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Ingenuity for life

Notice of Annual Shareholders' Meeting 2020

of Siemens AG on February 5, 2020

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Siemens Aktiengesellschaft
Berlin and Munich

Notice of Annual Shareholders' Meeting 2020

Berlin and Munich,
December 2019

To Our Shareholders:
NOTICE IS HEREBY GIVEN

that the Annual Shareholders' Meeting of Siemens Aktiengesellschaft (hereinafter "Siemens AG" or "Company")

will be held on Wednesday, February 5, 2020 at 10:00 a.m. CET, at the Olympiahalle of the Olympiapark, Coubertinplatz, 80809 Munich, Federal Republic of Germany, for the following purposes:

Agenda

1. To receive and consider the adopted Annual Financial Statements of Siemens AG and the approved Consolidated Financial Statements, together with the Combined Management Report of Siemens AG and the Siemens Group as of September 30, 2019, as well as the Report of the Supervisory Board and the Corporate Governance Report for fiscal year 2019

The materials referred to also include the Compensation Report and the Explanatory Report on the information required pursuant to Section 289a (1), Section 315a (1) of the German Commercial Code (HGB). With the exception of the adopted Annual Financial Statements, they are part of the Annual Report 2019. The materials are available on our website at **WWW.SIEMENS.COM/AGM** and copies will be sent to shareholders upon request without undue delay and free of charge. In addition, they will be available at the Annual Shareholders' Meeting and will also be explained there in more detail.

The Supervisory Board has already approved the Annual Financial Statements and the Consolidated Financial Statements prepared by the Managing Board; the Annual Financial Statements are thus adopted. In accordance with the applicable legal provisions, no resolution on Agenda Item 1 is therefore proposed to be adopted.

2. To resolve on the appropriation of the net income of Siemens AG

The Supervisory Board and the Managing Board propose that the unappropriated net income of Siemens AG for the fiscal year ended September 30, 2019, amounting to €5,384,000,000.00, be appropriated as follows:

Distribution of a dividend of €3.90 on each share of no par value entitled to the dividend for fiscal year 2019:	**€3,175,681,941.90**
Allocation to retained earnings:	**€2,069,000,000.00**
Amount carried forward:	**€139,318,058.10**

The proposal for appropriation of the net income reflects the 35,722,579 treasury shares that were held directly or indirectly by the Company at the time the Annual Financial Statements were prepared by the Managing Board and that are not entitled to a dividend pursuant to Section 71b of the German Stock Corporation Act (AktG). The amount attributable to these shares is to be carried forward as profit. Should there be any change in the number of shares of no par value entitled to the dividend for fiscal year 2019 before the date of the Annual Shareholders' Meeting, the above proposal will be amended accordingly and presented at the Annual Shareholders' Meeting, with an unchanged dividend of €3.90 on each share of no par value entitled to the dividend for fiscal year 2019, an unchanged amount to be allocated to retained earnings, as well as suitably amended amounts for the sum to be distributed and the carryforward.

In accordance with Section 58 (4) sentence 2 of the German Stock Corporation Act (AktG), the dividend is due on the third business day following the resolution by the Annual Shareholders' Meeting, i.e. on February 10, 2020.

3. To ratify the acts of the members of the Managing Board

The Supervisory Board and the Managing Board propose that the acts of the members of the Managing Board in fiscal year 2019 be ratified for that period.

It is intended to let the Annual Shareholders' Meeting decide by separate ballot whether to ratify the acts of each individual member of the Managing Board.

4. To ratify the acts of the members of the Supervisory Board

The Supervisory Board and the Managing Board propose that the acts of the members of the Supervisory Board in fiscal year 2019 be ratified for that period.

It is intended to let the Annual Shareholders' Meeting decide by separate ballot whether to ratify the acts of each individual member of the Supervisory Board.

5. To resolve on the appointment of independent auditors for the audit of the Annual Financial Statements and the Consolidated Financial Statements and for the review of the Half-year Financial Report and audit of the Closing Statements of Financial Position pursuant to the German Transformation Act (UmwG)

On the basis of its Audit Committee's recommendation, the Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be appointed to serve as

a) independent auditor of the Annual Financial Statements and the Consolidated Financial Statements for fiscal year 2020,

b) auditor for the review of the condensed Financial Statements and the Interim Management Report for the Siemens Group for the first half of fiscal year 2020 and

c) auditor of the Company's Closing Statements of Financial Position required under the German Transformation Act (UmwG) as part of the planned spin-off of Siemens' Gas and Power business.

The Audit Committee has stated that its recommendation is free from influence by third parties and that no clause restricting the choice within the meaning of Art. 16 (6) of the EU Regulation on statutory auditors or audit firms (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC) has been imposed upon it.

6. To resolve on the approval of the system of compensation for the members of the Managing Board

Pursuant to Section 120 (4) sentence 1 of the German Stock Corporation Act (AktG), the Annual Shareholders' Meeting can resolve on the approval of the system of compensation for the members of the Managing Board. The Annual Shareholders' Meeting of Siemens AG last adopted such a resolution on January 27, 2015.

According to the German law to implement the Second Shareholders' Rights Directive (ARUG II), adopted by the German Bundestag on November 14, 2019, Section 120 (4) of the German Stock Corporation Act (AktG) is to be deleted and a new Section 120a of the German Stock Corporation Act (AktG) is to be introduced, under which the Annual Shareholders' Meeting of the listed company must resolve on the approval of the system of compensation for the members of the Managing Board proposed by the Supervisory Board at least every four years and whenever there is a significant change to the compensation system.

Even though such a resolution is not mandatory for Siemens AG at the Annual Shareholders' Meeting 2020, such a resolution is to be adopted now, especially since the Supervisory Board adopted changes to the system of compensation for the members of the Managing Board with effect from October 1, 2019.

On the basis of its Compensation Committee's recommendation, the Supervisory Board proposes that the following Managing Board compensation system adopted by the Supervisory Board with effect from October 1, 2019, be approved. The Managing Board follows the proposal of the Supervisory Board, since Section 124 (3) of the German Stock Corporation Act (AktG) in its current version requires a proposal by the Managing Board and Supervisory Board, even though the Supervisory Board has sole responsibility for drawing up the compensation system.

A. BASIC PRINCIPLES OF THE COMPENSATION SYSTEM FOR SIEMENS AG'S MANAGING BOARD

The Managing Board compensation system contributes to the execution of the Company's strategy: The design of the compensation system should motivate Managing Board members to achieve the strategic goals defined in "Vision 2020+". The system promotes innovation and creates incentives for the Company's value-creating, long-term development while avoiding excessive risks.

The Supervisory Board makes decisions regarding the design of the compensation system and the structure and amount of the Managing Board members' compensation under due consideration of the following principles:

Compensation linked to performance	Extraordinary performance should be appropriately rewarded, and failure to achieve targets should lead to an appreciable reduction of compensation.
Consideration of the collective and individual performance of Managing Board members	Compensation should reflect both the entrepreneurial freedom of the individual businesses and the performance of Managing Board members as a governing body. Accordingly, short-term performance is evaluated at the level where value is created and where the respective Managing Board members can exercise influence, whereas long-term performance is represented by targets set at the Group level that apply equally to all Managing Board members.
Compatibility of compensation systems	The compensation system for Managing Board members is compatible with the compensation systems for the executives and employees of the Siemens Group.
Appropriateness of compensation	The compensation of Managing Board members should conform to market conditions and be appropriate for the Company's size, complexity and economic situation.

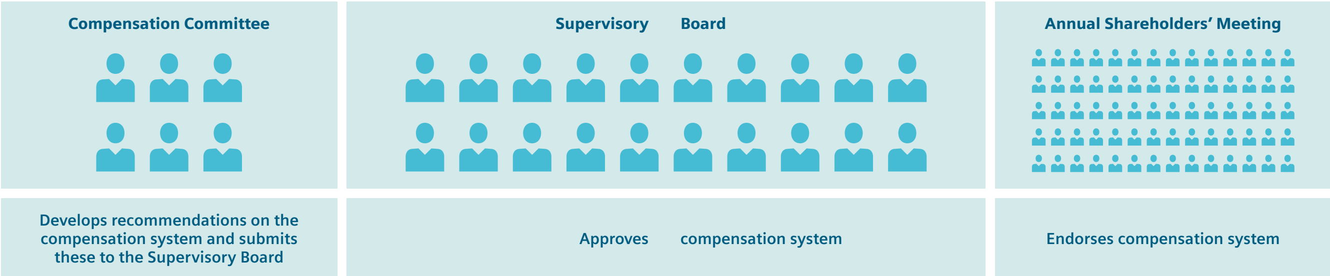
The Supervisory Board aims to offer Managing Board members a compensation package that conforms with the market and is at the same time competitive and in line with regulatory requirements, in order to allow Siemens AG to attract the best globally available candidates for a position on the Managing Board.

The compensation system for Managing Board members is designed in a way that is simple, clear and comprehensible. It fulfills the requirements of the German Stock Corporation Act (AktG; version dated July 17, 2017 as well as the German Law Implementing the Second Shareholders' Rights Directive passed by the German Bundestag, ARUG II) and the recommendations of the German Corporate Governance Code (GCGC 2017 and GCGC Draft dated May 9, 2019). It gives the Supervisory Board the necessary flexibility to respond to organizational changes and consider different market conditions.

B. PROCEDURE

The Supervisory Board establishes the Managing Board compensation system and is supported in its work by the Compensation Committee. The Compensation Committee develops suitable recommendations for the Managing Board compensation system. The Supervisory Board extensively discusses these recommendations and adopts a Managing Board compensation system. The Supervisory Board may consult external advisors when necessary. If compensation experts are engaged, their independence needs to be ensured for any engagement. Specifically, they will be requested to provide a confirmation of their indepenence. The selected compensation experts will be rotated from time to time. Applicable regulations for avoiding conflicts of interest will also be applied to the procedure for defining, implementing and reviewing the compensation system. The system adopted by the Supervisory Board is then presented to the annual shareholders' meeting for approval.

Process for establishing the compensation system



The Compensation Committee prepares the regular review of the Managing Board compensation system, which is conducted by the Supervisory Board. When necessary, it recommends that the Supervisory Board undertake changes. In the event of significant changes, or at least every four years, the compensation system is presented to the annual shareholders' meeting for approval.

If the annual shareholders' meeting does not approve the compensation system presented for a vote, the compensation system will be reviewed and submitted – at the latest – at the next regular shareholders' meeting.

At the proposal of the Compensation Committee and in special, extraordinary cases (for example, a severe economic crisis), the Supervisory Board may temporarily deviate from the provisions of the Managing Board compensation system (procedure and regulations governing compensation levels and structure, as well as with respect to the individual components comprising Managing Board compensation) if this is necessary for the Company's long-term well-being.

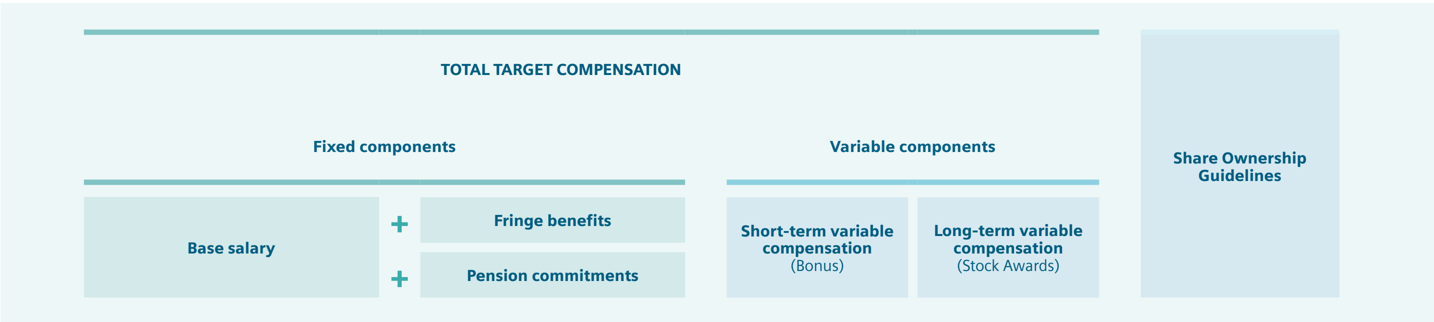
The Managing Board compensation system presented in this document applies to current Managing Board employment contracts, extensions of these contracts as well as to contracts to be newly concluded.

C. COMPONENTS OF THE MANAGING BOARD COMPENSATION SYSTEM

The compensation of the Managing Board members of Siemens AG comprises fixed and variable components. Fixed, non-performance based compensation comprises base salary, fringe benefits and pension commitments (Siemens Defined Contribution Pension Plan; “BSAV”). Short-term variable compensation (Bonus) and long-term variable compensation (Stock Awards) are granted as performance-based compensation.

In addition, the Share Ownership Guidelines are an important supplementary part of the compensation system. By committing to hold permanently a defined multiple of their base salary in Siemens shares and to purchase additional shares in the event that the value of their shares falls below the defined multiple, Managing Board members demonstrate their confidence in the successful future of Siemens.

Components comprising the Managing Board compensation system



The Managing Board compensation system is also supplemented by appropriate and market-conformant commitments granted in connection with the commencement and termination of appointments to the Managing Board as well as with any change in the regular place of work.

D. DETERMINATION OF THE SPECIFIC TOTAL TARGET COMPENSATION (STRUCTURE AND AMOUNT)

The Supervisory Board determines, in accordance with the compensation system, the amount of each Managing Board member's total target compensation for the upcoming fiscal year. This determination is made based on an appropriate consideration of the tasks and performance of the Managing Board member and the Company's economic situation, performance and future prospects. The Supervisory Board ensures that the total target compensation conforms to market conditions. Market conformance is assessed as follows:

- **Horizontal – external comparison**
  For assessing the market conformance of total compensation, compensation data for companies included in the DAX, the German blue-chip stock index, and for comparable non-listed companies (insofar as these are available) are considered, as well as – given Siemens' international footprint – compensation data for companies included in the STOXX Europe 50 index. In this horizontal market comparison, the Supervisory Board considers Siemens' market position (especially sector, size and country) and complexity.

- **Vertical – Internal comparison**
  In addition, the Supervisory Board considers the development of Managing Board compensation in relation to the compensation of the employees of Siemens in Germany. In this vertical comparison, it conducts a market comparison of the ratio of Managing Board compensation to the compensation of upper management and the wider workforce with the corresponding ratios at companies included in the DAX. For this purpose, the Supervisory Board has defined the upper management as the executives of the Senior Management and Top Management contract groups. The remaining workforce is divided into employees who are covered by collective bargaining agreements and those who are not.

The compensation system enables the Supervisory Board to set total target compensation according to the function of each Managing Board member and thus to consider the different requirements for each function in setting both the absolute amount and the structure of compensation. Under the Managing Board compensation system, function-specific differentiation made by the Supervisory Board at its duty-bound discretion is based on market conditions, the Managing Board member's experience and portfolio. For example, a Managing Board member with a prominent function, such as the President & CEO, may generally receive higher compensation than other Managing Board members. In the case of appointment of a Managing Board member from outside of Germany, a higher long-term variable compensation proportion, for example, could be established in light of typically higher compensation in international markets. Finally, an overall lower compensation can be set for the initial term of appointment of a Managing Board member appointed to the Managing Board for the first time. In addition, as part of the annual review of Managing Board compensation, the Supervisory Board has the option – if needed – to adjust individual compensation components instead of adjusting all components. This is done with due regard to market conditions and appropriateness considerations. By this means, the long-term variable compensation, for example, can be adjusted in a targeted manner in order to optimize the total target compensation to changing market requirements. Due to these possibilities for differentiation, the proportions of total target compensation represented by each of the individual compensation components in the compensation system are stated in percentage ranges, as described below.

In setting the variable compensation, the Supervisory Board ensures that the proportion of target long-term variable compensation is always greater than the proportion of target short-term variable compensation. While following this principle, the Supervisory Board has the option of defining a higher long-term variable compensation proportion within the predefined ranges in order to align the compensation of Managing Board members even more closely with the Company's long-term performance.

The proportion of fixed compensation (base salary + target fringe benefits + pension commitments) is currently 43% of the total target compensation. Going forward, this percentage can vary as a result of functional differentiation and/or the annual compensation review and resulting adaptation to common market practice. The Supervisory Board defines the fixed compensation within a range of 36% to 43% of total target compensation.

