

SIEMENS

Shareholder Proposals
for the Annual Shareholders'
Meeting
of Siemens AG
on January 27, 2005

Latest update: January 14, 2005

Below you find all shareholder proposals relating to items on the Agenda for the Annual Shareholders' Meeting on January 27, 2005 that are required to be disclosed, together with Management's discussion thereon.

This version of the Shareholder Proposals, prepared for the convenience of English-speaking readers, is a translation of the German original. For the purposes of interpretation the German text shall be authoritative and final.

The *Dachverband der Kritischen Aktionärinnen und Aktionäre*, Cologne, has submitted the following shareholder proposals:

Dachverband der Kritischen Aktionärinnen und Aktionäre
(Association of Critical Shareholders in Germany)

P.O. Box 13 03 35

50497 Cologne

Ebertplatz 12

50668 Cologne

Phone: (0221) 599 56 47

Fax: (0221) 599 10 24

dachverband@kritischeaktionaeere.de

www.kritischeaktionaeere.de

Siemens AG
hv2005@siemens.com

Counter Proposals for Annual Shareholders' Meeting 2005

Dear Sir/Madam:

Hereby, as shareholders of your Company, we submit the following counter proposals for the Annual Shareholders' Meeting of Siemens AG on January 27, 2005 and request you to make them available, including supporting statements, pursuant to §125 and §126 of the German Stock Corporation Act. We are registered in the stock register of your Company.

A Counter Proposal on Item 4 of the Agenda:

Be it resolved that the acts of the members of the Managing Board in fiscal year 2004 are not ratified.

Supporting statement:

Forty percent more after-tax profit and fourteen percent more dividend with stagnating sales: The Managing Board achieved this result only through mass dismissals and wage dumping! By threatening to relocate thousands of jobs to low-wage countries, it forces employees to work longer for lower wages. But the competence of a technology corporation depends on the competencies of its professionals. A Managing Board that dismisses professional employees or forces them into lower income brackets jeopardizes the Company's future.

At the same time, the Managing Board stubbornly persists in its notion of building nuclear power plants and fails to take sufficient measures to position Siemens in the market for renewable energies. Even after the formal spin-off of Siemens's nuclear business into a French-German joint venture, new-built nuclear reactors in Finland and China contribute to the Siemens dividend. This has caused severe damage to the Company's public image.

B

Counter Proposal on Item 5 of the Agenda:

Be it resolved that the acts of the members of the Supervisory Board in fiscal year 2004 are not ratified.

Supporting statement:

The voting majority of the Supervisory Board supports the short-sighted and unsocial behavior of the Managing Board. Therefore, the acts of both boards do not deserve ratification. Many shareholders express their frustrations with the current business policy of Siemens AG by transferring the right to vote their shares to the Dachverband der Kritischen Aktionärinnen und Aktionäre, Ebertplatz 12, 50668 Cologne, phone (0221) 5995647, fax (0221) 5991024, dachverband@kritischeaktionaeere.de, www.kritischeaktionaeere.de.

C

Counter Proposal on Item 7 of the Agenda:

Be it resolved that the election of Dr. Heinrich von Pierer to the Supervisory Board is rejected.

Supporting statement:

At shareholder meetings in past years, Dr. von Pierer, as President of the Managing Board, refused on several occasions to provide clear answers to decisive questions and spoke disparagingly of the use of renewable energies. In the event of his election to the Supervisory Board he, as future chairman of the shareholder meetings, would be in a position to prevent open debate and thus endanger the future viability of Siemens AG.

D

Counter Proposal on Item 9 of the Agenda:

Be it resolved that § 17 of the Articles of Association is revised to read as follows: The members of the Supervisory Board shall receive variable remuneration equal to the average income of all employees of Siemens worldwide in the fiscal year concerned, plus an amount equal to 100 times the dividend paid out on one share.

