

Tax Transparency Code (TTC Disclosure)

SIL MEC Group

FY 2018 (1st of October 2017 to 30th of September 2018)

	2018
Name	Siemens Ltd (MEC)
ABN	98004347880
Total income	1,152,602,985
Taxable (or Net Income)	96,331,483
Income Tax Payable	27,093,591

PART A

Summary of Reconciliation of accounting profit to tax payable:		
Net Earnings/(Loss) Before Tax		124,443,370
Tax Adjustments		
Total Non-temporary (Permanent) differences	-	2,876,515
Total Temporary differences	-	2,802,361
PY loss utilisation	-	22,433,011
Amended taxable income		96,331,483
Gross Tax		28,899,445
less:		
Non-refundable carry forward tax offsets (R&D and foreign tax offsets)	-	1,805,853
Gross tax after tax offsets		27,093,591
AASB - Effective tax rate		22%

PART B

Approach to Tax Strategy:

Our guiding principles

- We act as a responsible global corporate tax citizen in compliance with applicable tax law and regulations
- We encourage ethical and transparent business practices and do not employ legal entities solely for purposes of tax avoidance
- We encourage an open and honest dialogue between tax policy makers and business
- We actively engage in the development of a rule based international tax framework
- We make tax part of every important business decision
- We report and disclose our tax positions in accordance with applicable regulations and requirements (e.g. IFRS).

Tax Code of Conduct and Tax Policy at Siemens

We are committed to provide transparent and accessible information to tax administrations in order to facilitate an understanding of our tax strategy and the underlying business models. We promote an open and honest dialogue between tax policy makers and businesses as the basis for our daily work.

We see the strict compliance with the legal framework set by national legislators as our obligation. Furthermore, Siemens supports the work that is being undertaken by the OECD and the UN as international standard setters, and actively engages in the developments of tax transparency and responsible tax management.

We meet internationally recognized standards by applying transfer pricing policies such as the arms-length principle. This approach is consistently taken in all countries that Siemens operates in, ensuring appropriate remuneration where the value is created.

The increasing complexity and uncertainty in the international and national tax systems requires us to have mechanisms in place that ensure that all policies and regulations are adhered to. It is our primary objective to act in accordance with the respective tax laws in the countries we operate in.

Our global tax team actively ensures that all our objectives are being met and that compliance with national and international standards is ensured. This team also provides guidelines and systematically informs decision makers about changes to the current system.

Tax Contribution Summary for Corporate Taxes Paid:

Total State and Federal Taxes

\$ 214,124,773.16

International Related Party Dealings

Siemens Ltd is part of the multinational enterprise group owned by Siemens AG of Munich. Its core business models are:

- *Distribution Business* which comprises the purchase of equipment and software from foreign affiliates and on-selling into the local market. Onshore scope includes after sale services and support services.
- *Project Business* essentially comprises the supply of hardware manufactured offshore and relies on the engineering and design competency from offshore, associated with the project. Onshore scope is predominantly responsible for onshore installation, assembly and commissioning work. Included in the onshore scope is local project management including management of local sub-contractors and technical specialists from overseas, and local transportation of hardware to the project site.

As a multinational organisation with multiple divisions, Siemens has a financial division which provides financial services on an arm's length basis. Our business also includes a range of cross border support services where it is more efficient to place those support services in a centralised location servicing a number of countries in a cost effective manner.

As a multinational organization, Siemens is aware of its global tax responsibility and its obligation to adhere to international transfer pricing rules. Our business models attribute profit based on function and risk profile of the respective related parties in the supply chain. This ensures that our taxable income is correctly attributed to jurisdictions based on the level of value-added activity and risk of each entity, in accordance with arm's length principles.