

the event of dismissal/termination of contract by Infineon Technologies AG. All service contracts have since been adapted to the new Management Board remuneration system, so that the maximum period of continued payment has been reduced to 24 months for all Management Board members with effect from 1 October 2021. Further details are contained in the remuneration report.

The change-of-control clauses agreed with 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 and the Restricted Stock Unit Plan, in which Infineon managers and other selected employees worldwide participate, 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. Although Management Board members also participate in the Performance Share Plan, the rules therein relating to a change of control do not apply to Management Board members, given that their 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 315d of the German Commercial Code (HGB), including the Corporate Governance Report, is publicly available.

www.infineon.com/declaration-on-corporate-governance

Remuneration report

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

In addition to statutory requirements, the remuneration report is based primarily on the German Accounting Standard on Reporting on the Remuneration of Members of Governing Bodies (DRS 17). The remuneration report also contains the model tables recommended by the German Corporate Governance Code (Deutsche 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 remuneration 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 remuneration

Remuneration system

Similar to the remuneration paid to individual Management Board members, the Management Board remuneration system is defined and regularly reviewed by the full Supervisory Board on the basis of recommendations made by the Executive Committee.

On 20 November 2020, the Supervisory Board adopted a new Management Board remuneration system based on the recommendation of the Executive Committee. The new system was approved by the Annual General Meeting on 25 February 2021 in accordance with Section 120a of the German Stock Corporation Act and will apply as a general rule for incumbent Management Board members effective 1 October 2021.

However, the amended rules governing the variable remuneration component relating to the Long-Term Incentive (LTI) have been applied taking into account the grant made on 1 April 2021 (and thus retrospectively from 1 October 2020 for the 2021 fiscal year). The rationale for the early implementation of the new LTI rules was, firstly, that the Performance Share Plan (PSP) for employees, which had been designed as an LTI plan, was amended with effect from 1 April 2021, and it was desirable to synchronize that plan with the Management Board's LTI. Secondly, this procedure obviated the need to grant a further tranche of the variable remuneration component relating to the Mid-Term Incentive (MTI) in the 2021 fiscal year, reflecting the fact that the new remuneration system no longer includes an MTI component, the latter having been incorporated in the LTI with a view to strengthening long-term variable remuneration.

The aforementioned amendments to the Management Board remuneration system, which already apply for the 2021 fiscal year, are described in detail in this remuneration report. The other adjustments, which will only be relevant from the 2022 fiscal year, are outlined hereinafter in "Revision of the Management Board remuneration system", p. 147 ff. They are included in full and in detail in the notice of the Annual General Meeting held on 25 February 2021 and also presented on the website of Infineon.

<https://www.infineon.com/cms/en/about-infineon/investor/corporate-governance/#equity-based-compensation>

Appropriateness of Management Board remuneration

In accordance with applicable legal requirements and the recommendations of the DCGK, the remuneration paid to Management Board members is intended to reflect the typical level and structure of management board remuneration 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 remuneration in relation to that of senior management and the workforce

as a whole, including changes in the level of remuneration over time. The stated objective is that the remuneration structure should be designed in such a way that it promotes sustainable and long-term business development. The level of remuneration should contribute towards achieving Infineon's business strategies, with a cap in place in the event of exceptional developments. Infineon sets remuneration at a level that is competitive both nationally and internationally, with the aim of inspiring and rewarding dedication and success in a dynamic environment.

To ensure appropriateness, the Supervisory Board performs both horizontal and vertical comparisons at regular intervals.

The horizontal view compares the remuneration of Infineon's Management Board members with that of similar companies. In its most recent review of the appropriateness of Management Board remuneration, the Supervisory Board used a peer group of comparable DAX-listed companies (as of 31 December 2019, but excluding Linde plc and Wirecard AG, as no annual reports were available for these companies at the time of the comparison for 2019), comprising the following:

- › Adidas AG
- › Allianz SE
- › BASF SE
- › Bayer AG
- › Beiersdorf AG
- › BMW AG
- › Continental AG
- › Daimler AG
- › Deutsche Bank AG
- › Deutsche Börse AG
- › Deutsche Lufthansa AG
- › E.ON SE
- › Fresenius Medical Care AG & Co. KGaA
- › Fresenius SE & Co. KGaA
- › HeidelbergCement AG
- › Henkel AG & Co. KGaA
- › Merck KGaA
- › MTU Aero Engines AG
- › Münchener Rückversicherungs-Gesellschaft AG
- › RWE AG
- › SAP SE
- › Siemens AG

In addition to the horizontal comparison, a vertical view is also taken, whereby Infineon's internal remuneration structure is assessed by comparing the remuneration of the Management Board with that of senior management (senior executives in Germany and those performing internationally comparable functions) and the workforce as a whole. Apart from the current status, changes in the level of remuneration over time are also considered.

Components of the Management Board remuneration system

As remuneration for their service, all Management Board members receive a target annual income which – based on 100 percent target achievement – comprises approximately 40 percent fixed remuneration and approximately 60 percent variable remuneration components:

- › **Fixed remuneration:** Comprises a contractually agreed basic annual salary that is not linked to performance and paid in twelve equal monthly installments.
- › **Variable (= performance-related) remuneration:** Comprises two components – an annual bonus (short-term incentive – STI) and a long-term variable remuneration component (long-term incentive – LTI).

With the conversion of the current service contracts to the new Management Board remuneration system with effect from 1 October 2021 (i.e., for the 2022 fiscal year) and, in the case of the LTI with effect from 1 October 2020 (i.e., with the grant made on 1 April 2021 for the 2021 fiscal year), the previous multi-year variable bonus (Mid-Term Incentive – MTI) was discontinued. The allocation amount previously awarded for the MTI has now been largely added to the LTI. This change has the effect of increasing the weighting of long-term variable remuneration.

