



# Infineon Bonus Target Functions for Fiscal Year 2024

In conjunction with GLOBAL POLICY “ANNUAL SUCCESS BONUS”

IFAG ACT C  
November 2023



strictly confidential

# Agenda

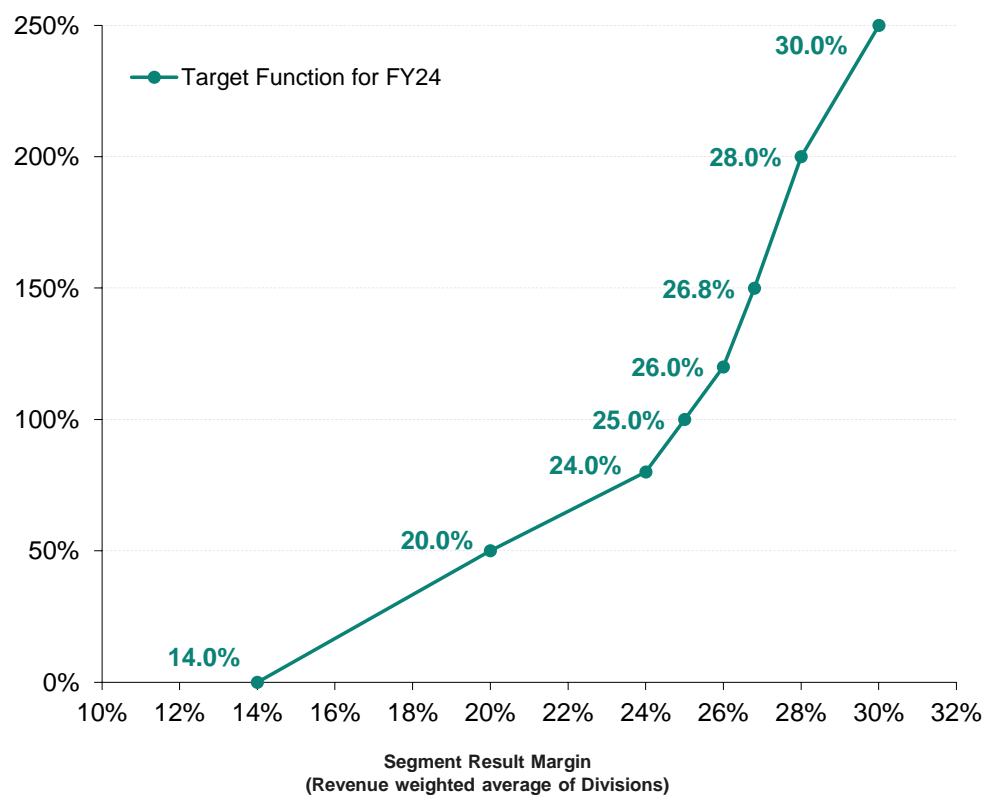
1	Target Functions for FY24	3
2	Special Rules	11

# Agenda

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# Target Function Infineon Segment Result Margin

## IFX Target Function for FY24



## Explanation

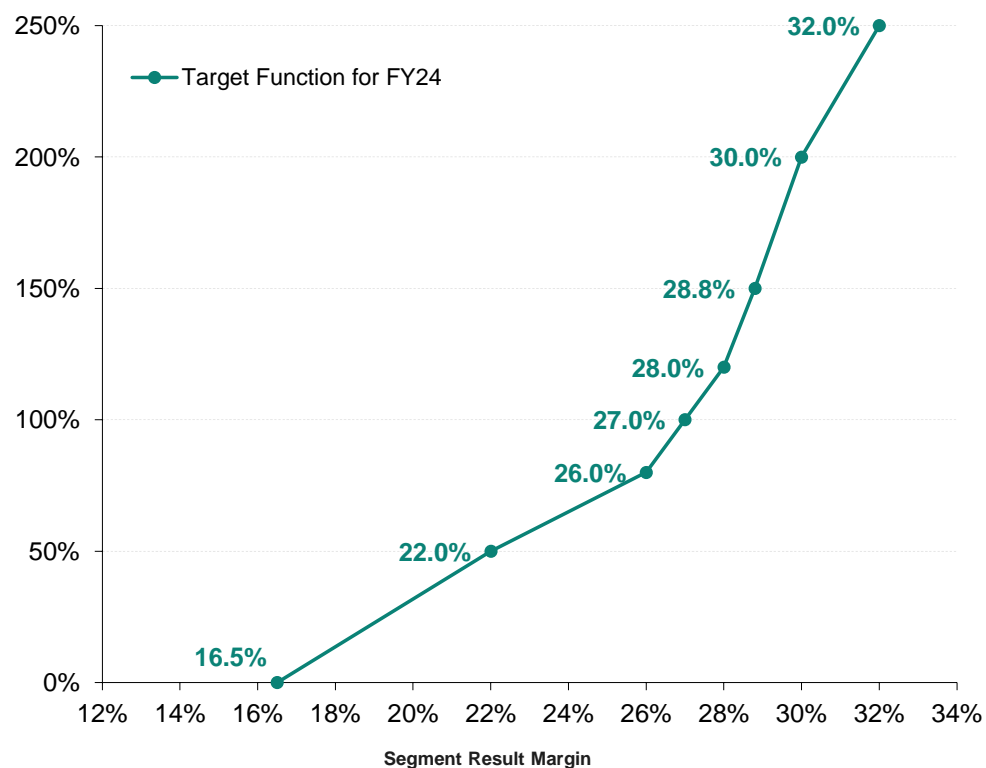
0%	14.00% Segment Result Margin
50%	20.00% Segment Result Margin
80%	24.00% Segment Result Margin
100%	25.00% Segment Result Margin
120%	26.00% Segment Result Margin
150%	26.80% Segment Result Margin
200%	28.00% Segment Result Margin
250%	30.00% Segment Result Margin

