

If a Management Board member leaves their position in connection with a defined change of control, that member is currently entitled to continued payment of the relevant annual remuneration for the entire remaining contract term. In accordance with a special contract termination right granted to Management Board members, the period of continued payment is capped at a maximum of 36 months in the event that the member resigns, or at a minimum of 24 months and a maximum of 36 months in the event of dismissal/termination of contract by Infineon Technologies AG. Further details are contained in the Compensation Report. [p. 130 ff.](#)

The change-of-control clauses agreed with the Management Board members are intended to provide financial security to those members in the event of a change of control, with a view to preserving their independence in this situation.

The conditions of both the Performance Share Plan (open to participation by Management Board members, managers and other selected employees worldwide) and the Restricted Stock Unit Plan (additionally applicable to specified employees of Infineon) contain rules that are triggered in the event of a defined change of control. For the most part, these rules specify that the vesting periods that are envisaged by the relevant plans are aborted in the event of a change of control. The corresponding rule in the Performance Share Plan does not, however, apply to Management Board members, given that the service contracts take precedence.

Statement on Corporate Governance pursuant to sections 289f and 315d of the German Commercial Code (HGB)/ Corporate Governance Report

The Statement on Corporate Governance pursuant to sections 289f and section 315d of the German Commercial Code (HGB) including the Corporate Governance Report has been made publicly accessible. www.infineon.com/declaration-on-corporate-governance

Compensation report

This compensation report, which forms part of the Combined Management Report, explains the principles of the compensation system for the Management Board and Supervisory Board of Infineon Technologies AG as well as the level of compensation paid to the individual Management Board members and the Supervisory Board members.

In addition to statutory requirements, the compensation report is based primarily on the German Accounting Standard on Reporting on the Remuneration of Members of Governing Bodies (DRS 17). The compensation report also contains the model tables recommended by the German Corporate Governance Code (Deutscher Corporate Governance Kodex – “DCGK”) in the version dated 7 February 2017 (DCGK 2017). This information is provided despite the fact that the DCGK was revised with effect from 20 March 2020 and accordingly, the recommendation to disclose the model tables no longer applies. For reasons of consistency and transparency, the model tables are to be continued until the changeover to the new compensation report stipulated in Section 162 of the German Stock Corporation Act and introduced in accordance with the Act Implementing the Second Shareholder Rights Directive (ARUG II). The new report becomes binding for Infineon Technologies AG for the first time for the fiscal year beginning on 1 October 2021.

Management Board compensation

Compensation system

The Management Board compensation system – similar to the compensation paid to individual Management Board members – is defined and regularly reviewed by the full Supervisory Board on the basis of proposals made by the Executive Committee. In accordance with applicable legal requirements and the recommendations of the DCGK, the compensation paid to Management Board members is intended to reflect the typical level and structure of management board compensation at peer companies, as well as Infineon's economic position and future prospects. The duties, responsibilities and performance of each Management Board member are also to be considered, as is Infineon's wider pay structure. This includes considering Management Board compensation in relation to that of senior management and the workforce as a whole, including changes in the level of compensation over time. The compensation structure should be oriented towards furthering Infineon's sustainable, long-term development. The level of compensation should be set in a way that promotes the corporate strategy and the company's long-term development, with the option to impose a cap 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.

Components of the Management Board compensation system

There were no changes to the Management Board compensation system in the 2020 fiscal year compared to the previous fiscal year.

As compensation for their services, all Management Board members receive a target 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 contractually agreed basic annual salary that is not linked 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 components, 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 Management Board members. Underpinning the consistent approach taken to managing the business, the same target indicators – supplemented by the Segment Result Margin – are also 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. [p. 89 ff.](#)
- (ii) At the end of the fiscal year, the actual levels of target achievement and hence the amount of the STI payouts, are determined by the Supervisory Board by reference to the levels of target achievement for free cash flow and RoCE as reported in the audited financial statements.