The **short-term incentive (“STI”)** is intended to reward performance over the fiscal year just ending, reflecting Infineon's recent progress. Assuming 100 percent target achievement of the variable remuneration components, the STI constitutes approximately 18 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 – serve as the basis for determining the variable remuneration 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. 93](#). With the conversion of the current service contracts to the new Management Board remuneration system with effect from 1 October 2021 (i.e., for the 2022 fiscal year) all three performance indicators (Free Cash Flow, Return on Capital Employed and Segment Result Margin) are also relevant for the Executive Board.
- (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 out only if the levels of target achievement reach at least the 50 percent threshold for both performance indicators (Free Cash Flow and 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 amount of the STI. A cap of 250 percent applies, meaning that the maximum amount that can be paid out is two-and-a-half times the target STI (= 100 percent), regardless of an actual higher level of achievement. Moreover, the Supervisory Board may increase or reduce the amount payable 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 that may be relevant. A lower limit applies in this case, such that the amount payable may not 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 a member's term of office on the Management Board begins or ends during a fiscal year, that member's entitlement to the STI is reduced on a pro rata monthly basis (by one twelfth for each full month missing from the complete STI tranche). A Management Board member is not entitled to receive an STI bonus for the fiscal year in which he/she resigns from office (unless the resignation is for a reason ("good cause") for which the member is not responsible or if the Management Board member's service contract is terminated by the Company for good cause.

With regard to the performance indicator Free Cash Flow for the 2021 fiscal year, the Supervisory Board had set a threshold of €347 million (0 percent target achievement), a target of €770 million (100 percent target achievement) and a maximum of €1,232 million (250 percent target achievement).

Free Cash Flow recorded for the 2021 fiscal year amounts to €1,574 million, corresponding to a target achievement level of 250 percent.

With regard to the performance indicator RoCE for the 2021 fiscal year, the Supervisory Board had set a threshold of 3.0 percent (0 percent target achievement), a target of 9.0 percent (100 percent target achievement) and a maximum of 17.5 percent (250 percent target achievement).

When calculating the RoCE relevant for determining the level of target achievement, those factors which cannot be influenced by the relevant decision-makers are adjusted in the earnings figure (operating profit from continuing operations after taxes). This applies in particular to earnings components which are not directly segment-related. The RoCE determined in this way for the 2021 fiscal year came in at 11.7 percent, corresponding to a target achievement level of 138.5 percent.

If both targets (Free Cash Flow and RoCE) end up with the same weighting, the arithmetic (mean) target achievement level for the 2021 fiscal year is 194.2 percent.

Exceptional factors not covered by the definitions of RoCE and Free Cash Flow that have a (positive or negative) impact on target achievement are taken into account by the Supervisory Board as it sees fit for the purposes of determining the target achievement level, provided that such factors are significant and were not already included in the forecast.

From the 2022 fiscal year onwards, the STI will – alongside the aforementioned financial performance criteria and Segment Result Margin – also include a criteria-based modifier that enables the Supervisory Board to assess the Management Board's collective performance and take appropriate account of extraordinary developments that were not adequately reflected in the targets set at an earlier stage. After the end of the respective fiscal year, the Supervisory Board applies a factor of between 0.7 and 1.3 to determine the overall level of target achievement. The collective performance of the Management Board rewards the extent to which the Management Board contributes to the sustainable development of the Company as a whole – in strategic, technical or structural terms. Prior to the beginning of each fiscal year, the Supervisory Board selects the criteria that it has determined are relevant for the fiscal year in question, based on the following categories:

- › sustainable strategic, technical or structural development of the business;
- › portfolio-related measures, particularly successful mergers and acquisitions as well as corresponding integration measures;
- › successful development of new growth markets, improvement of market position;
- › optimizations, efficiency improvement programs, restructuring;
- › successful completion of key projects;
- › improved innovative strength and delivery capabilities;
- › progress in Environmental, Social & Governance (ESG) matters.

For the 2022 fiscal year, the Supervisory Board has defined two specific criteria at the recommendation of the Executive Committee:

- › Firstly, the performance of the Management Board should be measured in terms of its implementation of the digital transformation strategy.
- › Secondly, the development of key technologies and innovations and, in this context, the corresponding market growth for SiC and GaN products, which is strategically vital for Infineon.

The **Mid-Term Incentive (“MTI”)** was intended to reward sustained performance by the Management Board that reflected Infineon’s medium-term progress. As explained above, the MTI has been discontinued as a remuneration component with effect from 1 October 2020. In concrete terms, this means that no new three-year MTI tranches have been granted since 1 October 2020, i.e., for the 2021 fiscal year. The two MTI tranches allocated for the 2019 and 2020 fiscal years continued to be valid but will not be supplemented with additional annual tranches. Accordingly, after the end of the 2021 fiscal year, the tranche allocated for the 2019 fiscal year was paid out in two annual installments (for the 2019 and 2020 fiscal years). After the end of the 2022 fiscal year, the tranche allocated for the 2020 fiscal year will be paid out with only one annual tranche (for the 2020 fiscal year). 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 position and any exceptional factors.

As the previous MTI allocation amount has now been added to the LTI with a four-year performance period, a temporary payout shortfall arises, which will be compensated by temporarily increasing the STI allocation amount for the Management Board members concerned in the 2022, 2023 and 2024 fiscal years. Therefore, a maximum remuneration of €8,200,000 (Chief Executive Officer) and €4,800,000 (ordinary member of the Executive Board) applies to current service contracts for fiscal years 2022, 2023 and 2024.

The **Long-Term Incentive (“LTI”)** was adjusted with retrospective effect from 1 October 2020.

The LTI is a Performance Share Plan with a four-year performance period. Assuming 100 percent target achievement of the variable remuneration components, the LTI constitutes approximately 42 percent of target annual income.

The performance period begins on 1 October of the first fiscal year of the performance period and ends on 30 September four years later. During this period, performance is measured on the basis of two criteria, namely a financial performance criterion based on relative Total Shareholder Return (TSR) as compared to a selected sector peer group and a non-financial performance criterion derived from strategic Environmental, Social & Governance (ESG) targets. The TSR and the ESG targets contribute 80 percent and 20 percent to overall target achievement respectively.

