

Company Rules and Regulations

Infineon Technologies AG

A moment of your time, please

The subject of Company Rules and Regulations is, we have to admit, a fairly dry one, being all about rules, provisions, and regulations. But there's no way around them when as many people work together as in our company.

So please take a few minutes to read through this material before you file it away.

These Company Rules and Regulations have been agreed between the Corporate Management and the General Works Council and came into force in its updated version on January 25, 2011.

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1. Principles of Collaboration and Management

The foremost objective of our all working together is to ensure that our customers are satisfied with the quality, technology, and availability of our products and services. In keeping with our corporate image we want to be among the world's top companies in our specific sector, and want to offer our employees challenging tasks and good opportunities for advancing their careers.

This demands candor, trust, and mutual respect on the part of every employee, no matter what their individual tasks and functions are. Everyone must be committed to their assigned tasks and must be willing to improve by continuous learning. No one's conduct may have an adverse affect on the company's good image and reputation.

Against this background, we have implemented the Business Conduct Guidelines (BCG) to ensure that all employees adhere to the law and other regulations. The regulations of the BCG are standardized, and apply to all employees globally. Therefore, in addition to these company rules and regulations, every employee is obliged to acquaint themselves with the regulations of the BCG, and to comply with them.

We want to help shape the future together through innovations. We are not constrained by national boundaries in the way we think or act. Our work is geared to the company's operating result and, thanks to our competence and profitability, we are a dependable partner. With the work we do, we also have a corporate and social responsibility even outside our company.

We want a human resources policy that is employee-oriented and includes social facilities and measures responding to modern needs. We offer specifically targeted basic and further training to enhance our employees' qualifications. Together we create an international network of knowledge to which everyone contributes and from which everyone benefits.

All managers bear responsibility for the employees entrusted to them. They set clear, ambitious, and realistic goals, exercise leadership on the basis of trust, and allow their people as much personal responsibility and scope for independent action as possible.

A major part of managerial responsibility is to further employees' interests by broadening their range of tasks, varying the work they do, and raising their level of competence, and also by ensuring they are adequately remunerated in line with their performance. All employees should each proactively take care of their own career development irrespective of the support provided by their managers. The amenities at their disposal for this include the information available to everyone on the intranet about vacant positions and training programs.

Although integrating people with severe disabilities is the responsibility of managers, it calls for support from work colleagues, too.

All managers must earn the respect of the employees through exemplary personal conduct, social competence, a candid approach, and by performing well. Employees with work-related or personal concerns can also approach managers.

2. Resolving Conflicts and Grievances

An attempt should always be made to resolve any conflicts that arise in-house. All employees are expected to make use of the company's in-house mediation facilities before seeking a resolution externally. This does not, however, preclude their obtaining guidance and legal advice.

Employees who feel they have been discriminated against at work, treated unfairly, or otherwise adversely affected can turn to their manager, the Works Council, or other employees' representatives responsible for them. The Human Resources Department is available to everyone.

Employees must be informed about the way in which a grievance is being handled. They must not suffer any disadvantages as the result of expressing grievances or wishes.

3. Employees' Representatives

The General Works Council, local Works Councils, and other employees' representatives represent the employees' interests towards the corporate and local operational management in accordance with the applicable legislation. Their statutory rights and obligations are not affected by the provisions of these Company Rules and Regulations.

4. Changes in personal circumstances

Information is required about any changes of significance to a person's employment so the Human Resources Department can properly carry out its duties.

Information which must be provided includes for example:

- change of address
- change in marital status
- change of name
- change of nationality
- conscription or other events relating to military or community service
- the assumption of a public office
- circumstances which confer, change, or terminate special rights such as those arising from the Law on Maternity Protection *(Mutterschutzgesetz)* or the Disabled Persons Act *(Schwerbehindertenrecht, SGB IX)*
- the awarding of a statutory pension or of state pension payments
- change in health insurance scheme membership

People who fail to provide the required information or who provide incorrect information shall bear any disadvantageous consequences of this.

5. Temporary Change in Work, Relocations

Employees are obliged to perform **different work** from the work agreed in their employment contract for a period not exceeding one month, with no reduction in pay, provided this is necessary for operational reasons and can be reasonably expected of the person concerned.

