

INFORMATION PURSUANT TO SECTION 289, PARAGRAPH 4, AND SECTION 315, PARAGRAPH 4, OF THE GERMAN COMMERCIAL CODE

STRUCTURE OF THE SUBSCRIBED CAPITAL

The share capital of Infineon Technologies AG increased by €1,120,994 in the 2012 fiscal year as the result of the exercise of 560,497 stock options. Following the cancellation of 7,000,000 own shares and the related capital reduction, the share capital was reduced by €14,000,000 and stood at €2,160,612,664 as of September 30, 2012. This sum is divided into 1,080,306,332 non-par registered shares, each of which represents a notional portion of the share capital of €2. Each share carries one vote and gives an equal right to the profit of the Company based on the profit appropriation resolved by shareholders at the Annual General Meeting.

Own shares held by the Company on the date of the Annual General Meeting do not carry a vote and are not entitled to participate in profit. The Company did not hold any own shares at the end of the reporting period (September 30, 2011: 4 million).

Shares of Infineon Technologies AG are listed on the Frankfurt Stock Exchange (FSE) under the symbol “IFX” and are also traded in the form of American Depositary Shares (“ADS”) on the OTCQX International over-the-counter market under the ticker symbol “IFNNY”, with each Infineon ADS representing one Infineon ordinary share.

RESTRICTIONS ON VOTING RIGHTS OR THE TRANSFER OF SHARES

Restrictions on the voting rights of shares may, in particular, arise as the result of the regulations of the German Stock Corporation Act (Aktiengesetz – “AktG”). Shareholders are prohibited from voting under certain circumstances pursuant to section 136 AktG, for example, and Infineon Technologies AG has no voting rights from its own shares according to section 71b AktG. Non-compliance with the notification requirements pursuant to section 21, paragraph 1 or 1a of the German Securities Trading Act (Wertpapierhandelsgesetz – “WpHG”) can, according to section 28 WpHG, have the effect that certain rights – including the right to vote – may, temporarily at least, not exist. We are not aware of any contractual restrictions on voting rights or the transfer of shares.

Pursuant to section 67, paragraph 2, AktG, only those persons recorded in the share register of Infineon Technologies AG are recognized as shareholders of the Company. In order to be recorded in the share register of Infineon Technologies AG, shareholders are required to submit to the Company the number of shares held by them and their name or company name, their address and, where applicable, their registered office and their date of birth. Pursuant to section 67, paragraph 4, AktG Infineon Technologies AG is entitled to request information from any party registered in the share register regarding the extent to which shares, to which the entry in the share register relates, are actually owned by the registered party and, if it does not own the shares, to receive the information necessary for the maintenance of the share register in relation to the party for whom the party concerned holds the shares. Section 67, paragraph 2, AktG stipulates that the shares concerned do not confer voting rights until such time as the information requested has been supplied in the appropriate manner.

SHAREHOLDINGS EXCEEDING 10 PERCENT OF THE VOTING RIGHTS

Section 21, paragraph 1, WpHG requires each shareholder whose voting rights reach, exceed or, after exceeding, fall below 3, 5, 10, 15, 20, 25, 30, 50 or 75 percent of the voting rights of a listed corporation to notify such corporation and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – “BaFin”) immediately. As of September 30, 2012, we have not been notified of any direct or indirect shareholdings reaching or exceeding 10 percent of the voting rights. The shareholdings notified to us as of that date are presented in the Notes to the Consolidated Financial Statements under the information pursuant to section 160, paragraph 1, No. 8 AktG.

SHARES WITH SPECIAL CONTROL RIGHTS

No shares conferring special control rights have been issued.

SYSTEM OF CONTROL OF VOTING RIGHTS WHERE EMPLOYEES OWN SHARES AND THEIR CONTROL RIGHTS ARE NOT EXERCISED DIRECTLY

Employees who hold shares in Infineon Technologies AG exercise their control rights directly in accordance with the applicable laws and the Articles of Association just like other shareholders.