The proportion of short-term variable compensation (Bonus) is currently 27% of the total target compensation (assuming 100% target attainment). Going forward, the Supervisory Board may define a range of 20% to 28% of total target compensation as a result of functional differentiation and/or the annual compensation review.

The proportion of long-term variable compensation (Stock Awards) is currently 30% of total target compensation (assuming 100% target attainment). Going forward, the Supervisory Board may define a range of 30% to 42% of total target compensation as a result of functional differentiation and/or the annual compensation review.

Due to existing contractual provisions (in particular, currency adjustments), the Supervisory Board will deviate from the target ranges described above when setting the structure of total target compensation for Lisa Davis for the duration of her appointment.

Example: Total target compensation (= income basis for Managing Board members), derived from the relevant comparison markets (DAX and STOXX Europe 50)

- Fixed compensation (base salary + target fringe benefits + pension commitment): 43% = €1,764,802
- Short-term variable compensation (100% target attainment): 27% = €1,101,600
- Long-term variable compensation (100% target attainment): 30% = €1,259,000

E. MAXIMUM COMPENSATION LIMITS

For each member of the Managing Board, the total maximum compensation is equal to the maximum expense that the Company can incur for the sum of all compensation components for the given fiscal year (expense cap). The Supervisory Board derives this amount annually on the basis of total target compensation. In addition to the expense cap recommended by the draft of the GCGC dated May 9, 2019, the maximum amount and therefore the actual maximum payout for the variable compensation components (payout caps) is defined as follows:

- Short-term variable compensation (Bonus) is limited to two times the target amount;
- Long-term variable compensation (Stock Awards) is limited to three times the target amount.

The maximum compensation for members of the Managing Board in accordance with the German Law Implementing the Second Shareholders' Rights Directive, which has been passed by the German Bundestag, is equal to the sum of the maximum amounts that can be paid out to each Managing Board member for all compensation components for the given fiscal year. This amount limit is set annually by the Supervisory Board for each member of the Managing Board.

Example: Calculation of maximum compensation for a member of the Managing Board, derived from the respective maximum payout from all compensation components

Fixed compensation (base salary + maximum value of fringe benefits + pension commitment): €1,801,116
\+ Short-term variable compensation (2-times target amount): €2,203,200
\+ Long-term variable compensation (3-times target amount): €3,777,000
= Maximum compensation for a fiscal year (paid out): €7,781,316

Should the annual shareholders' meeting pass a resolution to reduce the maximum compensation determined in accordance with the compensation system, this reduction will be included in Managing Board employment contracts when these are concluded or extended, following the entry into force of the German Law Implementing the Second Shareholders' Rights Directive.

The individual compensation components are explained in detail in the following section.

F. FIXED COMPENSATION COMPONENTS

Fixed, non-performance based compensation comprises base salary, fringe benefits and pension commitments (Siemens Defined Contribution Pension Plan).

Base salary

Each Managing Board member receives a base salary. It is paid in 12 monthly installments.

Fringe benefits

A maximum value of fringe benefits for the upcoming fiscal year is established for each Managing Board member. For this purpose, the Supervisory Board determines an amount relative to base salary. This amount covers expenses incurred in favor of the Managing Board member, for example in-kind compensation and fringe benefits granted by the Company, including the provision of a company car, insurance allowances and medical check-ups.

Pension commitments

Like the employees of Siemens AG, the members of the Managing Board are included in the Siemens Defined Contribution Pension Plan (BSAV). Under the BSAV, Managing Board members receive contributions that are credited to their pension accounts. The Supervisory Board reviews the appropriateness of the contribution every year and determines the BSAV contribution as a fixed amount. Newly appointed members of the Managing Board can be granted, instead of a BSAV contribution, a fixed cash amount that can be used at the member's discretion.

If a member of the Managing Board earned a pension entitlement from the Company before the BSAV was introduced, a portion of his or her contributions will go toward financing this legacy entitlement.

Other essential characteristics of the BSAV for Managing Board members are summarized in the following table:

Entitlement	› Upon request, on or after reaching the age of 62 for pension commitments made on or after January 1, 2012 › Upon request, on or after reaching the age of 60 for pension commitments made before January 1, 2012
Vested status	› In accordance with the provisions of the German Company Pensions Act (Betriebsrentengesetz)
Disbursement	› As a rule, in 12 yearly installments; other payment options, on request, are: a smaller number of installments, a lump sum payment, or an annuitization with or without survivors' benefits, as well as a combination of these options
Guaranteed interest	› Annual guaranteed interest credited to the pension account until benefits are first drawn
Disability/death	› The risk that benefits may have to be drawn before the age of 60 due to disability or death is mitigated by crediting contributions from the age at the time benefits are first drawn until the covered individual reaches or would have reached the age of 60

Like other eligible employees of Siemens AG, Managing Board members who were employed by the Company before September 30, 1983 are entitled to transition payments equal to the difference between the last base salary and the pension entitlement under the company pension plan in the first six months after retirement.

G. VARIABLE COMPENSATION COMPONENTS

The variable compensation for Managing Board members is tied to performance and aligned with the Company's short- and long-term development. To ensure the execution of the corporate strategy, the necessary operational measures need to be defined and managed. These measures aim to enhance Siemens' ability to generate earnings and should incentivize profitable and efficient management. In particular, this means an efficient use of capital provided by shareholders and lenders, as well as winning new market share.

Furthermore, over the long-term Siemens seeks to ensure an attractive and sustainable return for its shareholders so they can participate in the Company's success. Return is expressed concretely in the form of dividend payments and share price appreciation. Since Siemens' dividends are typically funded by free cash flow, generating liquidity is another of the Company's key tasks.

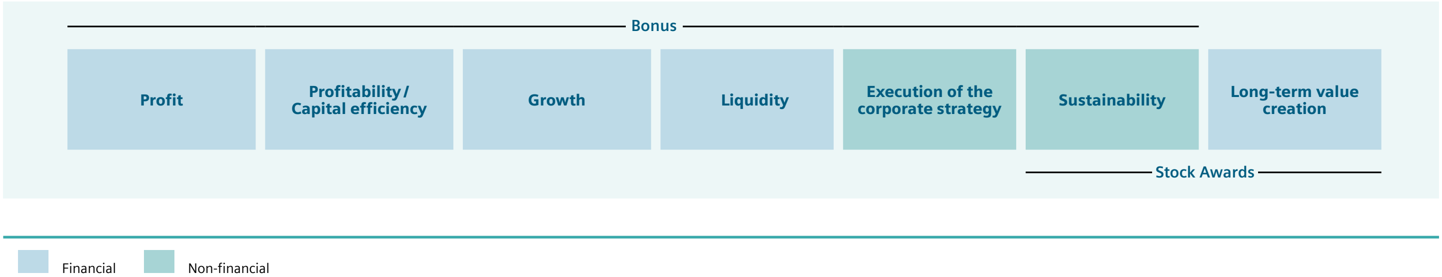
Variable, performance-based compensation consists of a short-term component (Bonus) and a long-term component (Stock Awards).

The final payout amount from both components depends on the fulfillment of financial and non-financial performance criteria. Performance criteria are derived from the strategic goals and operational steering of the Company. To account for Siemens' social responsibility, sustainability is included as one of the performance criteria. Ultimately, the performance criteria measure successful value creation in all its different forms, as strategically envisioned.

For the Bonus, the Supervisory Board can select performance criteria for each Managing Board member based on business conditions. The focus is placed on short-term measures that execute the Company's strategy, such as strengthening its ability to generate earnings, ensuring profitability, capital efficiency and liquidity. Performance criteria are measured according to suitable key performance indicators.

For the Stock Awards, the performance criteria “sustainability” and “long-term value creation” apply for all Managing Board members. These criteria measure the Company’s success in executing its value creation strategy with due regard to sustainability topics and societal obligations.

Performance criteria for variable compensation



The Supervisory Board ensures that the targets are demanding and ambitious. If the targets are not fulfilled, the variable compensation can be reduced to as little as zero. If the targets are substantially exceeded, target attainment is limited to 200%.

Short-term variable compensation (Bonus)

The short-term variable compensation rewards the contribution in a fiscal year to the operational execution of the Company’s strategy and therefore to the Company’s long-term performance. The short-term variable compensation takes account of the overall responsibility of the Managing Board, Managing Board members’ respective business responsibility and their individual challenges. For this reason, the Bonus system is based on three equally weighted target dimensions:

Siemens Group
This dimension reflects the Managing Board’s overall responsibility and measures the performance of Siemens in its entirety, as the sum of the contributions of each individual part of the Company.

Managing Board portfolio
The portfolio dimension focuses on the business activities for which each Managing Board member is responsible and measures the performance based on the predefined portfolio strategy. This reflects the increased entrepreneurial freedom for individual businesses under “Vision 2020+” and the accompanying responsibility for results. In the case of mainly functional responsibility (for example, the President & CEO and Chief Financial Officer), the overall performance of the Siemens Group is considered.

Individual targets
The individual targets allow for further differentiation depending on the specific strategic and operational challenges of each Managing Board member.

Performance criteria are assigned to each of the three target dimensions. These criteria are to be fulfilled by the respective Managing Board member. One financial performance criterion is assigned to the Siemens Group and Managing Board portfolio dimensions, respectively. Two to four equally weighted performance criteria of a financial and/or non-financial nature are established for the individual targets.

Target attainment for the financial performance criteria for the Siemens Group and Managing Board portfolio dimensions is measured exclusively on the basis of key performance indicators (methods for measuring performance). These key performance indicators are predominantly operational steering parameters derived from the Company’s strategic direction. They are based on the Siemens Financial Framework and are typically part of the Company’s external financial reporting.

The Supervisory Board sets the respective performance criteria for the Siemens Group dimension and – based on the priorities for each Managing Board member – for the Managing Board portfolio and individual targets dimensions before the start of the fiscal year. A key performance indicator is assigned to each financial performance criterion. The Supervisory Board selected the following financial performance criteria and key performance indicators as its "baseline" for the Bonus. These also apply for fiscal year 2019/2020.

Target dimensions and performance criteria for the Bonus

Target dimension	Number of performance criteria	Type of performance criteria	Performance criteria	Key performance indicator
Siemens Group (Weighting: 33.34%)	1	Financial	Profit	**Earnings per share (EPS)** – undiluted, as reported, average over 3 years –
Managing Board portfolio (Weighting: 33.33%)	1	Financial	Profitability / Capital efficiency	Group: ROCE Business: Profit margin
Individual targets (Weighting: 33.33%)	Minimum of 2 to maximum of 4	Financial and non-financial	***Annual selection by Supervisory Board*** *(see catalog of individual targets)*	

In order to ensure continuity of target setting, the Supervisory Board will only deviate from this "baseline" in well-founded exceptional cases. Within this context, the Supervisory Board may decide before the respective fiscal year to set an alternative allocation of the performance criteria. Departing from the "baseline", profitability/capital efficiency – measured by return on capital employed (ROCE) – can be set as the performance criterion for the Siemens Group dimension, and profit can be set for the Managing Board portfolio dimension. For Managing Board members with functional responsibility, profit can be measured by earnings per share (EPS), and for Managing Board members with responsibility for the business by adjusted EBITA. In the event that the economic situation demands it, the Supervisory Board also has the option to select liquidity – measured by the cash conversion rate – as a financial performance criterion and apply it either for the Siemens Group or Managing Board portfolio dimension.

Growth and liquidity can both be employed as financial performance criteria in the individual targets dimension, as can additional non-financial performance criteria. With respect to the non-financial performance criteria, the Supervisory Board considers the degree to which a Managing Board member has fulfilled the so-called focus topics defined before the start of the fiscal year, which are based on operational aspects of the execution of the corporate strategy, among other factors. Examples include business performance, the execution of large-scale projects and optimization/efficiency enhancement measures. The non-financial performance criteria can also be based on sustainability aspects such as customer satisfaction, employee satisfaction, ownership culture and compliance.

Performance criteria and key performance indicators / focus topics for individual targets

Catalog of individual targets (Annual selection by the Supervisory Board)			
Liquidity	**Growth**	**Execution of the corporate strategy**	**Sustainability**
Cash Conversion Rate	**Comparable revenue growth**	Market share	Succession planning
		Business performance	Innovation
		Execution of portfolio changes	Customer satisfaction
		Optimization / efficiency improvements	Employee satisfaction
		Execution of ongoing major projects	Sustainability / Diversity
		Implementation of other strategic measures	Ownership culture
			Compliance

Financial   Non-financial

The compensation report on the fiscal year just ended will include an outlook on the application of the compensation system for the following fiscal year. This section will disclose ex-ante which financial performance criteria and corresponding key performance indicators were selected. Non-financial performance criteria, the corresponding focus topics, and detailed information on target setting for the financial key performance indicators will on the other hand be disclosed ex-post in order to avoid communicating internal strategic considerations of relevance to the competition.

At the recommendation of the Compensation Committee, each year the Supervisory Board selects the performance criteria as well as key performance indicators and focus topics (methods for measuring performance). It also defines the target values for the financial key performance indicators for the Siemens Group and Managing Board portfolio dimensions that correspond to a target attainment of 0% to 200%, and the specific individual targets for each Managing Board member. The Supervisory Board also determines the target attainment and the resulting actual compensation after the end of the fiscal year.

Time sequence of target setting and target attainment for the Bonus

1	Before each fiscal year	Determination of performance criteria and methods for measuring performance (key performance indicators and focus topics)
2	At the beginning of the fiscal year	Concrete target setting
3	After the end of the fiscal year	Determination of target attainment and resulting individual Bonus amounts

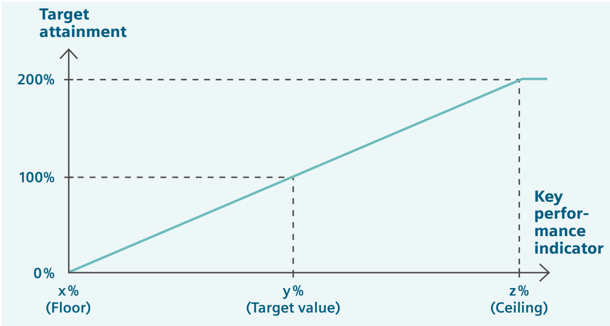
Additional information on determination of the performance criteria and key performance indicators and focus topics:

The performance criteria, key performance indicators and focus topics as well as target values do not change during the course of a fiscal year. In justified rare cases, the Supervisory Board may consider any exceptional developments when the effects of such developments are not adequately reflected in the target attainment. This could lead to either an increase or a decrease in the payout amount of the Bonus. Exceptional developments during the year could be extraordinary, far-reaching changes in the economic situation (for example, due to severe economic crises) that invalidate the original business targets, provided that they were not foreseeable. Unfavorable market developments are expressly not deemed exceptional developments during the year. If any adjustments due to exceptional developments are needed, they will be reported comprehensively and transparently in the annual Compensation Report.

Additional information on target setting:

At the proposal of the Compensation Committee, the Supervisory Board sets the value for 100% target attainment for each selected key performance indicator for the Siemens Group and Managing Board portfolio dimensions as well as the values that correspond to a target attainment of 0% and 200%. In setting the target values, the Supervisory Board considers the market and competitive environment, as well as sustainability criteria. Furthermore, the values from prior years (concept of continuous improvement), budget values and the Company's externally communicated, medium-term goals may also be considered. In addition, information on business prospects and competitors and values achievable in the event of remarkable performance may be considered. The respective values of 0% to 200% yield a linear bonus curve. The target attainment in percent for each key performance indicator is determined after the end of the fiscal year with reference to the bonus curves and actual results. A target attainment floor of 0% and a target attainment ceiling of 200% is established for each key performance indicator.

Linear bonus curve for determining target attainment for financial key performance indicators

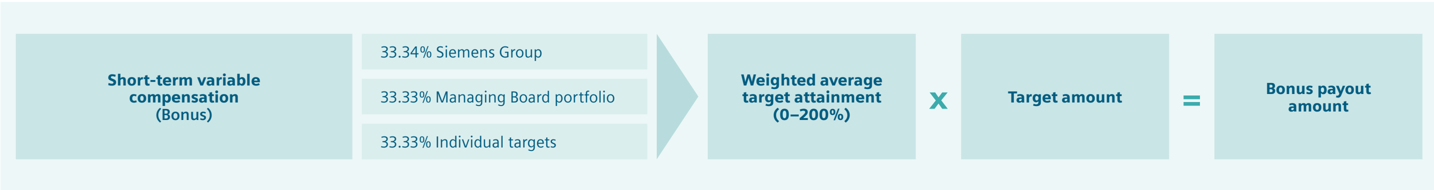


For the individual targets dimension, concrete, measurable targets and expectations are derived for the financial performance criteria (key performance indicators) and non-financial performance criteria (focus topics) set for each Managing Board member. Based on these criteria, the Supervisory Board will determine target attainment after the end of the fiscal year. The target attainment for individual targets can also be between 0% and 200%.

