



# NOTICE OF

Annual General Meeting  
of Infineon Technologies AG  
on 22 February 2018

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Dear Shareholders,

Notice is hereby given that the

**Annual General Meeting of Infineon Technologies AG**

will be held at the ICM (International Congress Center Munich), which is located at Am Messesee 6, Messegelände, 81829 Munich, Germany, on Thursday, 22 February 2018 at 10:00 a.m. (CET).

## I. Agenda

**1. Submission of the approved Separate Financial Statements of Infineon Technologies AG and the approved Consolidated Financial Statements, both as of 30 September 2017, the combined Management Report for Infineon Technologies AG and the Infineon Group, including the explanatory report on the disclosures pursuant to section 289, paragraph 4 and section 315, paragraph 4 of the German Commercial Code (*Handelsgesetzbuch – HGB*), the report of the Supervisory Board for the 2017 fiscal year and the Management Board’s proposal for the allocation of unappropriated profit**

The aforementioned documents have already been published on the Infineon website at [www.infineon.com/agm](http://www.infineon.com/agm). They will also be made available to the Annual General Meeting, where their content will be presented in detail by the Management Board. The Supervisory Board report will be presented by the Chairman of the Supervisory Board.

The Corporate Governance Statement (*Erklärung zur Unternehmensführung*) and the Corporate Governance Report are published on the Infineon website at [www.infineon.com/declaration-on-corporate-governance](http://www.infineon.com/declaration-on-corporate-governance) and [www.infineon.com/corporate-governance-report](http://www.infineon.com/corporate-governance-report) respectively.

The Supervisory Board has approved the Separate Financial Statements and Consolidated Financial Statements prepared by the Management Board and the Separate Financial Statements have therefore been adopted in accordance with section 172, first sentence, of the German Stock Corporation Act (*Aktiengesetz – AktG*). A resolution of the Annual General Meeting pertaining to this particular item on the Agenda is not required.

**2. Allocation of unappropriated profit**

The Management Board and the Supervisory Board propose to allocate € 282,550,232.25 of the unappropriated profit (*Bilanzgewinn*) of

€ 305,751,936.22 reported by Infineon Technologies AG for the 2017 fiscal year to pay a dividend of € 0.25 per qualifying share and to transfer the remaining sum amounting to € 23,201,703.97 to other revenue reserves (*Gewinnrücklagen*).

This proposal takes into account the 6 million own shares held at the time of the calling of the Annual General Meeting that do not qualify for payment of a dividend. If the number of shares qualifying for payment of a dividend changes prior to the resolution concerning the allocation of unappropriated profit being adopted, the Management Board and Supervisory Board will propose to the Annual General Meeting a correspondingly amended resolution concerning the allocation of unappropriated profit that still provides for the payment of a dividend of € 0.25 per qualifying share.

Any dividend resolved by the Annual General Meeting will fall due and be paid on the third business day (27 February 2018) following the Annual General Meeting.

**3. Approval of the acts of the members of the Management Board**

The Management Board and the Supervisory Board propose that the acts of the members of the Management Board in office during the 2017 fiscal year be approved for this period.

**4. Approval of the acts of the members of the Supervisory Board**

The Management Board and the Supervisory Board propose that the acts of the members of the Supervisory Board in office during the 2017 fiscal year be approved for this period.

**5. Appointment of the Company and Group auditor for the 2018 fiscal year and the auditor for the review of the Half-Year Financial Report pursuant to section 115, paragraph 5 of the German Securities Trading Act (*Wertpapierhandelsgesetz – WpHG*) for the 2018 fiscal year**

The Supervisory Board, concurring with the recommendation of its Investment, Finance and Audit Committee, proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be appointed Company and Group auditor for the 2018 fiscal year and auditor for the review of the Half-Year Financial Report pursuant to section 115, paragraph 5, WpHG for the 2018 fiscal year.

**6. Election of a member of the Supervisory Board**

Wolfgang Mayrhuber will resign his mandate as member and Chairman of the Supervisory Board with effect from the end of the Annual General Meeting on 22 February 2018. It is therefore necessary to elect a new Supervisory Board member to fill the vacant seat on the Supervisory Board.

The Supervisory Board is constituted in accordance with section 96, paragraph 1 and section 101, paragraph 1 AktG and with section 1, paragraph 1; section 5, paragraph 1; section 7, paragraph 1, first sentence number 2 and paragraph 2, number 2 of the German Co-Determination Act (*Gesetz über die Mitbestimmung der Arbeitnehmer – MitbestG*), comprising eight shareholder representatives and eight employee representatives. Pursuant to section 96, paragraph 2 AktG, the Supervisory Board must be made up of at least 30% women and at least 30% men. This quota is required to be complied with taking into

account the full Supervisory Board as neither the shareholder representative side nor the employee representative side has objected to such overall view. Therefore, there must be a minimum of five women and five men on the Supervisory Board. The Supervisory Board currently has six female members.

Based on the recommendation of its Nomination Committee, the Supervisory Board proposes that Dr. Wolfgang Eder, Linz/Austria, Chairman of the Management Board of voestalpine AG, Linz/Austria, be elected to the Supervisory Board as shareholder representative with effect from the end of the Annual General Meeting on 22 February 2018 until the end of the Annual General Meeting that decides on the approval of the acts of the Supervisory Board for the 2022 fiscal year.

The Supervisory Board's Nomination Committee selected Dr. Eder and prepared the nomination proposal in accordance with section 5.3.3 of the German Corporate Governance Code (DCGK). The nomination proposal complies with all relevant statutory requirements. It also takes account of the Supervisory Board's objectives for its own composition (as resolved in accordance with section 5.4.1, paragraph 2, DCGK) and the profile of skills and expertise (competency profile) stipulated for the Supervisory Board as a whole. The Supervisory Board is convinced that Dr. Eder's nomination provides the Annual General Meeting an opportunity to elect a candidate who – due to his personality and integrity as well as his professional skills and wealth of experience – will be able to successfully perform the duties incumbent on a member of the Supervisory Board of a technology company with international operations. The selection decision also took into account the fact that Dr. Eder, in the opinion of the Supervisory Board, is excellently suited to assume the chairmanship of the Supervisory Board in the medium term. Dr. Eder has expressed his willingness to make himself available for this position.

Mr. Mayrhuber's successor as Chairman of the Supervisory Board will initially be Dr. Eckart Sünner, attorney and longstanding member of the Infineon Supervisory Board.

With regard to section 5.4.1, paragraphs 6 to 8, DCGK, it is hereby declared that – based on the Supervisory Board's assessment – Dr. Eder does not have any personal or business relationships with Infineon Technologies AG or Group entities, with its executive bodies or with a shareholder holding a material interest in the Company that might be seen as relevant by a shareholder objectively assessing the election proposal. A material interest for these purposes is defined as a holding of more than 10% of the Company's share capital that carries eligible voting rights.

In accordance with section 5.4.1, paragraph 5, DCGK, the Supervisory Board has obtained assurance that Dr. Eder is able to devote the expected amount of time.

Dr. Eder is a member of the following statutory supervisory boards and equivalent national or foreign boards of business enterprises:

- Member of the Supervisory Board of OBERBANK AG, Linz/Austria
- Within the voestalpine Group:
  - Chairman of the Supervisory Board of voestalpine High Performance Metals GmbH, Vienna/Austria

- Chairman of the Supervisory Board of voestalpine Metal Engineering GmbH, Leoben/Austria
- Chairman of the Supervisory Board of voestalpine Metal Forming GmbH, Krems/Austria
- Chairman of the Supervisory Board of voestalpine Stahl GmbH, Linz/Austria
- Chairman of the Advisory Board of voestalpine Rohstoffbeschaffungs GmbH, Linz/Austria

A curriculum vitae for Dr. Eder can be found in the appendix to this Notice and – together with the curricula vitae of all other Supervisory Board members – in an annually updated form on the Company's website at [www.infineon.com/hauptversammlung](http://www.infineon.com/hauptversammlung).

#### **7. Revocation of an existing authorization and grant of a new authorization to acquire and use own shares**

The Annual General Meeting held on 28 February 2013 resolved to authorize the acquisition and use of own shares. As this authorization expires on 27 February 2018, it is to be revoked and replaced by a new, essentially identical authorization.

The Management Board and the Supervisory Board propose that the following resolution be passed:

- (1) Infineon Technologies AG ("Company") is authorized in the period through 21 February 2023 to acquire its own shares, within the statutory boundaries, in an aggregate amount not exceeding 10% of the share capital at the time the resolution is passed or – if the latter amount is lower – of the share capital in existence at the time this authorization is exercised. The Company may not use the authorization for the purposes of trading in its own shares.

The Company may exercise the authorization once or a number of times for one or a number of purposes. The authorization may also be used by dependent companies or companies in which the Company has a majority holding or by third parties acting for the Company or for dependent companies or for companies in which the Company has a majority holding.