The LTI tranche is allocated on 1 April in the first fiscal year of the performance period (allocation date). The vesting period begins on the allocation date. Unlike the performance period, the vesting period ends four years after the allocation date, i.e., on 31 March. In order to determine the number of performance shares to be provisionally awarded on the allocation date, at the beginning of the performance period, the individual allocation amount is divided by the average share price over the last 60 trading days prior to the beginning of the performance period. The extent of target achievement is determined at the end of the four-year performance period. The definitive number of performance shares to be allocated after the end of the vesting period is calculated by multiplying the number of provisionally allocated performance shares by the total target achievement of the two performance criteria applied during the performance period. The definitive allocation of performance shares in an LTI tranche may not result in the Management Board member’s gain (before taxes) exceeding 250 percent of the respective LTI allocation amount. Above this cap, any performance shares that could still theoretically be allocated will lapse.

If the service contract of a Management Board member begins and/or ends during the fiscal year, the LTI grant amount for the fiscal year shall be reduced pro rata temporis on a monthly basis (by one twelfth for each missing full month).

Performance criteria and measuring success

TSR

The TSR is defined as Infineon's share price performance over the performance period, including any dividends per share paid during that period (cumulative and notionally reinvested) compared to a pre-defined peer group. The TSR measures the total shareholder return, reflects the overall success of an investment, and is used as an indicator to determine the increase in market or company value. Target achievement for the TSR is based on a comparison with Infineon's main international competitors (sector peer group):

- › Analog Devices Inc.
- › Broadcom Inc.
- › China Electronics Huada Technology Company Ltd.
- › Dialog Semiconductor PLC ¹
- › Elmos Semiconductor SE
- › Fuji Electric CO., LTD.
- › GigaDevice Semiconductor (Beijing) Inc.
- › Knowles Corp.
- › Macronix International Co., Ltd.
- › MediaTek Inc.
- › Microchip Technology Inc.
- › Micron Technology, Inc.
- › Mitsubishi Electric Corp.
- › Nuvoton Technology Corp.
- › NXP Semiconductors N.V.
- › Omron Corp.
- › ON Semiconductor Corp.
- › Power Integrations Inc.
- › Qualcomm Technologies, Inc.
- › Renesas Electronics Corp.
- › Rohm CO., LTD.
- › Shanghai Fudan Microelectronics Group Co., Ltd.
- › Silicon Laboratories, Inc.
- › STMicroelectronics N.V.
- › Texas Instruments Inc.
- › Toshiba Corp.
- › Vishay Intertechnology, Inc.
- › Winbond Electronics Corp.
- › Wolfspeed, Inc.

¹ Dialog Semiconductor PLC was acquired by Renesas Electronics Corporation in August 2021.

Only companies that exist (and remain) as a legally independent entity throughout the performance period are considered part of the peer group. The Supervisory Board may adjust the peer group as it sees fit prior to the beginning of a new performance period.

The target achievement for Infineon's TSR performance criterion is determined using the ranking method. In this context, the TSR is calculated for Infineon and all companies in the sector peer group and ranked according to size. This ranking results in a percentile rank that indicates where Infineon's TSR is positioned.

The TSR target achievement can range between 0 percent and 150 percent. If Infineon's TSR is positioned at the 60th percentile, the target achievement is 100 percent. A position at or below the 25th percentile results in a target achievement of 0 percent, while a position at or above the 75th percentile results in a target achievement of 150 percent. Target achievements between the defined target achievement points are interpolated linearly. The TSR includes all cash dividends paid out during the performance period by all companies in the peer group (including Infineon) and is calculated as follows:

$$\text{TSR} = \frac{\text{(Change in Stock Price + Dividends Paid)}}{\text{Beginning Stock Price}}$$

ESG

ESG targets are defined as non-financial, quantitative and qualitative performance criteria relating to environmental, social and governance (ESG) matters. These include, for example, contributions to global climate protection (such as carbon neutrality by 2030) or the furthering of diversity at Infineon that has a positive impact on innovation, employee commitment and financial performance. Establishing a clear link between ESG targets and Infineon's business and sustainability strategies, on the one hand, and current market requirements, on the other, creates incentives for managing the company on a sustainable basis in the best interest of stakeholders. The ESG targets

are therefore important in that they align the interests of both the Management Board and other stakeholders and contribute to the long-term sustainable success of the Group as a whole.

The specific ESG targets to be used for a particular tranche are determined and definitively resolved by the Supervisory Board prior to the beginning of the performance period. The Supervisory Board defines up to three specific ESG targets, which are weighted equally. At the end of the performance period, target achievement is determined on the basis of a target/actual comparison and, as in the case of the LTI financial performance criterion, can range between 0 percent and 150 percent. The specific ESG targets, target achievement curves and target achievements are disclosed ex post in the remuneration report. The Supervisory Board is entitled to determine further ESG targets and their relative weightings.

For the LTI tranche allocated on 1 April 2021, the Supervisory Board has defined two ESG targets: one relating to environment and the other to social matters.

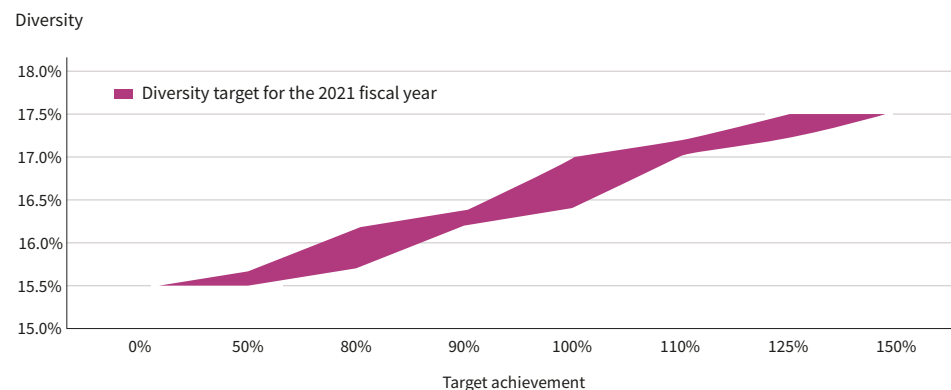
The environmental target is to achieve 50 percent carbon neutrality in the 2024 fiscal year. The base period for these purposes is the 2019 calendar year. The target is to be achieved by reducing PFC emissions, energy efficiency measures or development assistance measures linked to decarbonization. The aim is to achieve a total reduction of 100,000 tons of carbon emissions by the end of the 2024 fiscal year. Target achievement can range between 0 percent and 150 percent. If carbon emissions are reduced by less than 25,000 tons, target achievement is 0 percent. If carbon emis-

sions are reduced by 100,000 tons, target achievement is 100 percent. If they are reduced by 150,000 tons or more, target achievement is 150 percent. Target achievements between the defined target achievement points are interpolated linearly. If carbon neutrality is not achieved, the target achievement is 0 percent regardless of the aforementioned linear component. The environmental target contributes 10 percent to the overall target achievement of the LTI.

