

Global Rule A.3

Handling of gifts and entertainment



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Scope

This rule has been released pursuant to the Global Rule A.1 ‘Creation and management of Corporate Regulations’. It applies to all employees and members of the representative bodies of all Infineon companies worldwide as well as business partners acting on behalf or in the interest of Infineon pursuant to Supporting Document X.4 ‘Anti-Corruption Definition Business Partner’ to Global Rule A.45 ‘Anti-Corruption’ towards third parties.

Corporate rule content

This rule describes general provisions and special cases for handling of gifts and entertainment. Non-compliance with this rule may result in criminal offences, termination of business relationship, disciplinary consequences and/or termination of employment.

I. Principles & approval requirements

A. Principles of gifts & entertainment at Infineon

- Benefits must always comply with local laws, internal rules and provided or accepted in a transparent way.
- Benefits shall never be promised, made or accepted with the intent or the attempt to influence business decisions or official acts or any appearance thereof.
- Employees must always self-assess, if benefits are adequate and reasonable.
- Pursuant to section 4.3 of the Business Conduct Guidelines (BCG) we make or accept valuable benefits only in exceptional cases.
- Adequate and reasonable benefits are important to show respect and appreciation.
- Cultural traditions are respected, however shall never cross the line of what is legally permitted.

B. Approval requirements for Infineon employees

Approval requirements are not applicable for benefits provided or received by business partners acting on behalf or in the interest of Infineon pursuant to Supporting Document X.4 ‘Anti Corruption Definition Business Partner’.

Cash and vouchers are prohibited. Exceptions can only be granted by the Compliance Office pursuant to Supporting Document X.5 ‘Cash and Vouchers – Definition’.

	From/to Third Parties	
	below threshold	above threshold
Business Meals	Self-assessment	Legal Manager ¹
Entertainment	Self-assessment	Compliance
Gifts	Self-assessment	Compliance

¹ If no legal manager is appointed, the respective company or site CFO approves.

If no company or site CFO is appointed, the functional manager approves.

Management Board Members document their self-assessment.

	To Public Officials	
	below threshold	above threshold
Business Meals	Self-assessment	Compliance
Entertainment	Compliance	Compliance
Gifts	Self-assessment	Compliance

II. General provisions

Benefits and/or business meals to third parties or public officials must never be promised or given with the intent or the attempt of improperly influencing actions or decisions of such third party or public official or violating their duties or obligations. The same is true when accepting or receiving benefits and/or business meals from third parties. The mere impression of improper influence must be avoided.

Any exchange of benefits and/or business meals must comply with internal rules of Infineon and applicable laws and regulations.

Thus, any benefit and/or business meal offered, promised, authorized or provided to/from a third party or public official must be assessed diligently, always follow a legitimate business purpose and provided in full transparency.

Whether a benefit and/or business meal is permissible, requires a case-by-case assessment in most jurisdictions.

In order to facilitate such assessment Infineon defined thresholds per country per person for benefits (i) from/to third parties and (ii) to public officials for your orientation. Any benefit exceeding such threshold must be approved by the Compliance Office.

Any benefit or business meal below such threshold still requires Infineon employees to self-assess whether it could lead to an improper influence and, if so, must not be granted or accepted.

In order to perform such self-assessment, employees and managers shall consider Supporting Document X.6 'Guidance for self-assessment of Gifts & Entertainment' with specific examples.

Benefits or business meals directly or timely linked to a business decision or upon request by a third party or public official are prohibited.

Business and private interests must be separated entirely to avoid any conflict of interest or the appearance thereof.

Any benefit or business meal to family members or close friends of third parties or public officials are strictly prohibited.

Frequent benefits from or to the same employee or department shall be avoided. Provide or receive benefits only in full transparency, in particular never provide benefits to the private address of a third party or public official or receive a benefit at your private address.

Local thresholds for third parties and public officials are defined by Compliance considering recommendations by management. In cross-border scenarios, e.g. IFAG employee provides a gift to an Indonesian customer during a meeting in Singapore, the country of origin of the recipient's employer (here: Indonesia) defines the local threshold that must be applied.

Donations and sponsorships are not considered benefits and thus not subject of this rule. Please refer to Global Rule A.22 'Corporate Citizenship and Sponsoring'.

For Germany, please consider 'Benefits in Kind' notification to HR Payroll.