The Management Board shall decide whether own shares are to be acquired through the stock exchange (see a. below), by means of a public purchase offer addressed to all shareholders (see b. below) or a public invitation to submit offers for sale (see c. below), or via a bank or other entity that meets the requirements of section 186 paragraph 5, first sentence, AktG (referred to collectively hereafter as "bank") and is engaged to carry out the acquisition as part of a defined repurchase program (see d. below).

- a. If shares are acquired through the stock exchange, the purchase price per share (excluding incidental costs) paid by the Company may be no more than 10% above or 20% below the price established in the Xetra trading opening auction on the Frankfurt Stock Exchange (or comparable successor system).

- b. If shares are acquired by means of a public purchase offer, a fixed purchase price or purchase price range may be specified. The purchase price per share (excluding incidental costs) paid by the Company in this case may be no more than 10% above and no more than 20% below the arithmetic mean of the closing prices of the share in Xetra trading on the Frankfurt Stock Exchange (or comparable successor system) on the last three exchange trading days prior to the date of the definitive decision of the Management Board pertaining to the publication of the public purchase offer (“effective date”). If significant price changes occur after the effective date, the purchase price may be adjusted in accordance with the calculation described in sentence 2; in this case, the relevant time frame is the three exchange trading days prior to the public announcement of any such adjustment. The volume of the purchase may be limited. If the total subscription for the public purchase offer exceeds this volume, the Company will apply a quota-based purchase approach. Provision may be made for the preferred acceptance of smaller quantities (up to 100 offered shares per shareholder). The public purchase offer may also provide for further terms and conditions.
- c. If shares are acquired by means of a public invitation to submit offers for sale, the purchase price per share (excluding incidental costs) paid by the Company in this case may be no more than 10% above and no more than 20% below the arithmetic mean of the closing prices of the share in Xetra trading on the Frankfurt Stock Exchange (or comparable successor system) on the last three exchange trading days prior to the date of acceptance of the offers for sale. The volume of the purchase may be limited. If the total number of shares offered exceeds this volume, the Company will apply a quota-based purchase approach. Provision may be made for the preferred acceptance of smaller quantities (up to 100 offered shares per shareholder). The public invitation to submit offers for sale may provide for further conditions.
- d. A bank may be engaged as part of a defined repurchase program to acquire either an agreed number of shares or shares for a previously defined total purchase price, on a previously defined minimum number of days of Xetra trading on the Frankfurt Stock Exchange (or comparable successor system) and in any case by no later than the end of a previously agreed period, and to transfer them to the Company. In such cases, (i) the bank must acquire the shares through the stock exchange and (ii) the purchase price per share (excluding incidental costs) paid by the bank must not be more than 10% above or 20% below the price established in the Xetra trading opening auction on the Frankfurt Stock Exchange (or comparable successor system) on the trading day and (iii) the purchase price per share to be paid by the Company must include a discount compared to the arithmetic mean of the volume-weighted average price (“VWAP”) of the Infineon share in Xetra trading on the Frankfurt Stock Exchange (or comparable successor system) over the actual period in which shares are repurchased.

Notwithstanding the above stipulations and subject to any further instructions issued by the Company, the bank may implement the repurchase program at its own discretion.

- (2) The Company is authorized – on its own, through dependent companies or companies in which it has a majority holding or through third parties acting for it or for dependent companies or companies in which it has a majority holding – not only to sell Infineon shares acquired on the basis of this or an earlier authorization via the stock exchange or by means of a public offer, but also to utilize those shares for all legally admissible purposes, specifically including the following:
  - a. The shares may be recalled without such recall or its implementation requiring any further resolution by the Annual General Meeting. Recall of the shares results in a reduction in share capital by the proportion attributable to the recalled shares. Contrary to this procedure, the Management Board may also stipulate that the share capital shall not be affected by the recall and that the proportion of the non-recalled shares within share capital be increased accordingly; in this case, the Management Board is authorized to amend the number of shares stated in the Articles of Association.
  - b. The shares may be offered and transferred to third parties in connection with company mergers or the acquisition of companies, parts of companies or participations in companies and/or other assets that qualify for treatment as capital contributions in conjunction with acquisition transactions of the above-mentioned nature.
  - c. With the consent of the Supervisory Board, the shares may be sold to third parties for cash payment by means other than through the stock exchange or through an offer to all shareholders, provided that the price at which the shares are sold (excluding incidental acquisition costs) is not substantially lower than the share price established in the Xetra trading opening auction on the Frankfurt Stock Exchange (or comparable successor system) on the day of the sale. Furthermore the total number of the shares sold in these cases may not exceed 10% of the share capital as determined both at the time of this authorization becoming effective and at the time of its exercise. The notional portion of the share capital that relates to shares issued or used subject to the exclusion of subscription rights in direct or analogous application of section 186, paragraph 3, fourth sentence, AktG is to be included in this number. Also to be included in this number are the shares that have already been issued or can still be issued in future to service conversion or option rights insofar as the underlying bonds were issued during the lifetime of this authorization subject to the exclusion of subscription rights in analogous application of section 186, paragraph 3, fourth sentence 4, AktG.
  - d. The shares may be used to meet the Company’s obligations under convertible bonds and bonds with warrants issued or guaranteed by it in the past or in the future.

- e. The shares may be used directly or indirectly to meet obligations under the "Infineon Technologies AG Stock Option Plan 2010". If own shares are to be transferred to members of the Management Board, this authorization shall apply to the Supervisory Board.
  - f. The shares may be offered for purchase or awarded as compensation to members of the Company's Management Board, to members of the management board/board of directors of affiliated companies and to employees of the Company or affiliated companies; shares offered and awarded in this context may also be transferred to the relevant persons after termination of membership on representative bodies and/or employment contracts. The shares may also be transferred to a bank that has agreed to use the shares exclusively for the purposes stipulated in sentence 1. If own shares are to be offered for purchase or awarded/transferred to members of the Management Board, this authorization shall apply to the Supervisory Board.
- (3) The shares acquired on the basis of this or an earlier authorization may also be used to repay securities-backed loans taken out with a bank for one of the purposes stated in item (2) letters b. to f.
  - (4) The authorizations stipulated in items (2) and (3) may be used once or a number of times, individually or together, and in their maximum value or in fractions of their maximum value. Subscription rights of the shareholders with respect to the shares affected by these measures are excluded insofar as the shares concerned are used in accordance with the aforementioned authorizations stipulated in items (2) and (3). In addition, the subscription rights of shareholders are excluded in respect of fractional amounts in instances in which the shares are sold through a public offer for sale addressed to all shareholders.
  - (5) The authorization to acquire own shares resolved at the Annual General Meeting on 28 February 2013 is revoked upon the new authorization becoming valid.

#### **8. Revocation of an existing authorization and grant of a new authorization to acquire own shares using derivatives**

The Company was also authorized by the Annual General Meeting held on 28 February 2013 to acquire own shares using derivatives. This authorization as well expires on 27 February 2018. It is therefore intended that this authorization will also be revoked and replaced by a new authorization, which, in turn, supplements the authorization to acquire own shares proposed in Item 7 on the Agenda.

The Management Board and the Supervisory Board propose that the following resolution be passed:

- (1) Supplementing the authorization to acquire and use own shares proposed under Item 7 on the Agenda for the Annual General Meeting on 22 February 2018, the acquisition of Infineon Technologies AG („Company“) shares as provided for in that authorization may also be executed using equity derivatives. The Management Board is accordingly authorized (i) to sell options that when exercised require the Company to acquire Company shares

(“put options”) and (ii) to acquire options that when exercised entitle the Company to acquire Company shares (“call options”) (put options and call options are referred to collectively hereafter as “derivatives”). The Company can combine the deployment of put options and call options.

Shares may also be acquired using derivatives via a bank or other entity (collectively “bank”) that meets the requirements of section 186 paragraph 5, first sentence, AktG and has been engaged – in conjunction with a defined repurchase program and on the conditions stated below – to acquire an agreed number of shares or shares for a pre-determined total acquisition price by no later than the end of a previously agreed period with the aid of derivatives and to transfer these shares to the Company.

The total number of shares that can be acquired using derivatives may not exceed 5% of the Company's share capital, determined both at the time of this authorization becoming effective and the time of its exercise through the use of the derivative. The shares acquired through the exercise of this authorization are to be counted toward the 10% threshold pursuant to point (1) of the authorization to acquire and use own shares proposed under Item 7 on the Agenda for the Annual General Meeting on 22 February 2018. The term of the individual derivatives may in each case be no longer than 18 months, must expire by no later than by the end of 21 February 2023 and must be defined such that the acquisition of own shares as a result of the exercise or satisfaction of the derivatives may not take place after 21 February 2023.