An STI is paid only if 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 an actual higher

achievement level. In addition, the Supervisory Board may 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 Management Board begins or ends during a fiscal year, the entitlement to STI is reduced on a pro rata monthly basis (by one twelfth for each full month missing from the complete STI tranche). Management Board members are not entitled to receive an STI bonus for the fiscal year in which they resign from office (unless the resignation is for a reason ("good cause") for which the member is not responsible) or if the contract of the member of the Board is terminated by the Company for good cause.

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

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 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 it is deemed – for MTI purposes – to be 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 50 percent. 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 extent to which the three-year target for revenue growth and Segment Result (set each year by the Supervisory Board exclusively for this purpose) has been achieved and the degree of success achieved in complementing organic growth through M&A activities. 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 reduced on a pro rata monthly basis (by 1/36 for each full month missing from the complete MTI tranche). Upon leaving Infineon, as a general rule, regulations ensure that Management Board members can only receive an MTI payment for the number of MTI tranches corresponding to their term of office, reduced on a pro rata basis as appropriate. MTI tranches already started are forfeited if the mandate or service contract of a Management Board member comes to an end before the due date, for instance if a member resigns from office (unless the resignation is for good cause for which the member is not responsible) or if the contract of the Board member 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 Management Board members and additionally to ensure that their interests are in line with those of the Company's shareholders regarding positive share price development. Assuming a 100 percent target achievement of the variable compensation components, the LTI constitutes approximately 15 percent of target annual income.

With effect from the 2014 fiscal year, the LTI has been awarded in the form of performance shares. As well as being relevant for Management Board members, the LTI also applies to Infineon managers and selected Infineon employees worldwide. In their case, however, it is awarded on a voluntary basis and with minor differences attributable to specific circumstances.

The (virtual) performance shares are allocated as of 1 March for the fiscal year commenced on 1 October, initially on a provisional basis. The final allocation and transfer of (real) Infineon shares takes place four years later.

Performance shares are allocated provisionally on the basis of the contractually agreed “LTI allocation amount” in euros, agreed upon individually in the contract of each Management Board member. 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 Management Board member invests 25 percent of their individual LTI allocation amount in Infineon shares 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. 50 percent of the performance shares are also 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 Management Board member 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 Management Board member 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 lapse (cap).

Management Board members may freely dispose of the shares transferred to them. The same also applies to Infineon shares acquired in conjunction with the own-investment requirement at the end of the holding period.

At the end of the holding period, the Supervisory Board has the right to provide a value-equivalent cash settlement to the Management Board member rather than actually transferring Infineon shares.

The LTI is reduced proportionately if the length of service of a Management Board member in the year in which the LTI is allocated is shorter than the fiscal year to which the LTI award relates. This situation usually arises when a Management Board member does not join the Board exactly at the beginning of a fiscal year or leave office exactly at the end of a fiscal year. The allocation amount is reduced in each case by one twelfth for each full month missing for the fiscal year in which the LTI is allocated.

The allocation amount is also reduced proportionately in the case of a so-called “good leaver”, i.e. a Management Board member leaving office without any fault on their part, for instance in the event of reaching the stipulated age limit. The group of “good leavers” also includes cases in which a Management Board member fulfills their contract properly up to the end of the agreed term and leaves the Company only because the contract has not been extended. By contrast, if a Management Board member resigns from office (unless the resignation is for good cause for which the member is not responsible) or if a contract of a Management Board member is terminated by the Company for good cause (a so-called “bad leaver”), all performance shares not yet definitively allocated are forfeited when the Management Board member leaves office.

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.

Additionally, the Supervisory Board has the option – always based on its own best judgment – to grant a special bonus, among other things for exceptional achievements of the Management Board or its individual members. In each case, however, the bonus is capped at a maximum of 30 percent of the fixed compensation of the Management Board member concerned.