III. Public Officials

Public officials are anyone appointed or performing public services or employed by an authority, e.g. civil servants, judges, ministers, state secretaries, police officers etc. see Supporting Document X.3 'Public Officials - Definition' for details.

Benefits and/or business meals offered, promised, authorized or provided to public officials or their family members or close friends bear a high risk of bribery in all jurisdictions worldwide. In some countries even very minor food or drink offerings may be considered bribery and are therefore strictly prohibited. Thus, special rules apply in these countries. Please contact your Regional Compliance Officer for guidance.

More than one benefit or business meal to the same public official within 12 months is prohibited.

A. Business Meals

Business meals to public officials **below** the local threshold are permissible considering Supporting Document X.6 'Guidance for self-assessment of Gifts & Entertainment'. Special rules apply in some countries. Please contact your Regional Compliance Officer for guidance.

Business meals offered, promised, authorized or provided to public officials above the local threshold are prohibited. The Compliance Office may approve exceptions via the Compliance Approval Tool (COAT) for business meals to public officials **above** the local threshold provided that (i) a legitimate business purpose is in place **and** (ii) the invitee confirms via e-mail or in writing, prior to accepting the invitation, that this business meal is in line with its authority's rules and regulations.

B. Cash, Monetary gifts and Vouchers

Cash or monetary gifts offered, promised, authorized or provided to public officials or their family members or close friends are strictly prohibited. Vouchers offered, promised, authorized or provided to public officials are prohibited, however the Compliance Office may approve exceptions via the Compliance Approval Tool (COAT) pursuant to Supporting Document X.5 'Exceptions for Cash and Vouchers'.

C. Entertainment

Entertainment offered, promised, authorized or provided to public officials is prohibited. The Compliance Office may approve exceptions via the Compliance Approval Tool (COAT) for entertainment to public officials provided that a (i) legitimate business purpose is in place **and** (ii) an employer approval (confirmation via e-mail or in writing) has been issued by the respective authority.

D. Gifts

Low-value giveaways with the logo of Infineon are permissible.

Gifts offered, promised, authorized or provided to public officials are prohibited. The Compliance Office may approve exceptions via the Compliance Approval Tool (COAT) for gifts to public officials above the local threshold provided that (i) a legitimate business purpose is in place **and** (ii) employer approval (confirmation via e-mail or in writing) has been issued by the respective authority or the public official confirmed prior to accepting the gift that the gift is in line with his authority's rules and regulations.

III. Third Parties

Benefits and/or business meals offered, promised, authorized or provided to third parties which are not reasonable bear a risk of bribery in all jurisdictions worldwide and thus must be assessed diligently, always follow a legitimate business purpose and provided in full transparency.

Never provide benefits to the private address of a third party or prior to an important business decision in favor of Infineon. The same applies when accepting or receiving benefits from third parties.

More than one benefit to or from the same employee or department of a third party within **6 months** is prohibited.

A. Business Meals

Business meals paid by Infineon to third parties or by third parties to Infineon are permissible, if they (i) have a legitimate business purpose; (ii) are connected to a business related personal (face-to-face) meeting (iii) of reasonable value and (iv) it can be excluded that it is promised, made or accepted with the intent or the attempt to influence a future business decision of the invitees. For reasonable values please consider local thresholds defined by Compliance for guidance.

Business meals **above** reasonable value are prohibited. Legal managers¹ may approve exceptions in writing or via e-mail, considering Supporting Document X.6 'Guidance for self-assessment of Gifts & Entertainment.

B. Cash, Monetary gifts and Vouchers

Cash, monetary gifts and vouchers offered, promised, authorized or provided to third parties are prohibited. The same applies if offered or provided by third parties to Infineon.

The Compliance Office may approve exceptions via the Compliance Approval Tool (COAT) for cash or vouchers to or from third parties pursuant to Supporting Document X.5 'Exceptions for Cash and Vouchers'.

C. Entertainment

Entertainment **below** the local threshold is permissible, however consider Supporting Document X.6 'Guidance for self-assessment of Gifts & Entertainment.

Entertainment offered, promised, authorized or provided to or from third parties **above** the local threshold is prohibited. The Compliance Office may approve exceptions via the Compliance Approval Tool (COAT) for entertainment from/to third parties above the local threshold provided that a legitimate business purpose is in place and it can be excluded that it is promised, made or accepted with the intent or the attempt to influence a future business decision.

¹ If no legal manager is appointed, the respective company or site CFO approves.

If no company or site CFO is appointed, the functional manager approves.