RULES GOVERNING THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD

Section 5, paragraph 1, of the Articles of Association stipulates that the Management Board of Infineon Technologies AG shall consist of at least two members. Effective January 1, 2012, Infineon Technologies AG's Management Board was expanded from three to four members. Following Peter Bauer's departure from office on September 30, 2012 the Management Board comprises again three members effective October 1, 2012. The Supervisory Board decides on the exact number of members of the Management Board and on their appointment and dismissal in accordance with section 5, paragraph 1, of the Articles of Association and section 84, paragraph 1, AktG. As Infineon Technologies AG falls within the scope of the German Co-Determination Act (Mitbestimmungsgesetz – "MitbestG"), the appointment or dismissal of members of the Management Board requires a two-thirds majority of the votes of the members of the Supervisory Board (section 31, paragraph 2, MitbestG). If such majority is not achieved on the first ballot, the appointment may be approved on a recommendation of the Mediation Committee on a second ballot by a simple majority of the votes of the members of the Supervisory Board (section 31, paragraph 3, MitbestG). If the required majority is still not achieved, a third ballot is held in which the Chairman of the Supervisory Board has two votes (section 31, paragraph 4, MitbestG). If the Management Board does not have the required number of members, in urgent cases, the local court (Amtsgericht) of Munich makes the necessary appointment upon petition of a party concerned pursuant to section 85, paragraph 1, AktG.

Pursuant to section 84, paragraph 1, sentence 1, AktG, the maximum term of appointment for members of the Management Board is five years. Re-appointment or extension of the term of office, in each case for a maximum of five years, is permitted (section 84, paragraph 1, sentence 2, AktG). Section 5, paragraph 1, of the Articles of Association and section 84, paragraph 2, AktG stipulate that the Supervisory Board may appoint a chairman and a deputy Chairman of the Management Board. The Supervisory Board may revoke the appointment of a member of the Management Board and the Chairman of the Management Board for good cause (section 84, paragraph 1, AktG).

RULES GOVERNING THE AMENDMENT OF THE ARTICLES OF ASSOCIATION

Pursuant to section 179, paragraph 1, AktG, responsibility for amending the Articles of Association rests with the Annual General Meeting. However, section 10, paragraph 4, of the Articles of Association gives the Supervisory Board the authority to amend the Articles of Association insofar as such amendments relate merely to the wording, such as changes in the share capital amount resulting from a capital increase out of conditional or authorized capital or a capital decrease by means of cancellation of own shares. Unless the Articles of Association provide for another majority, section 179, paragraph 2, AktG stipulates that resolutions of the Annual General Meeting on the amendment of the Articles of Association require a majority of at least three quarters of the share capital represented. Section 17, paragraph 1, of the Articles of Association of Infineon Technologies AG provides in principle for resolutions to be passed with a simple majority of the votes cast and, when a capital majority is required, with a simple majority of the capital unless a higher majority is required by law or in accordance with other stipulations contained in the Articles of Association.

POWERS OF THE MANAGEMENT BOARD TO ISSUE SHARES

Authorized Capital

Authorized Capital 2010/I

Section 4, paragraph 8, of the Articles of Association provides that the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital in the period through February 10, 2015 once or in partial amounts by a total of up to €648,000,000 by issuing up to 324,000,000 new no par value registered shares, carrying a dividend right as of the beginning of the fiscal year in which they are issued, against contributions in cash or in kind (Authorized Capital 2010/I). Shareholders have subscription rights in principle in the event of capital increases against contributions in cash. However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude the subscription rights of the shareholders

- (a) in order to exclude fractional amounts from the subscription right,
- (b) insofar as such action is necessary in order to grant holders of options or conversion rights attached to convertible bonds that have already been or will in future be issued by the Company or its subordinated group companies subscription rights to new shares to the extent they would be entitled after exercise of the option or conversion rights or after fulfillment of any conversion obligations,
- (c) if the issue price of the new shares is not substantially lower than the price on the stock exchange and the shares issued with the subscription rights of the shareholders excluded pursuant to section 186, paragraph 3, sentence 4, AktG in aggregate do not exceed 10 percent of the share capital either at the time of this authorization becoming effective or at the time of its exercise.

