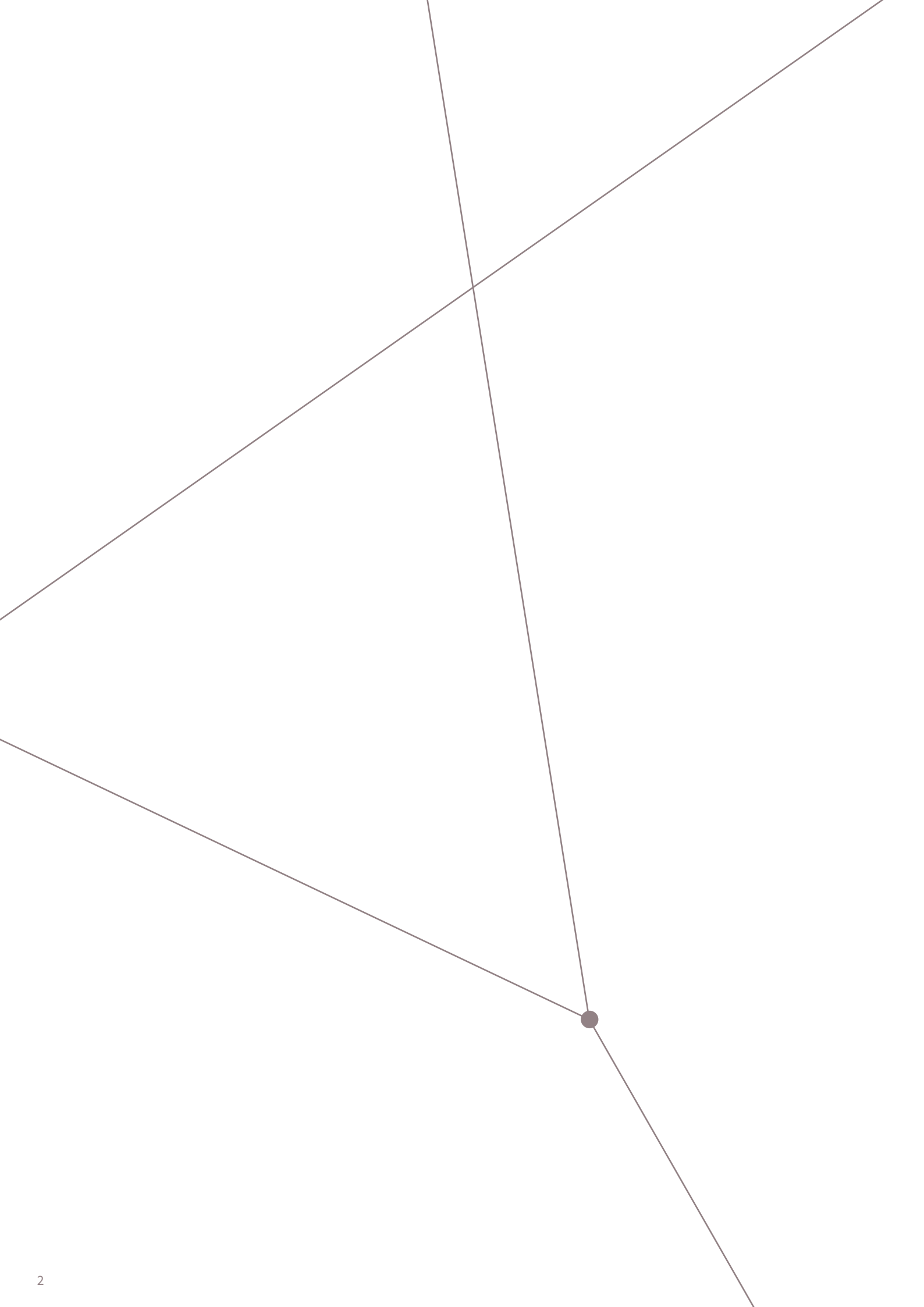


Handling of gifts and invitations



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Scope

This rule has been released pursuant to the rule A.1 “Creation and management of Regulations” and applies to all employees and members of the representative bodies of all Infineon companies worldwide.