Management Board Members document their self-assessment.

D. Gifts

Low-value giveaways with the logo of Infineon are permissible.

Gifts offered, promised, authorized or provided to or from third parties are permissible, if their value is **below** the local threshold, however, consider Supporting Document X.6 'Guidance for self-assessment of Gifts & Entertainment'.

The Compliance Office may approve exceptions via the Compliance Approval Tool (COAT) for gifts to or from third parties **above** the local threshold provided that (i) a legitimate business purpose is in place **and** (ii) it can be excluded that it is promised, made or accepted with the intent or the attempt to influence a future business decision.

In case a gift provided from a third party may be perceived as luxury item, it shall be rejected politely with regards to the Compliance rules of Infineon.

If, based on cultural particularities, this would be perceived as purely impolite behavior with a negative effect on the business relationship, the gift may be accepted, however shall be donated to a charity organization or forwarded internally within the organization.

E. Travel cost coverage / free tickets to conferences

1. Travel cost coverage

Coverage of travel costs **below** the local threshold is permissible.

Travel cost coverage **above** the local threshold is prohibited. However, the Compliance Office may approve exceptions via the Compliance Approval Tool (COAT) provided that (i) a legitimate business purpose is in place **and** (ii) the inviting person (or someone from the same organization) attends the event personally, **or** if covered costs are a fair return for the performance of the invitee (e.g. to act as speaker, expert etc.). Any travel reimbursement by the third party paid to an Infineon employee is strictly prohibited. Third party needs to organize payment on own invoice and pay supplier directly, e.g. airline, hotel, travel agency, ticket issuer etc.

It is permissible to book accommodation using the hotel-rate of a third party, provided that (i) it is limited to the duration of the event and (ii) a legitimate business purpose is in place.

2. Free tickets to conferences

Free tickets to conferences provided by the organizer ("Veranstalter"), which are not customers or suppliers, are permissible, provided that Infineon bears travel costs.

Free tickets to conferences provided from customers or suppliers are considered "gifts".

Proof of evidence

The Compliance Office monitors the adherence to this rule and its corresponding processes by conducting regular sample checks. Sample checks can include travel expense reports via Concur as well as the general adherence to the COAT process. Furthermore, Compliance may ask Internal Audit to conduct an audit on compliance with this rule at any time.

Appendix

Definitions

Benefit: Anything of value, tangible, non-tangible provided to someone in a business-related context without legal entitlement, e.g. cash, entertainment, gifts, monetary gifts, vouchers, intangible items (awards, certificates) or job offers.

Business meals are not considered a benefit for the purpose of this rule.

Business meals: Food or drinks offered or paid for in a business-related context, e.g. breakfast, business lunch, business dinner, flying buffet, after-work drinks.

Business partner: Anyone acting on behalf or in the interest of Infineon. See Supporting Document X.4 'Anti-Corruption Definition Business Partner' to Global Rule A.45 'Anti-Corruption' for details. Business partners are also considered third parties in the context of business relationship towards Infineon, i.e. bilateral benefit exchange. In the context of acting on behalf or in the interest of Infineon, they are not third parties, however considered "Infineon employees".

Cash: Physical cash

COAT: Compliance Approval Tool (COAT) to receive approval by Compliance for benefits above local thresholds prior to giving or accepting a benefit.

Compliance Office:
Anyone working in the Compliance department.

Entertainment:
Any non-tangible items, incl. tickets, invitation or payment of e.g. cultural or sport events, golf green-fees.

Gifts:
Tangible items that will remain in the possession of the recipient.

Monetary gifts: Non-physical cash, e.g. credit notes, wire transfer, credit card payments, ERP-payments, cheques.

Permissible: Generally allowed. No Compliance approval required.

Prohibited: Generally not allowed, exceptions via explicit approval possible.

Public officials: Anyone appointed or performing public services or employed by an authority. See Supporting Document X.3 'Public Officials - Definition' for details.

Regional Compliance Officer: Compliance Officer in your region

Third party: Anyone who is not an Infineon employee e.g. customers, suppliers, business partners (when acting bilaterally towards Infineon, see above), trade associations, conference or trade fair organizer. Public officials are not third parties. Supervisory board and workers council members shall be considered third parties in the context of benefits granted to those individuals.

Vouchers: Items that provide the owner a right of expense or access, e.g. voucher or rebate for online shops or marketplaces. See Supporting Document X.5 'Exceptions for Cash and Vouchers'.

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