- (2) The derivative contracts must be concluded with a bank or via the stock exchange. It must be ensured that obligations under the derivatives are met only using shares that have been previously acquired – in compliance with the principle of equal treatment – via the stock exchange, at the current price of the share in Xetra trading on the Frankfurter Stock Exchange (or comparable successor system) at the time of acquisition. The price agreed in the derivative (excluding incidental acquisition costs but taking into account the option premium paid or received) for the acquisition of a share when options are exercised may be no more than 10% above and no more than 30% below the price of the share determined in the Xetra trading opening auction on the Frankfurt Stock Exchange (or comparable successor system) on the day the derivative transaction is concluded. The acquisition price paid by the Company for derivatives may not be substantially higher than, and the sale price received by the Company for derivatives may not be substantially lower than, the theoretical market value of the options concerned as determined in accordance with accepted methods (in particular methods of financial mathematics), it being the case that factors to be considered in determining the theoretical market value shall include the agreed exercise price.
- (3) If own shares are acquired using derivatives in accordance with the foregoing rules, any right of the shareholders to conclude such derivative transactions with the Company will be excluded in analogous application of section 186, paragraph 3, fourth sentence, AktG. Furthermore, the shareholders have no right to conclude derivative transactions with the Company insofar as

arrangements for the conclusion of derivative transactions include a preferred offer for the conclusion of derivative transactions concerning small volumes of shares.

- (4) Shareholders have a right to sell their Infineon shares in this connection only insofar as the Company is required to accept the shares under the derivative transactions. No other right to sell shares shall apply in this connection.
- (5) The rules defined by the Annual General Meeting on 22 February 2018 under Item 7, points (2) to (4) on the Agenda shall apply as appropriate in respect of the use of own shares acquired using derivatives on the basis of this or an earlier authorization.
- (6) The authorization to acquire own shares using derivatives resolved at the Annual General Meeting on 28 February 2013 is revoked upon the new authorization becoming valid.

**9. Revocation of an existing authorization and grant of a new authorization for the issue of convertible bonds and/or bonds with warrants, revocation of Conditional Capital 2014 (section 4, paragraph 6 of the Articles of Association), creation of a new Conditional Capital 2018 and new wording for section 4, paragraph 6 of the Articles of Association**

At the Annual General Meeting held on 13 February 2014 the Management Board was authorized in accordance with Item 8 of the Agenda to issue bonds with warrants and/or convertible bonds in an aggregate nominal amount of up to € 2,000,000,000.00 and to grant the holders of such option or conversion rights up to 130,000,000 no par value Company registered shares, representing a notional portion of the share capital of up to € 260,000,000.00. In order to service these option and/or conversion rights and to fulfill the conversion obligations attached to the bonds, it was also resolved at the Annual General Meeting to create Conditional Capital 2014. The authorization granted to the Management Board, which has not been utilized to date, expires on 12 February 2019. Since the Annual General Meeting 2019 is likely to take place after this date – and the necessary registration of any new conditional capital in the Company's commercial register even later – the intention is that the existing authorization and Conditional Capital 2014 be revoked now and replaced by a new authorization and a new Conditional Capital 2018.

The Management Board and the Supervisory Board propose that the following resolution be passed:

- (1) Revocation of the existing authorization and Conditional Capital 2014

The authorization resolved at the Annual General Meeting held on 13 February 2014 (Agenda Item 8) to issue bonds with warrants and/or convertible bonds and the related Conditional Capital 2014 shall be revoked as of the date on which

- the contestation period pursuant to section 246, paragraph 1, AktG expires, unless the authorization has been contested with respect to (2) below or, in the event that the authorization has been contested in this respect within the required time limit, as of the date on which the contestation is dismissed with legal effect, and

- the Conditional Capital 2018 and the new wording of section 4, paragraph 6 of the Articles of Association are registered in the commercial register.

- (2) Authorization of the Management Board to issue convertible bonds and/or bonds with warrants

- a. Authorization period, nominal amount, number of shares

The Management Board is authorized, with the approval of the Supervisory Board, in the period until 21 February 2023, once or in partial amounts,

- to issue convertible bonds and/or bonds with warrants in an aggregate nominal amount of up to € 4,000,000,000.00 ("bonds") through the Company or through companies in which the Company directly or indirectly has a majority holding ("subordinated group companies"); and

- to guarantee such bonds issued by subordinated group companies;

and to grant creditors and holders (collectively "holders") of such conversion or option rights up to 130,000,000 no par value Company registered shares, representing a notional portion of the share capital of up to € 260,000,000.00, in accordance with the relevant terms of the bonds. The bonds may be denominated in Euro or in the legal currency of a member country of the OECD, in which case they are limited to the relevant equivalent value in Euro.

The individual issues may be divided into partial bonds, each of which conveys equal entitlement.

The bonds may be issued with or without maturity restrictions. The bonds may bear a fixed or variable interest rate.

The terms and conditions of the bonds may provide for a conversion or option obligation at the end of their term or at another point in time (in each case referred to as "final maturity") or for the Company to have the right to grant the bondholders, in whole or in part, shares of the Company or of another listed company in lieu of payment of the amount of money due upon final maturity of the bonds.

If convertible bonds are issued, the conversion rate is determined by dividing the nominal value of one partial bond by the defined conversion price for one Company ordinary registered share. The conversion rate is rounded to the fourth decimal place. The terms of the bonds may specify an additional payment in cash and provide for fractions that cannot be converted to be consolidated and/or settled in cash. If the nominal value of the convertible bonds and the conversion price are indicated in different currencies, the last ECB reference rate available when the issue price of the bonds is definitively set shall be used for the conversion.

If bonds with warrants are issued, one or more warrants shall be attached to each partial bond entitling the holder to subscribe to no par value Company registered shares in accordance with the detailed option conditions. For bonds with warrants issued by the Company, the option terms and conditions may stipulate that the option price can also be fulfilled by the transfer of partial bonds, where appropriate together with an additional cash payment. To the extent that fractions of shares arise, it may be provided that fractions can be aggregated to enable the subscription of entire shares, where appropriate together with an additional cash payment. If the nominal value of the bonds with warrants and the option price are indicated in different currencies, the last ECB reference rate available when the issue price of the bonds is definitively set shall be used for the conversion.

Bonds may also be issued in return for a non-cash capital contribution.

b. Subscription right, exclusion of the subscription right

The shareholders have a right in principle to subscribe to the bonds; the bonds may also be subscribed to by a bank or syndicate of banks subject to the condition that they be offered for subscription to the shareholders. The Management Board is however authorized, with the approval of the Supervisory Board, to exclude the subscription rights of the shareholders to the bonds

- if, after due examination, the Management Board concludes that the issue price is not substantially lower than the theoretical market value of the bonds, as determined in accordance with accepted methods (in particular methods of financial mathematics); however, this only applies insofar as the shares to be issued to service the conversion and/or option rights established on this basis in aggregate do not exceed 10% of the share capital both at the time of the authorization becoming effective and at the time of its exercise. To be included in this 10% of the share capital is the notional portion of the share capital that relates to shares issued or used in the period from 22 February 2018 through to the expiry of the term of the authorization and for which the subscription rights of the shareholders are excluded in direct or analogous application of section 186, paragraph 3, fourth sentence, AktG. Also to be included in the number of shares for these purposes are the shares that have already been issued or can still be issued in future to service conversion or option rights insofar as the underlying bonds were issued during the lifetime of this authorization subject to the exclusion of subscription rights of shareholders in analogous application of section 186, paragraph 3, fourth sentence 4, AktG;
- in order to exclude fractional amounts resulting from a given subscription ratio from the subscription rights of the shareholders to the bonds;

- insofar as such action is necessary in order to grant holders of conversion or option rights attached to bonds (issued or still to be issued by the Company or its subordinated group companies) the number of subscription rights to which they would be entitled after exercise of the rights or after fulfillment of any conversion or option obligations; or
- insofar as bonds are issued in return for a non-cash capital contribution, provided that the value of such non-cash capital contribution is appropriate in relation to the market value of the bonds to be determined in accordance with point b. (first indent).