Rule content

I. Basic provisions for gifts and invitations

Goal of the rule
When dealing with business partners and public authorities employees may only grant or accept benefits if this under no way creates an impression of influencing the business processes. The appearance of corruption must be avoided in all circumstances.
Private and commercial interests have to be kept entirely separated.
For this purpose, the following principles should provide guidance in everyday business.

Principles
The provision or acceptance of any gift or invitation must always comply with Infineon’s internal rules and applicable local laws.
However, for the protection of the individual employee and the company, certain situations require prior approval of the Regional Compliance Officer or any other person authorized by him. The approval is obtained via the Compliance Approval Tool (COAT).
The following criteria have to be observed:

Thresholds
Gifts or invitations with entertainment character which are above the local benchmark (e.g. Germany €50) must be approved by the Regional Compliance Officer via COAT.

Public officials
Invitations or gifts to public officials bear a higher risk. If the value of the invitation or gift is above the locally defined threshold (e.g. Germany €25), the approval of the Regional Compliance Officer via COAT is necessary.

Spouse and partners
The accompaniment of the partner is possible only in a few exceptional cases and must be approved by the Regional Compliance Officer via COAT.

Appropriateness
Gifts or invitations must comply with local customs. Lavishness must be avoided in all cases.

Decisions
During periods of impending business decisions, granting or accepting any gift or invitation should be avoided.

Frequency
Providing or accepting gifts or invitations must be limited to sporadic cases (except as otherwise stated under III.A.5).

Gifts and invitations - overview



II. Gifts

A. Business partners

Gifts must be easily identifiable as gifts (company logo, greeting card accompanying the gift etc.). Advertising and courtesy gifts of small value (limit for Germany: €50 max., for other countries according to the local rules) are allowed without permission.

Gifts with a higher value need prior approval by the Regional Compliance Office. In case a gift received by an Infineon employee is inappropriate according to this Global Rule but cannot be rejected by reason of courtesy, the gift is – according to prior agreement with the Regional Compliance Officer – to be donated to charitable purposes or shared within the company or department.

As a general rule, monetary gifts of any kind (cash, money transfers, unauthorized credits, etc.) are prohibited. Subject to approval of the Regional Compliance Officer, local guidelines may allow appropriate monetary gifts in countries in which such gifts are customary as a matter of courtesy on certain occasions.

Personal benefits (e.g. vacation trips, services) as well as indirect benefits to family members or persons otherwise closely related are prohibited.

B. Public officials

Giving gifts to public officials or to individuals or organizations performing public tasks bears a high risk. Bribing a public official is a crime and will be prosecuted under all jurisdictions. Therefore, as a general rule, gifts to public officials are prohibited. Conference documents, relevant related material and low-value giveaways are generally permitted. Please note that in some jurisdictions, namely in the USA, even small gifts might be inacceptable.

In countries in which, to a certain extent, gifts are legally admissible and customary as a matter of courtesy on special occasions, such gifts may be acceptable in exceptional cases and must be easily identifiable as gifts (company logo, greeting card accompanying the gift etc.). Such exceptions require approval of the Regional Compliance Officer.

The definition of a “public official” may differ from country to country. If you are unsure whether or not an individual is a public official, please ask your Regional Compliance Officer.

Gifts from public officials may be accepted if and where legally admissible and customary according to local rules. They can be handled like gifts from business partners (II.A).

III. Invitations

A. Business partners

1. Meals
Generally, business meal invitations which are appropriate, of reasonable value, in line with usual social behaviour and courtesy, and do not create any appearance of bad faith or impropriety in the mind of the recipient, do not need approval by the Regional Compliance Officer. The Regional Compliance Office or local management may provide an orientation value as guidance to what "of reasonable value" means in the local context (e.g. in Germany ≤ €50 p.p.).

2. Entertainment
Generally, invitations to entertainment events have to be approved by the Regional Compliance Officer. Where admissible under local laws and in line with local common practice among business partners, invitations to entertainment events below the locally recommended orientation value (in Germany ≤ €50 p.p.) may, if attended jointly, be extended and/or accepted without approval by the Regional Compliance Officer needed.