Additional information on determining target attainment:

After the end of the fiscal year, target attainment for the key performance indicators for the target dimensions Siemens Group and Managing Board portfolio and the attainment for the individual targets are determined and aggregated to form a weighted average. The percentage of weighted target attainment multiplied by the individual target amount yields the Bonus payout amount for the past fiscal year. The payable Bonus is disbursed entirely in cash. It is disbursed at the latest with the regular payroll at the end of February of the subsequent fiscal year.

Bonus – Design and overview of payout determination



If a member exits the Managing Board, the Bonus is calculated (pro rata temporis) after the end of the fiscal year and paid at the normal disbursement date.

In the Compensation Report, the Supervisory Board explains how the Bonus promotes the implementation of the Company's long-term targets, how the performance criteria were applied and how the Bonus payout amount was calculated. Thus, the target values, floor and ceiling and the degree of target attainment for the financial performance criteria and key performance indicators for the Siemens Group and Managing Board portfolio dimensions will be published ex-post. The target attainment will be also published for the individual targets.

Long-term variable compensation

The Managing Board is required to commit itself to the Company's long-term success, promote sustainable growth and achieve lasting value creation. In accordance with these principles, a significant part of the total compensation is tied to the long-term performance of the Siemens share. Siemens grants its long-term variable compensation in the form of Stock Awards. A Stock Award is the claim to one share – conditional on target attainment – after the expiration of a defined vesting period.

At the beginning of a fiscal year, a target amount (100%) is defined in Euros for each Managing Board member. This target amount is multiplied using target attainment of 200% (maximum grant amount). Stock Awards for this maximum grant amount are then granted to the beneficiary. The number of Stock Awards is calculated on the basis of the share price on the grant date, less the value of discounted dividends. Beneficiaries are not entitled to dividends during the vesting period.

An approximately four-year vesting period begins with the granting of Stock Awards, at the end of which Siemens shares are transferred. The determination of the number of Siemens shares that are actually transferred depends 80% on long-term value creation (financial performance criterion) and 20% on sustainability (non-financial performance criterion). The Supervisory Board determines the performance criteria and the methods for measuring performance before the beginning of the fiscal year. Long-term value creation is measured based on the key performance indicator Total Shareholder Return (TSR). Siemens AG's internal performance (that is, not relative to any outside reference point) in the area of Environmental, Social & Governance (ESG) is applied for measuring the sustainability criterion. For this purpose, the Supervisory Board decides annually on the composition of a Siemens ESG/Sustainability Index consisting of three equally weighted, structured and verifiable (limited assurance) ESG key performance indicators.

Performance criteria and key performance indicators for long-term variable compensation (Stock Awards)

Target dimension	Number of performance criteria	Type of performance criteria	Performance criteria	Key performance indicator
Siemens Group	2	Financial and non-financial	Long-term value creation	Total Shareholder Return (TSR)
			Sustainability	Siemens ESG / Sustainability Index

Financial   Non-financial

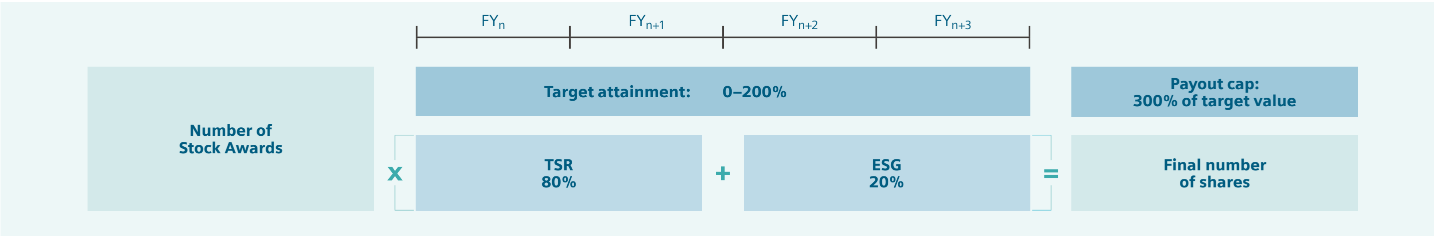
Example: For the Siemens Stock Awards 2020 Tranche (vesting period November 2019 until November 2023), the Supervisory Board has set the following ESG key performance indicators: CO_2 emissions (environmental), learning hours per employee (social) and Net Promoter Score/customer satisfaction (Governance).

Each of the ESG key performance indicators will be disclosed in the Compensation Report at the beginning of the approximately four-year vesting period, and the specific target attainment ex post after four years.

Additional information on target setting:

Concrete targets are set at the beginning of each fiscal year. At the end of the approximately four-year vesting period, the Supervisory Board determines the degree of target attainment. The target attainment range for TSR and the Siemens ESG performance is between 0% and 200%. If the target attainment is less than 200%, an accordingly reduced number of shares will be transferred. The value of Siemens shares transferred after the end of the vesting period is further limited to a maximum of 300% of the target amount. If this ceiling is exceeded, a corresponding number of Stock Awards will be forfeited without refund or replacement.

Calculation of the number of Siemens shares



In the event of exceptional, unforeseen events that have an influence on the performance criteria, the Supervisory Board may decide that the number of granted Stock Awards will be reduced after the fact, that a cash settlement of a limited amount to be determined will take place instead of a transfer of Siemens shares, or that the transfer of Siemens shares for vested Stock Awards will be suspended until the event ceases to influence the performance criteria.

If the employment contract of a Managing Board member begins during the fiscal year, an equivalent number of forfeitable virtual stock awards (Phantom Stock Awards) will be granted instead of Stock Awards. Unlike the Stock Awards, the Phantom Stock Awards will not be settled by a transfer of shares, but by a cash payment at the end of the vesting period. Remaining provisions applicable to the Stock Awards apply analogously.

On determining TSR target attainment:

The number of Siemens shares to be transferred is tied 80% to the development of Total Shareholder Return. The TSR is indicative of the performance of a share over a period of time – in the case of Siemens, during the approximately four-year vesting period. It includes the dividends paid and any changes in the share price during this period.

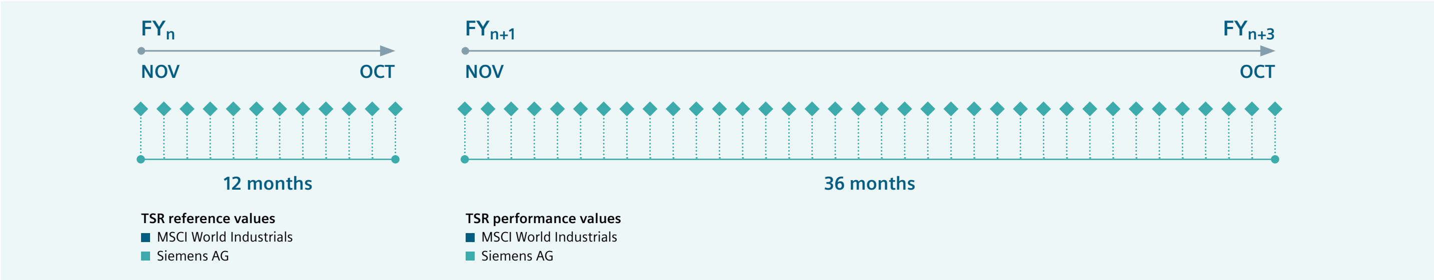
To reflect the Company's international footprint, the TSR of Siemens AG is compared at the end of the vesting period with the TSR of an international sector index, the MSCI World Industrials index, or a comparable successor index. Financial data providers recognized in the market, for example Bloomberg or Refinitiv, provide the standardized, indexed TSR values for Siemens AG and for the MSCI World Industrials index.

The target attainment for TSR is specifically determined by first calculating a TSR reference value for Siemens AG and a TSR reference value for the sector index. The TSR reference value is equal to the average of the end-of-month values over the first 12 months of the vesting period (the reference period).

In order to determine how well the TSR of Siemens AG has performed in comparison to the sector index at the end of the vesting period, the TSR performance value is calculated over the subsequent 36 months (performance period). The TSR performance value is the average of the end-of-month values during the performance period.

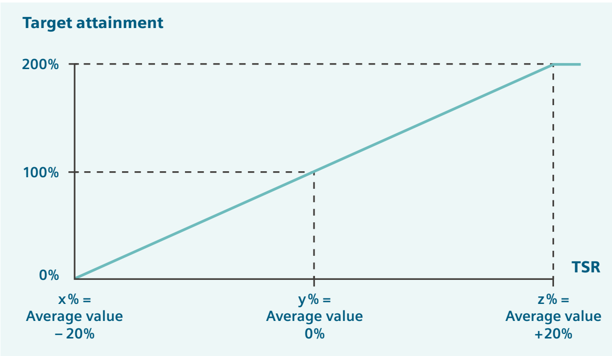
After the expiration of the vesting period, the change in Siemens' TSR as well as that of the sector index is determined by comparing the TSR values for the reference period with those for the performance period.

Calculation of TSR reference values and TSR performance values for Stock Awards



The following applies for the determination of target attainment: If the change in TSR of Siemens AG is at least 20 percentage points better than the change in TSR of the sector index, the target attainment is 200%. If the change in TSR of Siemens AG is equal to that of the sector index, the target attainment is 100%. If the change in TSR of Siemens AG is at least 20 percentage points worse than that of the sector index, the target attainment is 0%. If Siemens AG's change in TSR is between 20 percentage points better and 20 percentage points worse than the sector index, target attainment is calculated using linear interpolation.

Linear curve for determining TSR target attainment



On determining Environmental, Social & Governance (ESG) target attainment:

At the beginning of each tranche, the Supervisory Board sets ambitious target values for target attainment from 0% to 200% for each of the ESG key performance indicators. Targets are measured based on pre-defined interim targets for each fiscal year. Total target attainment for Siemens' ESG performance thereby comprises the average of the target attainment values calculated for each of the key performance indicators.

Malus and clawback regulations for variable compensation

The Supervisory Board has the option of withholding or reclaiming the short-term and long-term variable compensation in the following cases.

In cases of severe breaches of duty or compliance and/or severely unethical behavior, the Supervisory Board may review the payout amount of short-term variable compensation and reduce it to as little as zero, depending on the extent of the violation, at its duty-bound exercised discretion. In such cases, it also has the option of allowing the long-term variable compensation to be forfeited in full or in part without refund or replacement, depending on the severity of the breach.

In the event that a Managing Board member commits a grossly negligent or willful breach of the duty of care expected of a prudent and conscientious manager according to Section 93 (1) German Stock Corporation Act (AktG), the Company is entitled to reclaim the variable remuneration components already paid out (Bonus and/or Stock Awards granted) in full or in part for the respective assessment period in which the breach of duty occurred, or to declare that Stock Awards will be forfeited.

If variable compensation components (Bonus and/or Stock Awards) based on the achievement of specific objectives were unduly paid out on the basis of incorrect data, the Company is entitled to reclaim the difference in compensation resulting from the recalculation of the variable compensation in comparison to the original payment made. The Company has to demonstrate that the underlying data used in the calculation of the compensation was incorrect and that therefore the variable compensation of the member of the Managing Board member was too high.

The possibilities to claim repayment also apply if the appointment or employment relationship with the member of the Managing Board has already ended at the time that this claim can be made. Claims for damages against the member of the Managing Board remain unaffected.

H. SHARE OWNERSHIP GUIDELINES

Under the Siemens Share Ownership Guidelines, Managing Board members are obligated to permanently hold Siemens shares of an amount equal to a multiple of their base salary – 300% for the President & CEO and 200% for the other members of the Managing Board – during their term of office on the Managing Board, following an initial four-year build-up phase. The average base salary received by each member of the Managing Board in the four years before the applicable verification date is relevant for this purpose.

Fulfillment of this obligation must be verified for the first time after the four-year build-up phase and annually thereafter. If share price fluctuations cause the value of the accumulated shareholding to fall below the respective amount to be verified, the Managing Board member will be obligated to purchase additional shares.

I. DEDUCTION OF COMPENSATION FOR MANAGING BOARD MEMBERS’ SECONDARY ACTIVITIES

Acceptance of public office, seats on supervisory boards (including any committee memberships), boards of directors, advisory boards and comparable bodies, as well as appointments to business or scientific bodies, is subject to prior approval. As a rule, approval is not granted for more than two supervisory board positions or comparable functions at listed companies outside the Group. If the Managing Board member serves on supervisory boards within the Group, the compensation received for such a position will be deducted from his or her Managing Board compensation. If positions outside the Group are accepted, the Supervisory Board will decide at its duty-bound discretion on a case-by-case basis whether and to what extent the compensation for such positions is to be deducted. In this context, particular consideration will be given to the extent to which the activity is in the interest of the Company or the Managing Board member.

J. COMMITMENTS GRANTED IN CONNECTION WITH THE COMMENCEMENT OF MANAGING BOARD EMPLOYMENT OR CHANGE OF THE REGULAR PLACE OF WORK

Upon the commencement of Managing Board employment or if the regular place of work is changed at the request of the Company, the Supervisory Board will decide at the proposal of the Compensation Committee whether and to what extent the following additional compensation benefits will be granted under the Managing Board member’s individual employment contract:

Compensation for the loss of benefits from the previous employer
Depending on whether the compensation benefits granted by a previous employer are lost by reason of moving to Siemens AG (for example, of long-term variable compensation grants or pension commitments), the Supervisory Board may grant compensation in the form of (usually Phantom) Stock Awards, pension commitments within the scope of the Defined Contribution Pension Plan, or cash payments.

Moving expenses
If the appointment as a member of the Managing Board or a change of the regular place of work at the request of the Company requires the Managing Board member to move to a new residence, moving expenses will be reimbursed up to an appropriate maximum amount to be specified in the individual employment contract.

K. DURATION AND COMMITMENTS IN CONNECTION WITH THE TERMINATION OF THE APPOINTMENT TO THE MANAGING BOARD

The compensation system also governs the amount of compensation a Managing Board member receives if his or her Managing Board appointment is terminated early. Depending on the reason for the termination, the following provisions apply to compensation guaranteed upon departure from office:

Termination by mutual agreement

The duration of Managing Board contracts is coupled with the duration of the appointment. The Supervisory Board follows applicable legal provisions for stock corporations in Section 84 of the German Stock Corporation Act (AktG) when appointing members of the Managing Board, in particular the maximum term of office of five years. For first-time appointments, as a rule the appointment should not exceed three years. In line with applicable legal provisions for stock corporations, Managing Board contracts do not provide any possibility for ordinary termination with notice; the mutual right to terminate the Managing Board contract without notice for cause remains in effect. In the event of early termination of the appointment, the Managing Board contract is also terminated early, unless the Supervisory Board has adopted provisions to the contrary.

In the event of early termination of Managing Board employment by mutual agreement, the Managing Board contracts stipulate a severance payment, the amount of which is limited to a maximum of two years of annual compensation, and which covers no more than the remaining term of the employment contract (severance cap). The severance payment will be paid in the month of departure. It will be calculated based on the base salary and the actual short-term variable compensation received in the last fiscal year before termination and the granted long-term variable compensation. If the remaining term of office is more than six months, the severance payment will be reduced by 5% as a lump-sum allowance for discounting and for earnings obtained elsewhere. However, this reduction will only refer to that part of the severance payment that was determined without consideration of the first six months of the remaining term of office. In-kind compensation will be settled by payment of an amount equal to 5% of the severance payment. In addition, a one-time special contribution of an amount determined by reference to the BSAV contribution received by the Managing Board member in the preceding year and the remaining term of office will be paid to the BSAV. However, this amount will be limited to no more than two annual contributions (cap).

Early termination at the request of the Managing Board member or termination for cause by the Company

No severance payments or special BSAV contributions will be made.

Change of Control

For newly concluded Managing Board employment contracts (first-time appointment) or the extension of these contracts, there are no special provisions for the event that a change of control event occurs, that is, neither special rights to terminate the contract nor severance payments.

The following is applicable for existing Managing Board employment contracts:

If a change of control occurs, as a consequence of which the role of a Managing Board member significantly changes – for example, owing to a change in Company strategy or a change in a Managing Board member's field of activities – the Managing Board member is entitled to terminate the employment agreement. A change of control occurs if a shareholder, or multiple shareholders acting jointly, acquire a majority of the voting rights in Siemens AG and because of their ownership interest exercise a controlling influence over Siemens AG, if Siemens AG becomes a dependent entity through the signing of an intercompany agreement as defined in Section 291 of the German Stock Corporation Act (AktG), or if Siemens AG is merged with another entity.