The Supervisory Board has also defined a further ESG target in the area of social matters. In the light of this diversity target, gender diversity is taken into account, i.e., the proportion of women in management positions as well as other diversity factors. A target range has been defined for the percentage of women in management positions.

The aim is to increase the percentage of women in GG (Global Grade) 13+ positions to within a target range between 18 percent and 20 percent by the 2030 fiscal year. Target achievement for the diversity target can range between 0 percent and 150 percent. A 100 percent target achievement corresponds to an increase of between 1.2 percentage points and 1.8 percentage points at the end of the performance period. The baseline is 15.2 percent as of 30 September 2020. If the proportion of women is increased by up to 0.3 percentage points during the performance period, this results in a target achievement of 0 percent, while an increase in the proportion of women by more than 2.3 percentage points would result in a target achievement of 150 percent. Target achievements between the defined target achievement points are interpolated linearly. The diversity target contributes 10 percent to the overall target achievement of the LTI.

C41 Diversity target



Final allocation

After the final fiscal year of the four-year performance period has ended, the Supervisory Board determines the number of performance shares that will be definitively allocated. The Supervisory Board reserves the right to make a cash settlement rather than actually transferring Infineon shares. The Supervisory Board is required to make the decision prior to the end of the four-year vesting period; otherwise the right to make a cash settlement lapses. If the Supervisory Board decides to settle in cash, the amount to be paid out is calculated by multiplying the number of performance shares definitively allocated by the average share price over the last 60 trading days prior to the end of the four-year performance period. Payment must be made within one month after the end of the vesting period. Here too, the definitive LTI payout amount is limited to 250 percent of the individual allocation amount.

LTI rules prior to the changeover to the new remuneration system

The LTI tranches already allocated prior to the changeover to the new remuneration system will continue to be subject to the old rules described below.

The (virtual) performance shares were allocated as of 1 March for the fiscal year that began on 1 October, initially on a provisional basis. The final allocation and transfer of (real) Infineon shares took place four years later. Performance shares were allocated provisionally on the basis of the contractually agreed “LTI allocation amount” in euros and agreed upon individually in the service contract of each Management Board member. The number of performance shares was 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 his/her 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 all or only those that are not performance-related – are met at the end of the holding period, the Management Board member acquires an entitlement against the Company for the transfer of the corresponding number of (real) Infineon shares. Any performance shares that 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; any performance shares above this amount lapse (cap).

Based on its own best judgment, the Supervisory Board has the option to grant a special bonus, such as 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 remuneration of the Management Board member concerned. Under the new Management Board remuneration system, the option to grant a special bonus has been removed without replacement.

Management Board remuneration in the 2021 fiscal year in accordance with German Accounting Standard 17 (DRS 17)

Total remuneration

Total remuneration to Management Board members in accordance with DRS 17 and benefits to individual Management Board members – also presented in accordance with DRS 17 – are shown in the table below.

Management Board members did not receive any loans from Infineon or benefits from third parties in the 2021 and 2020 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).

in €	Dr. Reinhard Ploss Chief Executive Officer		Dr. Sven Schneider Chief Financial Officer		Dr. Helmut Gassel Management Board member		Jochen Hanebeck Management Board member		Constanze Hufenbecher Management Board member since 15 April 2021 ³		Total Management Board	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Fixed remuneration												
Basic annual salary	1,240,000	1,240,000	825,000	825,000	750,000	750,000	750,000	750,000	346,591	–	3,911,591	3,565,000
Fringe benefits	35,238	37,211	55,337	55,750	32,188	70,893	28,329	34,476	34,140	–	185,232	198,330
Total fixed remuneration	1,275,238	1,277,211	880,337	880,750	782,188	820,893	778,329	784,476	380,731	–	4,096,823	3,763,330
Variable remuneration												
Single-year variable remuneration (STI)	1,068,100	477,950	728,250	325,875	660,280	295,460	660,280	295,460	302,628	–	3,419,538	1,394,745
Multi-year variable remuneration												
Mid-Term Incentive (MTI) ¹												
2020 – 2022 tranche	–	159,317	–	108,625	–	98,487	–	98,487	–	–	–	464,916
2019 – 2021 tranche	–	159,317	–	108,625	–	98,487	–	98,487	–	–	–	464,916
2018 – 2020 tranche	–	159,317	–	–	–	98,487	–	98,487	–	–	–	356,291
Long-Term Incentive (LTI)												
Performance Share Plan ²	1,767,364	290,050	976,672	264,125	976,672	165,725	976,672	165,725	447,629	–	5,145,009	885,625
Total variable remuneration	2,835,464	1,245,951	1,704,922	807,250	1,636,952	756,646	1,636,952	756,646	750,257	–	8,564,547	3,566,493
Total remuneration	4,110,702	2,523,162	2,585,259	1,688,000	2,419,140	1,577,539	2,415,281	1,541,122	1,130,988	–	12,661,370	7,329,823

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

² The figures for the active Management Board members in the 2021 fiscal year were based on a fair market value per performance share amounting to €28.87 (2020: €12.50), which was calculated using a Monte Carlo simulation model.

³ Ms. Hufenbecher is entitled to one twenty-fourth of the individual STI or LTI grant amount for the month of April 2021, and thus to a total of 11 twenty-fourths for the entry fiscal year.