3. Spouses and partners
Invitations from or to Business Partners must not include spouses or partners. Exceptions can be made if the event typically is attended in the company of spouses or partners (e.g. dinner with dance, visit to the opera). In any case, the prior approval of the Regional Compliance Officer is required.

4. High-value invitations
Extending or accepting invitations to expensive events with a value significantly higher than the local orientation value is permissible and can be approved by the Regional Compliance Officer under the following conditions:

- The invitation involves Infineon's local top management employees.
- The Code of Ethics of the business partner substantially correlates with Infineon's Business Conduct Guidelines.
- To safeguard transparency, invitations must at least be issued by e-mail bearing the official Infineon e-mail address or by regular letter bearing the company letterhead and be sent to the business address and never to the home address of the addressee.
- The inviting person - or another employee equally representing the inviting person - also attends the event.
- The travel / accommodation costs are borne by the invitee – unless the invitation including travel & accommodation costs is a fair return for a performance of the invitee, e.g. as a speaker.
- The Regional Compliance Officer shall, if and to the extent appropriate according to local customs, request a confirmation that the invitation is consistent with the compliance rules of the invitee or the inviting party.

5. Frequency
As a general rule, evidently frequent invitations must be avoided. In certain countries, more frequent than sporadic invitations may be customary and legally permitted. With the Regional Compliance Officer's approval, such invitations may be extended or accepted in the applicable country.

B. Public Officials

Invitations to meals or entertainment events to public officials bear a high legal risk and, as a general rule, should be avoided. Nevertheless, in some cases extending an invitation to a public official may be desirable as an act of courtesy and legally acceptable, if the following rules are observed (in addition to the rules concerning invitations to business partners as set out above):

- No Regional Compliance Officer approval is necessary for subject-related invitations to an ordinary restaurant or to the cafeteria or casino of Infineon The value of a provided meal is not to exceed the critical threshold as applicable under local rules (e.g. in Germany, €25). In some jurisdictions, namely in the USA, even simple invitations and refreshments may not be permitted for public officials.
- No upmarket restaurant and no entertainment invitations (e.g. sporting events, opera visits, cooking events etc.). If inevitable, an invitation letter or e-mail is required containing the following:
  - Infineon's letterhead or e-mail address, to be addressed to the respective office address (not to the official's private address),
  - a concrete description of the nature and scope of the invitation, especially if the event is not of a purely professional nature,
  - Disclaimer: "The invitation is subject to you obtaining permission by your superior to participate".
- Where required by local laws, the invitee shall reply to IFX' invitation in writing and include the following declaration:
  - "I hereby certify that participation at the event [Location, Date] was approved by my superior". Alternatively, an explicit employer permission can be used.
- No invitations for pure maintenance of good relationship, with the sole exception of non-frequent occasions in countries in which such invitations are commonly accepted as a matter of courtesy and in which laws permit such practice. The management boards of Infineon may extend occasional invitations to a greater number of public officials (among other guests) for mere representation purposes (e.g. company anniversary) upon prior approval by the responsible Regional Compliance Officer.
- Invitations from or to Public Officials should not include spouses or partners. Exceptions can be made if the event is typically attended in the company of spouses or partners (e.g. dinner with dance, visit to the opera). In any case, the prior approval of the Regional Compliance Officer is required.
- No absorption of travel expenses and accommodation costs by IFX unless travel & accommodation costs are a fair return for a performance of the invitee, e.g. as a speaker.

Invitations from public officials may be accepted if and where legally admissible and customary according to local rules. They can be handled like invitations from business partners (III.A).

IV. Lavishness

Extravagant and lavish gifts and invitations must not be offered, extended, made or accepted and are not approvable.

V. Taxation

Additional requirements may result from local tax laws. Please contact the responsible department.