If this right of termination is exercised, the Managing Board member is entitled to a severance payment of at a maximum two years of annual compensation. In addition to base salary and target amount for the Bonus, the target amount for the Stock Awards is also included; these are based on the values for the respective fiscal year preceding the termination of the contract. Further, fringe benefits will be covered by a payment of 5% of the severance payment as a lump sum. The severance payment will be reduced by 10% as a lump-sum allowance for discounting and for earnings obtained elsewhere; the reduction shall apply to the portion of the severance payment calculated for the period following the first six months of the remaining contract term. Stock Awards granted by the Company in the past remain unaffected.

There is no entitlement to severance payment if the Managing Board member receives payments from third parties on the occasion of, or in connection with, the Change of Control. Further, there is no right of termination if the Change of Control takes place within 12 months before the Managing Board member reaches retirement age.

L. OVERVIEW OF THE COMPENSATION SYSTEM

The graph below provides an overview of all components of the compensation system:

Overview of the compensation system for Managing Board members

		Compensation components	Design of compensation components	Maximum payout (in % of target amount)	Maximum compensation	Other design characteristics
Fixed	Cash	**Fixed compensation**	**Base salary** + **Fringe benefits** + **Pension commitments**	**100%**[1]	Sum of maximum payout from each compensation component for the respective fiscal year	**Share Ownership Guidelines**
Variable	Cash	**Short-term variable compensation** (Bonus)	**33.34%** Siemens Group; **33.33%** Managing Board portfolio; **33.33%** Individual targets	**200%**		**Extra-ordinary develop-ments**; **Malus** **Claw-back**
Variable	Stock Awards	**Long-term variable compensation** (Stock Awards)	**80%** Total Shareholder Return vs. sector index; **20%** Environmental, Social & Governance	**300%**		
						Severance cap

1 Fringe benefits are reimbursed up to a maximum amount set by the Supervisory Board.

M. GLOSSARY KEY INDICATORS VARIABLE COMPENSATION

Profit (performance criterion)

Basic Earnings per Share – EPS – Income from continuing operations, income from discontinued operations/net income, all attributable to ordinary shareholders of Siemens AG, divided by the weighted average number of shares outstanding during the year.

Adjusted EBITA – EBITA (Earnings before interests, taxes and amortization) of the respective business, adjusted for operational financial results and depreciation on immaterial assets that were not acquired in the context of mergers and acquisitions.

Profitability/capital efficiency (performance criterion)

Return on Capital Employed – ROCE – ROCE is defined as income from continuing and discontinued operations before interest and after tax, divided by the average capital employed.

Profit margin – Profit of the respective business (adjusted EBITA), divided by its revenue; for Financial Services, ROE (return on equity) is applicable. Adjusted EBITA corresponds to the EBITA of the respective business, adjusted for operational financial results and depreciation on immaterial assets that were not acquired in the context of mergers and acquisitions.

Growth (performance criterion)

Comparable revenue growth – Comparable change in revenue in comparison to the previous fiscal year.

Liquidity (performance criterion)

Cash Conversion Rate – The Cash Conversion Rate (CCR) refers to a company's ability to turn profits into available cash. CCR is defined as the relationship between:

- Free Cash Flow from continuing operations and income from continuing operations (on Siemens Group level)
- Free Cash Flow (FCF) and Adjusted EBITA of the respective business (on a business level)

Long-term value creation (performance criterion)

Total Shareholder Return – Total Shareholder Return (TSR) refers to a shareholder's total return between the beginning and end of a certain period and includes changes in share price as well as dividends paid.

Sustainability (performance criterion)

Environmental, Social & Governance – Environmental, Social & Governance (ESG) describes whether and to what extent these aspects are anchored in a company's decision making.

7. To resolve on the authorization to repurchase and use Siemens shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) and to exclude shareholders' subscription and tender rights

The authorization to repurchase and use Siemens shares resolved by the Annual Shareholders' Meeting on January 27, 2015, applies to the repurchase of Siemens shares up to January 26, 2020, and expires on that date. Therefore, a new authorization, valid for the repurchase of Siemens shares until February 4, 2025, is to be adopted pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG).

The Supervisory Board and the Managing Board propose that the following resolution be approved and adopted:

a) The Company shall be authorized to repurchase Siemens shares ("Siemens shares") until February 4, 2025, for every permissible purpose, up to a limit of 10% of its capital stock as of the time of the resolution or as of the date on which the authorization is exercised, if the latter value is lower. The total number of Siemens shares repurchased under this authorization and any other Siemens shares previously acquired and still held in treasury by the Company or attributable to the Company pursuant to Section 71d, Section 71e of the German Stock Corporation Act (AktG) may at no time exceed 10% of the respective capital stock.

b) Any repurchase of Siemens shares shall be accomplished at the discretion of the Managing Board either (1) by acquisition on the stock exchange, (2) through a public share repurchase offer or (3) through a public offer to swap Siemens shares for shares in a listed company within the meaning of Section 3 (2) of the German Stock Corporation Act (AktG). Offers under subsections (2) and (3) above can also be solicited by a request for submission of offers.

(1) If the Siemens shares are to be acquired on the stock exchange, the purchase price paid on the stock exchange per Siemens share (excluding incidental transaction charges) may neither exceed the stock market price of a Siemens share on the trading day, as determined during the opening auction in Xetra trading (or a comparable successor system), by more than 10% nor fall below such market price by more than 20%.

(2) If the Siemens shares are to be acquired through a public share repurchase offer, the purchase price paid per Siemens share (excluding incidental transaction charges) may neither exceed the average closing price of a Siemens share in Xetra trading (or a comparable successor system) on the fourth, third and second trading day prior to the decision by the Managing Board regarding the offer or acceptance of offers made by the shareholders by more than 10%, nor fall below such closing price by more than 20%.

(3) If the Siemens shares are to be acquired through a public offer to swap Siemens shares for shares in a listed company within the meaning of Section 3 (2) of the German Stock Corporation Act (AktG) ("exchange shares"), the exchange price paid by the Company (in the form of one or more exchange shares, any arithmetic fractions and any cash component) per Siemens share (excluding incidental transaction charges) may neither exceed the relevant value of a Siemens share by more than 10%, nor fall below the relevant value of a Siemens share by more than 20%. The basis for calculating said relevant value for each Siemens share and for each exchange share is in each case the average closing price in Xetra trading (or in a comparable successor system) on the fourth, third and second trading day prior to the decision by the Managing Board about the offer or acceptance of offers made by the shareholders. If the exchange shares are not traded in Xetra trading, the relevant value shall be the closing price on the stock exchange where the exchange shares recorded their highest trading volume in the preceding full calendar year.

The Managing Board shall define the arrangements for acquiring the shares in more detail. If the number of Siemens shares tendered or offered by shareholders for purchase or exchange exceeds the total volume which the Company intends to repurchase, the shareholders' tender right may be excluded to the extent that the repurchase will be in proportion to the Siemens shares tendered or offered by each shareholder. Furthermore, the tender, acceptance or offer of small lots of up to 150 Siemens shares per shareholder may receive preferential treatment and rounding according to commercial principles may be provided for.

If, after the publication of an offer, the market price deviates from the price or from a price range defined in connection with a request for submission of offers and said differences may be material to the success of the offer, the price or the price range may be adjusted during the submission period or up to acceptance. In this case the provision that the purchase or exchange price may neither exceed the relevant value of a Siemens share by more than 10%, nor fall below it by more than 20%, refers to the respective closing price of the Siemens share, and potentially the exchange share, on the last trading day prior to the ultimate decision of the Managing Board on the adjustment.

c) The Managing Board shall be authorized to use any Siemens shares repurchased pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) on the basis of this or any earlier authorizations – in addition to selling them on the stock exchange or through an offer to all shareholders proportionately according to their percentage of ownership – for every permissible purpose, in particular as follows:

(1) Such Siemens shares may be retired without an additional resolution by the Annual Shareholders' Meeting being required for such retirement or its implementation. Such retirement leads to a capital decrease. The retirement can upon decision by the Managing Board pursuant to Section 237 (3) no. 3 of the German Stock Corporation Act (AktG) also be carried out without a capital decrease by adjusting the pro rata amount of the other shares of no par value relative to the Company's capital stock pursuant to Section 8 (3) of the German Stock Corporation Act (AktG). In such a case, the Managing Board is authorized to adjust the number of shares of no par value specified in the Articles of Association.

(2) Such Siemens shares may be used in connection with share-based compensation programs and/or employee share programs of the Company or any of its affiliated companies, and issued to individuals currently or formerly employed by the Company or any of its affiliated companies as well as to board members of any of the Company's affiliated companies. In particular, they may be offered for acquisition, awarded and transferred for free or against payment to said persons and board members, provided that the employment relationship or board membership must exist at the time of the offer, award commitment or transfer.

(3) Such Siemens shares may be offered and transferred, with the approval of the Supervisory Board, in exchange for considerations in kind, particularly in connection with business combinations or the direct or indirect acquisition of companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its consolidated subsidiaries.

(4) Such Siemens shares may, with the approval of the Supervisory Board, be sold against payment in cash if the selling price is not significantly lower than the stock market price of a Siemens share. The part of the capital stock mathematically attributable to the shares used in this way must not exceed 10% of the capital stock. The capital stock at the time of the resolution or, if this amount is lower, at the time at which this authorization is used, shall apply. When determining this limit, shares shall also be taken into account which, during the term of this authorization to acquire shares until its use, are issued or disposed of in direct or *mutatis mutandis* application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). The same applies to shares to be issued or disposed of on the basis of a convertible bond or warrant bond issued during the term of this authorization to acquire shares, with shareholders' subscription rights excluded in accordance with the provisions of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

(5) Such Siemens shares may be used to service or secure obligations or rights to acquire Siemens shares arising particularly from or in connection with convertible bonds or warrant bonds of Siemens AG or its consolidated subsidiaries. Moreover, the Managing Board shall be authorized to exclude subscription rights in order to grant holders/creditors of conversion or option rights or respective conversion or option obligations on Siemens shares subscription rights as compensation against effects of dilution to the extent to which they would be entitled after exercise of such rights or fulfillment of such obligations, and to use Siemens shares to service such subscription rights.

d) The Supervisory Board shall be authorized to use Siemens shares acquired on the basis of this or any previously given authorizations pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) as follows:

Such shares may be used to service obligations or rights to acquire Siemens shares that were or will be agreed with members of the Managing Board of Siemens AG within the framework of rules governing Managing Board compensation. In particular, they may be offered for acquisition, awarded and transferred to members of the Managing Board of Siemens AG, provided that the employment relationship or board membership exists at the time of the offer, award commitment or transfer.

e) The authorizations in this resolution may be exercised independently of each other, once or several times, solely or jointly, in whole or in part also by any of Siemens AG's consolidated subsidiaries or by third parties acting on behalf of Siemens AG or any of its consolidated subsidiaries. In addition, acquired Siemens shares may also be transferred to consolidated subsidiaries.

f) Shareholders' subscription rights relating to repurchased Siemens shares shall be excluded to the extent to which such shares are used in accordance with the authorizations pursuant to Agenda Item 7 c), subsections (2) through (5), and Agenda Item 7 d) above. In addition, the subscription right with regard to fractional amounts may be excluded from an offer to acquire Siemens shares made to all shareholders.

Against the background of the authorization to repurchase and use Siemens shares proposed under Agenda Item 7 and the authorization to use derivatives in connection therewith proposed under Agenda Item 8, the Managing Board has prepared written reports on the reasons for which it is to be authorized to exclude shareholders' subscription and tender rights under certain circumstances. The reports are appended to the Agenda and, from the time of giving Notice of Annual Shareholders' Meeting, are available on our website at **WWW.SIEMENS.COM/AGM**. Upon request, every shareholder will be provided with a copy of them without undue delay and free of charge. The reports will also be available at the Annual Shareholders' Meeting.

8. To resolve on the authorization to use derivatives in connection with the repurchase of Siemens shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), and to exclude shareholders' subscription and tender rights

In addition to the authorization proposed under Agenda Item 7 regarding the repurchase of Siemens shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the Company shall be authorized to acquire Siemens shares also by using derivatives and to enter into corresponding derivative contracts. This authorization shall in no way restrict the Company's freedom to use derivatives, insofar as such use is legally permissible without authorization of the Annual Shareholders' Meeting.

The Supervisory Board and the Managing Board propose that the following resolution be approved and adopted:

a) In addition to the authorization proposed under Agenda Item 7 regarding the repurchase of shares of Siemens AG ("Siemens shares") pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the repurchase of Siemens shares in accordance with the authorization proposed under Agenda Item 7 may also be conducted, aside from in the manner described therein, with the use of certain derivatives or derivatives may be used with which the company undertakes to repurchase Siemens shares. This authorization may be exercised in whole or in part, in one or several (including different) transactions or in connection with other legally admissible transactions not covered by this authorization, by the Company or any of its consolidated subsidiaries, or by third parties acting on behalf of the Company or any of its consolidated subsidiaries. Options may be sold with which the Company takes on the obligation to acquire Siemens shares upon exercise of the options ("put options"). Options entitling the Company to acquire Siemens shares upon exercise of the options ("call options") may also be purchased and exercised. Additionally, forward purchase agreements to buy Siemens shares with more than two trading days between the conclusion of the purchase agreement and the delivery of the shares purchased ("forward purchases") may be entered into. Lastly, Siemens shares may be acquired by using a combination of put options, call options and/or forward purchases (hereinafter, all the above instruments and any combination thereof collectively referred to as "derivatives").

The derivative contracts are to be entered into with an independent credit institution or an enterprise operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 53b (7) of the German Banking Act (KWG) or a consortium of such credit institutions or enterprises.

The repurchase of Siemens shares based on derivatives through the use of this authorization shall be limited to Siemens shares with a maximum volume of 5% of the capital stock existing at the time the resolution is adopted at the Annual Shareholders' Meeting. This limit shall apply in addition to the capital-stock-related limits set pursuant to Agenda Item 7 a) of the proposed authorization. When determining these limits, Siemens shares shall also be taken into account which are acquired through the use of the authorization proposed under Agenda Item 8. A derivative's term of maturity must, in each case, not exceed 18 months and must be chosen in such a way that the repurchase of Siemens shares by making use of the derivative will take place no later than February 4, 2025.

b) It must be contractually agreed in the terms and conditions of the derivatives that the derivatives are honored only with shares that were acquired under observance of the principle of equal treatment. The acquisition of shares on the stock exchange fulfills this requirement.

c) The predetermined purchase price to be paid per Siemens share upon exercise of a put option or fulfillment of a forward purchase as specified in the respective derivative contract (in each case excluding incidental transaction charges, but taking into account the option premium received) shall neither exceed the average closing price of a Siemens share in Xetra trading (or a comparable successor system) on the fourth, third and second trading day prior to entering into the relevant derivative contract by more than 10%, nor fall below this average closing price by more than 30%. The predetermined purchase price to be paid per Siemens share upon exercise of a call option as specified in the respective derivative contract shall neither exceed the average closing price of a Siemens share in Xetra trading (or a comparable successor system) on the fourth, third and second trading day prior to exercise of the call option by more than 10% nor fall below 10% of this average closing price.

   The premium paid by the Company for derivatives shall not be significantly higher, and the premium received by the Company for derivatives shall not be significantly lower, than the theoretical market price of the respective derivative calculated in accordance with generally accepted actuarial methods. Among other factors, the predetermined strike price shall be taken into account when determining the theoretical market price.

d) If derivatives are used in accordance with the above rules, shareholders shall have no right to enter into such derivative contracts with the Company. The shareholders shall also not have the right to enter into derivative contracts to the extent the Company, when repurchasing Siemens shares using derivatives, provides for preferential treatment with regard to the conclusion of derivative contracts relating to small lots of shares.

   Shareholders shall have a right to tender their Siemens shares only as far as the Company is obligated to take delivery of such shares under the terms and conditions of individually concluded derivative contracts. Any possible further tender right shall be excluded.

e) The rules set out in Agenda Item 7 c), d), e) and f) shall apply *mutatis mutandis* to the use of Siemens shares acquired using derivatives.