Management Board compensation in the 2020 fiscal year in accordance with German Accounting Standard 17 (DRS 17)

Total compensation

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

in €	Dr. Reinhard Ploss Chief Executive Officer		Dr. Sven Schneider Chief Financial Officer since 1 May 2019		Dr. Helmut Gassel Management Board member		Jochen Hanebeck Management Board member		Total Management Board	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019 ³
Fixed compensation										
Basic annual salary	1,240,000	1,240,000	825,000	343,750	750,000	750,000	750,000	750,000	3,565,000	3,083,750
Fringe benefits	37,211	39,492	55,750	23,876	70,893	69,756	34,476	35,143	198,330	168,267
Total fixed compensation	1,277,211	1,279,492	880,750	367,626	820,893	819,756	784,476	785,143	3,763,330	3,252,017
Variable compensation										
Single-year variable compensation (STI)	477,950	491,700	325,875	139,688	295,460	303,960	295,460	303,960	1,394,745	1,239,308
Multi-year variable compensation										
Mid Term Incentive (MTI) ¹										
2017 – 2019 tranche	–	143,040	–	–	–	91,784	–	91,784	–	326,608
2018 – 2020 tranche	159,317	163,900	–	–	98,487	101,320	98,487	101,320	356,291	366,540
2019 – 2021 tranche	159,317	163,900	108,625	46,563	98,487	101,320	98,487	101,320	464,916	413,103
2020 – 2022 tranche	159,317	–	108,625	–	98,487	–	98,487	–	464,916	–
Long Term Incentive (LTI)										
Performance Share Plan ²	290,050	289,287	264,125	–	165,725	165,315	165,725	165,315	885,625	619,917
Total variable compensation	1,245,951	1,251,827	807,250	186,251	756,646	763,699	756,646	763,699	3,566,493	2,965,476
Total compensation	2,523,162	2,531,319	1,688,000	553,877	1,577,539	1,583,455	1,541,122	1,548,842	7,329,823	6,217,493

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 Management Board members in the 2020 fiscal year were based on a fair market value per performance share amounting to €12.50 (2019: €13.79), which was calculated using a Monte-Carlo simulation model taking account of the value-reducing cap. In view of the fact the annual allocation for the 2019 fiscal year had already taken place before the start of Dr. Schneider's term of office, performance shares for the 2019 fiscal year were allocated together and in accordance with the conditions of the allocation for the 2020 fiscal year. 6,214 performance shares were allocated to Dr. Schneider on 1 March 2020 for the months May to September 2019.

3 The previous year's figure was adjusted for the remuneration of Dominik Asam. For further details, see "Payments to former Management Board members in the 2020 fiscal year". [p. 140](#)

Management Board members did not to receive any loans from the Company or benefits from third parties in the 2020 and 2019 fiscal years, whether promised or actually paid, for their board activities at Infineon.

Fringe benefits

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

The Company also maintains accident insurance policies for Management Board members in the case of death (€3 million) and invalidity (€5 million).

Other fringe benefits relate mainly to statutory obligations such as the payment of inventor's compensation or general benefits and/or discounts available to all Infineon employees.

Share-based compensation

As described in the section "Management Board compensation", the contractually agreed LTI is granted to Management Board members by the Company in the form of performance shares, [p. 132 f.](#) The average price of the Infineon share relevant for the number of performance shares granted for the 2020 fiscal year was €18.10 (2019: €20.02).

A fair market value of €12.50 (2019: €13.79) per performance share granted in the 2020 fiscal year was determined, taking account of the 250 percent cap set on the LTI allocation amount as well as the performance hurdle.

The following table shows the number of performance shares awarded to Management Board members in the 2020 fiscal year:

		Performance Share Plan						
		Virtual performance shares outstanding at the beginning of the fiscal year	Virtual performance shares newly granted in the fiscal year	Fair value grant date	Virtual performance shares exercised in the fiscal year ¹	Virtual performance shares expired in the fiscal year ²	Virtual performance shares outstanding at the end of the fiscal year	Total expense for share-based compensation
Management Board member	Fiscal year	Number	Number	in €	Number	Number	Number	in €
Dr. Reinhard Ploss Chief Executive Officer	2020	103,148	23,204	290,050	17,282	17,282	91,788	182,577
	2019	125,160	20,978	289,287	42,990	-	103,148	188,878
Dr. Sven Schneider ³ Chief Financial Officer from 1 May 2019	2020	-	21,130	264,125	-	-	21,130	59,802
	2019	-	-	-	-	-	-	-
Dr. Helmut Gassel Management Board member	2020	40,070	13,258	165,725	-	-	53,328	104,328
	2019	28,082	11,988	165,315	-	-	40,070	107,929
Jochen Hanebeck Management Board member	2020	40,070	13,258	165,725	-	-	53,328	104,328
	2019	28,082	11,988	165,315	-	-	40,070	107,929
Total	2020	183,288	70,850	885,625	17,282	17,282	219,574	451,035
	2019 ⁴	181,324	44,954	619,917	42,990	-	183,288	404,736

1 The share price of the virtual performance shares exercised on 1st October 2019 amounted to €15.68.

2 The expiration of the virtual performance shares in the 2020 fiscal year resulted from the cap. The finally allocated performance shares may not exceed 250 percent of the respective LTI allocation amount.

3 In view of the fact the annual allocation for the 2019 fiscal year had already taken place before the start of Dr. Schneider's term of office, performance shares for the 2019 fiscal year were allocated together and in accordance with the conditions of the allocation for the 2020 fiscal year. 6,214 performance shares were allocated to Dr. Schneider on 1 March 2020 for the months May to September 2019.

4 The previous year's figure was adjusted for the remuneration of Dominik Asam. For further details, see "Payments to former Management Board members in the 2020 fiscal year". [p. 140](#)

Further details regarding the LTI tranche, which vested on 1 October 2020 and the performance shares awarded to Management Board members on 1 March 2020 for the 2020 fiscal year are provided in note 23 to the Consolidated Financial Statements.

□ p. 191

Special bonuses

The Supervisory Board did not award any special bonuses to Management Board members during the 2020 fiscal year.

Other awards and benefits

In the 2009 fiscal year, the Company entered into a restitution agreement with each of the then active Management Board members. Dr. Ploss is the only current Management Board member 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 Management Board members are involved in conjunction with their activities on behalf of the Company. However, the agreements specifically exclude any restitution of costs in conjunction with section 93, paragraph 2, AktG.

Compensation of the Management Board in the 2020 fiscal year in accordance with DCGK 2017 (voluntary disclosure)

Compensation granted

The following table shows the value of compensation granted for the 2019 and 2020 fiscal years, including fringe benefits, as well as the minimum and maximum values that can be achieved for the 2020 fiscal year.

Unlike in the disclosures in accordance with DRS 17, the STI is disclosed in the following table at the target value (i.e. the value in the event of 100 percent target achievement). In a deviation from DRS 17, the MTI is disclosed at the target value for an “average probability scenario” at the grant date. For these purposes, Infineon assumes 100 percent target achievement on a scale ranging from 0 to 200 percent. In addition,

the pension expense, i.e. the service cost pursuant to IAS 19 (see “Commitments to Management Board members upon termination of their Board activities” in this chapter, □ p. 139 f.) is included in total compensation.

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

Dr. Reinhard Ploss Chief Executive Officer				
in €	2020	2019	2020 (min.)	2020 (max.)
Fixed compensation				
Basic annual salary	1,240,000	1,240,000	1,240,000	1,240,000
Fringe benefits	37,211	39,492	37,211	37,211
Total fixed compensation	1,277,211	1,279,492	1,277,211	1,277,211
Variable compensation				
Single-year variable compensation (STI)	550,000	550,000	–	1,375,000
Multi-year variable compensation				
Mid Term Incentive (MTI)				
2019 – 2021 tranche	–	550,000	–	–
2020 – 2022 tranche	550,000	–	–	1,100,000
Long Term Incentive (LTI)				
Performance Share Plan ¹	290,050	289,287	145,025	1,050,000
Total variable compensation	1,390,050	1,389,287	145,025	3,525,000
Pension expense	368,802	356,108	368,802	368,802
Total compensation (DCGK)	3,036,063	3,024,887	1,791,038	5,171,013

