Changes in the Executive Board remuneration system

January 9, 2023

The changes at a glance

Changes

1. Remuneration structure with higher variable remuneration components (STI and LTI). This will result in an even stronger focus on the success of the company in the future.
2. Higher maximum remuneration if Executive Board member ≥ 4 years part of the Executive Board.
3. Restriction of the STI modifier in accordance with the German Stock Corporation Act and the German Corporate Governance Code: Adjustment of target achievement only in exceptional cases in the event of extraordinary developments.
4. Possibility to adjust the split in the LTI of TSR and ESG from 80:20 to 70:30 in the future. This will allow a stronger weighting of ESG targets.

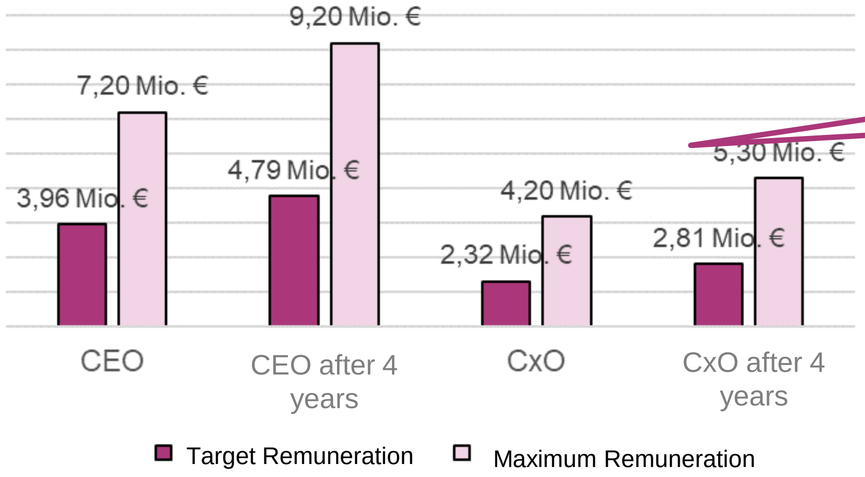
Overview of remuneration components and target figures

%tual distribution based on target remuneration

33 - 36%	Long-term variable remuneration	TSR (70 - 80%)	Total shareholder return	• Key figure for the average performance of **the Infineon share** over the performance period (4 years) relative to the performance of our main competitors, taking into account cumulative dividends in the comparison period
			Relevant competitors	• Index with 29 relevant international **competitors**, based on analyst reports and competitive analyses
		ESG (20 - 30%)	Environment	• Contribution to global **climate protection**, in particular through Infineon's CO2 neutrality by 2030
			Social	• **Diversity** with a positive impact on innovation, employee engagement and Infineon's financial performance
17 - 25%	Short-term variable remuneration	RoCE (1/3rd)	Return on Capital Employed	• Indicator for efficient use of capital and value creation
		FCF (1/3rd)	Free Cash Flow	• Indicator for the ability of the operating business to generate cash surpluses
		SRM (1/3rd)	Segment Result Margin	• Indicator of profitability from regular business activities excluding special effects
39 - 49%	Fixed remuneration	Annual base salary		• Fixed, non-performance-related remuneration paid in twelve equal monthly installments
		Ancillary services		• In particular company car with driver (also for private use), allowance for health and long-term care insurance, and various insurance and general employee benefits
		Company pension scheme		• Defined contribution plan with provision of an annual pension contribution and capital market-oriented interest rate

