

WORKING PRACTICES/CODE OF CONDUCT

Infineon Technologies Dresden GmbH

Dresden, September 2009

1. Fundamental Ideas

The tasks of the company requires close, intelligent cooperation by all employees, independent from their working tasks and functions.

Each employee is to be assigned a task corresponding to their capabilities and accomplishments. The employee is obligated to perform the work assigned to them and to complete their work to the best of their ability. Management rewards the success and commitment of it's employees by a standard income related to performance. Promotion of employees through educational measures is of particular concern to the company.

The conduct of employees must not affect the reputation of the company nor disturb the industrial harmony.

2. Placement and Promotion of Employees

Each supervisor is responsible for the tasks assigned to them. This includes responsibility for those employees he/she supervises. The goal of a supervisor is to utilize each employee in such a way as to achieve mutually optimal results. Supervisors should give their employees the necessary guidance and advice, and if appropriate, discipline.

A crucial task for each supervisor is to promote their employees. Every supervisor should win the respect of their employees by setting a good example in terms of conduct and work ethic.

3. Principles of Teamwork

Willingness to work in a team and provide mutual support is expected from all employees.

This implies that if any employee is experiencing difficulties they can request help from their supervisors to find a solution, before taking up work from an outside company. The human resources department is available to assist you.

4. Placement

Employees are appointed by management leadership or an authorized department in accordance with legal operating regulations. To be eligible for employment, a job application form must be filled out and submitted, along with the necessary work papers (permit), to the human resources department. Certificates must be produced upon request for inspection or photocopying of the original.
People with serious physical disabilities, and recipients of injury or disability benefits must produce evidence of their pension right or corresponding documentation.

5. Examination by Company Physician

Suitability for work, in terms of health and related occupation, will be established during a physical exam with the company physician.

6. Written Form

The contract of employment must be established in writing.

7. Trial Period

Employment is generally permanent, but as a rule there is a 6 month trial period.

8. Temporary Employment

Employment is for a certain length of time or is contractually stipulated as a temporary position.

Unless specified otherwise, a temporary contract of employment will be terminated no later than after 3 months, unless it is converted into a permanent contract of employment. In special cases this can be extended.

9. Company ID

Each employee receives a company identification card which must be made visible at all times.

10. Health Insurance

Each employee who is eligible for health insurance will belong to the company health insurance plan, unless they can prove that they already belong to an accredited health insurance.

11. Assignment to Another Work Station

Unlike what is specified in the work contract, employees are obligated to perform different work so long as it is reasonable, for up to a period of one month, inasmuch as the circumstances at work require. The employee will not suffer a reduction in salary.

12. Transfer

Transfer to another reasonable and equivalent work station is permissible.

13. Duty to Report Changes in Personal Circumstances

The relevant human resource department must be notified of any significant changes affecting the contract of employment so that adjustments can be made accordingly.

Examples of changes which must be notified:-

- Change of accommodations
- Change in marital status
- Change of name
- Change in citizenship
- Enlistment for activities such as military service, alternative military service or service in the civil defense corps
- Acceptance of official office
- Facts which justify, amend or lift special rights/privileges, for example, Maternity Leave Act, Protection Act or the Severely Handicapped Persons Act.
- Acknowledgement of statutory benefits/pensions or social/state pension payments received
- • Changes with regard to membership of the health insurance plan.

Employees who fail to give notification of the required information or who give incorrect information, must bear the consequences of such actions.

14. Work Hours/Schedule

The start and finish of the daily hours of work, including breaks and shift work, are fixed in proportion to the companies requirements as well as by corresponding statutory provisions. Under urgent circumstances, the company is entitled to change the individual working hours of the shift worker/employee, within the allowable 36 to 40-hour work week, when switching from normal hours of work to shift work, and when switching back to normal hours of work from shift work. In this case the base salary will be adjusted.

15. Punctuality

Work time must be used properly and to ensure that one completes their work accordingly. Work must commence at work stations at the stipulated time (fixed hours of work) or within the time-frame (flexible hours of work), and must not finish beforehand.

16. Control Systems

Each employee working fixed hours must use the systems in place for recording their completed hours of work. Employees who work flexible hours, can determine the start and finish of their hours of work themselves while coordinating with their supervisor. Individual schedules must not affect the fulfillment of tasks.

17. Overtime, Preparatory Work and Extra Work

Employees are obliged to work overtime, night shifts, Sundays and public holidays, and do preparatory work and extra work, inasmuch as the operating circumstances require. The appointed times will be restricted to the bare minimum and will be notified well in advance.