Supporting statement:

The Supervisory Board has obligations not only to the shareholders of Siemens AG, but also to the people who earn the Company's profit through their daily work. Linking the Supervisory Board's remuneration to both criteria can only improve its work.

With kind regards on behalf of the
DACHVERBAND DER KRITISCHEN AKTIONÄRINNEN UND AKTIONÄRE e.V.

sgd. Henry Mathews

Mr. Reinhardt Freudenberg, Jesteburg, has submitted the following shareholder proposal:

E With respect to Agenda Item 6: To ratify the appointment of independent auditors:

From: Reinhardt Freudenberg [mailto:freudenberg.reinhardt@t-online.de]
Date: Sunday, December 19, 2004, 12:31
To: HV2005
Re: Counter proposal

Dear Sir/Madam:

With regard to Agenda Item 6, I hereby oppose the appointment of KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft as independent auditors and propose that another auditing firm such as Ernst & Young be appointed in their stead.

Supporting statement: On account of the standards used in its valuation of real estate assets of Deutsche Telekom AG, KPMG has caused unacceptable losses to investors, in particular small investors of the 2nd and 3rd share issue. In my opinion, KPMG is hardly the appropriate firm to audit the financial statements of Siemens AG.

With kind regards,

Reinhardt Freudenberg

Mr. Manfred Meiler, Munich, Mr. Wolfgang Niemann, Seefeld, and the Verein von Belegschaftsaktionären in der Siemens AG, e.V., Munich, have submitted the following shareholder proposal:

F With respect to Agenda Item 3: Appropriation of net income:

Verein von Belegschaftsaktionären in der Siemens AG, e.V.

c/o Manfred Meiler, Grüntenstrasse 12a, 80686 Munich, ☎ 089/571419, 📠 089/574602
E-mail: M.Meiler@unsereaktien.de Homepage: <http://unsereAktien.de> ; E-mail: w.niemann@unsereaktien.de

Munich, December 20, 2004

Siemens AG
The Managing Board
Attention: Dr. v. Pierer
President

Our proposal concerning agenda item "Appropriation of net income" to be voted on at the Annual Shareholders' Meeting 2005

Dear Dr. v. Pierer:

Management, employees and shareholders can be content with the second best operating results in the history of Siemens, and you personally may also be satisfied when you hand over the Company in good shape. We hope the handover will not entail a tightening of corporate policy toward a shareholder value approach. We appreciate it that employees can again purchase Siemens shares at a preferential price and thus strengthen their stake in the Company, and we also welcome the supplemental contribution to the pension funds. Unfortunately, our two additional proposals, **"Revision of Managing Board compensation guidelines"** and **"Fostering solidarity between management and employees,"** designed to build a solidarity-oriented management, were not included on the agenda for formal reasons. In view of these considerations, however, we also reject the dividend increase proposed by the Supervisory and Managing Boards.

Personally and on behalf of the "Verein von Belegschaftsaktionären in der Siemens AG, e.V.," we hereby submit the following **counter proposal** with regard to Agenda Item 3, "Appropriation of net income": *"Resolved that the dividend payout remain unchanged at its previous level of €1.10 on each no-par value share entitled to the dividend."*

Verein von Belegschaftsaktionären in der Siemens AG, e.V.

c/o Manfred Meiler, Grüntenstrasse 12a, 80686 Munich, ☎ 089/571419, 📠 089/574602
E-mail: M.Meiler@unsereaktien.de Homepage: <http://unsereAktien.de> ; E-mail: w.niemann@unsereaktien.de

Supporting statement:

1. At a time when major sacrifices were, and probably will be, demanded of employees in Bocholt, Kamp-Lintfort and many other locations, we consider a dividend increase to be incompatible with “solidarity-oriented corporate ethics.” In our opinion, it does not fit into a period marked by staff reductions and massive salary cutbacks. This is all the more true since a substantial part of the improved results was achieved through exactly these staff reductions and these salary cutbacks. Furthermore, it is to be feared that, as a result of the current negotiations concerning the Regional Organization Germany (RD), some 20,000 employees will have to cope with drastically reduced income.
2. With its current dividend level of €1.10 per share, Siemens takes a middle position among the 30 DAX values; so there is no necessity for an increase. In any case, sustained share price improvement takes priority for value-oriented shareholders.
3. Above all, however, we think that the saved funds could be used more appropriately for the further development of the Company and the safeguarding of jobs
 - by fostering **innovative capabilities**, after continuously reducing R&D expenditures over the past years,
 - by enhancing the **quality of human resources**, as training and continuing education have also been steadily reduced over the past years,
 - by testing **employment models** that would give older employees a chance to remain employed in a secure job,
 - and by **establishing a “hardship fund”** that would enable the Company to help employees who become particularly financially strapped as a result of restructuring measures.

(sgd.) Manfred Meiler

(sgd.) Wolfgang Niemann

Mr. Wilm Diedrich Müller, Neuenburg, has submitted the following shareholder proposals:

G With respect to Agenda Item 3: Appropriation of net income:

From: Herr Wilm Diedrich Müller [<mailto:herr@myhymer.com>]
Date: Monday, December 27, 2004, 17:53
To: HV2005
Re: Dividend

From Mr. Wilm Diedrich Müller, Profession: Greeter
E-mail: herr@myhymer.com
Am Markt 3, 26340 Neuenburg,
Telephone: 01701865248, Answering Machine: 0170131865248
12/27/2004, 16:40 Casablanca Time

Copy to the firm of OLB AG, WKN: 808600, Headquarters: Oldenburg an der Hunte, whose customer No. 9724371100 the above-named gentleman is.

To the firm of Siemens, Munich, whose shareholder No. 2001128454 the above-named gentleman is.

PROPOSAL for appropriation of net income

Re: Your e-mail of today

Persons, I hereby propose that the net income for fiscal year 2004 of the above-named firm of Siemens be used in such a way that 4% of the capital stock is distributed in the form of shares of the above-named firm of OLB AG and the remaining net income is carried forward.

I would support the above-named proposal by stating that, to me, the stock of the above-named firm of OLB AG is the world's leading currency.

I would be glad to receive the dividend payments on my shares of stock in the above-named firm of Siemens in exactly this leading currency of the world, rather than in any other currency.

Herr Müller

H

With respect to Agenda Item 5: Ratification of the acts of the Supervisory Board:

From: Herr Wilm Diedrich Müller [mailto:herr@myhymer.com]
Date: Wednesday, January 5, 2005, 11:56
To: HV2005
Re: Shareholder Proposal

From: Mr. Wilm Diedrich Müller,
Profession: Greeter,
E-mail: herr@myhymer.com,
Address: Am Markt 3, 26340 Neuenburg,
Postal address: P.O. Box 2142, 26334 Neuenburg,
SMS/Telephone: 01701865248,
Answering Machine: 0170131865248
Date: 01/05/2005
Casablanca time: 10:38

To the firm of Siemens AG, Munich, E-mail: hv2005@siemens.com, whose shareholder the above-named gentleman is

Proposal not to ratify the acts of the Supervisory Board of the above-named firm for fiscal year 2004

Persons, I hereby propose that the acts of the Supervisory Board be not ratified

I would support my proposal by stating that the above-named firm has sent me neither an invitation nor an admission ticket for the Annual Shareholders' Meeting of the year 2004

Herr Müller

Mr. Christian Mischke, Isernhagen, has submitted the following shareholder proposal:

I With respect to Agenda Item 9: Adjustments to Supervisory Board remuneration:

Dipl.Ing. OStR Christian Mischke
Bachstelzenring 41
Phone 0511/613500

30916 Isernhagen, December 31, 2005

Siemens Aktiengesellschaft
Corporate Finance Treasury
Investor Relations (CF T 3)
Wittelsbacherplatz 2
80333 Munich

Annual Shareholders' Meeting on January 27, 2005
Counter Proposal on Agenda Item 9

Dear Sir/Madam:

As regards the adjustments to Supervisory Board remuneration, my comments are as follows:

While Dr. v. Pierer has publicly and rightly criticized the unrestrained entitlement mentality in our society, the proposed amendments to Supervisory Board remuneration demonstrate a self-service mentality that should not be accepted as such.