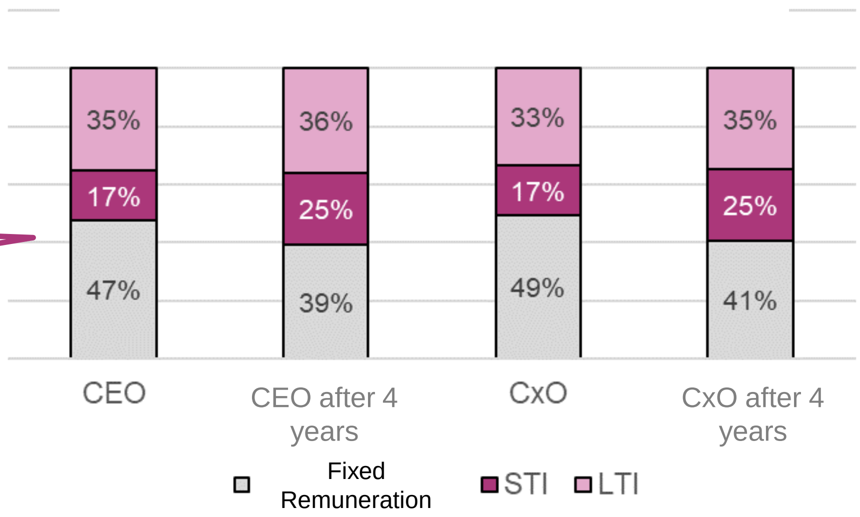
Total target remuneration and maximum remuneration

Target Remuneration and Maximum Remuneration
within first 4 years and thereafter



Optional higher remuneration (+20%) if **board member ≥4 years part of the management board.**

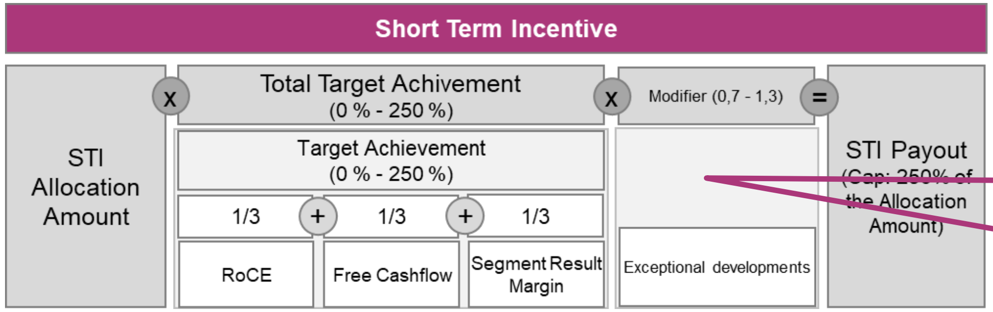
Structure Target Remuneration



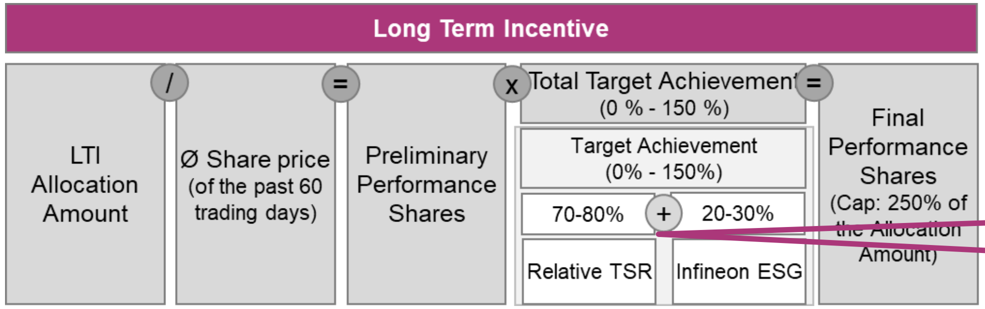
Remuneration structure with higher variable remuneration components (STI and LTI). This will result in an even **stronger focus on the success of the company** in the future.

Fixed remuneration: Annual base salary + fringe benefits + company pension plan

Changes to STI and LTI in detail



Restriction of the STI modifier in accordance with the Stock Corporation Act and the German Corporate Governance Code to adjustments in exceptional cases only, in the event of extraordinary developments. This merely reflects the statutory requirements in particular; the Supervisory Board has no discretionary power to intervene.



Adjustment of the target weighting from the previous 80:20 to an optional 70:30, allowing a stronger weighting of ESG targets in the future.

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