The authorizations to exclude subscription rights are limited in total to an amount that does not exceed 20% of the share capital both at the time of the authorization becoming effective and at the time of its exercise. Own shares used during the period of this authorization subject to the exclusion of subscription rights as well as shares issued during the period of this authorization out of Authorized Capital subject to the exclusion of subscription rights count towards the above-mentioned 20% limit. Similarly, shares issued or to be issued out of Conditional Capital to service stock option rights count towards the above-mentioned 20% limit, if the stock option rights were granted during the period of this authorization.

c. Conversion or option price; protection against dilution

The conversion or option price is to be calculated in accordance with the following principles:

- i. Even if the following dilution protection regulations are applied, the conversion or option price must equal at least 80% of the arithmetic mean of the closing prices of the Company's share in Xetra trading on the Frankfurt Stock Exchange (or comparable successor system)
  - during the 10 stock exchange trading days prior to the date of adoption of the resolution by the Management Board to issue the bonds, or,
  - insofar as shareholders have subscription rights for the bonds, during the days on which subscription rights for the bonds are traded on the Frankfurt Stock Exchange, but excluding the last two stock exchange trading days for such subscription rights.
- ii. If the bonds' terms and conditions provide for obligatory conversion or obligatory exercise of the option on final maturity, the conversion or option price for one share may also be determined by reference to the arithmetic mean of the closing prices of the Company's share in Xetra trading on the Frankfurt Stock Exchange (or comparable successor system) during the 10 exchange trading days before or after the final maturity date or by reference to the average volume-weighted price of the Company's share in Xetra trading on the Frankfurt Stock Exchange (or comparable

successor system) on at least three exchange trading days immediately prior to the calculation of the conversion/option price in accordance with the applicable conditions, even if this price is below the minimum price stated under point i) above. Section 9, paragraph 1 AktG (in conjunction with section 199, paragraph 2, AktG) must be observed.

- iii. Without prejudice to section 9, paragraph 1, AktG, the conversion or option price may be reduced on the basis of a dilution protection clause – to be specified in the terms of the bonds – if the Company increases its share capital before the end of the conversion or option period while honoring the subscription rights of the shareholders or if the Company issues or guarantees further bonds and the holders of convertible bonds or bonds with warrants are not granted subscription rights in this relation. The terms may also provide for a value-preserving adjustment of the conversion or option price or of the conversion or option ratio in the event of other measures potentially leading to a dilution of the commercial value of the conversion or option rights.
- iv. In any event, the notional portion of the share capital attributable to the shares to be subscribed for each bond may not exceed the nominal value of the bond.

d. Authorization to determine further details

The Management Board is authorized, in accordance with the afore-mentioned requirements, to determine the further details of the issue and features of the bonds and their terms alone or, if applicable, in agreement with the corporate bodies of the subordinated group company issuing the bonds. The further details and features that may be determined specifically include interest rate, issue price, term and denomination, creation of a conversion or option obligation, determination of an additional payment in cash, settlement or consolidation of fractional amounts, cash payment instead of delivery of shares, delivery of existing shares rather than new shares, protection against dilution and conversion/option period.

If the Supervisory Board is required to give its approval under the terms of this authorization, the decision to approve can be delegated to one of the Supervisory Board's committees.

(3) Creation of a Conditional Capital 2018

The Company's share capital is to be conditionally increased by up to € 260,000,000.00 by the issue of up to 130,000,000 new registered shares carrying a dividend right as of the beginning of the fiscal year in which they are issued. The conditional capital increase serves the purpose of granting shares to the creditors or holders of convertible bonds and/or bonds with warrants ("bonds") issued by the Company or a subordinated group company on the basis of the authorization granted at the Annual General Meeting on 22 February 2018. The new shares will be

issued at the relevant conversion or option price determined on the basis of the authorization referred to above. The conditional capital increase is to be effected only insofar as conversion/option rights from the bonds are exercised or conversion/option obligations under the bonds are fulfilled, and insofar that these rights and obligations are not settled in cash or serviced with the Company's own shares. The Management Board is authorized to determine the further details of implementation of the conditional capital increase (Conditional Capital 2018).

(4) New wording for section 4, paragraph 6 of the Articles of Association

Section 4, paragraph 6 of the Articles of Association will be worded as follows:

"(6) The Company's share capital is conditionally increased by up to € 260,000,000.00 by the issue of up to 130,000,000 new registered shares carrying a dividend right as of the beginning of the fiscal year in which they are issued. The conditional capital increase serves the purpose of granting shares to the creditors or holders of convertible bonds and/or bonds with warrants ("bonds") issued by the Company or a subordinated group company on the basis of the authorization granted at the Annual General Meeting on 22 February 2018. The conditional capital increase is to be effected only insofar as conversion/option rights from the bonds are exercised or conversion/option obligations under these bonds are fulfilled, and insofar that these rights and obligations are not settled in cash or serviced with the Company's own shares. The Management Board is authorized to determine the further details of implementation of the conditional capital increase (Conditional Capital 2018)."

## Reports of the Management Board to the Annual General Meeting

### Report of the Management Board concerning Item 7 of the Agenda: Authorization to acquire and use own shares

#### Acquisition modes (Point (1) of the Authorization Resolution):

The proposed resolution provides for the acquisition of own shares through the stock exchange or by means of a public purchase offer addressed to all shareholders or a public invitation to submit offers for sale. Section 71 paragraph 1 no. 8, fourth sentence, AktG states that the mode of acquisition via the stock exchange in itself satisfies the requirements of the principle of equal treatment. Similarly, shareholders are not disadvantaged in the event of a public purchase offer or a public invitation to submit offers for sale.

It is also intended that the Company should have the option of engaging a bank or other entity (collectively "bank") that meets the requirements of section 186 paragraph 5 sentence 1, AktG to conduct the acquisition as part of a defined repurchase program, whereby the bank gives a commitment to acquire either an agreed number of shares or shares for a previously defined total purchase price, on a previously defined minimum number of exchange trading days in Xetra trading on the Frankfurter Stock Exchange (or comparable successor system) and in any case by no later than the end of a previously agreed period, and to transfer them to the Company. The principle of equal treatment is also complied with in this

situation since the bank acquires Infineon shares via the stock exchange and on the conditions specified by the Company. The fact that the purchase price per share to be paid by the Company must include a discount compared to the arithmetic mean of the volume-weighted average price ("VWAP") of the Infineon share in Xetra trading on the Frankfurter Stock Exchange (or comparable successor system) over the period in which shares are repurchased means that shareholders not involved in the repurchase transactions suffer no disadvantage in value terms.

Uses to which own shares can be put (Point (2) of the Authorization Resolution):

The authorization is intended to give the Company the opportunity to use the acquired shares for all legally admissible purposes. In addition to being able to sell shares via the stock exchange or via a public offer to all shareholders (in both cases in compliance with the principle of equal treatment), and to recall shares (in which case there are no such restrictions), the acquired shares may also be used in particular for the purposes described below:

- Own shares as an acquisition currency  
(Point (2) letter b. of the Authorization Resolution)

First of all it should be possible to offer and transfer own shares in connection with company mergers and the acquisition of companies, parts of companies, participations and/or other assets that are eligible for treatment as capital contributions in conjunction with such acquisitions. It is essential that the Company is capable of combining forces with other entities and/or of acquiring companies, parts of companies or participations in order to improve its competitive position. It may also be necessary in this context to acquire further assets, over and above the primary acquisition target, but which are nevertheless related to the acquisition transaction, for example when the entity being acquired does not own the rights to the intangible assets necessary to operate the acquired entity's business.

It is not uncommon in practice for acquiring entities to be required to offer own shares as part of the purchase price. It may make economic sense in other cases for the Company to offer own shares as part of the purchase price, thus helping to conserve liquidity by contrast to cash payment. Using own shares can also have advantages over using authorized capital in that it generally avoids the dilution effect typically associated with the creation of new shares.

- Sale to third parties for cash consideration  
(Point (2) letter c. of the Authorization Resolution)

The Company would also benefit from being able to sell own shares to third parties, in particular institutional investors, in return for cash payment. Such an option would be in the interests of the Company by enabling it to react quickly and flexibly and cover short-term capital requirements. Specifically, it would allow the Management Board to take advantage of the opportunities offered by favorable stock market conditions and to achieve the highest possible resale price by setting appropriate market-based prices, thereby strengthening equity capital to the greatest possible extent, while also reaching out to new investor groups. In accordance with the resolution, the shares can only be sold at a price (excluding incidental acquisition costs) that is not substantially lower than the share price established in the Xetra trading opening auction on the Frankfurt Stock Exchange (or comparable

successor system) on the day of the sale. The Management Board will ensure that any discount compared to the stock exchange price is as small as possible given the prevailing market conditions at the time of placement. Furthermore, the Management Board will make use of this authorization only in such a way that the total value of the shares sold to third parties for cash payment subject to the exclusion of the subscription rights of shareholders does not exceed 10% of the share capital as determined both at the time of this authorization becoming effective and the time of its exercise. Shares issued or used subject to the exclusion of the subscription rights of shareholders in direct or analogous application of section 186, paragraph 3, fourth sentence, AktG will be counted towards this threshold. Also to be counted towards the threshold are those shares that have already been issued or can still be issued in future to service conversion or option rights insofar as the underlying bonds were issued during the lifetime of this authorization subject to the exclusion of the subscription rights of shareholders in analogous application of section 186, paragraph 3, fourth sentence, AktG.