The fringe benefits of Ms. Hufenbecher include a one-time lump sum of €25,000 for the reimbursement of start-up costs.

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

Share-based payment

As described in the section "Management Board remuneration", the contractually agreed LTI is granted to Management Board members by Infineon in the form of performance shares, [p. 136](#). The average price of the Infineon share relevant for the number of performance shares granted for the 2021 fiscal year was €22.82 (2020: €18.10).

A fair market value of €28.87 (2020: €12.50) per performance share granted in the 2021 fiscal year was determined, taking account of the cap of 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 2021 fiscal year.

Further details regarding the LTI tranche that vested on 1 October 2021 and the performance shares awarded to Management Board members on 1 April 2021 for the 2021 fiscal year are provided in note 21 to the Consolidated Financial Statements. [p. 195 f.](#)

		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 due 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 payment
Fiscal year		Number	Number	in €	Number	Number	Number	in €
Management Board member								
Dr. Reinhard Ploss Chief Executive Officer	2021	91,788	61,218	1,767,364	14,027	14,027	124,952	523,916
	2020	103,148	23,204	290,050	17,282	17,282	91,788	182,577
Dr. Sven Schneider Chief Financial Officer	2021	21,130	33,830	976,672	-	-	54,960	276,840
	2020	-	21,130	264,125	-	-	21,130	59,802
Dr. Helmut Gassel Management Board member	2021	53,328	33,830	976,672	8,455	8,455	70,248	291,991
	2020	40,070	13,258	165,725	-	-	53,328	104,328
Jochen Hanebeck Management Board member	2021	53,328	33,830	976,672	8,455	8,455	70,248	291,991
	2020	40,070	13,258	165,725	-	-	53,328	104,328
Constanze Hufenbecher Management Board member since 15 April 2021 ³	2021	-	15,505	447,629	-	-	15,505	99,473
	2020	-	-	-	-	-	-	-
Total	2021	219,574	178,213	5,145,009	30,937	30,937	335,913	1,484,211
	2020	183,288	70,850	885,625	17,282	17,282	219,574	451,035

¹ The share price of the virtual performance shares exercised on 1st October 2020 amounted to €25.50.

² In the 2021 and 2020 fiscal years, virtual performance shares expired because the performance hurdle had not been met.

³ Despite taking office on 15th April 2021, Ms. Hufenbecher was granted virtual performance shares retroactively as of 1st April 2021. Ms. Hufenbecher is entitled to one twenty-fourth of the individual LTI grant amount for the month of April 2021, and thus to a total of 11 twenty-fourths for the entry fiscal year.

Special bonuses

The Supervisory Board did not award any special bonuses to Management Board members during the 2021 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. The 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 incurred in conjunction with section 93, paragraph 2, AktG.

Remuneration of the Management Board in the 2021 fiscal year in accordance with DCGK 2017 (voluntary disclosure)

Remuneration granted (“gewährte Zuwendungen”)

The following table shows the value of remuneration granted for the 2020 and 2021 fiscal years, including fringe benefits, as well as the minimum and maximum values that can be achieved for the 2021 fiscal year.

Unlike 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 was 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 percent to 200 percent. In addition, the pension expense, i.e., the service cost in accordance with IAS 19 (see “Commitments to Management Board members upon termination of their Board activities” in this chapter, [p. 145 f.](#)), is included in total remuneration.

in €	Dr. Reinhard Ploss Chief Executive Officer				Dr. Sven Schneider Chief Financial Officer				Dr. Helmut Gassel Management Board member			
	2021	2020	2021 (min.)	2021 (max.)	2021	2020	2021 (min.)	2021 (max.)	2021	2020	2021 (min.)	2021 (max.)
Fixed remuneration												
Basic annual salary	1,240,000	1,240,000	1,240,000	1,240,000	825,000	825,000	825,000	825,000	750,000	750,000	750,000	750,000
Fringe benefits	35,238	37,211	35,238	35,238	55,337	55,750	55,337	55,337	32,188	70,893	32,188	32,188
Total fixed remuneration	1,275,238	1,277,211	1,275,238	1,275,238	880,337	880,750	880,337	880,337	782,188	820,893	782,188	782,188
Variable remuneration												
Single-year variable remuneration (STI)	550,000	550,000	-	1,375,000	375,000	375,000	-	937,500	340,000	340,000	-	850,000
Multi-year variable remuneration												
Mid-Term Incentive (MTI)												
2020 – 2022 tranche	-	550,000	-	-	-	375,000	-	-	-	340,000	-	-
Long-Term Incentive (LTI)												
Performance Share Plan ¹	1,767,364	290,050	-	3,492,500	976,672	264,125	-	1,930,000	976,672	165,725	-	1,930,000
Total variable remuneration	2,317,364	1,390,050	-	4,867,500	1,351,672	1,014,125	-	2,867,500	1,316,672	845,725	-	2,780,000
Pension expense	72,298	368,802	72,298	72,298	278,244	294,037	278,244	278,244	98,884	106,961	98,884	98,884
Total remuneration (DCGK)	3,664,900	3,036,063	1,347,536	6,215,036	2,510,253	2,188,912	1,158,581	4,026,081	2,197,744	1,773,579	881,072	3,661,072

¹ The figures of the active Management Board members in the 2021 fiscal year were based on a fair market value per performance share amounting to €28.87 (2020: €12.50), which was calculated using a Monte Carlo simulation.

in €	Jochen Hanebeck Management Board member				Constanze Hufenbecher Management Board member since 15 April 2021 ²			
	2021	2020	2021 (min.)	2021 (max.)	2021	2020	2021 (min.)	2021 (max.)
Fixed remuneration								
Basic annual salary	750,000	750,000	750,000	750,000	346,591	-	346,591	346,591
Fringe benefits	28,329	34,476	28,329	28,329	34,140	-	34,140	34,140
Total fixed remuneration	778,329	784,476	778,329	778,329	380,731	-	380,731	380,731
Variable remuneration								
Single-year variable remuneration (STI)	340,000	340,000	-	850,000	155,833	-	-	389,583
Multi-year variable remuneration								
Mid-Term Incentive (MTI)								
2020 – 2022 tranche	-	340,000	-	-	-	-	-	-
Long-Term Incentive (LTI)								
Performance Share Plan ¹	976,672	165,725	-	1,930,000	447,629	-	-	884,583
Total variable remuneration	1,316,672	845,725	-	2,780,000	603,462	-	-	1,274,166
Pension expense	120,148	129,139	120,148	120,148	131,044	-	131,044	131,044
Total remuneration (DCGK)	2,215,149	1,759,340	898,477	3,678,477	1,115,237	-	511,775	1,785,941

1 The figures of the active Management Board members in the 2021 fiscal year were based on a fair market value per performance share amounting to €28.87 (2020: €12.50), which was calculated using a Monte Carlo simulation.