The Management Board is additionally authorized, with the approval of the Supervisory Board, to exclude the subscription rights of the shareholders in relation to capital increases against contributions in kind. However, in order to protect the shareholders against the dilution of their holdings, the Management Board of Infineon Technologies AG has undertaken to make use of this authorization to exclude the subscription rights of the shareholders in the case of capital increases against contributions in cash or in kind out of the Authorized Capital 2010/I only up to an amount equivalent to 10 percent of the share capital at the time the authorization comes into force or – if the latter value should be lower – the share capital existing at the time the authorization is exercised. Any capital increase utilizing the Authorized Capital 2010/I with the subscription rights of the shareholders excluded is thus limited to a maximum of 108,030,633 no par value shares or €216,061,266 as of September 30, 2012 (that is to say 10 percent of the share capital in place at that time).

The Management Board determines the further content of the rights attached to the shares and the terms of the share issue with the approval of the Supervisory Board.

Authorized Capital 2010/II

Section 4, paragraph 9, of the Articles of Association additionally authorizes the Management Board, with the approval of the Supervisory Board, to increase the share capital in the period through February 10, 2015, once or in partial amounts, by a total of up to €40,000,000 by issuing up to 20,000,000 new no par value registered shares against contributions in cash for the purpose of issuance to employees of the Company or its group companies (Authorized Capital 2010/II). The subscription rights of the shareholders are excluded in relation to these shares. The Management Board determines the further content of the rights attached to the shares and the terms of the share issue with the approval of the Supervisory Board.

The aforementioned authorizations of the Management Board to issue new shares out of Authorized Capital 2010/I are intended to enable the Management Board to raise capital flexibly and on economically advantageous terms, taking advantage of attractive financing opportunities, even at short notice, whenever they may arise in the market. Accordingly, Authorized Capital 2010/II will be used to service share-based employee participation programs. It could also be used for the Performance Share Program for Employees which is planned by the Company (see Compensation Report for details).

❖ see page 195 ff.

No shares were issued during the 2012 fiscal year out of the various authorized capital amounts described above.

Conditional Capital

Conditional Capital I

Section 4, paragraph 4, of the Articles of Association provides for the share capital of Infineon Technologies AG to be conditionally increased by up to a nominal amount of €34,628,048 (Conditional Capital I, registered in the Commercial Register as “Conditional Capital 1999/I”). The conditional capital increase is to be effected by issuing up to 17,314,024 new no par value registered shares, carrying a dividend right as of the beginning of the fiscal year in which they are issued, but only to the extent that the holders of subscription rights granted under the “Infineon Technologies AG 2001 International Long Term Incentive Plan” on the basis of the authorization granted on April 6, 2001 choose to exercise their subscription rights.

Conditional Capital III

At the end of the fiscal year 2012, section 4, paragraph 5, of the Articles of Association provided for the share capital of Infineon Technologies AG to be conditionally increased by up to a nominal amount of €29,000,000 (Conditional Capital III, registered in the Commercial Register as “Conditional Capital 2001/I”). The conditional capital increase is to be effected by issuing up to 14,500,000 new no par value registered shares, carrying a dividend right as of the beginning of the fiscal year in which they are issued, but only to the extent that the holders of subscription rights granted under the “Infineon Technologies AG 2001 International Long-Term Incentive Plan” on the basis of the authorization issued on April 6, 2001, or the holders of subscription rights granted under the “Infineon Technologies AG Stock Option Plan 2006” on the basis of the authorization issued on February 16, 2006, choose to exercise their subscription rights. During the 2012 fiscal year, a total of 560,497 new no par value registered shares corresponding to a proportionate amount of €2 per share were issued out of Conditional Capital III as a result of the exercise of share options in conjunction with the “Infineon Technologies AG Stock Option Plan 2006”. Conditional Capital III decreased accordingly by €1,120,994 to €27,879,006. The corresponding change to the Articles of Association was submitted after the end of the reporting period and entered into the Commercial Register as requested.