- Own shares to meet the Company's obligations under convertible bonds and bonds with warrants  
(Point (2) letter d. of the Authorization Resolution)

Own shares should also be available to service obligations relating to convertible bonds and bonds with warrants ("bonds") that have already been or will in future be issued or guaranteed by the Company. Such bonds are usually serviced out of conditional capital. However, the terms and conditions of the bonds normally stipulate that any conversion and option obligations can also be serviced out of own shares. This option also harbors benefits in terms of enhanced flexibility. One of the advantages of using own shares for this purpose is that there is then no need to create new shares, thus avoiding the dilution effect typically arising when capital increases are made out of conditional capital.

- Own shares to meet obligations under the Stock Option Plan 2010  
(Point (2) letter e. of the Authorization Resolution)

The Company would also like to be able to offer own shares to holders of subscription rights from the Stock Option Plan 2010. The "Stock Option Plan 2010" approved by the Annual General Meeting held on 11 February 2010 in relation to Item 12 on the Agenda can be serviced using the conditional capital available for this purpose, but also using own shares. The reasons for using own shares are essentially the same as those explained under the previous item.

- Own shares to be offered/awarded to members of the Company's Management Board, members of the management board/board of directors of affiliated companies and employees of the Company or affiliated companies (Point (2) letter f. of the Authorization Resolution)

Own shares should also be available to be offered for purchase or awarded as a compensation component and in both cases transferred to members of the Company's Management Board, members of the management board/board of directors of affiliated companies and employees of the Company or affiliated companies.

Under current legislation, shares to members of the Management Board may only be awarded out of authorized capital with specified restrictions, and own shares acquired in accordance with section 71 paragraph 1 no. 2, AktG may not be used at all. In particular section 71, paragraph 1 no. 2, AktG relates only to shares awarded to employees, not however to members of the Company's representative bodies serving on the basis of service contracts. Notwithstanding this fact, it may be in the interests of the Company to acquire shares for subsequent award to employees on the basis of a repurchase authorization as defined by section 71 paragraph 1 no. 8, AktG, given that using authorized capital and acquiring shares in accordance with section 71 paragraph 1 no. 2, AktG are both subject to restrictions which reduce the Company's flexibility. The award of new shares out of authorized capital also has a dilution effect when share capital is increased subject to the exclusion of subscription rights of existing shareholders.

In addition to the direct transfer of shares by the Company, it is also intended that the Company should be able to transfer acquired shares initially to a bank which has given a commitment to transfer them only to the Company's Management Board, members of the management board/board of directors of affiliated companies and employees of the Company or affiliated companies. The use of a bank as an intermediary can help to simplify the process.

The shares acquired on the basis of this or an earlier authorization may also be used to satisfy redelivery obligations resulting from securities lending transactions taken out with a bank for one of the purposes permitted by the authorization. The acquisition of the shares by means of a securities loan also facilitates the process; the subsequent repayment of the loan using own shares only recreates the situation that would have existed had the shares been used directly in accordance with the purpose permitted by the authorization.

In all of the cases described above, the subscription rights of shareholders must be excluded for the shares concerned in order for them to be used as described. The Company's representative bodies will therefore examine in each individual case whether own shares should be used for the measures stated. The decision to exclude existing shareholders' subscription rights will be taken by the Company's representative bodies after careful consideration of shareholder and Company interests. The measure will only be executed and subscription rights excluded in this case.

The Management Board will report on all relevant aspects, including the decision and the circumstances of the exercise of the repurchase authorization in each case, at the subsequent Annual General Meeting as indicated in section 71, paragraph 3, AktG.

#### **Report of the Management Board concerning Item 8 of the Agenda: Authorization to acquire own shares using derivatives**

In addition to the options provided under Item 7 on the Agenda, it is intended – as in the past – that the Company should also be allowed to use equity derivatives to acquire own shares. It may be advantageous for the Company to sell put options or acquire call options (collectively "derivatives") rather than acquiring Company shares directly. This possible line of action, however, only supplements the authorization proposed in Item 7 on the Agenda, without widening the scope of the overall repurchase volume.

When it sells a put option, the Company grants the acquirer the right to sell Infineon shares to the Company during the agreed period at a price specified in the put option (exercise price). The Company receives in exchange an option premium corresponding to the value of the right of sale taking into account the exercise price, the term of the option and the volatility of the Infineon share. If the put option is exercised, the option premium paid by the acquirer of the put option reduces the total amount paid by the Company to acquire the share. It makes economic sense for the holder to exercise the put option if the price of the Infineon share at the time of exercise is lower than the exercise price, as the option then enables the holder to realize a higher sale price than would otherwise be possible at the time. The advantage of using put options to repurchase shares from the Company's perspective is that the exercise price is established as soon as the option transaction is concluded but the liquidity is not lost until the exercise date. The overall charge to the Company for the acquisition of the shares, moreover, is lower than the share price when the option transaction is concluded thanks to the option premium received. If the holder chooses not to exercise the option because the share price on the exercise date is higher than the exercise price, the Company cannot acquire own shares by this means but does retain the option premium received.

When it acquires a call option, the Company pays an option premium in exchange for the right to purchase a predefined number of shares at a predefined price (exercise price) from the writer of the option. It makes economic sense for the Company to exercise the call option if the price of the Infineon share is higher than the exercise price, as the option then enables it to purchase the shares from the option writer for a lower price than would otherwise be possible. Call options thus enable the Company to hedge against the risk of having to purchase own shares at higher prices. They also help to preserve the Company's liquidity, as the defined acquisition price for the shares does not have to be paid until the call option is exercised.

The Company can combine the use of put options and call options i.e. it is not restricted to either only selling put options or to only acquiring call options.

The term of the individual derivatives must expire by no later than by the end of 21 February 2023 and must be defined such that the acquisition of Infineon shares on exercise or satisfaction of the derivatives cannot be effected after 21 February 2023. The authorization is thus intended to make full use of the five-year period permitted by law, but with the restriction that the term of individual options may not exceed 18 months in each case. This ensures that there is an appropriate time limit on obligations arising from the individual option transactions. The entire acquisition volume via put and call options is capped at 5% of the current share capital, determined both at the time of the authorization becoming effective and the time of its exercise through the use of the derivative. The repurchase of own shares with the aid of derivatives must also be counted towards the threshold stipulated for the general repurchase authorization in Item 7 on the Agenda; a repurchase of own shares above the 10% threshold stipulated by law is therefore excluded.

The derivative contracts must be concluded with a bank or via the stock exchange. This ensures that obligations under the derivatives are met only using shares that have been acquired previously – in compliance with the

principle of equal treatment – , at the current price of the share in Xetra trading on the Frankfurter Stock Exchange (or comparable successor system) at the time of acquisition.

The acquisition price to be paid by the Company for the shares is the exercise price specified in the relevant put or call option. The exercise price of a put option will be lower and that of a call option higher than the stock exchange price of the Infineon share when the put option is sold or the call option is acquired. The price agreed in the derivative (excluding incidental acquisition costs but taking into account the option premium paid or received) for the acquisition of a share when options are exercised may be no more than 10% above and no more than 30% below the price of the share determined in the Xetra trading opening auction on the Frankfurt Stock Exchange (or comparable successor system) on the day the derivative transaction is concluded.

The sales price received by the Company for a derivative (usually a put option) may not be substantially lower and the purchase price paid by the Company for a derivative (usually a call option) may not be substantially higher than the theoretical market value of the options concerned as determined in accordance with accepted methods (in particular methods of financial mathematics), it being the case that the factors to be considered in determining the theoretical market value shall include the agreed exercise price.

The fact that the exercise price and the option premium are specified in advance as described and the requirement that obligations under the options be met using only shares that have been acquired previously, in compliance with the principle of equal treatment, via the stock exchange ensures that shareholders are never financially disadvantaged if the Company acquires own shares using options. The Company receives or pays a fair market price, so shareholders not involved in the derivative transactions suffer no disadvantage in value terms. The position of shareholders is equivalent to that when shares are repurchased via the stock exchange, as here too not all shareholders are actually able to sell shares to the Company. The specifications for the configuration of the options and the requirements in respect of the shares to be delivered ensure that this mode of acquisition also complies with the principle of equal treatment of shareholders. Consequently it is justifiable to exclude any right of shareholders to conclude the aforementioned derivative transactions with the Company in analogous application of section 186, paragraph 3, fourth sentence, AktG. Excluding the subscription rights of shareholders enables the Company to conclude derivative transactions quickly, an advantage it would forfeit if it had to make an offer to acquire the options to all shareholders. This gives the Company the flexibility it needs to respond swiftly to market developments.

