

The service contracts of members of the Management Board include a change of control clause, which stipulates the terms that apply when the activities of a member of the Management Board are terminated in the event of a significant change in Infineon’s ownership structure. A change of control for the purposes of this clause occurs when a third party, individually or together with another party, acquires at least 50 percent 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 12 months of the announcement of such a change of control and any who choose to do so are entitled to continued payment of their annual remuneration up to the end of the originally agreed duration of their contract, up to a maximum of 36 months. If Infineon Technologies AG removes



a member of the Management Board or terminates his or her contract within 12 months of the announcement of a change of control, the members of the Management Board concerned are entitled to continued payment of their annual remuneration to the end of the originally agreed duration of their contract, subject to a minimum period of 24 months and a maximum period of 36 months.

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

### Benefits to members of the Management Board who left office during the 2016 fiscal year

In accordance with a mutual agreement reached with the Supervisory Board, Mr. Mittal resigned as member of the Management Board effective June 30, 2016, with his service contract coming to an end effective September 30, 2016. In the period between the resignation date and definitively leaving office at the end of the 2016 fiscal year, Mr. Mittal continued to serve the Company on a similar scale to his previous workload, in order to facilitate the transfer of duties and allow his successor to familiarize himself with the job. Accordingly, Mr. Mittal continued to receive employment benefits in accordance with his service contract until September 30, 2016. In addition, Mr. Mittal was allowed to keep the performance shares allocated to him prior to October 1, 2015, despite his resignation from the Management Board. At the same time, Mr. Mittal has given a commitment – for the period of one year following the termination of his contract i.e. until September 30, 2017 – not to work for any of Infineon's major competitors. In accordance with the contract termination agreement concluded with Mr. Mittal, the Company is not required to pay any compensation for this post-contractual non-competition clause.

For information regarding the compensation paid to Mr. Mittal after termination of his Board activities (i.e. for the months July to September 2016), see “Management Board compensation in the 2016 fiscal year in accordance with German Accounting Standard 17 (DRS 17)” in this chapter.

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### Payments to former members of the Management Board in the 2016 fiscal year

Former members of the Management Board received total payments of €1,200,241 (primarily pension benefits) in the 2016 fiscal year (2015: €1,124,622). As of September 30, 2016, accrued pension liabilities for former members of the Management Board amounted to €77,037,350 (2015: €60,212,071).

### Review of the Management Board compensation system and individual contracts

In accordance with section 4.2.2 DCGK, the Supervisory Board engaged an external, independent compensation expert during the 2016 fiscal year to review the Management Board compensation system in place since October 1, 2010 and conclude on its compliance with applicable legislation and overall appropriateness. In this context, the target annual incomes of each individual member of the Management Board were subjected to detailed scrutiny. The review came to the conclusion that the Company's compensation system complies with both the legal requirements and the recommendations set out in the German Corporate Governance Code (DCGK). In particular, it was deemed that the compensation of Infineon's Management Board is commensurate with market conditions and that the variable compensation component is oriented towards the sustainable growth of the enterprise. Furthermore, the individual target annual incomes of the members of the Management Board are appropriate, both horizontally (i.e. looking at comparable companies) and vertically (i.e. looking at Infineon's various employee groupings). The compensation expert did, however, point out the existence of some scope for maneuverability with regard to the target annual incomes and pension arrangements. The results of the compensation expert's review, presented in a final report in the fall 2016, were discussed in detail during the Executive Committee meeting held on October 24, 2016 and by the full Supervisory Board on November 15, 2016. The Supervisory Board concurred with the conclusions reached by the compensation expert. It therefore passed a resolution to change the pension arrangements in place for Dr. Ploss for the period from January 2016 onwards to a defined contribution basis (for details, see “Allowances and pension entitlements in the 2016 fiscal year” in this chapter).