Conditional Capital 2002

Section 4, paragraph 6, of the Articles of Association provides for the share capital of Infineon Technologies AG to be conditionally increased by up to €134,000,000 by issuing up to 67,000,000 new no par value registered shares carrying a dividend right as of the beginning of the fiscal year in which they are issued (Conditional Capital 2002, registered in the Commercial Register as “Conditional Capital 2007/II”). The conditional capital increase serves the purpose of granting shares to the holders of the convertible bond issued in May 2009 by Infineon Technologies Holding B.V., which is guaranteed by Infineon Technologies AG. The conditional capital increase is effected only insofar as conversion rights from the convertible bond are exercised or any conversion obligations under these notes are fulfilled. The Management Board is authorized to determine the further details of implementation of the conditional capital increase.

Conditional Capital 2009/I

Section 4, paragraph 7, of the Articles of Association provides for the share capital of Infineon Technologies AG to be conditionally increased by up to €149,900,000 by issuing up to 74,950,000 new no par value registered shares carrying a dividend right as of the beginning of the fiscal year in which they are issued (Conditional Capital 2009/I). The conditional capital increase serves the purpose of granting shares to the holders of the convertible bond issued in May 2009 by Infineon Technologies Holding B.V., which is guaranteed by Infineon Technologies AG. The conditional capital increase is effected only insofar as conversion rights from the convertible bond are exercised or conversion obligations under these notes are fulfilled and insofar that no cash settlement is made or own shares are used to service the obligations.

Conditional Capital 2010/I

Section 4, paragraph 10, of the Articles of Association provides for the Company's share capital to be conditionally increased by up to a nominal amount of €24,000,000 by issuing up to 12,000,000 new no par value registered shares (Conditional Capital 2010/I). The conditional increase in capital is effected only insofar as the holders of subscription rights issued in the period through September 30, 2013 under the "Infineon Technologies AG Stock Option Plan 2010" choose to exercise their subscription rights to Company shares and the Company does not provide a cash settlement or own shares to satisfy these subscription rights. The new shares have dividend rights from the start of the fiscal year of their issue.

Conditional Capital 2010/II

Section 4, paragraph 11, of the Articles of Association provides for the share capital also to be conditionally increased by up to €260,000,000 by issuing up to 130,000,000 new no par value registered shares carrying a dividend right from the start of the fiscal year of their issue (Conditional Capital 2010/II). The conditional capital increase serves the purpose of granting shares to the holders of bonds with warrants and/or convertible bonds issued by the Company or a subordinated group company against payment in cash on the basis of the authorization of the Annual General Meeting of February 11, 2010. The conditional capital increase is effected only insofar as conversion rights attached to the bonds are exercised or conversion obligations under the bonds are fulfilled and insofar that no cash settlement is made or own shares are used to service the obligations. The Management Board is authorized to determine the further details of implementation of the conditional capital increase.

The issue of stock options backed by conditional capital is a practical and common option that has been used for many years in German companies in the compensation of board members and executives. Infineon has also used this instrument on several occasions. To the extent that Infineon will deploy other compensation components of a long-term nature in future, the existing amounts of conditional capital are used – during the remaining term of the option programs – to service subscription rights arising from share options already issued. Other conditional capital amounts cover the conversion rights of holders of the convertible bond issued by Infineon Technologies Holding B.V. To the extent that conditional capital amounts are no longer required for this purpose (for instance where bonds have been repurchased and invalidated), the Management Board and the Supervisory Board will normally propose at the Annual General Meeting to cancel the respective conditional capital amounts.

With the exception of Conditional Capital III (see relevant section), no shares were issued during the 2012 fiscal year out of the conditional capital amounts described above. Further details of the various stock option plans are provided in note 32 to the Consolidated Financial Statements. Further details of the convertible bond issued by Infineon Technologies Holding B.V. are provided in note 27 to the Consolidated Financial Statements.