It is intended that when own shares are acquired using derivatives, shareholders will only have a right to sell their shares in this connection if the Company is required to accept the shares as a result of the derivatives. Otherwise the use of derivatives for the purposes of repurchasing own shares would be impossible and the Company would be unable to access the associated benefits. Having carefully weighed up the interests of the shareholders and the interests of the Company, the Management Board believes that the benefits to the Company from using derivatives are sufficient to justify denying or limiting the right to sell shares in this connection.

It is also intended that the Company should have the opportunity to engage a bank as part of a defined repurchase program to execute derivative-backed share purchases, with the requirement to acquire either an agreed number of shares or shares for a previously defined total purchase price and in any case by no later than the end of a previously agreed period, and to transfer them to the Company. Given that the same conditions apply for derivative-backed share purchases by a bank as for situations in which the Company uses derivatives itself, the engagement of a bank does not give rise to any disadvantages for the shareholders.

The Management Board will – at the subsequent Annual General Meeting as indicated in section 71, paragraph 3, AktG – also report on any decisions to employ the repurchase authorization allowing the use of derivatives as well as on the detailed circumstances of an acquisition.

**Report of the Management Board concerning Item 9 on the Agenda: Revocation of an existing authorization and grant of a new authorization for the issue of convertible bonds and/or bonds with warrants, revocation of Conditional Capital 2014 (section 4, paragraph 6 of the Articles of Association), creation of a new Conditional Capital 2018 and new wording for section 4, paragraph 6 of the Articles of Association**

The Management Board and Supervisory Board propose that the shareholders at the Annual General Meeting grant a new authorization to issue convertible bonds and/or bonds with warrants and approve the creation of the related conditional capital.

Convertible bonds and bonds with warrants (“bonds”) represent important financing instruments for the Company by providing an additional source of financing alongside traditional debt and equity capital financing. They enable the Company to obtain low-interest debt capital. In the case of convertible bonds, the related debt capital may, under certain circumstances, remain available to the Company in the form of equity. The Company has successfully issued convertible bonds on several occasions in the past.

At the Annual General Meeting held on 13 February 2014 the Management Board was authorized to issue bonds in an aggregate nominal amount of up to EUR 2,000,000,000.00 and to grant bondholders conversion or option rights to up to 130,000,000 no par value Company registered shares, representing a notional portion of the share capital of up to EUR 260,000,000.00. In order to service these conversion and/or option rights and to fulfill the conversion rights attached to the bonds, it was also resolved at the Annual General Meeting to create Conditional Capital 2014. The authorization granted to the Management Board, which has not been utilized to date, expires on 12 February 2019. Since the Annual General Meeting 2019 is likely to take place after this date – and the necessary registration of any new conditional capital in the Company’s commercial register even later – the intention is that the existing authorization and Conditional Capital 2014 be revoked now and replaced by a new authorization and new Conditional Capital 2018, thus ensuring that the Company will continue to be able in the coming years to make use of convertible bonds and/or bonds with warrants as important financing instruments.

As previously with Conditional Capital 2014, the intention with Conditional Capital 2018 is to have available up to 130,000,000 shares representing a notional portion of the share capital of up to € 260,000,000.00 to service the bonds. In view of the sharp rise in the price of the Infineon share in recent years, it seems appropriate to set the potential issue volume in the authorization at € 4,000,000,000.00.

The bonds may be issued with or without a time limit and may bear a fixed or variable interest rate. The terms and conditions of the bonds may also provide for a conversion or option obligation at the end of their term or at another point in time (in each case "final maturity") or for the Company to have the right to grant the bondholders, in whole or in part, shares of the Company in lieu of payment of the amount of money due upon final maturity of the bonds.

If the bonds' terms and conditions provide for obligatory conversion or obligatory exercise of the option on final maturity, the conversion or option price for one share may also be determined by reference to the arithmetic mean of the closing prices of the Company's share in Xetra trading on the Frankfurt Stock Exchange (or comparable successor system) during the 10 exchange trading days before or after the final maturity date or by reference to the average volume-weighted price of the Company's share in Xetra trading on the Frankfurt Stock Exchange (or comparable successor system) on at least three exchange trading days immediately prior to the calculation of the conversion/option price in accordance with the applicable conditions, even if this price is below the minimum price stated under point i) above. Section 9, paragraph 1 AktG (in conjunction with section 199, paragraph 2, AktG) must be observed.

Infineon's shareholders have, in principle, a right to subscribe to the bonds, thus enabling them to invest their capital with the Company and at the same time maintain their proportionate stakes in the Company. In accordance with applicable laws, the Management Board is to be authorized in certain clearly defined circumstances, with the approval of the Supervisory Board, to exclude the subscription rights of existing shareholders:

- First of all the Management Board is to be authorized to exclude the subscription rights in analogous application of section 186, paragraph 3, fourth sentence, AktG if the Management Board concludes that the issue price of the bonds is not substantially lower than their theoretical market value as determined in accordance with accepted methods, in particular methods of financial mathematics (section 221, paragraph 4, second sentence 2 in conjunction with section 186, paragraph 3, fourth sentence, AktG). Such exclusion of the subscription rights of the shareholders is necessary if a bond is to be placed at short notice in order to make use of a favorable market environment. The interests of the shareholders are preserved in that the bonds will never be issued at a price substantially lower than their market value, which means that the value of a subscription right is practically zero. This option is limited to bonds with rights to shares representing a notional portion of not more than 10% of the share capital. To be included in this 10% of the share capital is the notional portion of the share capital that relates to shares issued or used in the period from 22 February 2018 through to the expiry of the term of the authorization and for which the subscription rights of the shareholders are excluded in direct or analogous application of section 186, paragraph 3, fourth sentence, AktG. Also to be included in the number of shares for these purposes are the shares that have already been issued or can still be issued in future to service conversion or option rights insofar as the bonds were issued during the lifetime of this authorization with the subscription rights of the shareholders excluded in analogous application of section 186, paragraph 3, fourth sentence, AktG. These adjustments are made in the interests of minimizing any dilution of the stake of the shareholders.

- It is intended that subscription rights should also be able to be excluded in order to permit the exploitation of fractional amounts in issues for which shareholders have subscription rights in principle. It is reasonable and customary to exclude the subscription rights of the shareholders in relation to fractional amounts, as the costs of trading subscription rights relating to fractional amounts are not at all proportionate to the benefits for the shareholders. The fact that the exclusion is limited to fractional amounts means that the potential dilution effect is negligible.
- The Management Board can also exclude subscription rights insofar as such action is necessary in order to grant holders of conversion or option rights attached to bonds (issued or still to be issued by the Company or its subordinated group companies) the number of subscription rights to which they would be entitled after exercise of the rights or after fulfillment of any conversion or option obligations. This is intended to give the Company the ability to offer the holders of such bonds, which usually have a mechanism to protect against dilution in the case of capital measures, for example, proper compensation without having to adjust the conversion or option price. Excluding the subscription rights of the shareholders in this instance thus ultimately serves to simplify the process of issuing and marketing bonds and is therefore very much in the interests of the Company and its shareholders.
- The bonds may also be issued against non-cash capital contributions if this is in the interest of the Company. In this case, the Management Board is authorized, with the approval of the Supervisory Board, to exclude the subscription rights of existing shareholders, provided that the value of the non-cash contribution is appropriate in relation to the bonds' market value, measured in accordance with accepted methods (in particular methods of financial mathematics). This opens up the possibility of using bonds as an acquisition currency, for example when acquiring companies, participations in companies or other assets. The ability to offer bonds as consideration creates an advantage when competing to acquire target objects, while also providing the necessary scope to take advantage of acquisition opportunities without placing a strain on liquidity. Offering bonds in this context may also make sense from the point of view of ensuring an optimum financing structure. The Management Board will examine carefully in each specific case whether or not to make use of the authorization. It will only do so if it is in the interest of the Company and, therefore, of its shareholders.

The authorizations to exclude subscription rights are limited in total to an amount that does not exceed 20% of the share capital both at the time of the authorization becoming effective and at the time of its exercise. Own shares sold during the period of this authorization subject to the exclusion of subscription rights as well as shares issued during the period of this authorization out of authorized capital subject to the exclusion of subscription rights count towards the above-mentioned 20% limit. Similarly, shares issued or to be issued out of conditional capital to service stock option rights count towards the above-mentioned 20% limit, if the stock option rights were granted during the period of this authorization.

## II. Other information

### 1. Total number of shares and voting rights

The share capital of the Company totals € 2,272,673,038 and is divided into 1,136,336,519 no par value shares at the time of the calling of the Annual General Meeting. This total includes 6 million own shares held at the time of the calling of the Annual General Meeting, which do not carry any shareholder rights.

### 2. Prerequisites for attending the Annual General Meeting and exercising voting rights

#### a. Registration

All shareholders who have registered for the Annual General Meeting by no later than 12 midnight (CET) on 15 February 2018 and are entered in the Company's stock register are entitled, pursuant to section 14 of the Articles of Association, to attend the Annual General Meeting and to exercise their voting rights.