Because supervisory board members are generally engaged in work-intensive occupations and frequently hold several board positions, the volume of work that can be accomplished will obviously be limited.

How then can supervisory board remunerations of €85,550 or €79,500 per year, as put forward in the Report on Agenda Item 9, be substantiated in view of the fact that such amounts correspond to current annual incomes of highly paid engineers, and considering Dr. v. Pierer's statement at Sabine Christiansen's TV talk show that Romanian remuneration levels, at just one third of the German average, should be a measure to strive for.

In addition, personal liability for financial loss is largely excluded by the liability group insurance policy.

Wording proposal:

§ 17 of the Articles of Association should read as follows:

“1. The members of the Supervisory Board shall receive a fixed compensation of EUR 25,000 p.a.

Subsections 1(b) and 1(c) are deleted in their entirety without replacement, since only employees of Siemens AG are entitled to success-related compensation. Otherwise, the independent auditors could just as well be remunerated on a success-oriented basis.

2. The chairman of the Supervisory Board shall receive double, and each deputy chairman shall receive one and one half times the amounts to be paid pursuant to Subsection 1. Furthermore, each member of the committees shall receive an amount of EUR 10,000, if the number of committee meetings has exceeded five meetings per year.
3. The remuneration pursuant to Subsection 1 shall be payable after the close of the annual shareholders' meeting ratifying the acts of the Supervisory Board for the fiscal year ended before the meeting.
4. - in line with Managing and Supervisory Board proposal”

Yours sincerely,

(sgd.) Christian Mischke

Mr. Joachim Koch, Mömbris, and Mr. Lutz Niemann, Holzkirchen, have submitted the following shareholder proposal:

J With respect to Agenda Item 4: Ratification of the acts of the Managing Board:

Dipl. Ing. Joachim Koch
Office of Experts
Sandwiesenstrasse 5
63776 Mömbris
Phone: 06029 1840 or 4473

Dr. Lutz Niemann
Rat-Müller-Strasse 10
83607 Holzkirchen
Phone: 08024 7347
glmk.niemann@t-online.de

Siemens AG
hv2005@siemens.com

Dear Dr. v. Pierer,
Dear Managing Board Members:

With regard to **Agenda Item 4**, *Ratification of the acts of the members of the Managing Board*, we hereby submit the following **counter proposal**:

We move that ratification of the acts of the Managing Board be denied.

Supporting statement

With the acquisition of **Bonus Energy A/S**, the Danish supplier of wind energy systems, the **Power Generation** unit purchased a business segment that is to the detriment of the German economy. And neither is it beneficial to Siemens AG, a company commonly considered a trailblazer in our country.

Promoting wind power generation is an ideologically based political government program that can be justified neither economically nor ecologically. **The current German government considers wind energy and the other renewables to be a replacement for electricity generation from nuclear energy**, which is to be phased out for ideological reasons pursuant to an agreement with the German power utilities dated June 14, 2000. By joining the ranks of wind turbines manufacturers, Siemens AG supports a wrong political program that will be to the disadvantage of our country:

- Wind electricity is so expensive to produce that nobody will buy it voluntarily. Therefore, German legislation has imposed a compulsory system that distributes the additional costs among all electricity consumers.
- Every day on which a wind turbine feeds electricity into the public grid brings additional costs of several thousand euros to our economy. Therefore, from an economic point of view, the most useful mode of operation for a wind turbine is zero rotational speed.