❖ see page 259 ff.

❖ see page 253 ff.

AUTHORIZATION TO ISSUE BONDS WITH WARRANTS AND/OR CONVERTIBLE BONDS

The Annual General Meeting on February 11, 2010 authorized the Management Board, in the period through February 10, 2015, once or in partial amounts, to issue bonds with warrants and/or convertible bonds (referred to collectively as “bonds”) in an aggregate nominal amount of up to €2,000,000,000 to guarantee such bonds issued by subordinated group companies of the Company and to grant holders of bond options or conversion rights to up to 130,000,000 no par value registered Company shares, representing a notional portion of the share capital of up to €260,000,000 in accordance with the relevant terms of the bonds. The Management Board is authorized, with the approval of the Supervisory Board, to exclude the subscription rights of the shareholders to the bonds

- if the issue price is not substantially lower than the theoretical market value of the bonds, as determined in accordance with accepted methods of financial mathematics (however, this only applies insofar as the shares to be issued to service the option and/or conversion rights established on this basis in aggregate do not exceed 10 percent of the share capital either at the time of this authorization becoming effective or at the time of its exercise);
- in order to exclude fractional amounts resulting from a given subscription ratio from the subscription rights of the shareholders to the bonds or insofar as such action is necessary in order to grant holders of option or conversion rights from bonds that have already been or will in future be issued by the Company or its subordinated group companies subscription rights to that extent to which they would be entitled after exercise of their rights or after fulfillment of any conversion obligations.

Even if the dilution protection regulations are applied, the option or conversion price must equal at least 90 percent of the average stock exchange price of the Company’s shares in the Xetra closing auction on the Frankfurt Stock Exchange (or a comparable successor system) during the ten exchange trading days prior to the date of adoption of the resolution by the Management Board to issue the bonds or, insofar as the 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 exchange trading days for such subscription rights. Without prejudice to section 9, paragraph 1, AktG, the option or conversion price may be reduced pursuant to a dilution protection clause in accordance with the terms of the bonds if the Company increases its share capital before the end of the option or conversion period, honoring the subscription rights of the shareholders, or issues or guarantees further bonds and the holders of option rights or of convertible bonds are not granted subscription rights in this respect. The terms may also provide for a value-preserving adjustment of the option or conversion price or of the option or conversion rate in the event of other measures potentially leading to a dilution of the commercial value of the option or conversion rights. In any event, the notional portion of the share capital attributable to the underlying each convertible bond may not exceed the nominal value of the bond.

The Management Board is authorized, subject to the requirements resolved by the Annual General Meeting, to determine the further details of the issue and features of the bonds and their terms.

The aforementioned authorizations of the Management Board to issue bonds with warrants or convertible bonds are intended to enable the Management Board to raise capital flexibly and on economically advantageous terms to cover capital requirements as they arise, taking advantage of attractive financing opportunities, even at short notice, whenever they present themselves in the market.

PURCHASE OF OWN SHARES; CAPITAL RETURN PROGRAM

A resolution passed by the Annual General Meeting on February 17, 2011 authorizes Infineon Technologies AG, in the period through February 16, 2016, to acquire its own shares, within the statutory boundaries, in an aggregate amount not exceeding 10 percent of the share capital at the time the resolution was passed or – if the latter amount is lower – of the share capital in existence at the time the authorization is exercised. The Company may not use the authorization for the purpose 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 companies whom the Company has a majority holding. The Management Board decides whether own shares are acquired through the stock exchange, by means of a public offer to purchase addressed to all shareholders or a public invitation to submit offers for sale (referred to jointly as a “public purchase offer”), or via a bank that is engaged to complete the acquisition as part of a defined repurchase program.