Registrations may be submitted in text form

- to the address  
Infineon Technologies AG  
c/o Computershare Operations Center  
80249 Munich, Germany

- to the fax number  
+49 (0)89 30903 – 74681

- to the e-mail address  
hv2018@infineon.com

or electronically via the internet

- by visiting the website  
www.infineon.com/agm

The date on which we receive the registration is relevant for the observance of this period.

In order to use the electronic registration option at [www.infineon.com/agm](http://www.infineon.com/agm) you will need your individual access code, which is either supplied with the Annual General Meeting documents or – if you have already registered for electronic delivery of the Annual General Meeting documents – which you have individually chosen.

#### b. Proxies; employee proxies

Shareholders who are entered in the Company's stock register may exercise their voting rights at the Annual General Meeting either personally or by appointing a proxy (for example a bank or a shareholders' association) or via an employee proxy. Please note that it is also necessary in these cases to register in good time by means of a formally acceptable method in accordance with point a.

Details of how to appoint a proxy are provided in points 3.b. and c.

#### c. Mail ballot voting

Shareholders who are entered in the Company's stock register may exercise their voting rights by means of a mail ballot without attending the Annual General Meeting in person or through a proxy or employee proxy. Please note that it is also necessary in these cases to register in good time by means of a formally acceptable method in accordance with point a.

Details of the mail ballot procedure are provided in point 3.d.

#### d. Entry freeze (Technical Record Date); disposability of shares

Attendance and voting rights are based on shareholdings entered in the stock register on the day of the Annual General Meeting. However, please be aware that, for procedural reasons, no transfer entries can be made in the stock register between 16 February 2018 and the day of the Annual General Meeting (each inclusive) due to a so-called entry freeze (Technical Record Date).

Registering for the Annual General Meeting does not cause shares to be blocked, so shareholders retain the right to dispose of their shares without restriction, irrespective of the entry freeze, even after registration has been completed.

### 3. Voting procedures

#### a. General

Once properly registered in accordance with point 2., you may attend the Annual General Meeting in person and exercise your right to vote personally. You may also exercise your right to vote through a proxy, an employee proxy or by mail ballot.

#### b. Procedure for voting through a proxy

Shareholders who wish to exercise their right to vote at the Annual General Meeting through a proxy rather than personally must ensure that they grant their intended proxy the proper power of attorney prior to the ballot. Shareholders wishing to use a proxy must consider the following:

aa. If neither a bank nor another person or institution equivalent thereto in accordance with section 135, paragraphs 8 and 10, AktG (for example a shareholders' association) is named as a proxy, the power of attorney must be granted either

i. in text form or electronically via the internet vis-à-vis the Company, or

ii. in text form directly vis-à-vis the proxy (in which case the Company must be notified in text form of the appointment of the proxy)

The same provisions apply if a shareholder wishes to revoke the power of attorney.

The granting or revocation of a power of attorney as well as evidence of the existence of the power of attorney or its revocation vis-à-vis the Company must be communicated

using one of the addresses listed in point 2.a. for registration. Evidence of the existence or revocation of the power of attorney may also be provided at the appropriate check-in and check-out points on the day of the Annual General Meeting.

- bb. The pertinent statutory provisions, in particular section 135 AktG, apply when granting a power of attorney to banks and other persons or institutions equivalent thereto in accordance with section 135, paragraphs 8 and 10, AktG (for example shareholders' associations) and when providing notification of or revoking any such power of attorney. Please also note any rules imposed in this respect by banks or other persons equivalent thereto.

If banks and/or other persons or institutions equivalent thereto in accordance with section 135, paragraphs 8 and 10, AktG (for example shareholders' associations) do not actually own shares for which they are registered as the holder in the stock register, they may not exercise the voting rights for such shares without a corresponding authorization.

- cc. If the shareholder grants a power of attorney to more than one person, the Company may reject one or more of these people in accordance with section 134, paragraph 3, second sentence, AktG in conjunction with section 16, paragraph 2, third sentence, of the Articles of Association.

c. Procedure for voting through an employee proxy

Shareholders may also opt to be represented at the Annual General Meeting by Company employees selected by Infineon (referred to as "employee proxies"). Shareholders wishing to use an employee proxy must consider the following:

- aa. Employee proxies may only vote on items on the Agenda for which they have been issued explicit instructions. Employee proxies are bound to vote in accordance with the instructions issued to them. Employee proxies may not vote if they have not received instructions.
- bb. Please note that employee proxies
  - i. will not accept instructions to speak, to submit objections to Annual General Meeting resolutions or to ask questions or introduce proposals and that they
  - ii. are available to vote only on proposals and election nominations made by the Management Board and/or Supervisory Board in accordance with section 124, paragraph 3, AktG or by shareholders in accordance with section 124, paragraph 1, AktG that are included with the present document giving notice of the Annual General Meeting or announced subsequently or that are made available in accordance with sections 126 and 127 AktG.

- cc. Powers of attorney and instructions for the employee proxies may be issued, amended or revoked

- i. in text form using the address Infineon Technologies AG, c/o Computershare Operations Center, 80249 Munich, Germany, until 21 February 2018, 12 midnight (CET),
- ii. in text form using the fax number +49 (0)89 30903 – 74681 or the e-mail address hv2018@infineon.com until 22 February 2018, 12 noon (CET) or
- iii. electronically via the internet at [www.infineon.com/agm](http://www.infineon.com/agm) until the end of the general debate at the Annual General Meeting using the relevant shareholder number and individual access code

Admissibility will be determined in all of these cases on the basis of the date and time of receipt by the Company of the power of attorney, instruction, amendment or revocation. On the day of the Annual General Meeting and up to the end of voting, powers of attorney and instructions for the employee proxies can also be submitted, amended or revoked in text form at the appropriate check-in and check-out points.

- dd. Instructions to employee proxies for Item 2 on the Agenda remain valid if the proposal for the allocation of unappropriated profit is amended as a result of a change in the number of shares qualifying for payment of a dividend.

- ee. If votes are required to be cast for individual points of an Agenda proposal rather than collectively, the instruction given for that Agenda proposal will apply correspondingly to each individual point.

d. Procedure for mail ballot voting

Shareholders wishing to exercise their voting rights by mail ballot must consider the following:

- aa. Mail ballots can be submitted, amended or revoked
  - i. in text form using the address Infineon Technologies AG, c/o Computershare Operations Center, 80249 Munich, Germany, until 21 February 2018, 12 midnight (CET),
  - ii. in text form using the fax number +49 (0)89 30903 – 74681 or the e-mail address hv2018@infineon.com until 22 February 2018, 12 noon (CET) or
  - iii. electronically via the internet at [www.infineon.com/agm](http://www.infineon.com/agm) until the end of the general debate at the Annual General Meeting using the relevant shareholder number and individual access code

Admissibility will be determined in all of these cases on the basis of the date and time of receipt of the mail ballot by Infineon. On the day of the Annual General Meeting and up to the end of voting, mail ballots can also be issued, amended or revoked in text form at the appropriate check-in and check-out points.

- bb. Please note that shareholders using a mail ballot will only be able to vote on proposals and election nominations made by the Management Board and/or Supervisory Board in accordance with section 124, paragraph 3, AktG or by shareholders in accordance with section 124, paragraph 1, AktG and that are included with the present document giving notice of the Annual General Meeting or announced subsequently or for proposals and election nominations that are made available in accordance with sections 126 and 127 AktG.
- cc. Proxies, including duly authorized banks and other persons or institutions equivalent thereto in accordance with section 135, paragraphs 8 and 10, AktG (for example shareholders' associations) may also make use of the option of mail ballots.
- dd. The personal attendance of a shareholder or authorized proxy at the Annual General Meeting is deemed to be a revocation of votes previously cast by mail ballot.
- ee. Votes cast by mail ballot for Item 2 on the Agenda remain valid if the proposal for the allocation of unappropriated profit is amended as a result of a change in the number of shares qualifying for payment of a dividend.
- ff. If votes are required to be cast for individual points of an Agenda proposal rather than collectively, votes cast by mail ballot will apply correspondingly to each individual point.
- e. Forms for registration, granting a power of attorney, appointing an employee proxy and mail ballots

Shareholders may register, appoint a proxy or employee proxy or vote by mail ballot using the form included in the registration pack or by any other formally acceptable method. There is also a universal power of attorney and mail ballot form available to download from the Infineon website at [www.infineon.com/agm](http://www.infineon.com/agm). This form will also be sent free of charge on request. A power of attorney can also be granted at the Annual General Meeting, if desired by using the respective forms being available on-site.

