

Corporate Governance Statement

The Board of Directors is responsible for establishing and maintaining an adequate risk and internal control system for the Company. Our Risk and Internal Control (R/IC) system as defined in the R/IC Manual is designed to manage rather than eliminate risk and to provide a degree of assurance, although not absolute assurance, that the organization's business objectives are being met and key risks are being adequately managed - for example that the organization's assets are safeguarded, financial reporting is reliable and laws and regulations are complied with.

We are establishing and maintaining an adequate R/IC system for our Company in accordance with the Siemens group-wide responsibility and methodology standards.

The core elements on which our internal control system is based include, but are not limited to:

- Policy and Control Masterbook (PCMB): The Policy and Control Masterbook is a central reference point for all global Control Requirements mandated in Siemens Circulars and other existing Corporate policies and guidance. It provides a clear and consistent set of Control Requirements which assist management and staff to appropriately control areas for which they are responsible. Control Requirements are structured into the four categories strategic, operations, financial and compliance on the basis of the globally accepted COSO 'Enterprise Risk Management – Integrating with Strategy and Performance' (2017) to allow the organization to break down its control environment into manageable aspects and to work towards achieving its overall control objectives.
- Internal Control (IC) Process: An integrated IC Process considering the core elements of COSO 'Internal Control - Integrated Framework' (2013) is in place to review the effectiveness of internal controls over strategic, operations, financial and compliance Control Requirements. The Control Requirements included in the PCMB form the basis for the annual assessment.
- Internal Certification Process: A quarterly certification process has been instituted, requiring management to internally certify various matters, consequently providing the basis for the responsibility statement of the Siemens AG Managing Board and for the representation of the Siemens AG CEO, CFO and Corporate Financial Controller to the external auditor.

Assurance efforts have primarily been focused on safeguarding of assets, reliability of financial reporting and compliance with laws and regulations. In order to effectively manage assurance efforts, different assessment approaches and therefore levels of assurance have been applied.

No critical internal control weaknesses were identified as part of the review of the effectiveness.



Due to the listing of bonds at the Luxembourg Stock Exchange the Company is regarded as a "Public Interest Entity (Organisatie van Openbaar Belang (OOB))".

The Company applies best practice provision 1.5.1. (part i) of the Dutch Corporate Governance Code (the "Code") concerning the audit committee and principles 1.6 and 1.7 of the Code concerning the external auditor.

The Hague, December 3, 2019

Siemens Financieringsmaatschappij N.V.

On behalf of the Management Board

G.J.J. van der Lubbe

K.E. Mitchell