It is permissible to **relocate** people to another equivalent workplace which they can be reasonably expected to accept, provided the applicable provisions are taken into account.

6. Hours of Work

Specific details of hours worked and break times are agreed between Local Management and the Works Council at local level. Unless the nature of the work performed dictates otherwise, employees and managers should be allowed maximum freedom to plan their working hours in keeping with the situation.

The relevant legal provisions and those relating to rates of pay as well as the Works Councils' rights of co-determination must be observed when overtime and work outside normal working hours is ordered. Employees must not suffer any disadvantages from declining to undertake such work if they have justified personal reasons for doing so.

7. Employees' Obligations when prevented from Working

An application to be excused from work must be submitted in good time when it is **foreseeable that an employee will be prevented from working**.

Employees forced to stay away from work owing to **unforeseeable events preventing them from working** (sickness, for instance) must notify their manager or the Human Resources Department without delay of the reason for their absence and its likely duration. The respectively applicable requirements to present a medical certification of unfitness for work are not affected by this.

Regardless of any requirement to notify their health insurance scheme, employees who fall sick while abroad must inform the Human Resources Department of their unfitness for work, its likely duration, and the mailing address of where they are staying.

Anyone wishing to undertake **a course of treatment at a health resort** must submit official certification of the approval of or need for such treatment in good time and also provide details of the start date of the treatment and its duration.

8. Works Security, Checks

No one is allowed to be on company premises **outside normal working hours** without special permission.

It can be agreed between Local Management and the Works Council that all employees show their **employee ID card** on entering company premises without being requested to do so, or use technical access control systems. Security personnel, who must identify themselves as such, can also request the presentation of an employee ID card inside company premises if there is justified reason to do so.

Employee ID cards must not be passed on to others. They are company property and must be returned to the company when employees leave the company. Any loss of an employee ID card must be reported without delay.

Checks can be carried out on company premises and **at entrances and exits** to it for the purpose of protecting company and personal property.

These checks and their extent (such as the opening of briefcases) are subject to Works Council consent unless urgent action is demanded in individual instances when there are grounds for suspicion.

9. Non-company Activities

Private business transactions between employees on company premises are not permitted. Exceptions to this rule require the prior consent of Local Management and the Works Council.

A general appeal to employees to contribute to **collections** at work is only permissible with the approval of Local Management and the Works Council. This does not include smallscale collections among colleagues on occasions such as anniversaries and birthdays.

Private visits by people who are external to the company during working hours are only permitted in urgent cases.

10. Use of Company Property

In principle, any use of Infineon equipment, assets, and resources (e. g. phone, fax, personal computers including e-mail, internet/intranet, photocopiers, mail services, tools) must be solely for Infineon business purposes. Occasional use for private purposes (e. g. for caring or family reasons) is permitted provided that it is in line with the Business Conduct Guidelines, and the employee has given their consent to their e-mail account and visited websites being checked. In the event that the employee refuses to give their consent, private use of e-mail and internet services is prohibited. Further specifics on the private use of internet and e-mail services are governed by the respective general works agreement.

In no case may any information be retrieved or transmitted which incites racial hatred, glorification of violence, or other criminal acts, or contains material which is sexually offensive within the respective cultural background.

Infineon employees must not record images, sound or data on company premises unless authorized by the company.

11. Sideline Activities

Any employee intending to take up or continue paid sideline activities must advise the Human Resources Department thereof. The notice must be made by the specified (online) process. Any changes to the respective sideline activities require a renewal notice; in other respects, renewal notices will be due at regular two-year intervals at the latest; the employee will receive a reminder before the fixed term expires**.** Permission for sideline activities may be denied if it leads to a decrease in work performance, contradicts the employee's duties within the company, or threatens to present a conflict of interest. Occasional writing activities, lectures, and comparable occasional activities are not deemed to be sideline activities.