¹ The figures of the active Management Board members in the 2020 fiscal year were based on a fair market value per performance share amounting to €12.50 (2019: €13.79), which was calculated using a Monte-Carlo simulation taking into account the value-decreasing cap.

in €	Dr. Sven Schneider ¹ Chief Financial Officer since 1 May 2019				Dr. Helmut Gassel Management Board member				Jochen Hanebeck Management Board member			
	2020	2019	2020 (min.)	2020 (max.)	2020	2019	2020 (min.)	2020 (max.)	2020	2019	2020 (min.)	2020 (max.)
Fixed compensation												
Basic annual salary	825,000	343,750	825,000	825,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Fringe benefits	55,750	23,876	55,750	55,750	70,893	69,756	70,893	70,893	34,476	35,143	34,476	34,476
Total fixed compensation	880,750	367,626	880,750	880,750	820,893	819,756	820,893	820,893	784,476	785,143	784,476	784,476
Variable compensation												
Single-year variable compensation (STI)	375,000	156,250	-	937,500	340,000	340,000	-	850,000	340,000	340,000	-	850,000
Multi-year variable compensation												
Mid Term Incentive (MTI)												
2019 – 2021 tranche	-	156,250	-	-	-	340,000	-	-	-	340,000	-	-
2020 – 2022 tranche	375,000	-	-	750,000	340,000	-	-	680,000	340,000	-	-	680,000
Long Term Incentive (LTI)												
Performance Share Plan ²	264,125	-	132,062	956,250	165,725	165,315	82,862	600,000	165,725	165,315	82,862	600,000
Total variable compensation	1,014,125	312,500	132,062	2,643,750	845,725	845,315	82,862	2,130,000	845,725	845,315	82,862	2,130,000
Pension expense	294,037	114,134	294,037	294,037	106,961	98,324	106,961	106,961	129,139	114,234	129,139	129,139
Total compensation (DCGK)	2,188,912	794,260	1,306,849	3,818,537	1,773,579	1,763,395	1,010,716	3,057,854	1,759,340	1,744,692	996,477	3,043,615

1 In view of the fact the annual allocation for the 2019 fiscal year had already taken place before the start of Dr. Schneider's term of office, performance shares for the 2019 fiscal year were allocated together and in accordance with the conditions of the allocation for the 2020 fiscal year. 6,214 performance shares were allocated to Dr. Schneider on 1 March 2020 for the months May to September 2019. This was taken into account accordingly when determining the maximum compensation.

2 The figures of the active Management Board members in the 2020 fiscal year were based on a fair market value per performance share amounting to €12.50 (2019: €13.79), which was calculated using a Monte-Carlo simulation taking into account the value-decreasing cap.

Compensation received by Management Board members (“Zufluss”)

Since the compensation granted to Management Board members for the 2020 fiscal year did not coincide fully with amounts disbursed in a particular fiscal year, the following separate table shows the amounts flowing to (i.e. received by) Management Board members for the 2020 fiscal year (“Zufluss”).

Accordingly, the fixed compensation and the STI are disclosed as amounts received by Management Board members for the relevant fiscal year concerned. The MTI is disclosed as received by Management Board members in the fiscal year, in which the plan term of the relevant MTI tranche ends. Accordingly – in addition to the fixed compensation granted for 2020 and the STI – the MTI tranche for 2018–2020 is also

disclosed as received by Management Board members for the 2020 fiscal year. Share-based payments are disclosed as received by Management Board members on the basis of the relevant time and value for German tax law purposes. The performance shares awarded on 1 October 2016, which were definitively granted to Management Board members after the end of the 2020 fiscal year and transferred in the form of real Infineon shares (see “Components of the Management Board compensation system” in this chapter, [p. 131 ff.](#)) are not disclosed as received until the 2021 fiscal year. The amount disclosed as received for the pension expense (i.e. the service cost pursuant to IAS 19) corresponds to the amounts granted (see previous table), even though it does not constitute an actual receipt in the strict sense of the word.