- Some 600 citizens' initiatives between the land of Brandenburg and the High Black Forest protest against shadow casting, noise pollution and landscape degradation caused by wind power plants all over Germany.
- The exact impact of wind farms on the ecosystem ocean has not yet been researched at all. And this statement holds true for both onshore and offshore wind farms. Every location has to be tested for at least three years before potential risks and follow-up costs can reasonably be assessed.

The support for a political program of our current government by Siemens AG, expected to be beneficial for the Company but detrimental to Germany, cannot be accepted.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Koch', with a stylized, cursive script.

Dipl. Ing. Joachim Koch

A handwritten signature in dark ink, appearing to read 'Niemann', with a stylized, cursive script.

Dr. Lutz Niemann

Mrs. A. Schröder, Bonn, has submitted the following shareholder proposals:

With respect to Agenda Item 7: Election to the Supervisory Board:

COUNTER PROPOSAL on Agenda Item 7
to be submitted at the Annual Shareholders' Meeting on
January 27, 2005
by Shareholder A. Schröder, Bonn,

K **Counter proposal: Be it resolved that the proposed election of Mr. v. Pierer is rejected.**

Proponent: A. Schröder, Bonn

With regard to Agenda Item 7 of the Siemens Annual Shareholders' Meeting on January 27, 2004, I hereby move that the Supervisory Board proposal to elect

Dr. jur., Dr.-Ing. E.h. Heinrich v. Pierer, Dipl.-Volkswirt, Erlangen

to the Supervisory Board as a representative of the shareholders for the remaining term of the vacancy left by Dr. Baumann be rejected.

L ***Instead, as regards the election to the Supervisory Board, I nominate***

Mr. Bernhard Giese, Dipl.-Phys., Rosengarten

No positions to be disclosed,

whose election to the Supervisory Board with effect from the close of the Annual Shareholders' Meeting for the remaining term of office of the departing Dr. Baumann I propose.

The further proposal of the Supervisory Board is to be approved as follows:

Be it resolved that

Professor Dr. Michael Mirow, Munich,

Dipl.-Wirtschaftsingenieur,

be elected as substitute member for the above-named new Supervisory Board member subject to the proviso that he shall become a member of the Supervisory Board if the new member resigns from the Supervisory Board before the completion of his term of office.

Supporting statement:

1. More than 85% of the stock is held by private shareholders, funds and other capital investors (free float holdings), and over ten thousand investors come to the shareholder meeting every year. This group of shareholders must use its voting power and elect a member from its ranks to the Supervisory Board.
2. The composition of the Supervisory Board with its remaining nine members is also poor in other respects: Implementation of the rules of good corporate

governance (as recommended by the Corporate Governance Commission) by Dr. Cromme is unsatisfactory (e.g. disclosure of Managing Board compensation not until the end of the fiscal year just ended); and Dr. Ackermann, who is also a member of the three-men Chairman's Committee, was facing court charges which have raised doubts about his suitability for the position.

3. Candidate Mr. v. Pierer has to account for business failures in the recent past (involving units TS, ICM, ICN, SBS). A wrong, backward-looking policy that aims at restoring the old order, threats to relocate jobs, staff layoffs and similar strategies of retreat (for example, Bocholt/Kamp-Lintfort) must not be reimported into the new management via the Supervisory Board. The new president of the Managing Board must be free to implement a new corporate policy and a new management style without being hindered by the Supervisory Board chairman.
4. Mr. v. Pierer's demeanors and misdemeanors toward private shareholders were revealed at the past shareholder meetings. Instead of respecting shareholder rights in his capacity as their asset manager, questions were answered insufficiently, not at all or reluctantly, or were rejected out of hand in a lordly manner. His self-appointment to the position of Supervisory Board chairman in the press releases in mid-2004 is a flagrant affront to private shareholders, an expression of contempt for the annual shareholders' meeting as the top decision-making body, and an example of an underlying attitude that is to be opposed.
5. Mr. v. Pierer's unsatisfactory performance is revealed by the loss of assets incurred by shareholders in the capital markets over the past four years. The declining esteem for Siemens as shown by its stock price and stock price development reflects the lack of confidence in Mr. v. Pierer's work and results. There is no guarantee that Mr. v. Pierer, as chairman of the Supervisory Board, will herald a fundamental change in approach and attitude. Rough methods and a retreat to the past are the wrong approach.