18 Shift Work

All employees are obligated to work shift (including fully continuous shift service).

19. On-Call Alert

The relevant guidelines are applicable for the on-call alert.

20. Foreseeable Circumstances Preventing Attendance at Work

Exemption from work due to personal circumstances must be applied for in advance (holidays, special leave, other exceptions).

21. Unforeseeable Circumstances Preventing Attendance at Work

If anyone is unable to work because of personal circumstances (i.e. illness), they must promptly notify their supervisor or the human resources department of the reason and probable duration of the absence.

If the duration of the illness might exceed 3 calendar days, a doctor's certificate confirming inability to work must be sent to the human resources department so that it arrives by the 3rd calendar day of absence due to illness.

22. Change of Address Due to Illness

If during illness an employee wishes to leave their permanent place of residence, they must inform the human resources department of this decision, regardless of the required health insurance procedures.

23. Medical Treatment

Anyone needing to undergo medical treatment must promptly submit a certificate to the company authorizing the treatment and notifying them of when the treatment begins. If a recovery period is prescribed by the treatment specialist and the employee is unable to work for the period after the treatment, the company must be notified by the employee as soon as possible.

24. Leaving the Industrial Site and Work Area(s)

During work hours employees may only leave the work area(s) with the permission of the appropriate supervisor.

Employees are only allowed to remain on the work premises, with special permission, if it is outside of the normal work hours.

25. Identity Card Inspection

Employees must show the font desk their company ID card at all times. The electronic access control systems must be used properly.

Authorized representatives may request employees to produce their company ID card as deemed appropriate. The company ID card may not be transferred to another person and must be handed back upon leaving the company. You must immediately notify the human resources department if you lose your company ID card. Misuse of the ID card can lead to dismissal.

26. Inspections

Inspections are carried out at work and at all places of entrance for the protection of company and personal legal property. As a result, all employees must open and show files/folders, handbags, packages etc., to security personnel or other authorized persons upon request. This may also include inspection of vehicles.

All inspections are carried out with the appropriate care and are not allowed to infringe upon the dignity or time of employees. However, evasion or non-compliance of inspections can lead to dismissal.

27. Ban on External Activity

Transactions between employees on works premises are prohibited. Exceptions require the prior approval of management.

General requests for employee participation in collections at work are only permitted with the approval of management. Collections for remembrance days, birthdays and the like are not included in this category.

28. Private Visits

Private visits from non-company persons are not permitted during work hours except in emergencies.

29. Private Telephone Conversations

Coin operated telephones are available and must be used for private telephone calls. Telephones intended for business use may only be used for private calls in exceptional cases and must be paid for.

30. Private use of Office Equipment

Technical office equipment and installations (i.e. PC, telex, fax, printer, data processing terminals and in-house postal service) may not be used for private purposes.

31. Private Postal Deliveries

Please do not use the company address for private postal deliveries.

32. Misuse of Business Connections

Employees are not allowed to use the company's business connections for personal use, for that of a third party or to receive unauthorized privileges that would not ordinarily be received without having had business connections to the company. An exception to this would be customary gifts of minimal worth.
It is also unacceptable for employees to give or guarantee unauthorized advantages to those individuals whom they have a working business relationship with.

33. Acceptance of Gifts.

Supervisors must not accept presents of value from their employees, nor lend out money.

34. Code of Secrecy

A code of secrecy must be observed in regards to internal matters concerning the company, which relate to company organization, installations, business and production procedures, research and development processes, and data from the in-house accounting department. This is also true after termination of the employment contract, unless information has become or has already become public knowledge. Particular emphasis is placed on the statutory provisions concerning unfair competition. The illicit sharing or distribution of company secrets will lead to dismissal.

35. Removal of Company Property/Documents and the Misuse, Destruction and Falsifying of Information

The removal of company property and documents is not permitted without the consent of the responsible supervisor. The production of excerpts, copies, drawings or printed forms not directly connected with professional activity, and the use of in-house data processing systems (hardware and software) not directly used for work requirements equally require the permission of the respective responsible supervisor.

Particular emphasis is placed on the statutory provisions and company rules and regulations concerning the misuse, destruction and falsifying of data and information.

36. Ban on Videos and Sound Recordings

Employees may not make videos or sound recordings at work unless it is for company purposes.