Against the background of the authorization to repurchase and use Siemens shares proposed under Agenda Item 7 and the authorization to use derivatives in connection therewith proposed under Agenda Item 8, the Managing Board has prepared written reports on the reasons for which it is to be authorized to exclude shareholders' subscription and tender rights under certain circumstances. The reports are appended to the Agenda and, from the time of giving Notice of Annual Shareholders' Meeting, are available on our website at WWW.SIEMENS.COM/AGM. Upon request, every shareholder will be provided with a copy of them without undue delay and free of charge. The reports will also be available at the Annual Shareholders' Meeting.

9. To resolve on granting a new authorization of the Managing Board to issue convertible bonds and/or warrant bonds and exclude shareholders' subscription rights, and on the creation of Conditional Capital 2020, cancellation of the Conditional Capital 2015 and the Conditional Capital 2010 and related amendments to the Articles of Association

The authorization to issue convertible bonds and/or warrant bonds resolved on by the Annual Shareholders' Meeting on January 27, 2015, under Agenda Item 10 will expire on January 26, 2020. The authorization was partially exercised in the course of the exchange of warrants. In February 2012, Siemens issued warrant bonds in two tranches with a volume of 3 billion US dollars. Since the spin-off of OSRAM Licht AG in July 2013, the warrants issued in 2012 entitled the holders to subscribe to Siemens shares and OSRAM shares. In September 2015, Siemens converted most of these warrants ("old warrants") by issuing new warrant bonds in exchange for new warrants with subscription rights exclusively to Siemens shares. Both tranches were repaid on the due date and exercised warrants were serviced in each case by Siemens shares. Neither the Conditional Capital 2015 (for the new warrants) nor the Conditional Capital 2010 (for the old warrants) was used. Since there are no more outstanding subscription rights to Siemens shares for which the Conditional Capital 2015 or the Conditional Capital 2010 can be used, these two capitals are to be canceled. The authorization to issue convertible bonds and/or warrant bonds resolved on by the Annual Shareholders' Meeting on January 27, 2015, is still effective. It will not be used before the end of its effective term, in view of which the corresponding Conditional Capital 2015 is no longer required.

The Managing Board shall again be authorized to issue convertible bonds and/or warrant bonds to a sufficient extent and new Conditional Capital 2020 shall be resolved. Together with the existing authorization to issue convertible bonds and/or warrant bonds resolved on by the Annual Shareholders' Meeting on January 30, 2019, under Agenda Item 7, the Company would thus still have a sufficiently large authorized volume overall.

The Supervisory Board and the Managing Board propose that the following resolution be approved and adopted:

a) Authorization to issue convertible bonds and/or warrant bonds and exclude shareholders' subscription rights

(1) General comments, limits to the amount, issue in exchange for contributions in cash or considerations in kind and by consolidated subsidiaries, time limit for the authorization

The Managing Board shall be authorized, once or several times, including simultaneously in different tranches, to issue subordinated or unsubordinated convertible bonds and/or warrant bonds (including all possible arrangements envisaged in this resolution hereinafter referred to as "bonds") in an aggregate principal amount of up to €15,000,000,000 and in this connection to grant and impose, respectively, conversion, exchange or option rights or conversion obligations on, at the time they are established, up to 60,000,000 shares of Siemens AG of no par value registered in the name of the holders ("Siemens shares"), representing a pro rata amount of up to €180,000,000 of the capital stock. The bonds can also be issued by a consolidated subsidiary of Siemens. In this case, the authorization shall include the option to assume the guarantee for bonds issued by consolidated subsidiaries of the Company and to make the statements and take the required actions necessary for successful issuance of bonds. The authorization shall further include the option of granting Siemens shares in the cases provided for in the terms and conditions of the bonds and/or the warrants (hereinafter referred to as "terms and conditions of the bonds").

The authorization shall cover all bonds subject to the statutory requirements contained in Section 221 of the German Stock Corporation Act (AktG). They may also stipulate exchange rights of the issuer or Siemens AG, in particular rights to replace the considerations originally owed under them by Siemens shares (including in the form of a tender right, substitution right or redemption option) and so establish the obligation to deliver Siemens shares or conversion or option rights or conversion or option obligations on Siemens shares when they are issued or subject to a separate declaration by the issuer or Siemens AG to exercise a conversion right or subject to other conditions (and any combination of the foregoing), in each case at the end of the term or at other points in time. The bonds can be issued for financing purposes (raising debt capital or equity), but also for other purposes, such as to optimize the Company's capital structure.

The bonds may be issued in exchange for contributions in cash and/or consideration in kind, in particular a participation in other companies. Warrant bonds may be issued in exchange for consideration in kind to the extent that the terms and conditions of the warrants provide for full payment in cash of the option price per Siemens share upon exercise. The principal amount or an issue price of bonds below the principal amount may also be chosen such that, at the time of issue, it corresponds to the pro rata amount of the capital stock represented by the shares to be issued in accordance with the terms and conditions of the bonds, i.e., it need not necessarily exceed such amount.

The authorization for the issue of bonds shall expire on February 4, 2025. If a bond stipulates an obligation to deliver Siemens shares or conversion or option rights or conversion or option obligations on Siemens shares only after a declaration by the issuer or Siemens AG to exercise an exchange right, the declaration in question must be issued by February 4, 2025.

(2) Conversion/option price per share

In the case of warrant bonds, option rights shall be attached to each bond certificate, in particular in the form of one or more warrants, entitling or obliging the holder/creditor to subscribe to Siemens shares, subject to the terms and conditions of the bonds, or including rights of exchange of the issuer or Siemens AG.

In the case of convertible bonds, the holders/creditors of the convertible bonds shall be entitled and/or obliged to convert them into Siemens shares, subject to the terms and conditions of the bonds.

In all cases, the conversion ratio or the exchange or subscription ratio is obtained by dividing the principal amount or the lower issue price of a convertible bond, or if a warrant is exercised, the amount owed under its terms and conditions, by the conversion or option price stipulated for one Siemens share.

The conversion/option price per share applicable at the time of issue must not be less than 80% of the price of Siemens shares as quoted in Xetra trading (or a comparable successor system) in the case of bonds with exchange or subscription rights of the creditors which existed when they were issued. The calculation shall be based on the average closing price over the ten trading days prior to the date on which the Managing Board finally resolves to issue the bonds or on the Company's notice of acceptance following a public request for submission of subscription offers. If shareholders' subscription rights are not excluded, the price on the trading days during the subscription period can be used as the basis instead (with the exception of the days in the subscription period necessary to publish the conversion/option price on time in accordance with Section 186 (2) of the German Stock Corporation Act (AktG)). In the case of bonds with a conversion or option obligation or an exchange right of the issuer or Siemens AG, the conversion or option price, or the reference price of the Siemens share used to determine the conversion/option price, may either at least equal the minimum price set out above or correspond to the average volume-weighted price of Siemens shares in Xetra trading (or a comparable successor system) on at least three trading days immediately prior to calculation of the conversion/option price as defined in more detail by the terms and conditions of the bonds, even if this average price and the applicable conversion/option price derived from it is below the minimum price (80%) set out above. Section 9 (1) and Section 199 (2) of the German Stock Corporation Act (AktG) shall remain unaffected.

(3) Dilution protection, adjustments and further possible arrangements

The authorization shall also include the option, subject to the terms and conditions of the bonds, to provide dilution protection and/or other adjustments under certain circumstances. Dilution protection or other adjustments may be provided for in particular if the Company changes its capital structure during the term of the bonds and/or warrants (e.g. through a capital increase, a capital decrease or a stock split), but also in connection with dividend payouts, the issue of additional convertible and/or warrant bonds, transformation measures, and in the case of other events affecting the value of the option or conversion rights that may occur during the term of the bonds and/or warrants (e.g. control gained by a third party). Dilution protection or other adjustments may be provided in particular by granting subscription rights, by adjustments of the conversion/option price as well as by amending or introducing cash components.

The Managing Board shall be authorized to determine the terms of issue and further terms and conditions of the bonds or to establish such terms and conditions by mutual agreement with the respective issuing consolidated subsidiary. In particular, the terms and conditions of the bonds may also provide for the following arrangements:

- whether and under what conditions, e.g. at the discretion of the issuer or Siemens AG, servicing from conditional capital (in particular from the new Conditional Capital 2020 to be created in connection with this authorization), from authorized capital that already exists or is to be created, from existing treasury shares, or treasury shares to be acquired, or instead of delivery of Siemens shares by paying the compensation for the value in cash or delivery of other securities that can be traded at a trading venue within the meaning of Section 2 (22) of the German Securities Trading Act (WpHG), may be provided for,
- whether the bonds or warrants are bearer or registered bonds or warrants,
- the number and features of the warrants (including those with different features) to be attached to each bond certificate and whether they are detachable when or after being issued,
- interest and – an unlimited or different – term for the bonds or warrants,
- features of the bond component, which can include in particular exchangeable, mandatory exchangeable or hybrid bonds,
- whether, in the case of warrant bonds, the option price can be paid in whole or in part by transfer of bond certificates (as payment),
- whether a bond provides an exchange right of the issuer or Siemens AG allowing to replace the original obligation owed under the bond, such as to deliver securities or pay a due cash amount, by Siemens shares,
- whether the conversion/option price(s) or the conversion/subscription or exchange ratios are to be determined when the bonds are issued or during the term of the bonds or warrants and how these prices/ratios are to be defined (in each case including any minimum and maximum prices and variable features or computation on the basis of future market prices),
- whether and how a conversion ratio should be rounded,
- whether an additional cash payment or a compensation in cash should be specified in the case of fractional amounts,
- in the case of mandatory conversions, the fulfillment of option obligations or tender rights, how details are to be determined regarding the exercise, fulfillment of obligations or rights, deadlines and determination of conversion or option prices,
- whether the bonds should be issued in euros or in the legal currency of an OECD country other than euros. For the purpose of determining the maximum aggregate principal amount of this authorization in the case of issues in foreign currencies, the principal amount of the bonds shall in each case be converted into euros on the day when the decision of the issue thereof is taken.

(4) Subscription right, authorization to exclude the subscription right

As a matter of principle, the bonds must be offered to the shareholders for subscription. They can also be issued to credit institutions or enterprises operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 53b (7) of the German Banking Act

(KWG) with the obligation that they must be offered to the shareholders for subscription. However, the Managing Board shall be authorized to exclude the subscription right with the approval of the Supervisory Board,

- provided that the bonds are issued in exchange for cash payment and the issue price of the bonds is not significantly lower than their theoretical market price computed in accordance with generally accepted actuarial methods. The part of the capital stock mathematically attributable to the shares to be issued or granted on the basis of bonds issued under this authorization, with shareholders' subscription rights excluded in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), must not exceed 10% of the capital stock. The capital stock at the time this authorization becomes effective or, if this amount is lower, at the time at which this authorization is used shall apply. When determining this limit, shares shall also be taken into account which, during the term of this authorization until its use, are issued or disposed of in direct or *mutatis mutandis* application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). Likewise included are shares that have been issued or granted or are to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of this authorization, with shareholders' subscription rights excluded in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG),
- if the bonds are issued in exchange for consideration in kind, in particular in the context of business combinations or for the purpose of acquiring (also indirectly) companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its consolidated subsidiaries,
- to the extent necessary for fractional amounts resulting from the subscription ratio,
- in order to grant holders/creditors of conversion or option rights on Siemens shares or of respective conversion or option obligations from bonds issued or guaranteed by Siemens AG or any of its consolidated subsidiaries subscription rights as compensation against effects of dilution to the extent to which they would be entitled after exercise of such conversion or option rights or fulfillment of such conversion or option obligations.

b) Cancellation of the Conditional Capital 2010

The Conditional Capital 2010 resolved on by the Annual Shareholders' Meeting on January 26, 2010, under Agenda Item 10 and provided for in Section 4 (6) of the Articles of Association in the amount of €600,000,000 is canceled.

c) Cancellation of the Conditional Capital 2015

The Conditional Capital 2015 resolved on by the Annual Shareholders' Meeting on January 27, 2015, under Agenda Item 10 and provided for in Section 4 (9) of the Articles of Association in the amount of €240,000,000 is canceled.

d) Creation of Conditional Capital 2020

In order to grant shares to holders/creditors of convertible bonds or warrant bonds issued under the authorization pursuant to Agenda Item 9 a) above, the capital stock shall be conditionally increased by up to €180,000,000 through the issuance of up to 60,000,000 shares of no par value registered in the names of the holders. The conditional capital increase shall be effected through the issuance of up to 60,000,000 shares of no par value registered in the names of the holders with entitlement to dividends as of the beginning of the fiscal year in which they are issued and only to the extent to which holders/creditors of convertible bonds or warrants under warrant bonds issued by February 4, 2025, by Siemens AG or any of its consolidated subsidiaries under the authorization of the Managing Board pursuant to Agenda Item 9 a) above exercise their conversion or option rights, fulfill their conversion or option obligations, or to the extent shares are tendered, and provided that no other forms of fulfillment of delivery are used. The new shares shall be issued at the conversion or option prices determined in each case in the terms and conditions of the bonds and/or the warrants in accordance with the above-mentioned authorization. The Managing Board shall be authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation (Conditional Capital 2020).

e) Amendments to the Articles of Association

Section 4 (9) of the Articles of Association shall be deleted and Section 4 (6) of the Articles of Association shall be amended to read as follows:

"6. The capital stock is conditionally increased by up to €180,000,000. The conditional capital increase shall be effected through the issuance of up to 60,000,000 shares of no par value registered in the names of the holders with entitlement to dividends as of the beginning of the fiscal year in which they are issued and only to the extent to which holders/creditors of convertible bonds or warrants under warrant bonds issued by February 4, 2025, by Siemens AG or any of its consolidated subsidiaries under the authorization of the Managing Board granted by the Annual Shareholders' Meeting of February 5, 2020, exercise their conversion or option rights, fulfill their conversion or option obligations, or to the extent shares are tendered, and provided that no other forms of fulfillment of delivery are used. The new shares shall be issued at the conversion or option prices determined in each case in the terms and conditions of the bonds and/or the warrants in accordance with the above-mentioned authorization. The Managing Board shall be authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation (Conditional Capital 2020)."

f) Authorization of the Supervisory Board to amend the Articles of Association

The Supervisory Board shall be authorized to amend Section 4 of the Articles of Association depending on the use of the Conditional Capital 2020. The same shall apply in the event that the authorization to issue convertible bonds or warrant bonds has not been used upon expiration of the effective term of the authorization and in the event that the Conditional Capital 2020 has not been utilized or has not been fully utilized after expiration of all conversion or option periods.

Against the background of the above-proposed authorization to issue convertible bonds and/or warrant bonds, the Managing Board has prepared a written report on the reasons for which it is to be authorized to exclude shareholders' subscription rights under certain circumstances. The report is appended to the Agenda and, from the time of giving Notice of Annual Shareholders' Meeting, is available on our website at **WWW.SIEMENS.COM/AGM**. Upon request, every shareholder will be provided with a copy of it without undue delay and free of charge. The report will also be available at the Annual Shareholders' Meeting.

In addition, the Managing Board issues a commitment to restrict capital increases from authorized and conditional capital. This commitment is likewise appended to the Agenda.

10. To resolve on the approval of a Control and Profit-and-Loss Transfer Agreement between Siemens AG and a subsidiary

On December 3, 2019, Siemens AG and its wholly-owned, Munich-based subsidiary Siemens Mobility GmbH (hereinafter referred to as the "Subsidiary") concluded a Control and Profit-and-Loss Transfer Agreement.

The Supervisory Board and the Managing Board propose that the Control and Profit-and-Loss Transfer Agreement between Siemens AG (as the parent company) and Siemens Mobility GmbH be approved.

