

## Investors back push to change Infineon board



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The [campaign to oust the chairman-designate of Infineon](#), the German chipmaker, gathered pace on Wednesday as a series of shareholders gave their support to what would be an unprecedented course of action in corporate Germany.

DWS, Germany's largest institutional shareholder, said it was "sympathetic" to a move to replace Klaus Wucherer, who is due to become [Infineon's](#) chairman at its annual meeting next month, with Willi Berchtold, finance director of ZF Friedrichshafen, one of Germany's largest privately-held companies.

"Mr Berchtold is a neutral candidate who could trigger a fresh start at Infineon," Henning Gebhardt, DWS' head of German equities, told the Financial Times. "I think...the 50 per cent majority needed to replace Mr Wucherer can be reached. This is going to be a thrilling AGM."

He said DWS held less than 3 per cent of Infineon's shares, which are widely held by international institutional investors.

The campaign to replace Mr Wucherer – which is being led by Hermes, the UK fund manager owned by the British Telecom Pension Scheme – [is the first time that institutional investors](#) in Germany have tried to force out a senior director at a blue-chip company. They are angered by Infineon's poor performance and its failure to look outside the company for directors.

Ivox, a German group that advises shareholders on voting at annual meetings, also backed the proposal that was filed this week, but has still not been published by Infineon in spite of pressure from Hermes' lawyers.

Other important pension funds from around Europe are understood to be considering filing counter-proposals similar to that of Hermes.

VIP, another German proxy adviser, filed a second one on Wednesday, proposing the shareholders should vote first on Mr Berchtold and only after that on Mr Wucherer.

Shareholders have strongly criticised Max Dietrich Kley, the supervisory board chairman, for having chosen Mr Wucherer as his successor. The latter is a former Siemens executive, who has been on Infineon's board since 1999 and who, along with other directors only narrowly avoided defeat at last year's annual meeting.

Investors said the company needed a new start and a renewal at the top of the supervisory board. "Mr Kley has not exactly been a paragon for corporate governance in the past," Mr Gebhardt said.

Shareholders have criticised Infineon and Mr Kley for years because of the company's poor performance and corporate governance issues.

Mr Kley was re-elected only by 50.03 per cent in the past year, when the chipmaker almost went bankrupt. The group resurfaced recently after Peter Bauer, chief executive, slashed costs by €600m (\$846m) and launched a €725m capital increase.

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