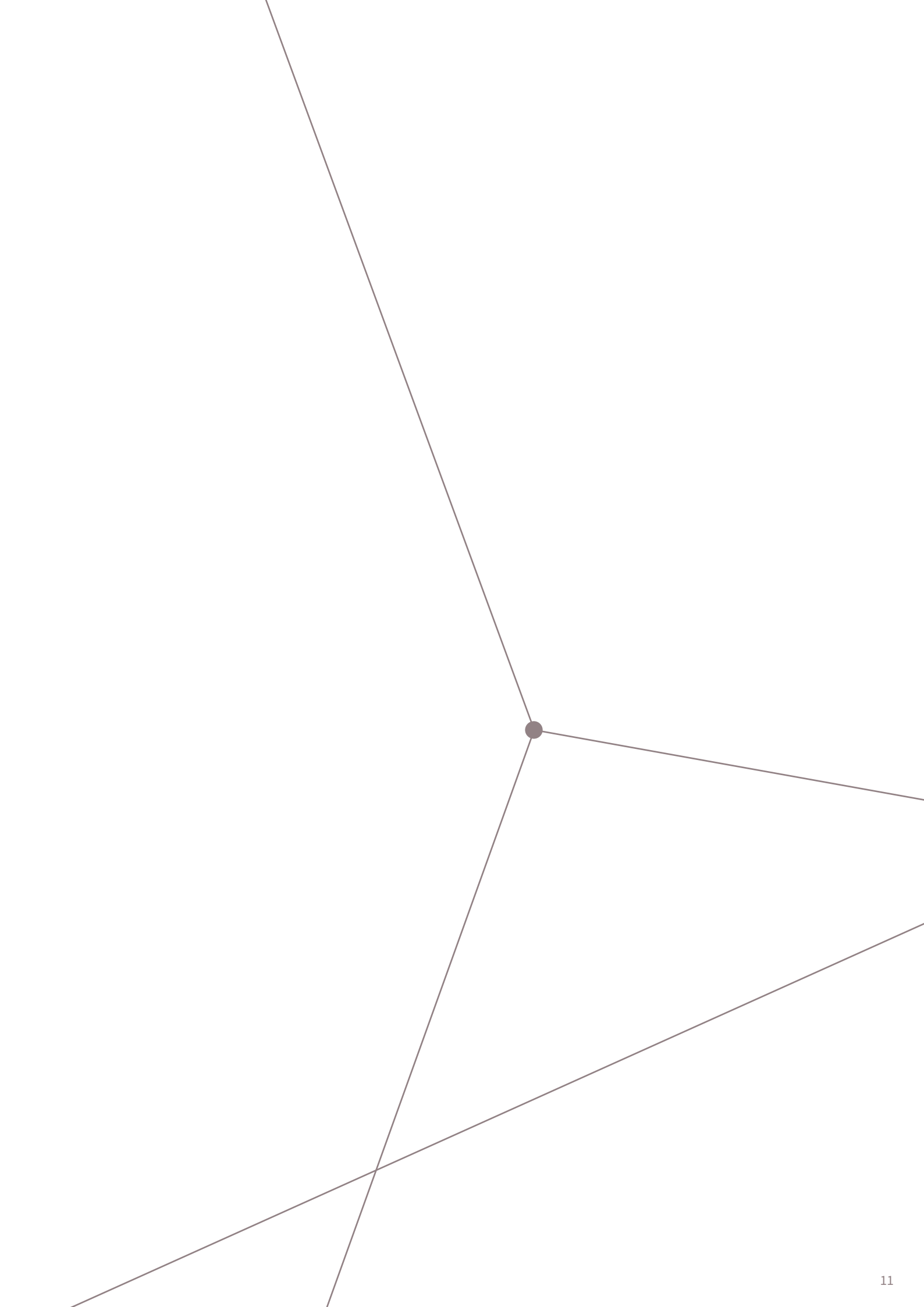
VI. Honoraria[1]

Honoraria do not fall within the scope of this Global Rule. Approval for honoraria should be sought from local site management and not under the Compliance Approval Tool (COAT).

[1] An honorarium is an ex gratia payment made to a person for services for which fees are not traditionally paid (e.g, payments/gifts to a guest speaker at a conference).

Proof of evidence

As mentioned in I.: For each approval, the intranet Compliance Approval Tool for Invitations or other Benefits (COAT) must be used. All requests are documented in this database and will be reported to the Board and supervisory Board on a regular base.



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