37. Code of Secrecy

Every employee must maintain a code of secrecy concerning the income and personal situation of employees, if they become known to them during the course of their work.

38. Data Protection

The Federal German Data Protection Act (BDSG) prohibits employees from any unauthorized processing or use of data relating to persons known to them at work. This shall be deemed applicable to professional services both inside as well as outside Infineon AG and it's affiliated companies (i.e. customers and potential customers). This ban shall continue to apply even after termination of the employment contract. Particular emphasis is placed on the penal provisions, including the Federal German Data Protection Act (BDSG) (Article 43).

39. Notification of Secondary Job

If you have a paid second job, you must inform the human resources department.

40. Ban of Secondary Job

Company management is justified in forbidding an employee's secondary job if that work results in a decline of job performance or contradicts the employee's obligations to the company. Any claim for lost compensation is not the responsibility of Infineon.

41. Occasional Secondary Job

Occasional work (including but not limited to work as an editor or as a guest speaker) in not considered a secondary job.

42. Publications

All verbal and written disclosures, which are of interest to the company and are aimed at a greater number of people, require the prior approval of management. This will be granted if these disclosures do not conflict with the interests of the company.

43. Work Materials

It is in everyone's interest that all company installations, tools, equipment and other work materials are handled professionally and economically (using the least materials possible). Employees are liable for any damages or losses that are applicable to the rules and regulations.

44. Cleanliness

Work stations, work materials and all rooms which are for general and collective use must be kept tidy and clean. Valuable work materials and documents must be protected from theft or damage.

45. No Smoking Policy

There is a separate set of rules for smoking on the works premises

46. Ban on Alcohol and Drugs

For personal and general safety, employees are prohibited from consuming alcoholic drinks during work or to appear at work in a drunken state. This ban applies equally to all forms of intoxicants.

47. Additional Regulations

Additional regulations in regards to work routine and safety are issued as a supplement to this working practices/code of conduct document.

48. Traffic Regulations

Road traffic regulations are applicable on the work site and in the parking lots. Traffic signs and other signs must be complied with. Please ensure that all routes are quickly accessible for the fire department, emergency health services and other emergency or company vehicles.

49. Prevention of Injury

All employees must prevent work injuries by complying with all pertaining accident prevention regulations, instructions and information given for the prevention of accidents and job related illnesses. For employees who are responsible for the safety of others, they must also inform their employees of the risks associated with their occupation, of any and all relevant instructions on accident prevention and to supervise that all are in compliance with these regulations.

50. Accident Prevention in Outside Companies

Employees must also comply with the safety instructions and accident prevention regulations when not working on company premises.

51. Fire Prevention

All employees must comply with our instructions on fire prevention.

52. Use of Safety Installations

Already existing safety installations and safety equipment must be used.
If instructions for safety installations are not available, despite requests made by the employee, the employee can refuse to continue working until the fault has been corrected, without receiving any penalties.

By reference to the statutory provisions, the removal, hampering of or non-compliance of safety installations, safety equipment, accident and fire prevention regulations and corresponding company instructions can result in instant termination of the employment contract.

53. Accident Insurance Protection

Every employee is insured by the professional association of precision mechanics and electrical engineering against accidents at work, accidents to and from work, and when conducting service work. The insurance protection also covers job related illnesses.

54. Reporting Accidents at Work

All accident at work must be promptly reported to the supervisor and safety engineer by the person who was injured, or if that is not possible, by an employee who witnessed the accident.

55. Liability for Damages

The company is liable for damages/loss to private property belonging to the employee, within the scope of statutory provisions, if the loss is their responsibility.

56. Employee Compensation

Employee compensation is measured according to job duty and individual productivity. An employee's compensation will normally be given to the employee in writing when they are hired and when any changes to their compensation are made.

57. Income Claims

Income claims may only be assigned or mortgaged with the approval of the human resources department. This does not apply, provided that certain affidavits from public-law institutions and building and loan associations have been issued.

58. Invoicing and Payment of Employee Compensation

Invoicing, pay periods and method of payment will be determined in accordance with company requirements and current provisions by management.

59. Employee Compensation for Missed Work due to Injury

Employee compensation will be paid:

a) in the event of an accident at work which does not result in serious injury or for the time which the employee misses because of the need for medical care, provided the visit by a doctor during work hours is necessary;
b) in the event of an accident at work which results in the employee being unable to finish their shift; for the customary hours of work not completed.

