



Rights of shareholders

The rights of shareholders prior to and during the Annual General Meeting include the following:

1. Additions to the Agenda

Section 122 (2) of the German Stock Corporation Act (*Aktiengesetz*) entitles shareholders whose share holdings amount in aggregate to one twentieth of the share capital (equal to EUR 108,674,209) or reach the nominal amount of EUR 500,000.00 to demand that items be added to the Agenda and announced. Each new item must be accompanied by an argument in its favor or a proposed resolution. The demand must be submitted to the Management Board of the Company in writing and must be received by the Company at least 30 days prior to the meeting, that is to say by no later than midnight Central European Time on January 17, 2011. According to Section 122 (2), (1) in conjunction with Section 142 (2) sentence 2 of the German Stock Corporation Act (*Aktiengesetz*), the shareholders concerned must verify that they have owned the shares at least since 0.00 am Central European Time on November 17, 2010.

The corresponding statutory provisions read in extracts as follows:

Section 122 para. (1), (2) German Stock Corporation Act (*Aktiengesetz*):

- (1) A general meeting shall be convened if shareholders having an aggregate shareholding amounting to one twentieth of the registered share capital file a written request for such meeting to be held, stating the purpose and the reasons therefor; such request shall be directed to the management board. The articles of association may link the right to request that the general meeting be convened to another form and to a lesser share in the registered share capital. Sec. 142 para. 2 sentence 2 shall apply accordingly.
- (2) In the same way, shareholders with an aggregate shareholding of one twentieth of the registered share capital or the proportionate amount of EUR 500,000 may request that items are put on the agenda and are announced as items on the agenda. Each new item shall be accompanied by a statement of reasons or a draft resolution. The request pursuant to sentence 1 must be received by the company at least 24 days, or in the case of listed companies at least 30 days, prior to the meeting; the date of receipt shall not be included in the calculation.

Section 142 para. 2 sentence 2 German Stock Corporation Act (*Aktiengesetz*):

The applicants shall establish that they have held the shares for at least three months prior to the date of the general meeting and that they will hold the shares until the application is decided on.

2. Counterproposals; proposal of candidates for elections

Section 126 (1) of the German Stock Corporation Act (*Aktiengesetz*) entitles every shareholder 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, they must be directed to the following address at least 14 days prior to the meeting, that is to say by no later than midnight Central European Time on February 2, 2011:

Infineon Technologies AG
Investor Relations
Am Campeon 1-12
85579 Neubiberg
Germany
(fax: +49 (0)89 234 955 0153)
E-mail: hv2011@infineon.com

Counterproposals sent to other addresses will not be made available.

Subject to Section 126 (2) and (3) of the German Stock Corporation Act (*Aktiengesetz*), we will publish shareholder counterproposals that are to be made available on the internet at www.infineon.com/agm together with the name of the shareholder, the argument in favor of the counterproposal and any observations of the administration in relation to the counterproposal.

Pursuant to Section 127 of the German Stock Corporation Act (*Aktiengesetz*), these regulations also apply as appropriate to shareholder proposals in respect of candidates for Supervisory Board elections and the selection of the auditor, although such proposals need not be accompanied by an argument in favor. Section 126 (2) of the German Stock Corporation Act (*Aktiengesetz*) defines a number of grounds that exempt the Management Board from any duty to make available the proposal of a candidate for an election. Other grounds include the omission of the candidate's name, practiced profession and place of residence. 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 (1) sentence 5 of the German Stock Corporation Act (*Aktiengesetz*) need similarly not be made available.

The corresponding statutory provisions read in extracts as follows:

Section 126 German Stock Corporation Act (*Aktiengesetz*):

(1) Motions put forward by shareholders including the name of the shareholder, the reasons for the motion and any comments of the administration shall be made accessible to the entitled persons named in sec. 125 para. 1 to 3 subject to the conditions stated therein if, at least fourteen days prior to the meeting, the shareholder sends a counter motion against a proposal made by the management board and the supervisory

board on a particular item on the agenda to the company at the address given for this purpose in the notification of convening the meeting together with his reasons for such motion. The day of receipt shall not be included in the calculation. In the case of listed companies, access shall be provided via the website of the company. Sec. 125 para. 3 shall apply accordingly.