12. Maintaining Trade Secrets and Data Confidentiality, Information Security

Secrecy must be maintained both during and beyond the term of employment about the **company's internal affairs** relating, for instance, to details of its organization and facilities, and about its commercial, production, research and development procedures, and internal accounting figures if they are not in the public domain. Particular attention is drawn to legislation on unfair competition. Unless justified directly by the nature of the work performed, the **removal of items** and commercial documentation of any kind and the electronic transmission of corporate data is not permitted without the manager's approval. The same applies to producing extracts, files, copies, drawings, and forms.

Particular attention is drawn to the company's rules concerning information security. Employees must not **record images, sound or data** on company premises unless authorized by the company.

Employees must each maintain secrecy about the **income** and **personal circumstances of other employees** if such details become known to them through the nature of their work.

The Federal Data Protection Law (*Bundesdatenschutzgesetz*: BDSG) prohibits employees from collecting, processing or utilizing any personal data which becomes known to them through the nature of their work unless authorized to do so **(data secrecy)**. This applies to work-related activities both inside and outside the company (on the premises of customers and interested persons, for instance). This prohibition will remain in force even after the employment has ended. Particular attention is drawn to the penal provisions, especially of the above-cited law (BDSG section 43).

13. Publications

Any verbal or written pronouncements of a specialist nature which affect the company's interests and are intended for a wider circle require the manager's prior consent. This will be granted if they do not conflict with the company's interests. This does not affect pronouncements made by the Works Council in exercising its duties.

14. Duties of Care and Proper Order

The proper and cost-conscious handling of company facilities and **work materials** is a quality feature. Employees are liable under the applicable regulations for any damage or loss they may cause.

A **ban on smoking** will be imposed where safety regulations or production-related factors make this absolutely essential. Employees are also prohibited from having an adverse affect on general and personal safety and their ability to work in accordance with their contract as a result of taking **alcoholic beverages or other intoxicants**. Details of this and of other aspects of proper order at work will be agreed with the local Works Council.

15. Traffic Regulations

The road traffic regulations apply analogously on company premises and in its car parks. It can be agreed on a local basis that in certain cases vehicles parked in contravention of the rules be removed at the employee's expense, in particular when obstructing firefighting and rescue vehicles.

16. Safety at Work

All employees must do their utmost to promote health and safety at work. All must conscientiously obey the safety regulations and the company's instructions and notices aimed at preventing accidents and occupational diseases. In cases where employees are responsible for the safety of othetrs, they must also make them aware of the hazards associated with their work and of the relevant safety regulations, and monitor compliance with these.

When employees are assigned to work at the offices or plant of a third-party, in particular when carrying out installation work, the safety regulations and instructions applicable at those locations must also be followed. All employees are under a duty to carefully follow the **fire prevention** regulations.

Use must always be made of existing **protection devices** and protection equipment provided. If protection devices required by law have not been provided, despite an employee's having drawn attention to this fact, the employee can refuse to continue working until the shortcoming has been rectified,

without suffering any disadvantages from doing so. Anyone who removes protection devices and equipment, renders them ineffective, or fails to use them, or who fails to heed safety and fire-prevention regulations or relevant instructions of the company must expect to face the legal consequences.

All employees are insured with the Precision and Electrical Engineering Trade Association (*Berufsgenossenschaft der Feinmechanik und Elektrotechnik*) against the consequences of accidents occurring on company premises, on the direct route between home and work, and while performing official work-related duties. This **insurance protection** also covers occupational diseases.

All **accidents at work** must be **reported without delay** to the manager, the safety engineer, or the Human Resources Department by the person injured or, if that person is unable to do so, by the employee who first noticed the accident.

17. Assignment and Attachment of Earnings

Claims against the company for remuneration for work can only be assigned or attached with the consent of the Human Resources Department. This also applies in relation to savings banks and other state institutions operating in the private sector.

The reservation with respect to consent will not apply if assignment or attachment is made on account of payments due under public law, such as tax payments. Nor will it apply with respect to building societies.