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## Supervisory Board compensation

### Compensation structure

The Supervisory Board compensation system was subject to a thorough review by an independent expert in the 2016 fiscal year and amended with (retrospective) effect from October 1, 2015, in line with a proposal put forward by the Management Board and Supervisory Board to the Annual General Meeting on February 18, 2016. The objective of the amendment was to remove the previous variable compensation component and structure Supervisory Board compensation in future in compliance with the recommendations of the DCGK. Due to the removal of the variable compensation component, the fixed compensation component was simultaneously increased to a commensurate market level. Shareholders approved the proposals put forward by the Management Board and Supervisory Board to the 2016 Annual General Meeting with a large majority.

The compensation due to the Supervisory Board in each fiscal year (total compensation) is governed by section 11 of the Company's Articles of Association and comprises the following:

- › A **fixed compensation (basic remuneration)** of €90,000. This amount applies to each member of the Supervisory Board and is payable within one month of the close of the fiscal year.
- › An **allowance** recognizing the additional work involved in performing certain functions within the Supervisory Board: The Chairman of the Supervisory Board receives an allowance of €90,000, each Vice-chairman receives an allowance of €30,000, the Chairman of the Investment, Finance and Audit Committee and the Chairman of the Strategy and Technology Committee each receive an allowance of €25,000 and each member of a Supervisory Board committee receives an allowance of €15,000 – with the exception of the Nomination Committee and the Mediation Committee. The additional allowance is payable only if the body to which the Supervisory Board or committee member belongs has convened or passed resolutions in the fiscal year concerned. A member of the Supervisory Board performing more than one of the functions indicated receives only the highest single additional allowance payable to a member performing the functions concerned. The allowance is paid to the relevant holder of office within one month of the end of the fiscal year.
- › A meeting attendance fee of €2,000 per meeting of the Supervisory Board or one of its committees that is attended in person. The meeting attendance fee is paid only once if more than one meeting is held on a given day.

In the event that a member, during a fiscal year, joins (or leaves) the Supervisory Board or one of its committees, or takes on a Supervisory Board function for which an allowance is paid, the relevant compensation components are disbursed on a pro-rata basis (payment of one twelfth of the relevant annual compensation component for each (started) month of membership or exercise of function).

Members of the Supervisory Board, moreover, are reimbursed for all expenses incurred in connection with the performance of their Supervisory Board duties and for any value-added tax payable by them in this connection. The Company also pays any value-added tax incurred on the total remuneration (including meeting attendance fees) of members of the Supervisory Board.



### Compensation of the Supervisory Board for the 2016 fiscal year

The total compensation (including meeting attendance fees) paid to the individual members of the Supervisory Board in the 2016 fiscal year comprises the following (these figures do not include value-added tax at 19 percent):

