Report of the Management Board concerning Item 8 on the Agenda
Creation of new Authorized Capital 2020/I for general purposes against contributions in cash and/or in kind, including authorization to exclude subscription rights and corresponding amendments to the Articles of Association

The Management Board and Supervisory Board propose to shareholders at the Annual General Meeting under Item 8 on the Agenda that a new Authorized Capital 2020/I totaling up to €750,000,000.00 – just under 30% of the Company's current share capital – be created. It is intended that Authorized Capital 2020/I will be available for share capital increases against contributions in cash or in kind and that it will replace Authorized Capital 2015/I, which expires on 11 February 2020.

In accordance with section 203, paragraph 2, second sentence and section 186, paragraph 4, second sentence, AktG, the Management Board submits the following written report on the authorization to exclude shareholder subscription rights:

As a general rule, shareholders will have the right to subscribe to shares issued out of Authorized Capital 2020/I. In the following cases, however, the Management Board, with the approval of the Supervisory Board, shall be able to exclude such subscription rights under certain conditions:

- In order to simplify the process, it is intended that the Management Board will be authorized to exclude subscription rights for fractional amounts arising on share capital increases against contributions in cash as a result of the subscription ratio. This type of exclusion is common practice and also justified given that the cost of trading subscription rights involving fractional amounts is in no way commensurate to the benefits accruing to shareholders. The fact that the exclusion is limited to fractional amounts means that the potential dilution effect is negligible.

- It is also intended that the Management Board will be able to exclude subscription rights, insofar as such action is necessary to grant holders or creditors of option and/or conversion rights or of corresponding option and/or conversion obligations attached to bonds with warrants and/or convertible bonds and/or participation certificates that have been issued or are to be issued by the Company or by companies in which the Company directly or indirectly holds a majority interest a conversion or subscription right to new shares to the extent to which they would be entitled after exercising the option or conversion rights or after fulfilling option or conversion obligations. This rule is intended to afford the Company the opportunity to offer compensation to the holders of such bonds (the terms of which usually include a mechanism to protect against dilution in the case of capital measures or dividend payments) without having to adjust the option and/or conversion price or the conversion ratio. Excluding shareholder subscription rights in this instance simplifies the issuance and processing of bonds, preserves any existing conditional capital (usually created to service bonds) and, taking all factors into consideration, is also in the best interests of the Company and its shareholders.

- It is also intended that the exclusion of shareholder subscription rights will be allowed in conjunction with section 186, paragraph 3, fourth sentence, AktG in the case of share capital increases against contributions in cash, provided that shares are issued at an amount that is not significantly lower than the market price. The authorization enables the Company to make use of favorable stock market conditions quickly and flexibly as well as to cover capital requirements, should they arise, by promptly placing new shares. The Company is only in a position to act quickly and place shares at a price similar to the share market price (i.e. without the usual discount for issues with subscription rights) if subscription rights are excluded. In most cases, higher proceeds can be achieved by avoiding the time-consuming and costly processing of subscription rights. In accordance with German law, share capital increases against cash contributions, with subscription rights excluded pursuant to section 186, paragraph 3, fourth sentence, AktG, are not permitted to exceed 10% of a company's share capital – either at the time of the authorization becoming effective or at the time of its exercise. This means that subscription rights may be excluded on the basis of this authorization for a maximum of 10% of share capital, including share capital increases executed in stages during the authorization period. For the purposes of determining the limit, it is also necessary to include shares required to be issued to service option/conversion rights or option/conversion obligations attached to bonds with warrants and/or convertible bonds and/or participation certificates that are issued during the term of this authorization, applying the exclusion rules for subscription rights pursuant to section 186, paragraph 3, fourth sentence, AktG during the term of this authorization. Also to be taken into consideration are shares that are either newly issued or acquired by the Company during the term of the authorization and subsequently sold, provided in each of these cases that subscription rights are excluded pursuant to or on the basis of section 186, paragraph 3, fourth sentence, AktG. This ensures that no shares are issued out of Authorized Capital with subscription rights excluded pursuant to section 203, paragraphs 1 and 2 and section 186, paragraph 3, fourth sentence, AktG, if this would result in shareholder subscription rights being excluded for more than 10% of the share capital applying the simplified exclusion rules for subscription rights.