2 Ms. Hufenbecher is entitled to one twenty-fourth of the individual STI or LTI grant amount for the month of April 2021, and thus to a total of 11 twenty-fourths for the entry fiscal year.

Remuneration received by Management members (“Zufluss”)

Since the remuneration granted to Management Board members for the 2021 fiscal year did not coincide fully with amounts disbursed in a particular fiscal year, a separate table is presented below showing the amounts flowing to (i.e., received by) Management Board members for the 2021 fiscal year (“Zufluss”).

Accordingly, the fixed remuneration and the STI are disclosed as amounts received by Management Board members for the relevant fiscal year. The MTI was disclosed as received by Management Board members in the fiscal year in which the plan term of the relevant MTI tranche ends. However, due to the discontinuation of the MTI, the

tranche allocated for the 2019 fiscal year was paid and included two annual installments (for the 2019 and 2020 fiscal years). In addition to the fixed remuneration and the STI granted for the 2021 fiscal year, the Management Board members therefore received the 2019-2021 MTI tranche, reduced by the amount of the tranche for the 2021 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 amount disclosed as received for the pension expense (i.e., the service cost in accordance with IAS 19) corresponds to the amounts granted (see previous table), even though it does not strictly constitute an actual receipt.

The total remuneration received by individual members of the Management Board for the 2021 fiscal year – analyzed by component – is shown in the following table:

in €	Dr. Reinhard Ploss Chief Executive Officer		Dr. Sven Schneider Chief Financial Officer		Dr. Helmut Gassel Management Board member		Jochen Hanebeck Management Board member		Constanze Hufenbecher Management Board member since 15 April 2021 ¹	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Fixed remuneration										
Basic annual salary	1,240,000	1,240,000	825,000	825,000	750,000	750,000	750,000	750,000	346,591	-
Fringe benefits	35,238	37,211	55,337	55,750	32,188	70,893	28,329	34,476	34,140	-
Total fixed remuneration	1,275,238	1,277,211	880,337	880,750	782,188	820,893	778,329	784,476	380,731	-
Variable remuneration										
Single-year variable remuneration (STI)	1,068,100	477,950	728,250	325,875	660,280	295,460	660,280	295,460	302,628	-
Multi-year variable remuneration										
Mid-Term Incentive (MTI)										
2019 – 2021 tranche	323,400	-	156,188	-	199,920	-	199,920	-	-	-
2018 – 2020 tranche	-	533,500	-	-	-	329,800	-	329,800	-	-
Long-Term Incentive (LTI)										
Performance Share Plan										
due in the 2021 fiscal year	357,656	-	-	-	215,583	-	215,583	-	-	-
due in the 2020 fiscal year	-	270,905	-	-	-	-	-	-	-	-
Total variable remuneration	1,749,156	1,282,355	884,438	325,875	1,075,783	625,260	1,075,783	625,260	302,628	-
Pension expense	72,298	368,802	278,244	294,037	98,884	106,961	120,148	129,139	131,044	-
Total remuneration (DCGK)	3,096,692	2,928,368	2,043,019	1,500,662	1,956,855	1,553,114	1,974,260	1,538,875	814,403	-

¹ Ms. Hufenbecher is entitled to one twenty-fourth of the individual STI or LTI grant amount for the month of April 2021, and thus to a total of 11 twenty-fourths for the entry fiscal year.

Commitments to Management Board members upon termination of their Board activities

Benefits and pension entitlements in the 2021 fiscal year

Based on the amendment to the Executive Board compensation system in 2010, all Management Board members have received a defined contribution pension commitment that is essentially identical to the Infineon pension plan applicable to all employees. Accordingly, the Company has set up a personal pension account (basic account) for each beneficiary, to which it makes annual pension contributions. 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. 95 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 the 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 (Pensionssicherungsverein), 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 Management 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 2021 fiscal year for Dr. Gassel and Mr. Hanebeck amounted to €225,000 in each case.
- › The pension contribution made for Ms. Hufenbecher also amounts to 30 percent of the relevant agreed basic annual salary. Due to the entry during the fiscal year, the pension contribution made by the Company for the 2021 fiscal year amounted to €112,500.
- › 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 2021 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 2021 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 also be paid out at an earlier point in 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 that is required to be applied (30 September 2021: 1.25 percent; 30 September 2020: 0.95 percent).

Pension entitlements

	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)
in €					
Dr. Reinhard Ploss ¹ Chief Executive Officer	2021	-	372,000	2,290,395	72,298
		210,000	-	5,114,761	-
	2020	-	372,000	2,474,927	368,802
		210,000	-	5,279,415	-
Dr. Sven Schneider Chief Financial Officer	2021	-	247,500	554,907	278,244
	2020	-	247,500	393,029	294,037
Dr. Helmut Gassel Management Board member	2021	-	225,000	2,414,767	98,884
	2020	-	225,000	2,653,885	106,961
Jochen Hanebeck Management Board member	2021	-	225,000	2,995,017	120,148
	2020	-	225,000	3,279,840	129,139
Constanze Hufenbecher ² Management Board member since 15 April 2021	2021	-	112,500	131,044	131,044
	2020	-	-	-	-
Total	2021	210,000	1,182,000	13,500,891	700,618
	2020	210,000	1,069,500	14,081,096	898,939

1 The upper line for Dr. Ploss in the 2021 fiscal year respectively 2020 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 2021 fiscal year respectively 2020 shows the pension entitlement and the present value of his fixed-amount pension plan.