- (2) The counter motion and the reasons therefor need not be made accessible
1. if the management board would render itself liable to prosecution by making such counter motion and reasons accessible,
 2. if the counter motion would result in a resolution of the general meeting which is either unlawful or in breach of the articles of association,
 3. if the reasons contain key statements which are manifestly incorrect or misleading or if they are slanderous,
 4. if a counter motion of the shareholder based on the same subject matter has already been made accessible in connection with a general meeting of the company pursuant to sec. 125,
 5. if the same counter motion of the shareholder with essentially the same reasons has within the previous five years already been made accessible in the context of at least two general meetings of the company pursuant to sec. 125 and less than one-twentieth of the registered share capital represented at the general meeting voted in favor of such counter motion,
 6. if the shareholder indicates that he shall neither attend the general meeting nor arrange for a representative to attend on his behalf,
 7. if in the previous two years the shareholder has failed in two general meetings to file or cause to be filed on his behalf a counter motion communicated by him.

The reasons need not be made available if the text thereof exceeds a total of 5,000 characters.

- (3) If several shareholders file a counter motion in respect of the same resolution, the management board may combine the counter motions and reasons.

Section 127 German Stock Corporation Act (*Aktiengesetz*):

Sec. 126 shall apply accordingly to nominations made by shareholders for the election of supervisory board members or auditors of annual financial statements. There is no need for reasons to be given for the nomination. Furthermore, the management board need not make the nomination accessible if the nomination does not contain the information pursuant to sec. 124 para. 3 sentence 3 and sec. 125 para. 1 sentence 5.

Section 124 para. 3 German Stock Corporation Act (*Aktiengesetz*):

The management board and the supervisory board, or in the case of the election of supervisory board members and auditors of the annual financial statements, only the supervisory board, shall make proposals for the

resolution for each item on the agenda which is to be decided by the general meeting in the announcement. In the case of companies within the meaning of sec. 264d of the German Commercial Code (*Handelsgesetzbuch*), the proposal of the supervisory board for the election of the auditor of financial statements shall be based on the recommendation of the audit committee. Sentence 1 shall not apply if the general meeting is bound to nominations for the election of supervisory board members pursuant to sec. 6 of the Coal, Iron and Steel Codetermination Act (*Montanmitbestimmungsgesetz*) or if the item on which a resolution is to be adopted was placed on the agenda at the request of a minority. The proposal for the election of supervisory board members or auditors of the annual financial statements shall state their name, practiced profession and place of residence. If employee representatives are also to be included on the supervisory board, resolutions adopted by the supervisory board concerning nominations of supervisory board members shall only require the majority of votes cast by the shareholder members of the supervisory board; sec. 8 of the Coal, Iron and Steel Codetermination Act (*Montanmitbestimmungsgesetz*) shall not be affected.

Section 125 para. 1 sentence 5 German Stock Corporation Act (*Aktiengesetz*):

In the case of listed companies, information concerning membership of nominated supervisory board members in other supervisory boards required by law shall be attached to a nomination of supervisory board members; information concerning their membership in comparable domestic and foreign authorities responsible for supervising commercial enterprises shall also be attached.

3. Right to information

Section 131 (1) of the German Stock Corporation Act (*Aktiengesetz*) affords every shareholder the right to receive information about the affairs of the Company from the Management Board on request in the General Meeting insofar as this information is necessary in order to assess an item on the Agenda properly 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 the companies affiliated with it. This duty to disclose information additionally encompasses the position of the Infineon Group and the companies included in the Infineon consolidated financial statements.