The total compensation received by individual members of the Management Board for the 2020 fiscal year – analyzed by component – is shown in the following table:

in €	Dr. Reinhard Ploss Chief Executive Officer		Dr. Sven Schneider Chief Financial Officer since 1 May 2019		Dr. Helmut Gassel Management Board member		Jochen Hanebeck Management Board member	
	2020	2019	2020	2019	2020	2019	2020	2019
Fixed compensation								
Basic annual salary	1,240,000	1,240,000	825,000	343,750	750,000	750,000	750,000	750,000
Fringe benefits	37,211	39,492	55,750	23,876	70,893	69,756	34,476	35,143
Total fixed compensation	1,277,211	1,279,492	880,750	367,626	820,893	819,756	784,476	785,143
Variable compensation								
Single-year variable compensation (STI)	477,950	491,700	325,875	139,688	295,460	303,960	295,460	303,960
Multi-year variable compensation								
Mid Term Incentive (MTI)								
2017 – 2019 tranche	-	569,760	-	-	-	365,596	-	365,596
2018 – 2020 tranche	533,500	-	-	-	329,800	-	329,800	-
Long Term Incentive (LTI)								
Performance Share Plan	-	-	-	-	-	-	-	-
due in the 2019 fiscal year	-	859,370	-	-	-	-	-	-
due in the 2020 fiscal year	270,905	-	-	-	-	-	-	-
Total variable compensation	1,282,355	1,920,830	325,875	139,688	625,260	669,556	625,260	669,556
Pension expense	368,802	356,108	294,037	114,134	106,961	98,324	129,139	114,234
Total compensation (DCGK)	2,928,368	3,556,430	1,500,662	621,448	1,553,114	1,587,636	1,538,875	1,568,933

Commitments to Management Board members upon termination of their Board activities

Benefits and pension entitlements in the 2020 fiscal year

In accordance with the Management Board compensation system in place since 2010, the Management Board members have, in the meantime, all received a defined contribution pension commitment, 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 Management Board member or his or her surviving dependents in twelve annual installments, or, if so requested by the Management Board member, in eight annual installments, as a lump sum or as a life-long pension. In addition to the defined contribution pension plan that has been in place for Dr. Ploss since 1 January 2016, a fully vested fixed-amount pension entitlement of €210,000 p.a. also exists for his Board activities up to 31 December 2015, which will not increase in future.

If the entitlements of Management Board members (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 Management Board members concerned.

The plan rules applicable to Management Board members are as follows:

- › Dr. Gassel and Mr. Hanebeck have statutorily vested pension entitlements as a result of their previous periods of employment in senior management positions with Infineon. Their service contracts 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 and Mr. Hanebeck 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. The pension contributions for the 2020 fiscal year for Dr. Gassel and Mr. Hanebeck amounted in each case to €225,000.
- › The defined contribution pension commitment in place for Dr. Ploss is also based on a fixed contribution amount of 30 percent of the relevant agreed basic annual salary. The pension contribution made by the Company for the 2020 fiscal year amounted to €372,000.
- › The corresponding contribution for Dr. Schneider also amounts to 30 percent of the relevant agreed basic annual salary. The pension contribution made by the Company for the 2020 fiscal year amounted to €247,500.