Between these data points target achievement is calculated by applying linear interpolation.

The target function is referring to continuing operations of Infineon.

# Target Function ATV Segment Result Margin

## ATV Target Function for FY24



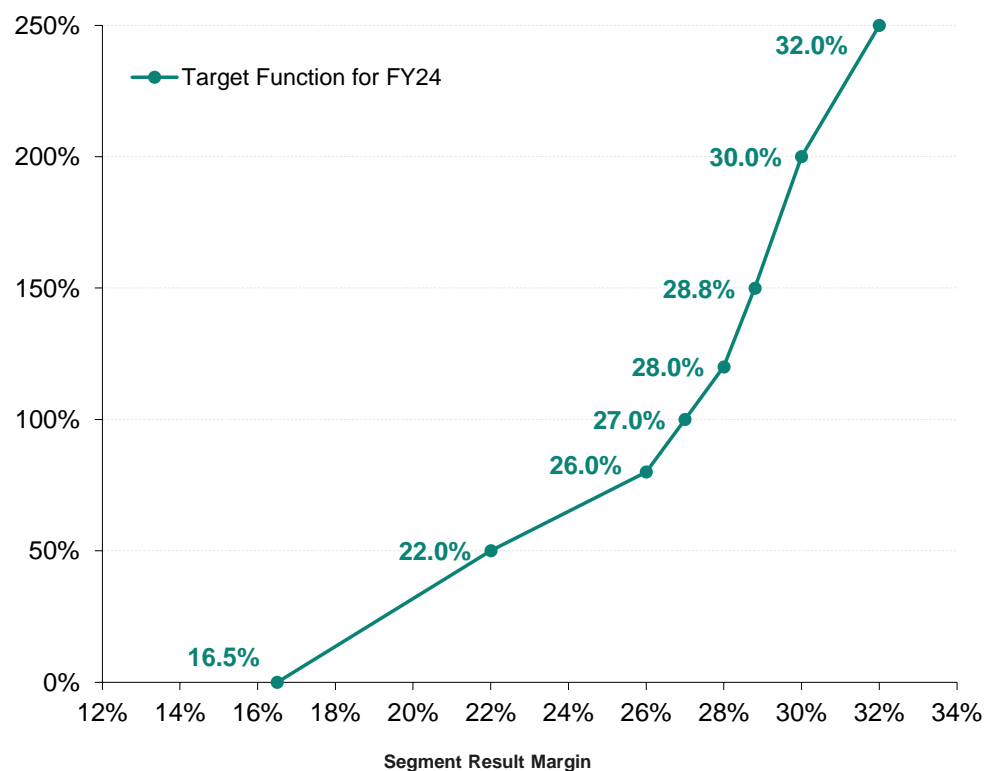
## Explanation

0%	16.50% Segment Result Margin
50%	22.00% Segment Result Margin
80%	26.00% Segment Result Margin
100%	27.00% Segment Result Margin
120%	28.00% Segment Result Margin
150%	28.80% Segment Result Margin
200%	30.00% Segment Result Margin
250%	32.00% Segment Result Margin

Between these data points target achievement is calculated by applying linear interpolation.