The corresponding statutory provisions and the corresponding provisions of the Articles of Association read in extracts as follows:

Section 131 German Stock Corporation Act (*Aktiengesetz*):

(1) Each shareholder shall upon request be given information from the management board in the general meeting regarding the company's affairs to the extent required to allow a proper assessment of the items on the agenda. The obligation to provide information shall also extend to the legal and business relationships between the company and an affiliated

enterprise. If a company makes use of the simplifications pursuant to sec. 266 para. 1 sentence 3, sec. 276 or sec. 288 of the German Commercial Code (Handelsgesetzbuch), each shareholder may request that the annual financial statements be presented to him at the general meeting dealing with the annual financial statements in the form they would take if such provisions were not applied. The obligation on the part the management board of a parent enterprise (sec. 290 para. 1, 2 of the German Commercial Code (Handelsgesetzbuch)) to provide information in the general meeting in which the consolidated financial statements and consolidated management report are presented shall also extend to the situation of the group and the enterprises included in the consolidated financial statements.

(2) The information shall comply with the principles of conscientious and true accounting. The articles of association or the rules of procedure pursuant to sec. 129 may authorize the chairman of the meeting to restrict the rights of the shareholders to ask questions and to speak to an adequate period of time and to regulate other details.

(3) The management board may refuse to provide information

1. insofar as according to sound business judgment the providing of such information is likely to cause not inconsiderable damage to the company or an affiliated enterprise;
2. insofar as it pertains to tax valuations or the amount of individual taxes;
3. concerning the difference between the value at which items are shown in the annual balance sheet and a higher value of such items, unless the general meeting formally approves the annual financial statements;
4. concerning the accounting and evaluation methods, provided that the details given in the notes concerning such methods are sufficient to give an accurate portrayal of the situation regarding the assets, finances and profits of the company within the meaning of sec. 264 para. 2 of the German Commercial Code (*Handelsgesetzbuch*); this shall not apply if the general meeting formally approves the annual financial statements;
5. insofar as the management board would make itself liable to prosecution by giving such information;
6. insofar as, in the case of a credit institution or a financial services institute, there is no requirement for information concerning the accounting and valuation methods used and set-offs made to be given in the annual financial statements, management report, consolidated financial statement or consolidated management report.
7. insofar as the information is continuously accessible on the website of the company from the seventh day prior to the general meeting through and during the general meeting.

Information may not be denied for any other reason.

- (3) If a shareholder has been given information outside of the general meeting as a result of him being a shareholder, such information shall be given to any other shareholder in the general meeting upon request, even if such information is not necessary for a proper assessment of the item on the agenda. The management board may not refuse to give the information pursuant to para. 3 sentence 1 nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (sec. 290 paras. 1, 2 of the German Commercial Code (Handelsgesetzbuch)), a joint venture (sec. 310 para. 1 of the German Commercial Code (Handelsgesetzbuch)) or an associated enterprise (sec. 311 para. 1 of the German Commercial Code (Handelsgesetzbuch)) provides the information to a parent enterprise (sec. 290 paras. 1, 2 of the German Commercial Code (Handelsgesetzbuch)) for the purpose of the inclusion of the company in the parent enterprise's consolidated annual financial statements and the information is required for this purpose.
- (4) If a shareholder is denied information, such shareholder may request that his question and the reason given for the refusal of the information be recorded in the minutes of the proceedings.

Section 15 para. 2 of the Articles of Association of Infineon Technologies AG:

The Chairperson of the Annual General Meeting regulates the progress of the Annual General Meeting. He or she may have recourse to the aid of assistants in doing so, especially in the enforcement of the rules of the meeting. The Chairperson of the Annual General Meeting determines the order in which speakers appear, and may impose a reasonable time limit on the right of shareholders to speak and ask questions. He or she is explicitly entitled to define, at the beginning of the Annual General Meeting or while it is proceeding, a reasonable time limit for the entire Annual General Meeting, for the discussion of individual items on the agenda and for each speaker or speech and question contribution in general. The Chairperson of the Annual General Meeting may furthermore order the conclusion of the debate as a whole or on individual items on the agenda insofar as this is necessary to ensure that the Annual General Meeting proceeds in an orderly fashion.