- (a) If shares are acquired through the stock exchange, the purchase price per share (excluding incidental costs) paid by the Company may not be more than 10 percent above or below the price established in the Xetra (or comparable successor system) opening auction on the trading day.
- (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 percent above and no more than 20 percent below the arithmetic mean of the closing prices of the share in Xetra trading (or a comparable successor system) on the last three exchange trading days prior to the day of publication of the public purchase offer (“effective date”). If significant price changes occur after the effective date, the purchase price may be adjusted accordingly; 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 adopts a quota-based purchase approach. Provision may be made for a 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) A bank can 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 trading days in Xetra trading (or a 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 to be paid by the Company must include a discount with respect to the arithmetic mean of the volume-weighted average price (“VWAP”) of the Infineon share in Xetra trading (or a comparable successor system) over the actual period in which shares are repurchased. In addition, the bank must (iii) purchase the shares to be supplied through the stock exchange at prices falling within the range defined under a) in respect of direct acquisition by the Company.

The Company is authorized not only to sell shares in the Company acquired under this authorization via the stock exchange or by means of a public offer addressed to all shareholders, but also to make use of them for any other legally admissible purpose, specifically including the following:

- (a) The shares may be cancelled without this cancellation or its implementation requiring any further resolution of the Annual General Meeting. The Management Board may also decide in this connection that the share capital will not be affected by the cancellation and that the proportion of non-cancelled shares in the share capital will be increased accordingly. The Management Board is authorized to amend the number of shares indicated in the Articles of Association accordingly in this case.

- (b) The shares may be offered and transferred to third parties in connection with corporate mergers or the acquisition of companies, parts of companies or participations in companies.
- (c) The shares may, subject to the consent of the Supervisory Board, be sold to third parties for cash payment including 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 selling costs) is not substantially lower than the share price established in the Xetra (or comparable successor system) opening auction on the day of the sale. Furthermore, the total value of the shares sold in these cases may not exceed 10 percent of the share capital as determined either at the time of this authorization becoming effective or at the time of its exercise. The notional portion of the share capital that relates to shares issued or used with the subscription rights of the shareholders excluded in direct or analogous application of section 186, paragraph 3, sentence 4, AktG is to be included in this amount. 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 with the subscription rights of the shareholders excluded in analogous application of section 186, paragraph 3, sentence 4, AktG.
- (d) The shares may be used to meet the Company's obligations under bonds with warrants and convertible bonds 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 2006" or the "Infineon Technologies AG Stock Option Plan 2010".
- (f) The shares may be offered for acquisition and transferred to persons who are employed by the Company or by a company affiliated with the Company.

The Company may use these authorizations to utilize its own shares on its own, through dependent companies or companies in whom 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. The authorizations 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 clauses b) to f) above. 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 addressed to all shareholders.

According to a resolution passed by the Annual General Meeting on February 17, 2011, the acquisition of Infineon Technologies AG shares may also be effected using equity derivatives. The Management Board is 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). The acquisition may furthermore be effected using a combination of put and call options (referred to collectively as "derivatives"). The acquisition of shares using derivatives may also be effected via a bank that is engaged to complete the acquisition as part of a defined repurchase program.

The total number of shares underlying the derivatives employed in accordance with this authorization may not exceed 5 percent of the share capital at the time of the resolution. The shares acquired through the exercise of this authorization are to be counted toward the acquisition limit for the shares acquired in accordance with the authorization to acquire own shares directly described above. The term of the individual derivatives may in each case be no longer than 18 months, must expire by no later than February 16, 2016 and must be defined such that the acquisition of own shares either to exercise or to satisfy the derivatives cannot be effected after February 16, 2016.

The derivative transactions 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 acquired previously, in compliance with the principle of equal treatment, via the stock exchange at the current price of the share in Xetra trading (or a comparable successor system) at the time of acquisition via the stock exchange. 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 percent above and no more than 30 percent below the arithmetic mean of the closing prices of the share in Xetra trading (or a comparable successor system) on the last three exchange trading days prior to the conclusion of the derivative transaction.

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 of financial mathematics, considering among other things the agreed exercise price.