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

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. The present value of pension and benefit entitlements is particularly dependent on changes in the discount rate required to be applied (30 September 2020: 0.95 percent, 30 September 2019: 0.59 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)
Dr. Reinhard Ploss¹ Chief Executive Officer	2020	-	372,000	2,474,927	368,802
		210,000	-	5,279,415	-
	2019	-	372,000	1,393,462	356,108
		210,000	-	5,596,191	-
Dr. Sven Schneider Chief Financial Officer since 1 May 2019	2020	-	247,500	393,029	294,037
		-	103,125	125,547	114,134
Dr. Helmut Gassel Management Board member	2020	-	225,000	2,653,885	106,961
		-	225,000	2,575,231	98,324
Jochen Hanebeck Management Board member	2020	-	225,000	3,279,840	129,139
		-	225,000	3,219,373	114,234
Total	2020	210,000	1,069,500	14,081,096	898,939
		2019 ²	210,000	925,125	12,909,804

1 The upper line for Dr. Ploss in the 2020 fiscal year respectively 2019 shows the contribution amount, the present value and the service cost relating to the defined contribution pension commitment additionally granted to him with effect from 1 January 2016. The second line in the 2020 fiscal year respectively 2019 shows the pension entitlement and the present value of his fixed amount pension plan.

2 The previous year's figure was adjusted for the remuneration of Dominik Asam. For further details, see "Payments to former Management Board members in the 2020 fiscal year". [p. 140](#)

Early termination of service contracts

The service contracts of Management Board members include a change-of-control clause, which stipulates the terms that apply when the activities of a Management Board member are terminated 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, holds 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"). Management Board members have the right to resign and terminate their service contracts within twelve 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 through to the end of the originally agreed duration of their contract for a maximum of 36 months. If Infineon Technologies AG removes a Management Board member or terminates their contract within twelve months of the announcement of a change of control, the Management Board members concerned are entitled to continued payment of their annual remuneration through 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.

Payments to former Management Board members in the 2020 fiscal year

Total compensation (primarily pension benefits) of €2,211,263.52 (2019: €2,007,096.87) was paid to former Management Board members in the 2020 fiscal year. As of 30 September 2020, accrued pension liabilities for former Management Board members amounted to €76,593,563 (2019: €81,187,076).

Since Mr. Asam was no longer a Management Board member during the 2020 fiscal year, his total compensation was no longer included in the total compensation of Management Board members in accordance with German Accounting Standard 17 (DRS 17). Mr. Asam received a fixed compensation of €412,500 and fringe benefits of €23,056 in the 2019 fiscal year. Additionally a post-employment non-competition clause was agreed with Mr. Asam for a period of 18 months. As compensation, Mr. Asam received a one-time amount of €150,000 in the 2020 fiscal year.

Revision of the Management Board compensation system

The Act Implementing the Second Shareholder Rights Directive (ARUG II) came into force on 1 January 2020. Furthermore, the Government Commission on the German Corporate Governance Code adopted a new version of the DCGK, which became effective on 20 March 2020. The Supervisory Board deliberated on this matter at length with the support of an external independent compensation expert. Based on the preparatory work of its Executive Committee and its recommendation, the Supervisory Board intends to resolve on a new Management Board compensation system at its meeting on 20 November 2020, which will be submitted to the 2021 Annual General Meeting for approval in accordance with Section 120a, German Stock Corporation. It is intended to convert the compensation of active Management Board members to the new compensation system over the course of the 2021 calendar year. The service contracts will then be adjusted accordingly.

Supervisory Board compensation

Compensation structure

The compensation due to the Supervisory Board (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 Supervisory Board member and is payable within one month of the end of each fiscal year.
- › **Allowances** in recognition of 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 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 Supervisory Board member performing more than one of the functions indicated receives only the highest single 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 of the relevant committees takes place 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, i.e. payment of one twelfth of the relevant annual compensation component for each (started) month of membership or exercise of function.

Moreover, Supervisory Board members 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 Supervisory Board members any value-added tax incurred on their total compensation (including meeting attendance fees).

Review of the Supervisory Board compensation system

In light of the changes brought about by ARUG II, Section 113, paragraph 3, AktG also requires the Supervisory Board compensation system to be submitted for approval at the Annual General Meeting. The Management Board and Supervisory Board have come to the conclusion that the current Supervisory Board compensation system is no longer in line with the market in some respects and will therefore propose changes at the 2021 Annual General Meeting.