60. Employee Compensation for Missed Work

In certain cases, employee compensation may continue to be paid. Details can be found in the corresponding guidelines.

61. Vacation

Employees should use their vacation for rest and relaxation.

During an employees first year with the company, they must provide proof that they are still entitled to vacation before they can request time off. In other words, they must provide a certificate from their previous employer which shows how much vacation they have remaining or if they had received compensation for vacation before leaving the company.

Vacation must be requested in advance. The length and time must not affect company interests.

62. On-Site Medical Office

The health of employees is of particular importance to the company. For this reason, we have established an on-site medical office. The responsibilities of the on-site medical officer includes participation in all work related medical matters, health management of employees with a medical examination before employment, monitoring and precautionary examinations, medical assistance after accidents and initial treatment in the event of acute illness. The on-site medical officer is available for health related questions.
The on-site medical officer and medical assistants are bound by a code of professional discretion.

63. Insurance Protection for Business Trips

The company grants insurance coverage to employees for business calls, business trips and business delegation, within the framework of business travelers insurance and luggage insurance.

64. Personal Development and Vocational Training

As part of the company package, employees are given the opportunity to adjust to technical and organizational development and structural changes by participating in educational and vocational training. Supervisors should motivate and support the development and strengthening of employee skills.

65. Employee Initiative

All employees should contribute to the improvement of our products and services by working together to enhance and strengthen the competitiveness of our company through proposals on possible improvements and by involvement in initiative and quality groups.

Particular importance is placed on suggestions for works safety and industrial environmental protection as well as suggestions for our customers.

Details can be found in the corresponding guidelines. Suggestions for improvements may be rewarded.

66. Inventions, Patents and Copyright

The respective statutory and contractual provisions apply for inventions, patents and copyright.

If a patents/copyrights occurs during an employees career with the company or in connection with the company, the company will obtain the exclusive right to that patents/copyrights, which is unlimited in terms of content, time and place.

Rights of use to patents/copyrights, which are not covered by paragraph 2, must be reported to the company, if it appears this will be applicable to the company. The company can acquire the rights to these patents/copyrights in exchange for appropriate compensation. If the company is not interested in the usage thereof, the employee has the right to decide on its outcome.

67. Grievances

Those who feel discriminated at work, or feel they have been mistreated, can turn to their supervisors for help. The manager of the human resources department is also available for concerns and complaints. The employee will be informed on how to best handle their situation. Every employee has the right to appeal directly to management with important personal matters and concerns.

The reporting of concerns and complaints must not be used in any way against the employee.

68. Company Notices

Notifications to employees are made in the form of legally binding personal documents, or can appear as other forms of company communication. Each employee is liable for company notifications that they have received.

69. Termination of the Employment Contract upon Reaching Age 65

Unless agreed otherwise, the contract of employment ends in conjuncture with the month that the employee reaches 65. In this case, no official notice of termination is required.

70. Proper Termination

Proper termination of the employment contract must be done in accordance with the applicable provisions, and the proper notice of termination/resignation must be given.

71. Uncommon Reasons for Termination

Uncommon reasons for termination of the employment contract is only permissible within the framework of the statutory provisions. Usually, uncommon reasons for dismissal are denied.

72. Expiration of the Employment Contract

A temporary or limited employment contract ends once the time period has expired or the contracted work has been completed.

73. Termination of Employment Contract by Mutual Agreement

A contract of employment can be terminated by mutual agreement.

74. Return of Company Property

Before leaving, every employee must give back all company identification cards, business documents, drawings, installation instructions, service instructions, service drawings and similar documentation that they have in their possession. This applies to both originals and copies. Furthermore, the employee must hand back any other company property that had been assigned to them, such as equipment (i.e. mobile phone, laptops), tools, work clothes and books in reasonably good condition.

Each employee must state in writing that they have returned all company items and will receive a certificate of confirmation.

75. Delivery of Work Documents

Upon leaving the company, each employee will receive the necessary employment documentation, a certificate confirming the type and duration of work, and if requested, a recommendation on the employees conduct and productivity.

If the employment documents cannot be completed at the time of termination because of reasons connected with the salary statement, the employee will receive a certificate when they leave containing the details necessary for taking up a new contract of employment.

76. Other Rules and Regulations

The rules and regulations contained in the appendices are an integral part of these working practices/code of conduct. They can be inspected in the organization manual which is displayed in every department.

Dresden, September 2009

signed Haidas

signed Weigel
works council IFD

Published by

IFD, Human Resources
Dresden