The essential content of the Control and Profit-and-Loss Transfer Agreement is as follows:

- The Subsidiary shall subordinate management of its company to Siemens AG. Siemens AG shall accordingly have the right to give instructions to the Management of the Subsidiary on how the Subsidiary is to be managed (including its entire commercial sphere within the meaning of the Value-Added Tax Act (UStG)). The Management of the Subsidiary shall be obliged to obey the instructions.
- The Subsidiary undertakes to transfer its entire profits to Siemens AG in accordance with the provisions of Section 301 of the German Stock Corporation Act (AktG), as amended from time to time.
- With the consent of Siemens AG, the Subsidiary may appropriate amounts from the annual net income to other retained earnings pursuant to Section 272 (3) of the German Commercial Code (HGB) insofar as this is permitted under commercial law and economically justified based on reasonable business judgment. The formation of statutory reserves is permitted. Upon request by Siemens AG, amounts appropriated to other retained earnings pursuant to Section 272 (3) of the German Commercial Code (HGB) during the term of the Agreement shall be released and used to compensate an annual net loss or be transferred as profits. The transfer of capital reserves and retained earnings existing prior to the date of the Agreement shall be excluded.
- Upon request by Siemens AG, profits shall be transferred in advance during the year, if and to the extent this is legally permissible.
- If the Agreement does not end prior to the expiration of the Subsidiary's fiscal year, the entitlement to the transfer of profits shall arise at the end of the Subsidiary's fiscal year and shall be due taking that date as value date. The obligation to transfer profits shall apply retroactively as of the beginning of the Subsidiary's fiscal year in which the Agreement becomes effective by registration in the register of companies at the registered office of the Subsidiary.
- Siemens AG shall be obliged to assume the losses of the Subsidiary in accordance with the provisions of Section 302 of the German Stock Corporation Act (AktG), as amended from time to time.
- If the Agreement does not end prior to the expiration of the Subsidiary's fiscal year, the entitlement to the assumption of losses shall arise at the end of the Subsidiary's fiscal year and shall be due taking that date as value date. The obligation to assume losses shall apply retroactively as of the beginning of the Subsidiary's fiscal year in which the Agreement becomes effective by registration in the register of companies at the registered office of the Subsidiary.
- The Agreement becomes effective upon registration in the register of companies at the registered office of the Subsidiary.
- The Agreement shall be concluded for an indefinite period of time. It may be terminated ordinarily upon three (3) months' notice prior to the end of the Subsidiary's fiscal year, but for the first time to the end of the Subsidiary's fiscal year that ends at least five (5) years after the beginning of the Subsidiary's fiscal year in which the Agreement became effective. In addition to the above notice period, Siemens AG can terminate the Agreement ordinarily at any time upon two (2) weeks' prior notice once the minimum term specified in the above sentence has expired.

- The right to terminate the Agreement for good cause without observing a notice period shall remain unaffected. Good cause shall exist in particular in the event of insolvency, merger, split-up or liquidation of Siemens AG or the Subsidiary; it shall also exist if Siemens AG disposes of or contributes shares and thus no longer directly holds all the shares in the Subsidiary, or an outside shareholder participates in the Subsidiary for the first time within the meaning of Section 307 of the German Stock Corporation Act (AktG) as a result of Siemens AG disposing of or contributing shares. In the event that shares are disposed of or contributed, Siemens AG may also terminate the Agreement as of the date of conclusion of the promissory Agreement relating to the disposal or contribution of the shares in the Subsidiary, effective the date of transfer of the shares or at an earlier date. Good cause shall also exist in the event of an initial public offering ("IPO") of the Subsidiary; in such a case, the Agreement can also be terminated as of the date on which the prospectus is approved by the responsible authority, effective the date on which the IPO is completed (transfer of the shares to the investors) or at an earlier date.
- Notice of termination of the Agreement shall be given in writing.
- The interpretation of individual provisions of the Agreement shall be subject to Section 14, Section 17 of the German Corporation Tax Act (KStG), as amended from time to time.
- The Agreement contains a severability clause. Should any provision of the Agreement be or become ineffective or unenforceable in whole or in part or should the Agreement contain a gap, this shall not affect the validity of the remaining provisions of the Agreement. In place of the ineffective or unenforceable provision, the parties shall agree on an effective or enforceable provision which in its economic effect comes as close as legally possible to that of the ineffective or unenforceable provision. In the event of a gap in the Agreement, the parties shall agree on a provision that would have been intended, in light of the object and purpose of the Agreement, had they considered the point on concluding the Agreement.
- If, under the terms of the Agreement, a declaration is to be made in writing, such a declaration shall be signed by the declaring party, signing his/her name in his/her own hand, and transmitted to the other party as an original. The written form may not be replaced by the electronic form.
- Place of performance and jurisdiction for the parties shall be Munich.

Siemens AG is the sole shareholder of the Subsidiary. No compensation payments or financial settlements pursuant to Section 304, Section 305, respectively, of the German Stock Corporation Act (AktG) are to be made to outside shareholders.

From the time of giving Notice of Annual Shareholders' Meeting, the following materials are available on our website at **WWW.SIEMENS.COM/AGM**:

- the Control and Profit-and-Loss Transfer Agreement between Siemens AG and Siemens Mobility GmbH,
- The Annual Financial Statements and the Consolidated Financial Statements as well as the Combined Management Reports of Siemens AG and the Siemens Group as of September 30, 2017, September 30, 2018 and September 30, 2019,
- The Annual Financial Statements and Management Reports of Siemens Mobility GmbH as of September 30, 2018 (short fiscal year) and September 30, 2019,
- The Joint Report of the Managing Board of Siemens AG and Management of Siemens Mobility GmbH in accordance with Section 293a of the German Stock Corporation Act (AktG).

Upon request, every shareholder will be provided with a copy of these materials without undue delay and free of charge. The materials will also be available at the Annual Shareholders' Meeting of Siemens AG.

Further information, details, and reports

Report of the Managing Board on Agenda Item 7

Siemens AG is again seeking authorization from the Annual Shareholders' Meeting to repurchase and use shares of Siemens AG ("Siemens shares") pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). The Company is to be able to repurchase Siemens shares over a period of five years in an amount of up to 10% of the capital stock and thus make use of the legal framework for such authorizations. The repurchase of Siemens shares may be effected as an acquisition on the stock exchange, through a public share repurchase offer or through a public offer to swap Siemens shares for shares made by the Company itself or any of its consolidated subsidiaries, or by third parties acting on behalf of the Company or any of its consolidated subsidiaries. Shares can also be acquired on the stock exchange as part of a structured repurchase program, which a credit institution or an enterprise operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 53b (7) of the German Banking Act (KWG) or a consortium of such credit institutions or enterprises is engaged to conduct. The option of an offer to swap shares gives the Company added flexibility, since it can offer shares it holds in a listed company within the meaning of Section 3 (2) of the German Stock Corporation Act (AktG) instead of cash as a consideration for acquiring Siemens shares. For shareholders, too, such a swap offer can also be an attractive alternative to a public share repurchase offer.

If the number of Siemens shares tendered or offered by shareholders for purchase or exchange exceeds the total volume of shares that the Company intends to repurchase, the shareholders' tender right may be excluded to the extent that, instead of in proportion to their percentage of ownership, the repurchase will be in proportion to the Siemens shares tendered or offered by each shareholder in order to facilitate the allocation process. The preferential treatment of small lots of up to 150 shares tendered or offered per shareholder and rounding according to commercial principles may also be used to facilitate the allocation process.

The authorization also includes the use or sale of Siemens shares as described in greater detail below, in particular to the extent that it involves an exclusion of the subscription right of the shareholders.

Pursuant to the authorization proposed under Agenda Item 7 c) subsection (2) repurchased Siemens shares may be used in connection with share-based compensation programs and/or employee share programs. Siemens promotes an ownership culture at the Company and enables employees and managers, where possible worldwide, to participate in the Company and its development by means of share programs and share-based compensation. This participation is also desired by legislators and therefore is facilitated in several ways. The issue of shares to employees of Siemens AG or its affiliated companies and to board members of its affiliated companies is intended to enhance the identification of these persons with Siemens. Their long-term affiliation with the Company is to be reinforced and they are to be enabled to participate as shareholders in the Company's long-term development. The aim, in the interests of the Company and its shareholders, is to strengthen the understanding and willingness to accept greater, especially economic, responsibility. The issue of shares also makes it possible to create schemes with long-term incentive effects in which both positive and negative developments can be reflected. For example, this enables the grant of shares with a lock-up period or vesting period or sales-deferring inducements to have not just a bonus effect, but, in the case of negative developments, also a malus effect, and therefore shall serve as a strong incentive to focus on a sustainable increase in the Company's value.

The targets described above are currently being pursued in the Siemens Group using a variety of models for employee share programs and share-based compensation.

Under what is termed a Share Matching Plan, eligible employees and managers of Siemens AG and its affiliated companies that participate in the plan have the opportunity, every year in which a new plan tranche is issued, to invest a certain portion of their compensation in the acquisition of Siemens shares at the stock market price. After a vesting period of around three years, plan participants receive one additional free Siemens share ("matching share") for every three Siemens shares acquired and continuously held under the Share Matching Plan, provided they are employed with Siemens AG or any of its affiliated companies without interruption until the end of the vesting period.

So as to simplify administration, it shall also be possible to offer a modified Share Matching Plan, under which the plan participants immediately receive one additional free matching share for every three Siemens shares purchased at the stock market price under the Share Matching Plan, and under which the purchased and matching shares are subject to a vesting period of at least one year, during which they cannot be disposed of. However, a decision to launch such a plan has not yet been made at present.

Similarly, eligible managers and employees in the UK can immediately receive one additional free matching share for every three Siemens shares purchased at the stock market price as part of the Siemens UK Share Incentive Plan. In order for the plan participants and their employer to utilize the tax advantages that can be obtained under this plan, its terms and conditions are based on the applicable tax regulations under English law. In particular, there is a vesting period of several years, which is generally a prerequisite for the matching shares to be exempt from tax.

In addition, eligible Siemens managers and employees in Germany have the opportunity to acquire shares with the purchase funded in equal parts through their own investment and a company contribution in accordance with the applicable tax privileges. Shares that are acquired or held in this way on preferential terms also entitle the holders to receive matching shares under the same conditions as under the Share Matching Plan.

Eligible managers and employees of Siemens AG and of its affiliated companies are currently granted Siemens shares also without previous own investment with a vesting period. The shares are transferred when the vesting period ends ("Siemens stock awards"). As a matter of principle, the vesting periods are several years in length. However, an annual pro-rata transfer of equal parts of a total number of granted shares over a term of several years can also be provided for. Stock awards are also partly linked to performance targets. Up to now, they have been linked to the development of the price of Siemens shares relative to its main competitors, for example. In this regard, targets related to sustainability are to be taken into account in the future in addition to increases in company value.

In addition, it should be possible to transfer repurchased treasury shares to eligible employees of Siemens AG and its affiliated companies without any own investment to allow for a participation in the Company's success after successful fiscal years or to reward them for their long service.

The issue of shares under the above-mentioned share programs may also be made to third parties (such as credit institutions or enterprises operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 53b (7) of the German Banking Act (KWG)) who cede the beneficial ownership and/or the economic benefits of the shares to the program participants. The exercise of the authorization proposed under Agenda Item 7 c) subsection (2) is not intended to be restricted to the above-mentioned employee share programs and share-based compensation. The shares included under this authorization should also be available in cases in which, to the benefit of employees of Siemens AG or its affiliated companies or board members of its affiliated companies, new employee share programs and share-based compensations are introduced, including programs limited to individual companies, or when existing employee share programs or share-based compensations are extended or adjusted.

If this authorization is utilized, the total number of shares issued and the preferential treatment granted to the beneficiaries as a result of the shares being granted at a reduced price or without any own investment should be in reasonable relation to the Company's situation and the anticipated advantages for the Company. The issue of the shares can be tied to other conditions, such as vesting periods, lock-up periods, achievement of specific targets or continued employment at the Siemens Group.

The above-described objectives of identification with the Company, affiliation with the Company and the acceptance of entrepreneurial responsibility are in the interest of the Company and its shareholders. Transferring existing or newly repurchased treasury shares instead of making use of available authorized capital, if any, may be an economically viable alternative, as it avoids the effort associated with a capital increase and the listing of new shares. The exclusion of shareholders' subscription rights required for this use of the Siemens shares is thus generally in the interest of the Company and its shareholders.

Furthermore, the authorization proposed under Agenda Item 7 d) is designed to enable the Company to use repurchased Siemens shares to service obligations or rights to acquire Siemens shares that were or will be agreed with members of the Managing Board of Siemens AG within the framework of rules governing Managing Board compensation. Again, to this extent, the exclusion of shareholders' subscription rights is required. In this way, variable compensation components can be granted which provide an incentive for sustainable management over the long term, for example by a part of the variable compensation, instead of being paid in cash, being granted in the form of shares subject to a certain lock-up period or stock awards that are subject to a vesting period. In addition, such stock-based compensation components can be linked to specific performance targets, such as the development of the price of Siemens shares relative to its main competitors or other targets related to increasing company value or sustainability.

By transferring shares subject to a lock-up period or granting stock awards with a vesting period or granting other share-based compensation instruments to members of the Managing Board, a part of their compensation can be deferred, thereby increasing their loyalty to the Company, since the Managing Board will participate in a sustainable increase in the Company's value and can dispose of the compensation components only when the vesting period expires. The minimum vesting period for such compensation instruments should be around four years. Since disposal of such shares is not permitted before the end of the vesting period, the member of the Managing Board will participate in the positive as well as negative changes in share performance during the vesting period. As a consequence, the members of the Managing Board may, in addition to the bonus effect, also experience a malus effect.

The details regarding the compensation of the members of the Managing Board are determined by the Supervisory Board. These include rules concerning further conditions, such as vesting periods, lock-up periods, achievement of specific targets, the forfeiture and non-forfeiture of stock awards, as well as rules concerning the treatment of stock awards and shares subject to a lock-up period in special cases, such as in the case of retirement, disability or death, or prematurely leaving the Company, where, for example, a cash settlement or removal of the lock-up period or vesting period may be provided. The comprehensive system of compensation for the members of the Managing Board adopted by the Supervisory Board with effect from October 1, 2019 is described in detail and submitted for approval under Agenda Item 6.

The decision on the instrument of equity compensation to be used and the method of servicing is determined by the Supervisory Board with regard to shares used within the framework of Managing Board compensation, and by the Managing Board with regard to all other shares. In reaching their decisions, these boards will focus solely on promoting the interests of the Company and the shareholders.

Pursuant to the authorization proposed under Agenda Item 7 c) subsection (3), the Managing Board should also be authorized, with the approval of the Supervisory Board, to offer and transfer Siemens shares against contributions in kind and thereby use them as a consideration in connection with business combinations or as a consideration for the acquisition (including indirect acquisition) of companies, businesses, parts of businesses, participations or other assets or rights to acquire assets, including receivables against the Company or any of its consolidated subsidiaries. The proposed authorization is designed to enhance the Company's competitive edge in its quest for interesting acquisition targets and to give the Company the necessary freedom to exploit opportunities to acquire such assets quickly, flexibly and with little detriment to liquidity by using Siemens shares. The proposed exclusion of shareholders' subscription rights takes account of this objective. The decision whether and to what extent treasury shares or shares issued under an authorized capital are to be used as an acquisition currency is made by the Managing Board, whereby it will focus solely on the interests of shareholders and the Company. When determining the valuation ratios, the Managing Board shall ensure that the interests of shareholders are adequately safeguarded, taking into account the market price of Siemens shares. However, no schematic link to a market price is foreseen in this context, in particular so that fluctuations in the market price do not jeopardize the results reached at negotiations. There are currently no concrete plans to make use of this authorization.

Furthermore, the authorization proposed under Agenda Item 7 c) subsection (4) is designed to enable the Company, with the approval of the Supervisory Board, to sell Siemens shares (under exclusion of shareholders' subscription rights) against payment in cash, e.g. to one or more institutional investors, or to enhance the Company's investor base. The sale shall be subject to the condition that the selling price is not significantly lower than the market price of a Siemens share. The possibility of selling repurchased treasury shares against payment in cash under exclusion of shareholders' subscription rights serves the interests of the Company to obtain the best price possible on the sale. By excluding shareholders' subscription rights, it is possible to place the shares close to the market price, i.e. the discount normally associated with rights issues is eliminated. Compared to selling the shares on the stock exchange over a lengthy period of time, this approach results in an immediate inflow of funds and avoids the uncertainties of future stock market developments in relation to the total purchase price that is obtained. It enables the Company to quickly, flexibly and cost-effectively exploit opportunities that arise in the context of prevailing stock market conditions. The part of the capital stock mathematically attributable to the shares sold under this kind of facilitated exclusion of subscription rights must not exceed 10% of the capital stock at the time the resolution is adopted by the Annual Shareholders' Meeting or at the time at which the authorization is exercised, if the latter amount is lower. By basing the selling price on the market price, the desirability of dilution protection and the shareholders' interests in safeguarding their assets and voting rights are given due consideration. When determining the final selling price, Management shall keep any possible markdown on the quoted stock market price as low as possible, taking into account current market conditions. Generally, shareholders will be able to maintain their percentage of ownership in the Company by purchasing Siemens shares on the stock exchange under comparable terms and conditions, while the Company is provided with additional room for maneuver in the interest of all shareholders. The proposed authorization ensures that the number of Siemens shares issued pursuant to Agenda Item 7 (c) subsection (4) – by way of facilitated exclusion of shareholders' subscription rights in *mutatis mutandis* application of the provisions of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) – plus the number of other Siemens shares issued or disposed of during the term of the authorization to acquire shares up to the time of it being exercised by applying the above provisions either directly or *mutatis mutandis*, does not exceed 10% of the capital stock, neither at the time of the resolution of the Annual Shareholders' Meeting nor at the time of the use of the authorization. Likewise included are shares to be issued or disposed of on the basis of a convertible bond or warrant bond issued during the term of the authorization to acquire shares, with shareholders' subscription rights excluded in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). There are currently no concrete plans to make use of this authorization.