# Target Function GIP Segment Result Margin

## GIP Target Function for FY24



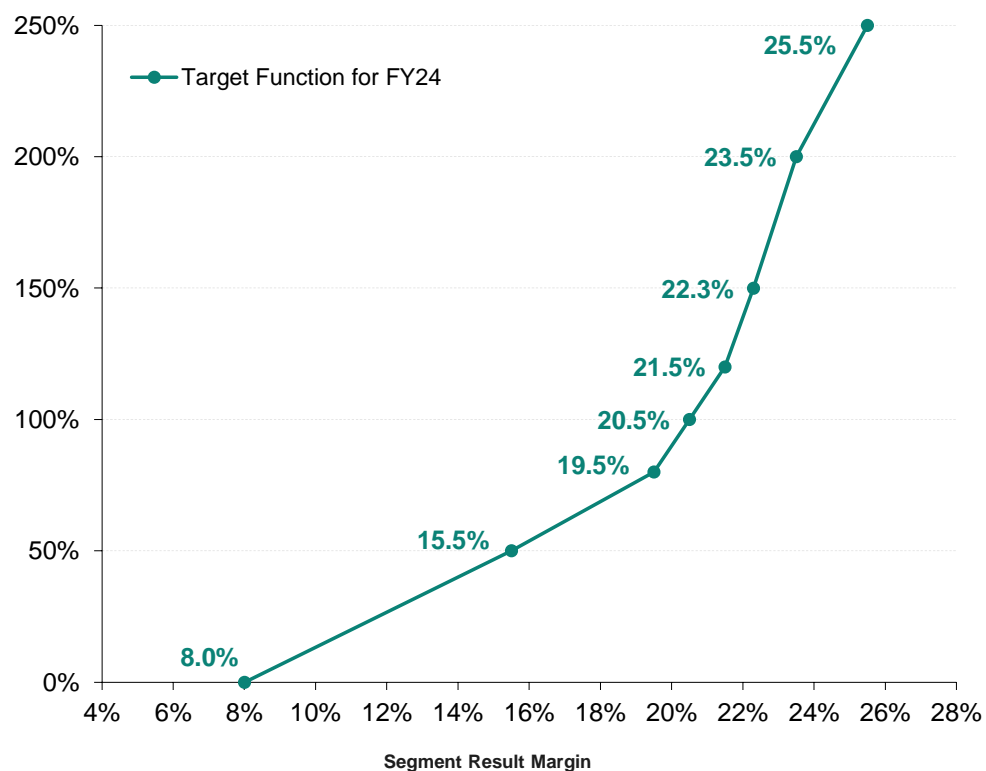
## Explanation

0%	16.50% Segment Result Margin
50%	22.00% Segment Result Margin
80%	26.00% Segment Result Margin
100%	27.00% Segment Result Margin
120%	28.00% Segment Result Margin
150%	28.80% Segment Result Margin
200%	30.00% Segment Result Margin
250%	32.00% Segment Result Margin

Between these data points target achievement is calculated by applying linear interpolation.