End of the counter proposal

Mr. Helmut Kohler, Ludwigsburg, has submitted the following shareholder proposals:

Siemens Annual Shareholders' Meeting 2005

M

With respect to Agenda Item 4: To ratify the acts of the Managing Board

COUNTER PROPOSAL: “Resolved that the acts of the Managing Board be not ratified.”

Supporting statement:

In the fiscal year just ended, the Siemens Managing Board intended to turn its Hanau plutonium processing plant, a costly misinvestment, into ready cash by selling it to China.

Although the transaction was immediately and vigorously opposed by numerous parties as being dangerous and destabilizing, the Siemens Managing Board stubbornly pursued its plans to export the plutonium processing plant to China until the final failure of the deal was recorded worldwide.

Already at the Siemens Annual Shareholders' Meeting 2004, the Managing Board was warned about the resulting proliferation of the disastrous plutonium economy. The Managing Board, however, on the basis of incomplete information and disinformed arguments, declared its export plans to be harmless.

Not even the results of opinion polls among the German population (October 2003), a majority of whom opposed the export of the Siemens plutonium processing plant to China, were able to dissuade the Siemens Managing Board from the transaction with its nuclear plant which constitutes a danger to public safety.

The International Physicians for the Prevention of Nuclear War (IPPNW) also urgently demanded that the export should be prevented. By using the Siemens plutonium processing plant, the highly toxic plutonium could be manipulated in a way that would allow its questionable use in nuclear power plant and fast breeders as well as the development of plutonium bombs in China.

In the end, thousands of concerned citizens were prepared to put up millions of private funds in order to purchase the Siemens plutonium processing plant themselves and finally dispose of it by controlled dismantling and scrapping. But the Siemens Managing Board continued to cling obstinately to its export plans.

The German Federal Government hesitated to issue the export license as more and more new, serious reasons against the export deal emerged.

Finally, not the Siemens Managing Board but the Chinese government put an end to the alarming deal. Shortly before a state visit to Germany last year, the Chinese government declared politely that they decided to discontinue the negotiations on the purchase of the plutonium processing plant.

The Siemens Managing Board has proven its inability to recognize, or at least notice, the social impact and continent-wide physical endangerment associated with commercially distributed nuclear facilities. As a result, it has caused incalculable damage to the national and international business reputation of Siemens.

Contrary to the proposals put forward by the Supervisory Board, the acts of the members of the Siemens Managing Board cannot be ratified.

Helmut Kohler, Hohenrainstrasse 22, 71642 Ludwigsburg, Phone: 0714/52122

Siemens Annual Shareholders' Meeting 2005

N

With respect to Agenda Item 5: To ratify the acts of the Supervisory Board

COUNTER PROPOSAL: "Resolved that the acts of the Supervisory Board be not ratified."

Supporting statement:

The members of the Supervisory Board were unwilling or unable to prevent the Managing Board from selling the controversial Siemens plutonium processing plant abroad.

This has cultivated the image of Siemens being an ugly, capitalistic company for whom money is more important than human life.

By commercially proliferating dangerous nuclear energy technology, including the plutonium economy, the Managing Board gives new impetus to the long-term boycott of Siemens.

The acts of Supervisory Board members who have no scruples cannot be ratified.

Helmut Kohler, Hohenrainstrasse 22, 71642 Ludwigsburg, Phone: 0714/52122

Siemens Annual Shareholders' Meeting 2005

O

With respect to Agenda Item 7: To consider and vote upon an election to the Supervisory Board

COUNTER PROPOSAL: "Resolved that the proposal by the Supervisory Board be rejected."