In addition, under the authorization proposed under Agenda Item 7 c) subsection (5) the Company should be able to use Siemens shares to service or secure obligations or rights to acquire Siemens shares arising particularly from or in connection with convertible bonds or warrant bonds of the Company or its consolidated subsidiaries. In its decision whether to use Siemens shares or to issue new shares when servicing obligations or rights to acquire Siemens shares, the Managing Board will consider the interests of the shareholders appropriately. The same applies to the question of the – also possibly exclusive – serviceability of convertible bonds or warrant bonds using Siemens shares. The exclusion of shareholders' subscription rights is a prerequisite in all such cases. This also applies if a customary market form of dilution protection is granted to the extent that holders/creditors of conversion or option rights or conversion or option obligations on Siemens shares are granted subscription rights to shares in the event of rights issues by the Company to the extent to which they would be entitled after having exercised such rights or fulfilled such obligations.

Further, pursuant to the authorization proposed under Agenda Item 7 f) in the event of a sale of Siemens shares by a public offer to all shareholders, the subscription right for fractional amounts could also be excluded in order to facilitate ease of handling.

Finally, the Company shall pursuant to the authorization proposed under Agenda Item 7 c) subsection (1) be entitled to retire Siemens shares without requiring an additional resolution by the Annual Shareholders' Meeting. Such retirements can also be carried out without a capital decrease, with the result that the pro rata amount of the other shares relative to the Company's capital stock is increased. In such a case, the Managing Board is authorized to adjust the number of shares of no par value specified in the Articles of Association.

The Managing Board will inform the Annual Shareholders' Meeting of the use of the authorization.

Report of the Managing Board on Agenda Item 8

In connection with the repurchase of Siemens shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the Company should be authorized to use certain derivatives in addition to the possibilities for repurchasing Siemens shares set down under Agenda Item 7. This authorization will grant the Company greater flexibility in the design of its repurchase strategies and programs. The use of put options, call options and forward purchases or a combination of these instruments (hereinafter "derivatives") may – also in combination with other legally admissible transactions not covered by this authorization – be advantageous compared to direct purchases or, for example, may offer advantages for optimizing the purchase strategy in financial terms and serve to improve the repurchase of Siemens shares. The authorization shall be used by Siemens AG or any of its consolidated subsidiaries, or by third parties acting on behalf of Siemens AG or any of its consolidated subsidiaries. The authorization proposed under Agenda Item 8 does not result in an extension of the maximum limit (provided for in Agenda Item 7) for the repurchase of Siemens shares of up to 10% of the capital stock existing at the time of the resolution or the capital stock existing as of the date on which the authorization is exercised – if the latter value is lower. It merely opens up additional repurchase modalities within the envisaged additional upper limit of a maximum of 5% of the capital stock.

The derivative contracts are to be entered into with an independent credit institution or an enterprise operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 53b (7) of the German Banking Act (KWG) or a consortium of such credit institutions or enterprises. The term of the derivatives must be chosen in such a way that the repurchase of Siemens shares pursuant to the terms and conditions of the derivatives takes place no later than February 4, 2025. This is to ensure that the Company will not acquire any more Siemens shares after expiry, on February 4, 2025, of the authorization to repurchase Siemens shares under this authorization. Furthermore, the maturity of a derivative is limited to a maximum of 18 months.

When selling put options, the purchaser is given the right to sell Siemens shares to the Company at a price specified in the put option contract ("strike price"). In return, the Company receives an option premium which corresponds to the value of the disposal right taking into consideration, among other things, the strike price, the term of the option, and the volatility of the Siemens share. If the put option is exercised, the option premium paid by the purchaser of the put option reduces the total consideration paid by the Company for the acquisition of the share. As a rule, the exercise of the put option makes economic sense for the option holder if the price of Siemens shares, at the time of exercise, is lower than the strike price, because the option holder can then sell the Siemens share at the higher strike price. From the Company's perspective, the use of put options in share repurchases may have the advantage that the strike price is already determined at the date of entering into the option contract, while liquidity will not flow out until the date the option is exercised. If the option holder does not exercise the option because the share price on the date of exercise exceeds the strike price, the Company, although unable to acquire any Siemens shares in this way, still keeps the option premium received.

When purchasing call options, the Company acquires, against payment of a premium, the right to buy a predetermined number of Siemens shares at a predetermined exercise price ("strike price") from the seller (or writer) of the option. The authorization enables the Company to conclude and exercise such options. For the Company, exercise of the call option makes economic sense if the price of Siemens shares is higher than the strike price, because it can then buy the shares from the option writer at the lower strike price. In addition, the Company's liquidity will not be adversely impacted by the predetermined strike price until the agreed price for the shares is to be paid upon exercise of the call option.

In the case of a forward purchase contract, the Company agrees to purchase from the forward seller the shares at a fixed future date and at a predetermined price that is agreed by the parties at the time the contract is entered into. It can be expedient for the Company to enter into forward purchase contracts if it wants to ensure that it can satisfy its need for Siemens shares on the forward settlement date at a specific price level.

The conditions governing the structure of these derivatives that are contained in the authorization are designed to ensure that, also in the event of such derivative contracts being used, the principle of equal treatment can be observed and economic disadvantages for the shareholders are ruled out.

The premium paid by the Company for derivatives shall not be significantly higher, and the premium received by the Company for derivatives shall not be significantly lower, than the theoretical market price of the respective derivative calculated in accordance with generally accepted actuarial methods. Among other factors, the predetermined strike price shall be taken into account when determining the theoretical market price.

The determination of both option premium and strike price/premium paid in the manner described above, and the commitment to be included in the terms and conditions of the derivatives to satisfy the exercise of options or the fulfillment of forward purchases by utilizing only Siemens shares that were previously acquired, for example on the stock exchange, in compliance with the principle of equal treatment, are designed to rule out economic disadvantages for existing shareholders from such a repurchase of Siemens shares. Since the Company receives or pays a fair market price, the shareholders not involved in the derivative transactions do not suffer any substantial loss in value. In this respect, this is comparable to the position of shareholders in the case of a share repurchase on the stock exchange, where in fact not all shareholders are likewise able to sell shares to the Company. Both the regulations governing the structure of the derivatives and the regulations governing the shares suitable for delivery ensure that full account is also taken of the principle of equal treatment of shareholders in this form of purchase. Therefore it is justifiable, also in accordance with the legal basis underlying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), that shareholders shall have no right to enter into such derivative contracts with the Company. The shareholders shall also not have the right to enter into derivative contracts to the extent the Company, when repurchasing Siemens shares using derivatives, provides for preferential treatment with regard to the conclusion of derivative contracts relating to small lots of shares. Besides, without the exclusion of shareholders' subscription and tender rights, it would make hardly any economic sense to conclude derivative contracts at short notice or with suitable counterparties for such derivatives.

If Siemens shares are repurchased using derivatives, shareholders shall have a right to tender their Siemens shares only insofar as the Company is obligated to take delivery of such shares pursuant to the terms and conditions of the derivatives. Otherwise the use of derivatives in share repurchases would not be possible, and the Company would not be able to reap the benefits associated therewith. Having carefully weighed the interests of shareholders and the Company, and given the advantages to the Company resulting from the use of derivatives, the Managing Board considers the nongranting of, or the restriction on, the shareholders' right to tender their shares to be justified.

The Managing Board will inform the Annual Shareholders' Meeting of the use of this authorization.

Report of the Managing Board on Agenda Item 9

An adequate capital structure and appropriate financing are essential prerequisites for the development of the Company. By issuing convertible bonds and/or warrant bonds, the Company is able to use attractive financing opportunities depending on the market situation and its financing necessities, for example in order to raise debt capital at favorable interest rates or to optimize its capital structure. Furthermore, the issue of convertible bonds and/or warrant bonds, potentially in addition to other instruments such as a capital increase, may serve to broaden the investor base, including what are known as anchor investors.

The authorization to issue convertible bonds and/or warrant bonds resolved on by the Annual Shareholders' Meeting on January 27, 2015, under Agenda Item 10 will expire on January 26, 2020. Therefore, the Managing Board shall again be authorized to issue, also in exchange for considerations in kind, convertible bonds and/or warrant bonds, the Conditional Capital 2015 and Conditional Capital 2010 shall be canceled and new Conditional Capital 2020 shall be resolved. Together with the existing authorization to issue convertible bonds and/or warrant bonds resolved on by the Annual Shareholders' Meeting on January 30, 2019, under Agenda Item 7, the Company would thus again have a sufficiently large authorized volume overall.

The authorization being sought under Agenda Item 9 is designed for issuing bonds in a principal amount of up to €15,000,000,000 with conversion or option rights or obligations entitling or obliging the holders/creditors to subscribe to stock of Siemens AG. For this purpose, up to 60,000,000 new Siemens shares from the new Conditional Capital 2020 shall be provided for, representing a pro rata amount of up to €180,000,000 of the capital stock. Full utilization of the proposed authorization would enable the issue of bonds granting subscription rights or conversion rights for approx. up to 7.06% of the Company's current capital stock at the time they are established. The authorization shall expire on February 4, 2025.

The Company, possibly also through its consolidated subsidiaries, shall be entitled to raise funds through the issue of bonds in euros as well as in other legal currencies of OECD countries. The bonds may also stipulate the possibility of an obligation to exercise conversion and/or option rights or exchange rights by the issuer or Siemens AG, in particular rights to replace the considerations originally owed under them by Siemens shares (including in the form of a tender right, substitution right or redemption option). Furthermore, the terms and conditions are also – apart from servicing from conditional capital or from authorized capital – to provide for the option of delivering treasury shares, paying the compensation for the value in cash or by transferring other securities that can be traded.

Apart from convertible bonds and/or warrant bonds with subscription rights only for creditors or holders, mandatory exchangeable bonds should also be possible. In addition, bonds shall also be enabled for which the issuer or Siemens AG can exercise an exchange right after the bond has been issued, through a declaration to the bondholders, as a result of which Siemens shares must be delivered in whole or part instead of the consideration originally determined in the bond. The last-mentioned option enables the Company to respond to changes in general conditions between the issuance of such bonds and the end of their term flexibly and with little detriment to liquidity.

The conversion and/or option price must not be lower than a minimum issue price per share that is computed in accordance with the procedures described in detail above. The basis for the computation is in each case the market price of Siemens shares prevailing at the time of placement of the bonds; alternatively, in case of conversion or option obligations or an exchange right, the market price of Siemens shares prevailing at the time when the conversion or option price is calculated as defined in detail by the terms and conditions of the bonds. Without prejudice to Section 9 (1) and Section 199 (2) of the German Stock Corporation Act (AktG), the conversion or option price may be adjusted by virtue of a dilution protection or adjustment clause subject to a more precise definition of the terms and conditions of the bonds if the Company, for example, changes its capital structure during the term of the bonds or warrants (e.g. through a capital increase, a capital decrease or a stock split). Furthermore, dilution protection or other adjustments may be provided for in connection with dividend payouts, the issue of additional convertible and/or warrant bonds, transformation measures, and in the case of other events affecting the value of the option and/or conversion rights that may occur during the term of the bonds or warrants (e.g. control gained by third parties). Dilution protection or other adjustments may be provided particularly by granting subscription rights, by changing the conversion or option price, and by amending or introducing cash components.

As a matter of principle, shareholders shall have subscription rights with regard to this type of bond issue. In order to facilitate ease of handling, however, it is intended to provide for the option to make use of the possibility of issuing the bonds to credit institutions or enterprises operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 53b (7) of the German Banking Act (KWG) with the obligation that they must be offered to shareholders for subscription. In the cases referred to in the authorization, however, the Managing Board shall also be authorized to exclude the subscription right with the approval of the Supervisory Board.

Pursuant to Section 221 (4) sentence 2 of the German Stock Corporation Act (AktG), the provisions of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) apply *mutatis mutandis* to the exclusion of subscription rights when convertible bonds or warrant bonds are issued. On the basis of the legal restriction in this connection that forms part of the authorization, the limit for the exclusion of subscription rights of up to 10% of the capital stock stipulated in the above provision is not exceeded. The part of the capital stock mathematically attributable to the shares to be issued or granted on the basis of bonds issued under this authorization must not exceed 10% of the capital stock at the time this authorization becomes effective or, if this amount is lower, at the time at which this authorization is used. When determining this limit, shares shall also be taken into account which, during the term of this authorization until its use, are issued or disposed of in direct or *mutatis mutandis* application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). The same applies to shares which have been issued or granted or are to be issued or granted due to a convertible bond and/or warrant bond issued or granted during the term of this authorization based on the use of another authorization under exclusion of the subscription right in accordance with these provisions.

Placements that exclude shareholders' subscription rights provide a platform for the Company to take advantage of favorable situations on the capital market at short notice and may thus achieve a significantly higher inflow of funds than in the case of issues retaining subscription rights. Moreover, the terms and conditions that can be achieved (in particular the conversion/option price per share and the option premium obtained or to be paid and, in the case of foreign currencies, the exchange rate) can be estimated far more reliably over a very short term and thus attractive terms and conditions can also be achieved more reliably. If issues provide for the retention of subscription rights, uncertainty about the utilization of such rights would put a successful placement at risk or at least burden it with additional expenses and far longer lead times, during which market conditions may change. Terms and conditions that are favorable for the Company and that reflect market conditions can be achieved only if the Company is not bound by these terms for an excessively long offering period. Otherwise a substantial discount would be required in order to ensure the attractiveness of the terms and conditions and thus the success of the issue over the entire offering period. Moreover, if foreign currencies are included, the effects of exchange rate fluctuations on the issue can be mitigated if the subscription rights are excluded and the offering period is appropriately reduced. Finally, especially bonds in foreign currency or with more than one embedded derivative may be instruments that are suitable or interesting only for specialized groups of investors.

To ensure that the interests of shareholders are safeguarded, bonds are issued at a price that is not significantly lower than the theoretical market price computed in accordance with generally accepted actuarial methods in the case of subscription rights or subscription obligations that were already established when the bonds were issued. In determining the price and taking into account the then current capital market situation, the Managing Board will keep the discount on that market price as small as possible, thus reducing the financial value of a subscription right in respect of the bonds to near zero. As a result, existing shareholders will not suffer a material economic disadvantage following the exclusion of their subscription rights. In addition, to protect themselves against any negative dilutive effects, they have the opportunity to maintain their percentage equity ownership interests in the Company's capital stock by purchasing the necessary shares on the stock exchange as close as possible to the time of determination of the terms of issue of the bonds.

Furthermore, the shareholders' subscription right can also be excluded if the bonds are issued in exchange for considerations in kind. Among other things, this is intended to enable the Managing Board to also use the bonds as an acquisition currency to acquire such considerations in kind against transfer of such financing instruments, in each case on an opportunistic basis in connection with business combinations or for the purpose of acquiring (including indirectly acquiring) companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its consolidated subsidiaries. Business expansions realized by way of acquisition of companies or participations in companies normally require quick decisions. The proposed authorization enables the Managing Board to react in a quick and flexible manner to advantageous offers or other opportunities arising on national or international markets and to seize business expansion opportunities by acquiring companies or participations in companies against the issuance of bonds in the interest of the Company and its shareholders. The Managing Board will carefully review in each case whether it should use the authorization to issue bonds under exclusion of shareholders' subscription rights where actual opportunities for the acquisition of assets, in particular companies or participations in companies, arise. The Managing Board will not exclude the shareholders' subscription rights unless this would be in best interests of the Company and its shareholders.

The remaining proposed instances of exclusion of shareholders' subscription rights are designed to facilitate the process of bond issue. The exclusion in the case of fractional amounts is a reasonable and market-conforming means for achieving a practical subscription ratio. Due to the restriction to fractional amounts, the potential dilutive effect is also usually very low. The exclusion of shareholders' subscription rights for the benefit of holders/creditors of outstanding bonds is in line with common market practice and may be advantageous if the conversion or option price of the already outstanding bonds, which are commonly equipped with an anti-dilution mechanism, does not have to be reduced. The proposed exclusions of the subscription right are therefore in the interests of the Company and its shareholders.