# Target Function PSS Segment Result Margin

## PSS Target Function for FY24



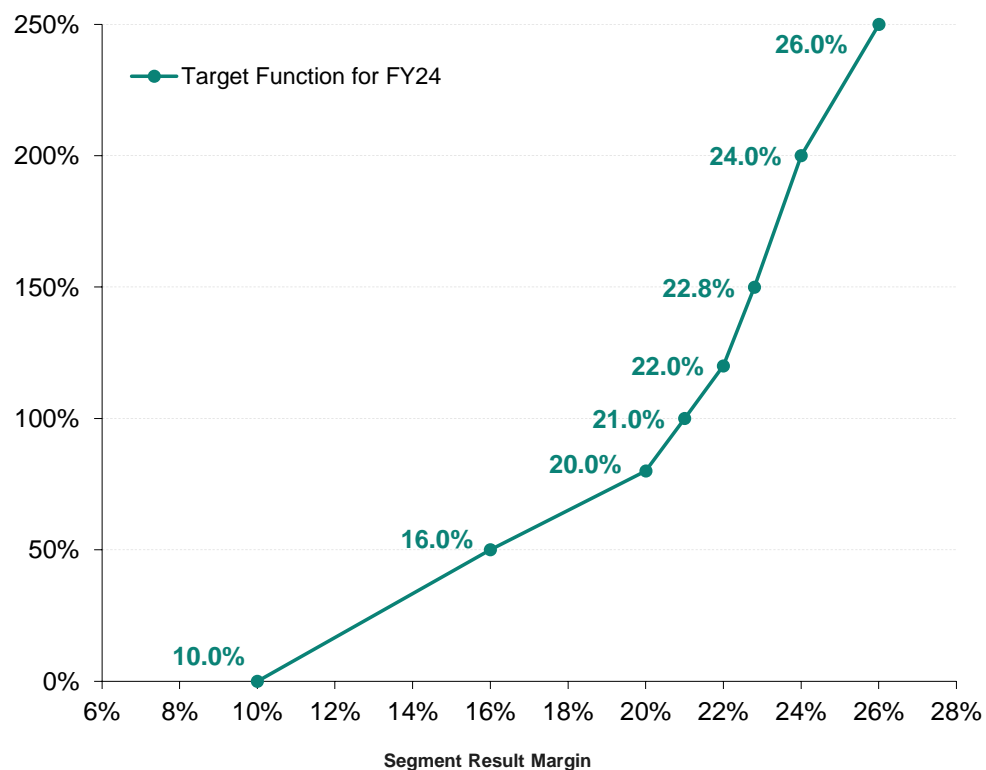
## Explanation

0%	8.00% Segment Result Margin
50%	15.50% Segment Result Margin
80%	19.50% Segment Result Margin
100%	20.50% Segment Result Margin
120%	21.50% Segment Result Margin
150%	22.30% Segment Result Margin
200%	23.50% Segment Result Margin
250%	25.50% Segment Result Margin

Between these data points target achievement is calculated by applying linear interpolation.

# Target Function CSS Segment Result Margin

## CSS Target Function for FY24



## Explanation

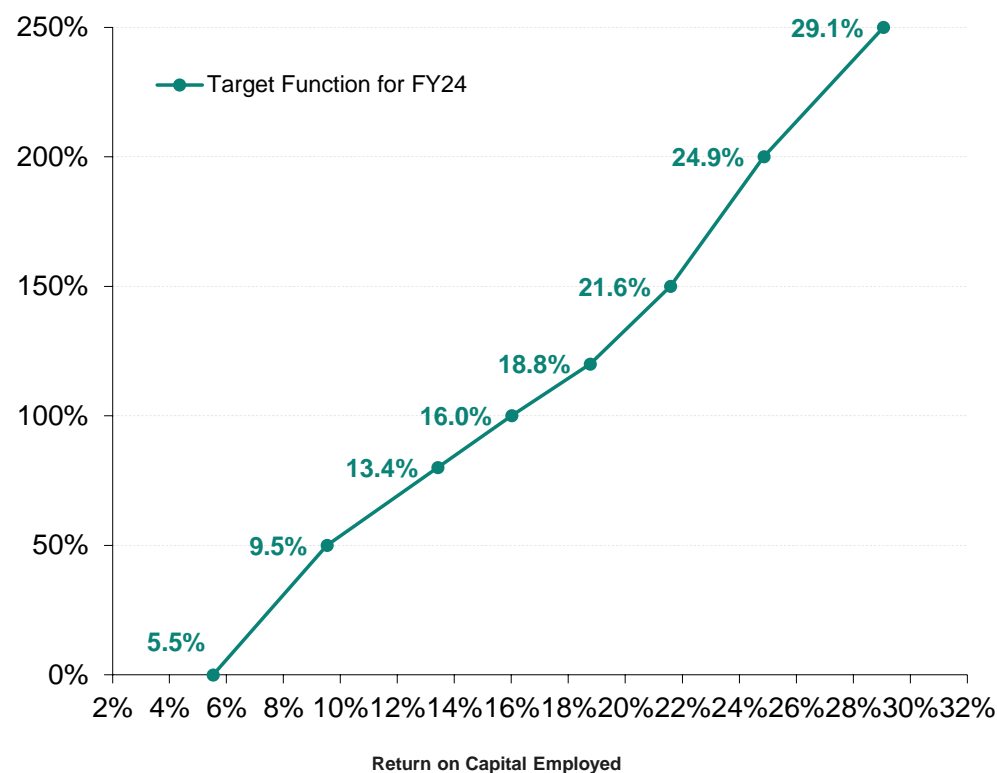
0%	10.00% Segment Result Margin
50%	16.00% Segment Result Margin
80%	20.00% Segment Result Margin
100%	21.00% Segment Result Margin
120%	22.00% Segment Result Margin
150%	22.80% Segment Result Margin
200%	24.00% Segment Result Margin
250%	26.00% Segment Result Margin

Between these data points target achievement is calculated by applying linear interpolation.