2 The service cost for Ms. Hufenbecher takes into account that she was appointed to the Management Board during the year on 15 April 2021, and therefore was not in the office for the entire 2021 fiscal year.

Premature termination of the service contract

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, acquires at least 50 percent of the voting rights in Infineon Technologies AG as defined in section 30 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – "WpÜG"). Management Board members have the right to resign and terminate their service contracts within twelve months of the announcement of any such 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 service 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 prematurely terminated.

Under the new Management Board remuneration system, the maximum period of continued payment of fixed and variable remuneration is reduced to 24 months in any case. The service contracts of the incumbent Management Board members were adjusted accordingly with effect from 1 October 2021. For Ms. Hufenbecher, on the other hand, the new regulations have already applied since she took office.

Payments to former Management Board members in the 2021 fiscal year

Total remuneration (primarily pension benefits) of €2,609,306.24 (2020: €2,211,263.52) was paid to former Management Board members in the 2021 fiscal year. As of 30 September 2021, accrued pension liabilities for former Management Board members amounted €72,369,256 (2020: €76,593,563).

Revision of the Management Board remuneration 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 remuneration expert. Based on the preparatory work of the Executive Committee and its recommendation, the Supervisory Board adopted a new Management Board remuneration system at its meeting on 20 November 2020, which was approved by the Annual General Meeting on 25 February 2021 in accordance with section 120a, AktG.

In addition to the changes already relevant for the 2021 fiscal year and described above (i.e., the incorporation of the MTI into the LTI and the new LTI rule), the remaining parts of the new Management Board remuneration system for the incumbent Management Board members apply from 1 October 2021. The main additional changes can be summarized as follows:

- › The option of the Supervisory Board to award a “special bonus” amounting to up to 30 percent of the fixed basic remuneration of Management Board members has been removed without replacement.
- › In the case of the STI, the existing financial targets RoCE and Free Cash Flow will be supplemented by the addition of a third target, namely the Segment Result Margin (SRM), which already serves as a key performance indicator for Infineon. The SRM was also previously taken into account in the STI target structure applicable to employees.
- › The option of the Supervisory Board to reduce or increase the STI payout amounts by up to 30 percent at its discretion has been replaced by a criteria-based STI modifier. Accordingly, the Supervisory Board defines criteria for assessing the collective performance of the Management Board each fiscal year on the basis of a fixed catalog (see also above in the section “Components of the Management Board remuneration system”, [p. 134 ff.](#)). After the end of the fiscal year, the Supervisory Board can then reduce or increase the target achievement level for the STI by up to 30 percent – depending on the performance of the Management Board and also to take account of any exceptional, unforeseeable developments.
- › The Management Board remuneration system now includes Share Ownership Guidelines that require Management Board members to build up a minimum holding of Infineon shares over a period of generally five years and to hold them for up to two years after leaving office. This minimum holding has been set at the equivalent to 150 percent of the fixed basic annual salary for the Chairman and at 100 percent of the basic annual salary for other Management Board members.
- › As a final point, a malus and clawback clause has been introduced that allows the Supervisory Board to withhold or reclaim variable remuneration components in certain cases.

The structure of the new Management Board remuneration system can be summarized as follows:

Overview of the various components of the remuneration system

Fixed remuneration	
Basic annual salary	Fixed, non-performance-related remuneration paid in twelve equal monthly installments
Fringe benefits	Primarily a company car with chauffeur (also for private use) and an allowance for health and nursing care insurance as well as various insurance and general employee benefits
Company pension plan	Defined contribution plan that provides an annual pension contribution and capital market-oriented interest
Variable (i.e., performance-related) remuneration	
Short-Term Incentive (STI)	
Performance criteria	<ul style="list-style-type: none"> › 1/3 Return on Capital Employed (RoCE) as planned › 1/3 Free Cash Flow (FCF) as planned › 1/3 Segment Result Margin (SRM) as planned
Modifier (0.7 to 1.3)	<ul style="list-style-type: none"> › Collective performance of the Management Board › Extraordinary developments
Performance period	One year
Limitation/cap	250% of the allocation amount
Payment	In cash, after performance period ends
Long-Term Incentive (LTI)	
Plan type	Performance Share Plan
Performance criteria	<ul style="list-style-type: none"> › 80% relative Total Shareholder Return (TSR) › 20% ESG targets
Performance period	Four years
Waiting period	Four years
Limitation/cap	250% of the allocation amount
Payment	Generally in shares, after waiting period expires

Other contractual elements	
Malus and clawback	Partial or complete reduction or reclamation of variable remuneration components
Share Ownership Guidelines (SOG)	
Chairman of the Management Board (CEO)	150% of gross annual basic salary
Full member of the Board	100% of gross annual basic salary
Accumulation phase	Generally five years
Maximum remuneration	Maximum remuneration payable to the Management Board capped in accordance with section 87a, paragraph 1, number 1, AktG (including fringe benefits and expenses for company pension plans)
Chairman of the Management Board (CEO)	€7,200,000
Full member of the Board	€4,200,000
Change-of-control clause	In the event of a change of control, right of extraordinary termination within limited period of time and with restricted severance pay regulation

A detailed presentation of the new Management Board remuneration system is available in the notice of the Annual General Meeting held on 25 February 2021 and on the Infineon website. <https://www.infineon.com/cms/en/about-infineon/investor/corporate-governance/#equity-based-compensation>

Supervisory Board remuneration

On 25 February 2021, the Annual General Meeting resolved amendments to the Articles of Association regarding Supervisory Board remuneration and approved the Supervisory Board remuneration system in accordance with Section 113, AktG. The amendments apply with effect from 1 October 2021. A brief summary of these amendments is provided below. The complete wording of the amendments is available in the notice of the Annual General Meeting held on 25 February 2021 and on the Infineon website. <https://www.infineon.com/cms/en/about-infineon/investor/corporate-governance/#equity-based-compensation>