Shareholders wishing to appoint a bank or another person or institution equivalent thereto in accordance with section 135, paragraphs 8 and 10, AktG (for example a shareholders' association) as proxy should consult with their intended proxy on the method by which power of attorney is to be granted.

#### 4. Rights of shareholders

The rights of shareholders prior to and during the Annual General Meeting include the following (further details of shareholder rights may also be found on the internet at [www.infineon.com/agm](http://www.infineon.com/agm)):

##### a. Additions to the Agenda

Section 122, paragraph 2, AktG entitles shareholders whose combined shareholdings reach the nominal amount of € 500,000.00 of the Company's share capital (corresponding to 250,000 shares) to demand that items be added to the Agenda and

announced; in accordance with section 124a, sentence, 2 AktG any such demand submitted to the Company after the Annual General Meeting has been called must be made available on the Infineon website without delay after receipt by the Company.

Each new item must be accompanied by an argument in favor or a draft resolution. The demand must be submitted in writing to the Management Board of Infineon Technologies AG (Am Campeon 1-12, 85579 Neubiberg, Germany) and must be received by the Company at least 30 days prior to the meeting, i.e. by no later than 12 midnight (CET) on 22 January 2018. In accordance with section 122, paragraph 2 and paragraph 1, AktG, the shareholders concerned must verify that they have owned the above-mentioned minimum number of shares for at least 90 days prior to the receipt of the demand and that they will hold the shares until a decision is reached by the Management Board with respect to the application. For the purposes of calculating the above time limits, section 121, paragraph 7, AktG will be applied accordingly.

##### b. Counterproposals; proposals for elections

Each shareholder is entitled to submit counterproposals in response to the resolutions proposed on the items on the Agenda. If the counterproposals are to be made available by the Company prior to the Annual General Meeting, they must – in accordance with section 126, paragraph 1, AktG – be directed, together with an argument in favor, to one of the following addresses at least 14 days prior to the meeting, i.e. by 12 midnight (CET) on 7 February 2018

- to the address  
Infineon Technologies AG  
Investor Relations  
Am Campeon 1-12  
85579 Neubiberg, Germany
- to the fax number  
+49 (0)89 30903 – 74681 or
- to the e-mail address  
hv2018@infineon.com

Counterproposals sent to other addresses need not be made available.

Admissibility will be determined in all cases on the basis of the date and time of receipt of the counterproposal by the Company.

Subject to section 126, paragraphs 2 and 3, AktG, shareholder counterproposals that are required to be made available will be published on the internet at [www.infineon.com/agm](http://www.infineon.com/agm) together with the name of the shareholder, the argument in favor of the counterproposal and any observations of the Company's representative bodies in relation to the counterproposal.

Pursuant to section 127 AktG, these regulations also apply as appropriate to shareholder proposals in respect of candidates for Supervisory Board elections and the selection of the auditor, but do not need to be accompanied by an argument in favor.

In addition to the grounds defined in section 126, paragraph 2, AktG, the omission from the proposal of the candidate's name, practiced profession and place of residence also exempts the Management Board from any duty to make available the proposal of a candidate for an election. A shareholder proposal in respect of candidates for Supervisory Board elections that omits to enclose details of the proposed Supervisory Board candidate's membership of other supervisory boards whose existence is required by law as defined in section 125, paragraph 1, fifth sentence, AktG need similarly not be made available.

c. Right to information

Section 131, paragraph 1, AktG affords every shareholder the right to receive information regarding the affairs of the Company from the Management Board, on request, at the Annual General Meeting, insofar as this information is necessary in order to assess an item on the Agenda in a proper manner and no right to refuse information applies. The Management Board's duty to disclose information also extends to the legal and commercial relationships between Infineon Technologies AG and Infineon Group companies. This duty to disclose information additionally encompasses the position of the Infineon Group and the companies included in the Infineon Consolidated Financial Statements.

**5. Information and documents for the Annual General Meeting; website; American Depositary Shares**

The information and documents indicated in section 124a AktG may be viewed and downloaded from the internet at [www.infineon.com/agm](http://www.infineon.com/agm). All of the documents that are required by law to be made available to the Annual General Meeting will also be available at the Annual General Meeting for inspection.

Holders of American Depositary Shares (ADS) will receive the information they need for the Annual General Meeting from Citibank, N.A. (Depositary).

**6. Broadcasting of the Annual General Meeting; admittance of press and media**

The entire Annual General Meeting will be broadcasted live on the internet at [www.infineon.com/agm](http://www.infineon.com/agm) for shareholders of Infineon Technologies AG and their proxies, provided that the Chairperson of the Annual General Meeting permits the broadcast. Shareholders will need their shareholder number and individual access code to obtain online access. The live broadcast does not constitute attendance at the Annual General Meeting for the purposes of section 118, paragraph 1, second sentence, AktG.

Subject to the consent of the Chairperson of the Annual General Meeting, the speeches of the Chairman of the Supervisory Board and the members of the Management Board will also be made available to all interested parties live on the internet. Recordings of these speeches will be available after the Annual General Meeting at [www.infineon.com/agm](http://www.infineon.com/agm).

The Chairperson of the Annual General Meeting has the authority to grant or refuse representatives of the press and media the right to broadcast video and/or audio material of the Annual General Meeting.

The document giving notice of the Annual General Meeting was published in the German Federal Gazette on 12 January 2018.

Best regards

Infineon Technologies AG

The Management Board

**Appendix (to Item 6 of the Agenda: Election of a member of the Supervisory Board):**

**Curriculum vitae of Dr. Wolfgang Eder**

**Wolfgang Eder**

Chairman of the Management Board of voestalpine AG (Linz/Austria)

**Personal data**

Date of birth: 5 February 1952  
Place of birth: Steinbach am Attersee (Austria)  
Nationality: Austrian

**Education**

Law degree and doctorate as Dr. jur. (University of Salzburg/Austria)

**Professional career**

Since 2004 Chairman of the Management Board of voestalpine AG; responsible for corporate development including raw material strategy, R&D and innovation strategy, corporate human resources, corporate communication and corporate image, legal, compliance, M&A, strategic environmental management, investor relations, internal audit

2001 – 2004 Deputy Chairman of the Management Board of voestalpine AG (formerly; VOEST-ALPINE STAHL AG) and Head of the Steel and Automotive divisions

1999 Additionally assumed role as Head of the Steel division

1995 Appointed as member of the Management Board of VOEST-ALPINE STAHL AG; responsible for international sales, investor relations, investments (M&A), legal and environmental affairs

1995 Project lead „Initial Public Offering VOEST-ALPINE STAHL AG“

1991–1995 General Secretary VOEST-ALPINE STAHL AG; responsible for corporate coordination, legal affairs and investments, international relations, environmental affairs

1987 Project lead „Reorganization of the VOEST-ALPINE Group“

1983 –1991 Head of Corporate and Investment Affairs Department at VOEST-ALPINE AG and VOEST-ALPINE STAHL AG

1978 – 1983 Joined VOEST-ALPINE AG and set up the Corporate Law/M&A department

1977–1978 IMAS Institute (Linz/Austria); market research, operational investigations, international studies

1976 – 1977 Court practise (Salzburg/Austria)

**Membership in controlling bodies of business enterprises**

Member of the Supervisory Board of OBERBANK AG, Linz/Austria

Within the voestalpine Group:

- Chairman of the Supervisory Board of voestalpine High Performance Metals GmbH, Vienna/Austria
- Chairman of the Supervisory Board of voestalpine Metal Engineering GmbH, Leoben/Austria
- Chairman of the Supervisory Board of voestalpine Metal Forming GmbH, Krems/Austria
- Chairman of the Supervisory Board of voestalpine Stahl GmbH, Linz/Austria
- Chairman of the Advisory Board of voestalpine Rohstoffbeschaffungs GmbH, Linz/Austria

**Other significant activities**

Since 2017 Chairman of the Advisory Council of IST Austria

2014 – 2016 Chairman of the World Steel Association

2009 – 2014 Chairman of the European Steel Association EUROFER

**Relevant know-how, expertise and experience**

As a long-standing member of the Management Board and CEO of a technology and industrial goods group that is a world leader in the fields in which it operates, Dr. Eder has proved his comprehensive business proficiency – both in operational and strategic matters. This includes relevant know-how in the areas of manufacturing, marketing and sales, human resources and organizational development as well as experience with capital markets, M&A, legal and compliance. Not least as a result of the global activities of the voestalpine Group and the leadership positions held in international associations, Dr. Eder also has a clear understanding of international issues and contexts.



# Infineon Technologies AG



**Chairman of the Supervisory Board:**

Wolfgang Mayrhuber

**Management Board:** Dr. Reinhard Ploss (CEO),

Dominik Asam, Dr. Helmut Gassel, Jochen Hanebeck

**Registered Office:** Neubiberg

**Commercial Register:** Amtsgericht München HRB 126492