The Conditional Capital 2020 is required in order to be able to fulfill conversion and/or option rights or conversion or option obligations or tender rights with respect to Siemens shares attached to bonds, unless other forms of fulfillment are used to ensure delivery.

There are currently no concrete plans to make use of the authorization to issue convertible bonds and/or warrant bonds. The Managing Board will carefully consider on a case-by-case basis whether use of the authorization would be in the interests of the Company and its shareholders.

The Managing Board will inform the Annual Shareholders' Meeting of the use of the authorization.

Commitment by the Managing Board with regard to any increases in the capital stock from authorized and conditional capital

Under Agenda Items 7, 8 and 9, it is proposed to the Annual Shareholders' Meeting that new authorizations to repurchase and use Siemens shares and to issue convertible bonds and/or warrant bonds, including the corresponding Conditional Capital 2020, be granted. An authorization to exclude shareholders' subscription rights is provided for in these proposals. For the most important case in practice – the facilitated exclusion of subscription rights against contributions in cash (stipulated by law in Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG)), the proposals contain provisions on the inclusion of shares that ensure that a maximum limit of 10% of the capital stock is adhered to, even if use of the facilitated exclusion of subscription rights is made under different authorizations in direct or *mutatis mutandis* application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

In addition, the Managing Board also issues the following commitment, which supersedes the commitment by the Managing Board on Agenda Items 6 and 7 at the Annual Shareholders' Meeting on January 30, 2019: We will not increase the capital stock of the Company from the proposed Conditional Capital 2020 and the existing Authorized Capital 2019 and the existing Conditional Capital 2019 by a total of more than 10% of the current capital stock, to the extent that capital increases with shareholders' subscription rights excluded are made from the Authorized Capital 2019 against contributions in cash or in kind or to service convertible bonds and/or warrant bonds issued under the authorization proposed in Agenda Item 9 or the authorization resolved on by the Annual Shareholders' Meeting on January 30, 2019 under Agenda Item 7 with shareholders' subscription rights excluded. This commitment comes into force when the authorization to issue convertible bonds and/or warrant bonds and the corresponding Conditional Capital 2020 proposed under Agenda Item 9 becomes effective. It ends no later than midnight (CET) on February 4, 2025. It shall end prematurely if a future Annual Shareholders' Meeting resolves a new authorization to exclude shareholders' subscription rights and, in connection with the proposal to the Annual Shareholders' Meeting, the Managing Board submits a new arrangement superseding this commitment.

Total number of shares and voting rights

At the time of giving Notice of the Annual Shareholders' Meeting, the Company's capital stock amounts to 850,000,000 shares of no par value, with each share entitling to one vote. The total number of voting rights thus amounts to 850,000,000. Of these 850,000,000 shares, at the time the Annual Financial Statements were prepared by the Managing Board, 35,722,579 shares were held as treasury shares from which the Company derives no rights.

Prerequisites for attending the Annual Shareholders' Meeting and for exercising the voting rights

NOTIFICATION OF ATTENDANCE

Only those shareholders are entitled to attend and vote at the Annual Shareholders' Meeting who are recorded as shareholders of the Company in the Company's share register and who have submitted timely notification of attendance at the Annual Shareholders' Meeting. The notification of attendance must be received by the Company no later than midnight (CET) on Wednesday, January 29, 2020.

Shareholders who are registered in the Company's share register may submit their notification of attendance in text form in the German or English language to Siemens AG at the following address:

Siemens Hauptversammlung
c/o ADEUS Aktienregister-Service-GmbH
20636 Hamburg, Germany
Telefax: +49 (0) 89/2070-37951
E-mail: hv-service.siemens@adeus.de

or by using the password-protected Internet Service for the Annual Shareholders' Meeting electronically via the Internet at

WWW.SIEMENS.COM/AGM-SERVICE

You can obtain online access by entering your Shareholder Control Number and your related Personal Identification Number (PIN), both of which are contained in the materials sent to you. Instead of their PIN, shareholders who have registered for electronic delivery of invitations to Shareholders' Meetings with an Access Password selected by them must use this Access Password. Further information on the attendance notification procedure is provided on the Attendance Notification Form (which may also be used to assign a proxy and vote by absentee voting) sent to you together with the Notice of Annual Shareholders' Meeting, as well as at the above-mentioned website. After timely notification of your attendance, you may use our Internet Service to change your admission ticket order, absentee voting, proxy authorization and voting instructions until the end of the general debate on the day of the Annual Shareholders' Meeting. Special conditions apply to the use of our Internet Service for notification of attendance from credit institutions, shareholders' associations as well as persons, institutions and companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG). Detailed information can be found on the above-mentioned website.

Credit institutions, shareholders' associations as well as persons, institutions and companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG) are not entitled to vote such shares not owned by them, but recorded under their name in the Company's share register (commonly referred to as nominee or "street name" registration), unless they have the shareholder's authority.

Holders of American Depositary Receipts (ADRs) may obtain further information through Deutsche Bank Trust Company Americas, c/o AST & Trust Co, 6201 15th Avenue, Brooklyn, NY 11219, USA (phone: +1 800 821 8780, e-mail: dbemails@astfinancial.com).

FREE DISPOSABILITY OF SHARES

Shareholders may dispose of their shares even after having registered for attendance at the Annual Shareholders' Meeting. The right to attend and vote is based on the shareholding evidenced by entry in the Company's share register as of the date of the Annual Shareholders' Meeting. Applications for registration in the Company's share register received by the Company from January 30, 2020, through February 5, 2020, i.e. after the end of the closing date of the notification period, will be processed and considered only with effect after the Annual Shareholders' Meeting on February 5, 2020. The technical record date is therefore the end of January 29, 2020.

Proxy voting procedure

Shareholders who are registered in the Company's share register are entitled to appoint a proxy representative – such as a credit institution, a shareholders' association or another third party – and to delegate to this representative their authority to vote their shares at the Annual Shareholders' Meeting. Here again, timely notification of attendance must be given (see "Notification of attendance" above). If a shareholder appoints more than one proxy representative, the Company may reject one or more of these.

A proxy authorization, its revocation and evidence of proxy authorization vis-à-vis the Company must be provided in text form or via the above-mentioned Internet Service if neither a credit institution nor a shareholders' association nor persons, institutions or companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG) are authorized. Please use preferably the Attendance Notification Form sent to you together with the Notice of Annual Shareholders' Meeting and send it to the above-mentioned address. Credit institutions, shareholders' associations as well as persons, institutions and companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG) may stipulate different requirements with regard to their own appointment as proxies.

As a service, we offer our shareholders this year, as in the past, the option of delegating, to employees of the Company, their authority to vote their shares at the Annual Shareholders' Meeting in accordance with their voting instructions. Again, the required authorization may be given at the above-mentioned Internet Service or by returning the form sent to you. Please note that these proxy representatives can only vote your shares on agenda items on which you have given voting instructions. The representatives will not accept any instructions for requests to speak, to ask questions or submit proposals or to raise objections to resolutions of the Annual Shareholders' Meeting.

Further details are provided on the Attendance Notification Form sent to you together with the Notice of Annual Shareholders' Meeting and at the above-mentioned website.

Absentee voting procedure

Shareholders registered in the Company's share register are entitled to submit their votes by way of absentee voting (voting by mail), even without attending the Annual Shareholders' Meeting. Only those shareholders of record are entitled to vote by absentee voting whose notification of attendance at the Annual Shareholders' Meeting (see "Notification of attendance" above) has been given in a timely manner. Authorized credit institutions, shareholders' associations as well as persons, institutions and companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG) may also take advantage of absentee voting.

Absentee voting shall be in writing or by using electronic communication. Please use preferably the Attendance Notification Form sent to you together with the Notice of Annual Shareholders' Meeting and send it to the above-mentioned address or use the above-mentioned Internet Service.

Further details are provided on the Attendance Notification Form sent to you together with the Notice of Annual Shareholders' Meeting and at the above-mentioned website.

Details on using the Internet Service for casting votes by proxy or by absentee voting

After timely notification of your attendance, you may use our Internet Service to change your proxy authorization and voting instructions and your voting by mail until the end of the general debate on the day of the Annual Shareholders' Meeting. Special conditions apply to the use of our Internet Service for notification of attendance from credit institutions, shareholders' associations as well as persons, institutions and companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG). Detailed information can be found on the above-mentioned website.

When using our Internet Service for the Annual Shareholders' Meeting, please note that you cannot give any voting instructions or cast absentee votes with regard to any votes on possible procedural motions or counterproposals or election nominations or other proposals, insofar as these were not made available or published prior to the Annual Shareholders' Meeting in accordance with statutory provisions or are only put forward during the Annual Shareholders' Meeting. Likewise, no requests to speak, questions, proposals and objections to resolutions of the Annual Shareholders' Meeting can be accepted via the Internet Service for the Annual Shareholders' Meeting.

Further details are provided on the Attendance Notification Form sent to you together with the Notice of Annual Shareholders' Meeting and at the above-mentioned website.

Inquiries, proposals, election nominations, and information requests

(information on shareholders' rights pursuant to Section 122 (2), Section 126 (1), Section 127, Section 131 (1), Section 293 g (3) of the German Stock Corporation Act (AktG))

REQUESTS FOR ADDITIONS TO THE AGENDA PURSUANT TO SECTION 122 (2) OF THE GERMAN STOCK CORPORATION ACT (AKTG)

Shareholders whose combined shares amount to at least one-twentieth of the capital stock or a proportionate ownership of at least €500,000 (the latter equivalent to 166,667 shares) may request that items be placed on the agenda and be published. On November 14, 2019, as part of the German law to implement the Second Shareholders' Rights Directive (ARUG II), the German Bundestag further adopted a new statutory regulation to be included in Section 87 (4) of the German Stock Corporation Act (AktG) stipulating that the Annual Shareholders' Meeting may, upon request in accordance with Section 122 (2) sentence 1 of the German Stock Corporation Act (AktG), reduce the maximum compensation determined pursuant to Section 87a (1) sentence 2 number 1 of the German Stock Corporation Act (AktG) in its version as amended by the law to implement the Second Shareholders' Rights Directive (ARUG II). If these new statutory regulations come into effect by the time of the Annual Shareholders' Meeting on February 5, 2020, this new legal option can likewise be exercised by shareholders as of when it comes into effect.

Persons submitting a request must prove that they have held the shares for at least 90 days before the date the request is received and that they hold the shares until the Managing Board decides on the request, with Section 70 of the German Stock Corporation Act (AktG) being applicable when calculating the time for which shares have been held. The day on which the request is received shall not be counted. Any move from a Sunday, Saturday or public holiday to a preceding or subsequent business day shall not be possible. Sections 187 to 193 of the German Civil Code (BGB) shall not be applied *mutatis mutandis*.

Each new item must be accompanied by supporting information or a formal resolution proposal. The request must be submitted in writing to the Managing Board of Siemens AG and be received by the Company no later than midnight (CET) on January 5, 2020. Please use the following address to submit your respective requests:

Managing Board of Siemens AG
Werner-von-Siemens-Str. 1
80333 Munich, Germany.

Unless made public at the same time as the Notice of Annual Shareholders' Meeting, requests for additions to the agenda that are required to be published are published without undue delay upon receipt in the German Federal Gazette (Bundesanzeiger). In addition, such requests are published on the Internet at **WWW.SIEMENS.COM/AGM** and communicated to the shareholders.

COUNTERPROPOSALS AND ELECTION NOMINATIONS PURSUANT TO SECTION 126 (1), SECTION 127 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

In addition, shareholders may submit to the Company counterproposals to Managing and/or Supervisory Board proposals relating to specific agenda items and make election nominations for Supervisory Board members or independent auditors. All counterproposals (along with supporting information) and election nominations must be sent to:

Siemens Aktiengesellschaft
Governance & Markets
Investor Relations (GM IR)
Werner-von-Siemens-Str. 1, G4.23
80333 Munich, Germany
Telefax: +49 (0) 89/636-1332474

or e-mailed to:

hv2020@siemens.com

Counterproposals and election nominations by shareholders to be made available, including the shareholder's name and any supporting information to be made available, will be posted on the Internet at WWW.SIEMENS.COM/AGM without undue delay upon their receipt, if applicable along with the content to be added in accordance with Section 127 sentence 4 of the German Stock Corporation Act (AktG). All counterproposals and election nominations relating to items on the agenda that are received at the above-mentioned address by midnight (CET) on January 21, 2020, will be considered. Management's position, if any, on the counterproposals and election nominations will also be available at the above-mentioned website.

This does not affect any shareholder 's right to submit counterproposals or election nominations to any items on the Agenda during the Annual General Meeting, without having submitted these to the Company in advance. Please note that counterproposals or election nominations which were submitted to the Company in due time in advance, will be considered at the Annual General Meeting only if they are brought forward orally at the meeting.

RIGHT TO OBTAIN INFORMATION PURSUANT TO SECTION 131 (1), SECTION 293 G (3) OF THE GERMAN STOCK CORPORATION ACT (AKTG)

Every shareholder or shareholder representative present at the Annual Shareholders' Meeting may request from the Managing Board information regarding the Company's affairs, the Company's legal and business relations with affiliated companies, and the position of the Group and any companies included in the Consolidated Financial Statements, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. Moreover, under Section 293 g (3) of the German Stock Corporation Act (AktG), with regard to Agenda Item 10, any shareholder shall, upon request, also be given information at the Annual Shareholders' Meeting relating to all affairs of Siemens Mobility GmbH that are material in the context of concluding the Control and Profit-and-Loss Transfer Agreement.

ADDITIONAL EXPLANATIONS

Additional explanations regarding shareholders' rights pursuant to Section 122 (2), Section 126 (1), Section 127, Section 131 (1), Section 293 g (3) of the German Stock Corporation Act (AktG) can be found on the Company's website at WWW.SIEMENS.COM/AGM.

Live transmission of the Annual Shareholders' Meeting

As determined by the Chairman of the Meeting, the entire Annual Shareholders' Meeting on February 5, 2020 will be webcast live for shareholders of Siemens AG over the Internet starting at 10:00 a.m. CET (WWW.SIEMENS.COM/AGM). Shareholders can obtain online access by entering their Shareholder Control Number and their related Personal Identification Number (PIN) specified in the materials sent to them. Instead of their PIN, shareholders who have registered for electronic delivery of invitations to Shareholders' Meetings with an Access Password selected by them must use this Access Password.

Furthermore, the speeches of the Chairman of the Supervisory Board and of the President and CEO may also be followed by other interested parties live over the Internet (WWW.SIEMENS.COM/AGM). A replay of the speeches of the Chairman of the Supervisory Board and of the President and CEO, but not of the entire Annual Shareholders' Meeting, will be available after the Annual Shareholders' Meeting at the above Internet address.

The live transmission of the Annual Shareholders' Meeting does not allow for a participation in the Annual Shareholders' Meeting within the meaning of Section 118 (1) sentence 2 of the German Stock Corporation Act (AktG).

Website where information pursuant to Section 124a of the German Stock Corporation Act (AktG) is available

The Notice of Annual Shareholders' Meeting, together with the information and explanations required by law, is also available on our website at WWW.SIEMENS.COM/AGM, where the information pursuant to Section 124a of the German Stock Corporation Act (AktG) and the currently valid version of the Articles of Association of Siemens AG can also be found.

The voting results will be posted at the same website after the Annual Shareholders' Meeting.

Information on data protection

You can find information on processing of your personal data in connection with the Annual Shareholders' Meeting and the share register at WWW.SIEMENS.COM/AGM-PRIVACY. We will also gladly send you this information by regular mail.

By order of the Managing Board
Siemens Aktiengesellschaft

This version of the Notice of Annual Shareholders' Meeting prepared for the convenience of English-speaking readers is a translation of the German original. For purposes of interpretation, the German text shall be authoritative and final.

Siemens Aktiengesellschaft

Chairman of the Supervisory Board: Jim Hagemann Snabe

Managing Board: Joe Kaeser, President and Chief Executive Officer · Members of the Managing Board: Roland Busch, Lisa Davis, Klaus Helmrich, Janina Kugel, Cedrik Neike, Michael Sen, Ralf P. Thomas

Registered offices: Berlin and Munich, Germany
Commercial registries: Berlin Charlottenburg, HRB 12300, Munich, HRB 6684; WEEE-Reg.-No. DE 23691322

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