Compensation of the Supervisory Board for the 2020 fiscal year

The total compensation (including meeting attendance fees) paid to the individual members of the Supervisory Board in the 2020 fiscal year comprises the following (these figures do not include value-added tax at 16 percent or – in case of members being located outside of Germany – the withholding tax, the solidarity surtax as well as other taxes):

Supervisory Board compensation

Supervisory Board member, in €	Fiscal year	Fixed compensation	Allowance for specific functions	Meeting attendance fees	Total compensation
Peter Bauer ¹	2020	37,500	10,417	6,000	53,917
	2019	90,000	25,000	24,000	139,000
Xiaoqun Clever ^{2,3}	2020	60,000	10,000	8,000	78,000
	2019	-	-	-	-
Johann Dechant	2020	90,000	30,000	38,000	158,000
	2019	90,000	30,000	32,000	152,000
Dr. Herbert Diess ¹	2020	37,500	-	4,000	41,500
	2019	90,000	-	10,000	100,000
Dr. Wolfgang Eder ³	2020	90,000	90,000	30,000	210,000
	2019	90,000	27,500	38,000	155,500
Dr. Friedrich Eichiner ^{2,3}	2020	60,000	16,667	8,000	84,667
	2019	-	-	-	-
Annette Engelfried	2020	90,000	15,000	30,000	135,000
	2019	90,000	15,000	30,000	135,000
Peter Gruber	2020	90,000	15,000	22,000	127,000
	2019	90,000	15,000	24,000	129,000
Gerhard Hobbach ¹	2020	37,500	6,250	6,000	49,750
	2019	90,000	15,000	22,000	127,000
Hans-Ulrich Holdenried ³	2020	90,000	15,000	22,000	127,000
	2019	90,000	15,000	24,000	129,000
Prof. Dr. Renate Köcher ¹	2020	37,500	-	4,000	41,500
	2019	90,000	-	14,000	104,000
Dr. Susanne Lachenmann	2020	90,000	15,000	20,000	125,000
	2019	90,000	15,000	22,000	127,000
Géraldine Picaud ³	2020	90,000	-	10,000	100,000
	2019	90,000	-	16,000	106,000

Supervisory Board member, in €	Fiscal year	Fixed compensation	Allowance for specific functions	Meeting attendance fees	Total compensation
Dr. Manfred Puffer ³	2020	90,000	-	18,000	108,000
	2019	90,000	-	22,000	112,000
Melanie Riedl ²	2020	60,000	-	16,000	76,000
	2019	-	-	-	-
Jürgen Scholz	2020	90,000	15,000	22,000	127,000
	2019	90,000	15,000	26,000	131,000
Kerstin Schulzendorf	2020	90,000	-	16,000	106,000
	2019	90,000	-	18,000	108,000
Dr. Ulrich Spiesshofer ^{2,3}	2020	60,000	16,667	8,000	84,667
	2019	-	-	-	-
Margret Suckale ^{2,3}	2020	60,000	-	10,000	70,000
	2019	-	-	-	-
Dr. Eckart Süner ¹	2020	37,500	10,417	8,000	55,917
	2019	90,000	84,583	34,000	208,583
Diana Vitale	2020	90,000	10,000	28,000	128,000
	2019	90,000	-	22,000	112,000
Total	2020	1,477,500	275,418	334,000	2,086,918
	2019	1,440,000	257,083	378,000	2,075,083

1 Joined as Supervisory Board member until 20 February 2020. The compensation for the 2020 fiscal year therefore was awarded on a pro rata basis.

2 Joined as Supervisory Board member since 20 February 2020. The compensation for the 2020 fiscal year therefore was awarded on a pro rata basis.

3 The shareholder representatives on the Supervisory Board have waived their entitlement to attendance fees for certain meetings. The Company will donate the attendance fee saved to a charitable institution.

Supervisory Board members did not receive any loans from Infineon in either the 2020 or 2019 fiscal years.

Neubiberg, 20 November 2020

Management Board

Dr. Reinhard Ploss Dr. Sven Schneider Dr. Helmut Gassel Jochen Hanebeck