

## **2008 Declaration of Compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act**

In the 2008 fiscal year, Infineon Technologies AG complied with all recommendations of the German Corporate Governance Code (in the version of June 14, 2007) in accordance with Section 161 of the Securities Act, with the following exception:

- The structure of the Management Board compensation system was not discussed and reviewed in the Supervisory Board plenum but in the Supervisory Board Executive Committee (divergence from section 4.2.2).

For efficiency reasons, the Management Board compensation system was previously discussed in the Supervisory Board Executive Committee. However, we will now comply with the recommendation in section 4.2.2 of the German Corporate Governance Code, i.e. the Supervisory Board plenum will resolve and regularly review the Management Board compensation system.

Infineon Technologies AG will comply with all recommendations of the German Corporate Governance Code (in the version of June 6, 2008) with the following exception:

- Payments promised in the event of premature termination of a Management Board member's contract due to a change of control may exceed 150% of the severance payment cap (divergence from section 4.2.3).

In the 2007 fiscal year, all Management Board contracts have been modified to include change-of-control clauses according to which members of the Management Board, if they retire within the scope of a change of control, shall be entitled to a continuation of their annual target income for the full remaining duration of their service contract; in particular cases, this may exceed the limit of three years as stipulated in the German Corporate Governance Code. We consider this provision adequate because it shall ensure that, in the event of a takeover situation, the Management Board members shall act in the best interest of the company. Furthermore, the rights in the event of a change of control only exist if there is no serious breach of duty.

Neubiberg, December 11, 2008

The Supervisory Board

The Management Board