# Target Function Infineon Return on Capital Employed

## IFX RoCE Target Function for FY24



## Explanation

0%	5.50% RoCE
50%	9.50% RoCE
80%	13.40% RoCE
100%	16.00% RoCE
120%	18.80% RoCE
150%	21.60% RoCE
200%	24.90% RoCE
250%	29.10% RoCE

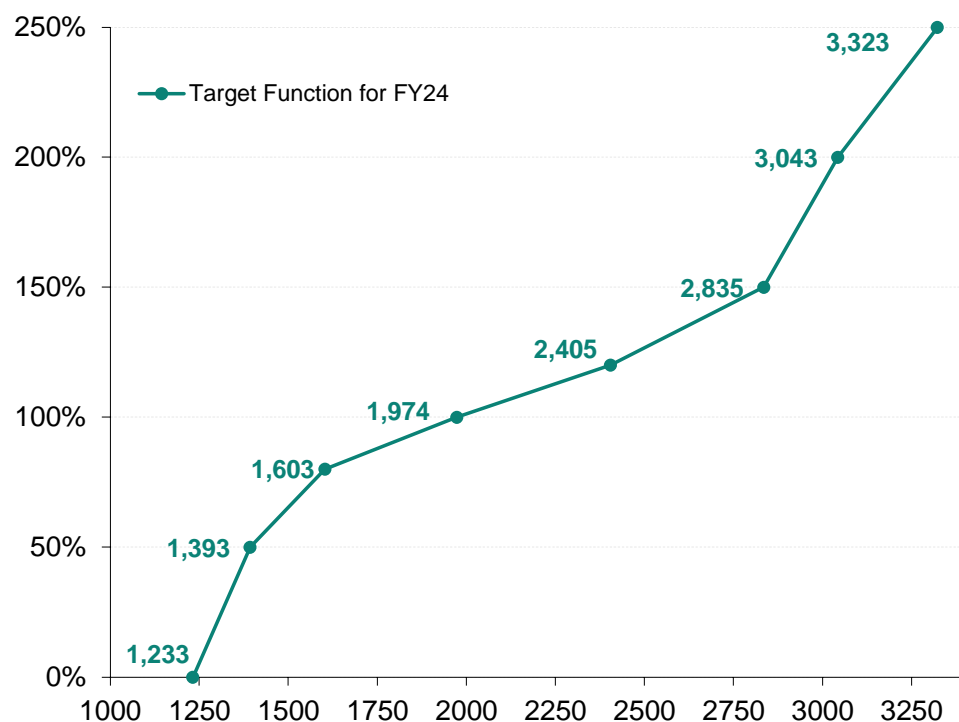
Between these data points target achievement is calculated by applying linear interpolation.

The target function is referring to continuing operations of Infineon.

Capital Employed as of 30.09.2024 will be calculated with Qimonda provisions and liabilities out of put-options as planned in the target setting process. Occurring deviations will be adjusted accordingly. Effects in Capital Employed caused by valuation adjustments of deferred tax assets due to an update of the yearly performed long term income projection will be eliminated.

# Target Function Infineon Free Cash Flow<sup>1)</sup> (FCF)

## IFX FCF Target Function for FY24



1) adjusted FCF from continuing operations [million Euro]

## Explanation

0%	1,233 M. EUR FCF
50%	1,393 M. EUR FCF
80%	1,603 M. EUR FCF
100%	1,974 M. EUR FCF
120%	2,405 M. EUR FCF
150%	2,835 M. EUR FCF
200%	3,043 M. EUR FCF
250%	3,323 M. EUR FCF

Between these data points target achievement is calculated by applying linear interpolation.

The target function is referring to continuing operations of Infineon.

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1	Target Functions for FY24	3
2	<b>Special Rules</b>	<b>11</b>

## Special Rules: All Eligible Employees

Topic	Regulation
Strategic Investments	<ul style="list-style-type: none"> <li>› The impact out of strategic investments and selected at equity investments to Net Income will be considered within the Segment Result incentive target achievement of the Division the investment is assigned to. This adjusted Segment Result Margin will also be considered in the target achievement calculation relevant for Operations employees and employees of Central Functions.</li> <li>› The impact to Net Income will also be considered within the RoCE incentive target achievement by considering the impact in the NOPAT used for the RoCE calculation.</li> </ul>
Special Effects	<ul style="list-style-type: none"> <li>› Special effects or extraordinary developments in the business environment will be taken into account for target achievement based on judgment of the IFX Management Board.</li> </ul>

In addition to these global rules, any local labor law regulations and existing company agreements are to be adhered to.