  When making use of this authorization, the Management Board will set the discount on the stock market price as low as possible under the prevailing market conditions at the time of placement. The Management Board will set the issue price per new share in such a way that the discount on the stock market price can be expected to amount to no more than 3%, but in any event does not exceed 5%, of the then current market price. These requirements reflect the need of shareholders to protect their shareholdings against dilution. Since the new shares will be placed at a price similar to their market price, shareholders will be able to maintain their percentage shareholding by acquiring shares on the market at terms approximating the Company's issue terms.

- It is also intended that subscription rights may be excluded in the case of share capital increases against contributions in kind. As in the past, Infineon should continue to be in a position to acquire businesses, parts of businesses and interests in companies in return for shares. As the semiconductor sector continues to consolidate, attractive opportunities arise from time to time with potential benefits in terms of competitiveness, financial position and earnings. Notwithstanding the ability to obtain financing on favorable terms, shares issued out of authorized capital for a business acquisition represent an attractive form of consideration (since it can help to preserve liquidity) – and one which is often explicitly requested by sellers. The ability to employ own shares out of authorized capital as an "acquisition currency", gives the Company the necessary headroom to take advantage of acquisition opportunities quickly and flexibly, without having to call on the stock market. Since an acquisition opportunity of this kind generally arises at short notice, it is not feasible, as a general rule, to wait for a resolution to be passed at an Annual General Meeting. Similarly, due to legal deadlines, there is often insufficient time in such cases to convene an exceptional meeting of the shareholders. In these circumstances, it makes sense to have an authorized capital in place that the Management Board can access quickly and flexibly.

- Finally, the proposed resolution also envisages that subscription rights can be excluded in conjunction with a so-called “scrip dividend”. In the case of a scrip dividend, shareholders are offered the option of investing their dividend entitlement (in whole or in part) as a contribution in kind to the Company in return for new shares, thereby providing an easy and uncomplicated opportunity for shareholders to reinvest their dividends in the Company. A scrip dividend is usually executed as a genuine share capital issue including subscription rights (i.e. respecting the right of existing shareholders to subscribe to shares and in compliance with the principle of equal treatment). In specific cases, however, and depending on the capital market situation, it may be preferable to arrange the execution of the scrip dividend in such a way that the Management Board grants new shares out of Authorized Capital 2020/I to all shareholders who are entitled to dividends in return for the shareholders’ assignment of their dividend entitlement, while at the same time formally excluding subscription rights as a whole. This procedure makes it possible to execute the scrip dividend on more flexible terms, in particular without being bound by the minimum subscription period or the statutory time limit for the announcement of the issue amount. Given that this requires the new shares to be offered to all shareholders, with fractional dividend amounts settled by the payment of a cash dividend, it would be appropriate and justified to exclude subscription rights in this situation. When deciding on whether and how such a scrip dividend is to be executed, the Management Board will be guided solely by the interests of the Company and the shareholders.

As a general rule, the aforementioned exclusions of subscription rights can be freely combined. The proportionate amount of the share capital attributable to shares that are issued on the basis of this authorization against contributions in cash and/or in kind, with subscription rights excluded (with the exception, however, of those excluded in conjunction with the smoothing of fractional amounts) may not exceed a total of 10% of the Company's share capital existing at the time the Annual General Meeting passed the resolution. The capital limit also protects the shareholders against dilution of their shareholdings. If, during the term of this authorization and on the basis of other authorizations granted to the Management Board, shares are issued out of Authorized Capital or if bonds/participation certificates with option or conversion rights or obligations are issued with shareholder subscription rights excluded (with the exception, however, of issues with shareholder subscription rights excluded for fractional amounts), the Management Board will only make use of all of authorizations granted to it for capital measures for which subscription rights can be excluded to increase share capital by a maximum of 10%, measured on the basis of the Company's share capital existing at the time the Annual General Meeting passed this resolution.

There are currently no specific plans to utilize Authorized Capital 2020/I, particularly with subscription rights excluded. However, as was shown during the 2019 fiscal year in conjunction with the financing of the acquisition of Cypress Semiconductor Corp., the need to execute a share capital increase may arise at very short notice. It is common practice in Germany and elsewhere to have such anticipatory resolutions in place. Notwithstanding this fact, the Management Board will in any event carefully consider whether it is in the interests of the Company and its shareholders to utilize Authorized Capital 2020/I. The Supervisory Board too will have to reach its own, independent opinion. Should the authorization be utilized during the fiscal year, the Management Board will report extensively on the matter at the next Annual General Meeting.

Management Board of Technologies AG

Dr. Reinhard Ploss (CEO)	Dr. Sven Schneider (CFO)
Dr. Helmut Gassel	Jochen Hanebeck