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, sentence 4, AktG. The shareholders similarly 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.

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 will apply in this connection.

The rules laid out above relating to the authorization to acquire own shares directly apply as appropriate to the use of own shares acquired using derivatives.

Infineon Technologies AG decided on May 9, 2011 to make use of the authorization to repurchase shares granted by the Annual General Meeting on February 17, 2011. The Company intends to use up to €300 million for capital return measures in the period through March 2013. Capital may be returned via put options on Infineon shares. Another possibility is the outright repurchase of own shares in Xetra trading on the Frankfurt Stock Exchange. A further option is to repurchase outstanding convertible bonds.

In accordance with applicable legal provisions, the repurchase of shares may only be executed for the purposes of cancelling shares as part of a share capital reduction or servicing convertible bonds or employee participation programs, since, in accordance with section 14 (2) and section 20a (3) of the German Securities Trading Act the repurchase of shares is carried out in compliance with the provisions of the Commission Regulation (EC) No. 2273/2003 dated December 22, 2003. In accordance with these regulations, Infineon Technologies AG cancelled 7 million repurchased shares in the 2012 fiscal year and reduced its share capital accordingly. The share repurchase program may be suspended and resumed again at any time subject to the time limits set by the Annual General Meeting and in accordance with additional legal provisions. Further information about the share repurchase program, put options issued and shares acquired is published regularly on the Company's website at www.infineon.com/cms/de/corporate/investor/infineon-share/share-buyback.html. The status of the program as of September 30, 2012 is presented in note 42 to the Consolidated Financial Statements.

Further information about the share repurchase program, put options issued and shares acquired is published regularly on Infineon's website at www.infineon.com/cms/en/corporate/investor/infineon-share/share-buyback.html

see page 285 ff.

SIGNIFICANT AGREEMENTS IN THE EVENT OF A CHANGE OF CONTROL AS A RESULT OF A TAKEOVER BID

The convertible bond issued by Infineon Technologies AG on May 26, 2009 through Infineon Technologies Holding B.V. that matures in 2014 (for further information see note 27 to the Consolidated Financial Statements) contains a change of control clause granting holders an early redemption option in the event of a change of control as defined in the clause.

see page 253 ff.

The terms of the put options issued by Infineon Technologies AG, which entitle the holder to sell Infineon shares at an exercise price previously agreed, also contain change of control clauses that can lead to modification of the option terms under certain circumstances.

Furthermore, certain patent cross-licensing agreements, development agreements, subsidy agreements and approvals, joint venture agreements and license agreements contain change of control clauses according to which a change in control of Infineon Technologies AG triggers the right of the other party to terminate the agreement, to continue the agreement at its discretion as well as other rights which may, under circumstances, be unfavorable for Infineon.

The aforementioned change of control clauses relating to the convertible bond and put options reflect standard market practice for financial instruments of this nature in the interests of creditor protection. The change of control clauses negotiated with the contract partners of Infineon Technologies AG as part of its general business activities are also in line with standard market practice. The same applies for the subsidy agreements and approvals as well as the joint venture agreements entered into by Infineon.

AGREEMENTS FOR COMPENSATION IN THE EVENT OF A TAKEOVER BID

If a member of the Management Board leaves his or her position in connection with a change of control, that member is currently entitled to continued payment of the relevant annual remuneration for the entire remaining contract term. In accordance with a special contract termination right granted to members of the Management Board, the period of continued payment is capped at a maximum of 36 months in the event the member resigns, or at a minimum of 24 months and a maximum of 36 months in the event the member is removed from office or dismissed by Infineon Technologies AG. Further details are contained in the Compensation Report.

see page 195 ff.

The change of control clauses agreed with the members of the Management Board correspond to the recommendation made in section 4.2.3, paragraph 5, of the German Corporate Governance Code. Such clauses are intended to provide members of the Management Board security if a change of control situation occurs, and to preserve their independence in the event of a takeover bid.

There are no comparable arrangements for employees.