#### Supervisory Board compensation

in €	Fiscal year	Fixed compensation	Variable compensation <sup>1</sup>	Allowance for specific functions	Meeting attendance fees	Total compensation
<b>Member of the Supervisory Board</b>						
Peter Bauer <sup>2</sup>	<b>2016</b>	<b>90,000</b>	-	<b>10,417</b>	<b>16,000</b>	<b>116,417</b>
	2015	33,333	13,000	-	8,000	54,333
Wigand Cramer <sup>3</sup>	<b>2016</b>	-	-	-	-	-
	2015	20,833	8,125	6,250	10,000	45,208
Johann Dechant <sup>2</sup>	<b>2016</b>	<b>90,000</b>	-	<b>30,000</b>	<b>30,000</b>	<b>150,000</b>
	2015	33,333	13,000	25,000	14,000	85,333
Dr. Herbert Diess <sup>2</sup>	<b>2016</b>	<b>90,000</b>	-	-	<b>14,000</b>	<b>104,000</b>
	2015	33,333	13,000	-	8,000	54,333
Annette Engelfried <sup>2</sup>	<b>2016</b>	<b>90,000</b>	-	<b>15,000</b>	<b>20,000</b>	<b>125,000</b>
	2015	33,333	13,000	10,000	12,000	68,333
Reinhard Gottinger <sup>3</sup>	<b>2016</b>	-	-	-	-	-
	2015	20,833	8,125	6,250	4,000	39,208
Peter Gruber	<b>2016</b>	<b>90,000</b>	-	<b>15,000</b>	<b>22,000</b>	<b>127,000</b>
	2015	50,000	19,500	15,000	16,000	100,500
Gerhard Hobbach	<b>2016</b>	<b>90,000</b>	-	<b>15,000</b>	<b>24,000</b>	<b>129,000</b>
	2015	50,000	19,500	15,000	16,000	100,500
Hans-Ulrich Holdenried	<b>2016</b>	<b>90,000</b>	-	<b>15,000</b>	<b>28,000</b>	<b>133,000</b>
	2015	50,000	19,500	15,000	20,000	104,500
Prof. Dr. Renate Köcher	<b>2016</b>	<b>90,000</b>	-	-	<b>12,000</b>	<b>102,000</b>
	2015	50,000	19,500	-	12,000	81,500
Dr. Susanne Lachenmann <sup>2</sup>	<b>2016</b>	<b>90,000</b>	-	<b>15,000</b>	<b>22,000</b>	<b>127,000</b>
	2015	33,333	13,000	10,000	10,000	66,333
Wolfgang Mayrhuber	<b>2016</b>	<b>90,000</b>	-	<b>90,000</b>	<b>34,000</b>	<b>214,000</b>
	2015	50,000	19,500	50,000	28,000	147,500
Dr. Manfred Puffer	<b>2016</b>	<b>90,000</b>	-	-	<b>14,000</b>	<b>104,000</b>
	2015	50,000	19,500	-	14,000	83,500
Gerd Schmidt <sup>3</sup>	<b>2016</b>	-	-	-	-	-
	2015	20,833	8,125	15,625	10,000	54,583
Prof. Dr. Doris Schmitt-Landsiedel	<b>2016</b>	<b>90,000</b>	-	<b>16,667</b>	<b>22,000</b>	<b>128,667</b>
	2015	50,000	19,500	25,000	16,000	110,500
Jürgen Scholz	<b>2016</b>	<b>90,000</b>	-	<b>15,000</b>	<b>22,000</b>	<b>127,000</b>
	2015	50,000	19,500	15,000	16,000	100,500
Kerstin Schulzendorf <sup>2</sup>	<b>2016</b>	<b>90,000</b>	-	-	<b>10,000</b>	<b>100,000</b>
	2015	33,333	13,000	-	8,000	54,333
Dr. Eckart Süner	<b>2016</b>	<b>90,000</b>	-	<b>25,000</b>	<b>24,000</b>	<b>139,000</b>
	2015	50,000	19,500	25,000	18,000	112,500
Diana Vitale <sup>2</sup>	<b>2016</b>	<b>90,000</b>	-	-	<b>16,000</b>	<b>106,000</b>
	2015	33,333	13,000	-	8,000	54,333
<b>Total</b>	<b>2016</b>	<b>1,440,000</b>	-	<b>262,084</b>	<b>330,000</b>	<b>2,032,084</b>
	2015	745,830	290,875	233,125	248,000	1,517,830

1 Based on earnings per share (undiluted) from continuing operations of €0.55 in the 2015 fiscal year. The Supervisory Board compensation was restructured with effect from October 1, 2015 from which date a variable compensation component was no longer awarded.

2 For members of the Supervisory Board who joined since February 12, 2015, the compensation was awarded on a pro-rata basis.

3 For members of the Supervisory Board serving up until February 12, 2015, the compensation was awarded on a pro-rata basis.





Members of the Supervisory Board did not receive any loans from Infineon in either the 2016 or 2015 fiscal years.

#### Other matters

The company signed a contract on August 25, 2015 with the Technische Universität München relating to the provision of research and development services, to be performed primarily within the remit of the Chair of Professor Schmitt-Landsiedel. The Supervisory Board therefore approved the contract as a precautionary measure on August 4, 2015. In accordance with this contract the first rate of €50,000 was paid to the Technische Universität München in the 2016 fiscal year.

Neubiberg, November 22, 2016

Management Board

Dr. Reinhard Ploss

Dominik Asam

Dr. Helmut Gassel

Jochen Hanebeck