18. Leaves with Pay

Unless any further legislation or collectively agreed provisions apply, earnings shall be granted for the following leaves:

1. Employee's own wedding, or registration of civil partnership as defined by the Civil Partnership Act; silver wedding anniversary: one day
2. Employee's child's wedding/registration of civil partnership as defined by the Civil Partnership Act: one day
3. Paternity leave (wife/civil partner as defined by the Civil Partnership Act giving birth): one day
4. Death of an employee's parent, spouse, civil partner as defined by the Civil Partnership Act, or child: two days
5. Death of an employee's parent-in-law, brother, or sister: one day
6. Employee moving house (employee's own household): one day
7. Employee's parents' golden wedding anniversary: one day

This will also apply if the leave occurs during the employee's vacation, meaning that there is no loss of working hours in the actual sense of the term.
Additional leaves with pay may be granted over and above this.

19. Voluntary Facilities and Measures

Infineon Technologies offers its employees a number of voluntary facilities and measures in accordance with the respective guidelines:

- Company retirement benefits
- Preventive health care
- Company medical service
- Social welfare advisory service
- Sports facilities
- Gifts on anniversaries
- Insurance cover for business trips
- Payments based on operating results and target attainments
- Promoting personal asset building
- Subsidized meals

Unless any further collectively agreed provisions apply, in the **event of death,** the closest relatives of married employees, or employees registered as partners under the Civil Partnership Act shall be paid the deceased's final net income for the month in which death occurred and for one additional month. A further month will be added to this after a period of service of 10 years. Similar arrangements may be applied in individual cases in the event of the death of single, widowed, or divorced employees with relatives entitled to maintenance.

The company magazine **eMag** acquaints employees with the latest company news worldwide and fosters the dialogue throughout the company even across national borders.

20. Professional Training and Further Education

The company offers a **wide variety of facilities** for professional training and further education.

Managers and employees alike are required to regularly check the need for further training and to **undertake necessary measures**.

21. Encouraging Employee Initiatives

As part of the YIP (Your Idea Pays) program, employees are called upon to keep submitting and implementing new improvements at work on their own initiative. Suggestions for improving safety at work and environmental protection are especially welcome. It is the duty of managers to encourage their people to submit suggestions and to support them in this.

Awards will be made for suggestions that are over and above what counts as paid work.

22. Inventions, Industrial Property Rights, and Copyright

Inventions, applications for the registering of intellectual property rights, intellectual property rights and copyright are governed by the relevant legal and contractual provisions.

When an employee creates a work protected by copyright in the course of performing job related work or through the substantial application of the company's experience or work, at the instant of its creation, the company, or a third party acting on its behalf, obtains the exclusive, transferable right, unlimited in terms of time or place, to use the protected work in any way whatsoever, and to copy, process, publish, and sell it without reference to the author and without the company having to pay any separate remuneration for this.

An employee who creates other works protected by copyright must notify the company if their use within the company appears possible. The company can acquire a license to use such works for an appropriate remuneration. If the company has no interest in acquiring a license, then the employee may freely dispose of the right of use provided any restraint on trade under labor law is complied with.

Notice must be given of any inventions, intellectual property rights, or the application for the registering of intellectual property rights over which an employee has full or partial rights of disposal at the time of being employed.

23. Official Notices

Official notices to employees are legally binding if made by way of personal communication or at sites specifically designated for this by the company.

24. Termination of Employment

Unless otherwise agreed, employment will terminate at the end of the month in which the employee attains the age to become eligible for full statutory pension, or, if the employee is not eligible for statutory pension benefits, the employee would have attained the respective age.
The Works Council must be informed in advance if, in exceptional cases, employment is to be extended beyond this age.

Termination of employment is otherwise subject to the applicable legislation and collectively agreed provisions. Employment can also be terminated by mutual agreement.

Before an employee leaves the company, the employee must **hand back** all company ID cards, business papers, drawings, installation instructions, work regulations, work-related recordings, files, and similar documentation in the employee's possession. This applies to both originals and copies. Passwords for files or IT equipment must be given to the person authorized to receive them.

Employees must furthermore return any other company property entrusted to them, such as equipment, tools, work clothes, and books, in a proper condition. Proper condition takes account of normal wear-and-tear.

On leaving the company, all employees will receive their **finalized employment records**, a certification of the nature and duration of their employment and, on request, a reference detailing their performance and conduct. If accounting factors prevent the employment records from being finalized at the time of leaving, employees will upon their leaving receive a certificate containing the details necessary for taking up employment elsewhere.