Remuneration structure

The remuneration of the members of the Supervisory Board (total remuneration) is governed by section 11 of the Company's Articles of Association and comprises the following:

- › A **fixed remuneration (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 additional work involved in performing certain functions within the Supervisory Board: The Chairman of the Supervisory Board receives an allowance of €90,000, each deputy receives an allowance of €30,000, the Chairman of the Investment, Finance and Audit Committee and the Chairman of the Strategy and Technology Committee each receive an allowance of €25,000, and each member of a Supervisory Board committee receives an allowance of €15,000 – with the exception of the Nomination Committee and the Mediation Committee. The additional allowance is payable only if the body to which the Supervisory Board or committee member belongs has convened or passed resolutions in the fiscal year concerned. A Supervisory Board member performing more than one of the functions indicated receives only the highest single additional allowance payable to a member performing the functions concerned. The allowance is payable to the relevant holder of office within one month of the end of each 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 payable, the relevant remuneration components are disbursed on a pro rata basis, i.e., payment of one twelfth of the relevant annual remuneration 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 as well as 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 remuneration (including meeting attendance fees).

Review of the Supervisory Board remuneration system

In light of the changes brought about by ARUG II, Section 113, paragraph 3, AktG also required the Supervisory Board remuneration system to be submitted for approval at the Annual General Meeting. The Management Board and Supervisory Board came to the conclusion that the current Supervisory Board remuneration system is no longer in line with the market in some respects and therefore proposed changes at the Annual General Meeting held on 25 February 2021, which were adopted accordingly. The main changes compared with the current Supervisory Board remuneration system are as follows:

- › Whereas the fixed basic remuneration and the function-based allowances for the Chairman of the Supervisory Board were increased only slightly, the function-based allowances for the committees and the Chairs of the Investment, Finance and Audit Committee and the Strategy and Technology Committee were raised more significantly to a level in line with the market.
- › The previous threshold clause, according to which only the highest function-based allowance is paid if more than one function is performed, was deleted. The rationale for the change is that working on several committees involves an additional time commitment, which should be remunerated accordingly. Conversely, the payment of a function-based allowance solely on the condition that at least three committee meetings have taken place during a fiscal year ensures that only relevant additional time commitments are remunerated. In addition, the function-based allowances for work on committees are capped at 100 percent of the fixed basic remuneration. As a result, the remuneration for a Supervisory Board member will in the future be limited to €200,000, that of the Chair of the Supervisory Board to €300,000 and that of his/her deputy to €230,000.
- › Furthermore, the attendance fee for extraordinary meetings held in the form of telephone or video conference calls was reduced from €2,000 to €1,000.

Remuneration of the Supervisory Board for the 2021 fiscal year

The total remuneration paid to Supervisory Board members for the 2021 fiscal year (including meeting attendance fees) is presented below. The amounts disclosed do not take into account value-added tax at 19 percent or – in the case of Supervisory Board members resident abroad – withholding tax, solidarity surcharges or any other taxes arising:

Supervisory Board member, in €	Fiscal year	Fixed remuneration	Allowance for specific functions	Meeting attendance fees	Total remuneration
Peter Bauer ¹	2021	–	–	–	–
	2020	37,500	10,417	6,000	53,917
Xiaoqun Clever ^{2,3}	2021	90,000	15,000	18,000	123,000
	2020	60,000	10,000	8,000	78,000
Johann Dechant	2021	90,000	30,000	36,000	156,000
	2020	90,000	30,000	38,000	158,000
Dr. Herbert Diess ¹	2021	–	–	–	–
	2020	37,500	–	4,000	41,500
Dr. Wolfgang Eder ³	2021	90,000	90,000	42,000	222,000
	2020	90,000	90,000	30,000	210,000
Dr. Friedrich Eichiner ^{2,3}	2021	90,000	25,000	22,000	137,000
	2020	60,000	16,667	8,000	84,667
Annette Engelfried	2021	90,000	15,000	30,000	135,000
	2020	90,000	15,000	30,000	135,000
Peter Gruber	2021	90,000	15,000	18,000	123,000
	2020	90,000	15,000	22,000	127,000
Gerhard Hobbach ¹	2021	–	–	–	–
	2020	37,500	6,250	6,000	49,750
Hans-Ulrich Holdenried ³	2021	90,000	15,000	30,000	135,000
	2020	90,000	15,000	22,000	127,000
Prof. Dr. Renate Köcher ¹	2021	–	–	–	–
	2020	37,500	–	4,000	41,500

Supervisory Board member, in €	Fiscal year	Fixed remuneration	Allowance for specific functions	Meeting attendance fees	Total remuneration
Dr. Susanne Lachenmann	2021	90,000	15,000	18,000	123,000
	2020	90,000	15,000	20,000	125,000
Géraldine Picaud ³	2021	90,000	–	12,000	102,000
	2020	90,000	–	10,000	100,000
Dr. Manfred Puffer ³	2021	90,000	–	12,000	102,000
	2020	90,000	–	18,000	108,000
Melanie Riedl ²	2021	90,000	–	12,000	102,000
	2020	60,000	–	16,000	76,000
Jürgen Scholz	2021	90,000	15,000	14,000	119,000
	2020	90,000	15,000	22,000	127,000
Kerstin Schulzendorf	2021	90,000	–	12,000	102,000
	2020	90,000	–	16,000	106,000
Dr. Ulrich Spiesshofer ^{2,3}	2021	90,000	25,000	18,000	133,000
	2020	60,000	16,667	8,000	84,667
Margret Suckale ^{2,3}	2021	90,000	2,500	26,000	118,500
	2020	60,000	–	10,000	70,000
Dr. Eckart Süner ¹	2021	–	–	–	–
	2020	37,500	10,417	8,000	55,917
Diana Vitale	2021	90,000	15,000	30,000	135,000
	2020	90,000	10,000	28,000	128,000
Total	2021	1,440,000	277,500	350,000	2,067,500
	2020	1,477,500	275,418	334,000	2,086,918

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

2. Joined as Supervisory Board member since 20 February 2020. The remuneration 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 2021 or 2020 fiscal year.