Supporting statement:

The Supervisory Board proposes that Dr. Heinrich v. Pierer, former President of the Managing Board, be elected to the Supervisory Board.

In addition, the intention was publicly announced to then have Dr. v. Pierer elected by the Supervisory Board to become its chairman.

There is a discussion going at the moment as to whether managing board members should be elected to the supervisory board of their former companies at all, because there they could cover up their former work or perpetuate undesirable developments initiated by them.

Furthermore, it would not be advisable to elect Dr. v. Pierer to the Siemens Supervisory Board because of his on-going proliferation of facilities supporting the use of questionable nuclear power. The reasons for this rejection are explained in more details in this year's counter proposals for non-ratification of the Managing Board.

Helmut Kohler, Hohenrainstrasse 22, 71642 Ludwigsburg, Phone: 0714/52122

Mr. Eduard Bernhard, Kleinostheim, has submitted the following shareholder proposals:

Eduard Bernhard

- Critical shareholder
- Board member of Bund Naturschutz (Friends of the Earth)
 - Aschaffenburg district –
- BBU e.V. (Federal Association of Citizens' Initiatives for Conservation), Bonn

63801 Kleinostheim
Wiesbadener Strasse 2

Phone: 06027 – 8404
Fax: 06027 - 99184

January 12, 2005

To the Managing and Supervisory Boards
of Siemens AG
Corporate Finance Treasury
Investor Relations / CFT 3
Wittelsbacherplatz
80333 Munich

by Fax: 089 – 636 32830

Counter proposals to be submitted at the Annual Shareholders' Meeting
on Thursday, January 27, 2005
in Munich / Olympiahalle

Dear Sir/Madam:

[...]

Counter proposals:

P

Re Agenda Item 3: To consider and vote upon appropriation of the net income of Siemens AG to a dividend payout

- ☐ **Be it resolved that, instead of distributing the net income of €1,113,844,638.78, the payout is reduced by approx. 20% = approx. €222 million.**

Supporting statement:

Over the past years, the great potential of a targeted entry into the state-subsidized alternative energy sector (such as solar, wind and others) and the field of energy-saving technologies was used insufficiently or not optimally.

Therefore, to make up for what was missed, it is proposed that the undistributed €222 million be used to create new jobs.

According to the German Ministry for the Environment, some 100,000 new jobs were created in these fields of activity in the last years.

Q

Re Agenda Item 4: To ratify the acts of the Managing Board

- ☐ **Be it resolved that ratification of the acts of the Managing Board is not granted.**

Supporting statement:

Instead of encouraging the overdue phase-out of the nuclear industry, further commitment through cooperation with French nuclear firms Framatome and Electricité de France (EdF) to form the current Framatome ANP (with Siemens holding 34% and AREVA 66%). The next NPP planned to be built will be the newly developed EPR (= European Pressurized Water Reactor) in Olkiluoto, Finland.

And this shows that despite the almost-catastrophe at Three Miles Island (U.S.), the nuclear GSA (greatest supposed accident) of Chernobyl (Ukraine) which left thousands of people dead and deadly radiated, the still unresolved question of final storage for the deadly radiating nuclear waste, and the German government's nuclear phase-out decision, the Siemens Managing Board intends to cling to nuclear energy in an irresponsible manner via the French atomic industry.

Another reason for non-ratification and really scandalous is the aspect that the Siemens Managing Board and/or the Supervisory Board was and, to our knowledge, still is prepared to sell the disassembled Hanau plutonium fuel element plant to China. It is to be feared that this will enable China to enter the plutonium industry, including potential military uses. Only after massive national and international protests, China declared "that it would abandon its request for delivery of the plutonium facility."

In our opinion this means: It is only a pleasure deferred.

The question remains:

What steps will the future Managing and Supervisory Boards take with regard to this highly "explosive" matter?

Lack of information and activities are further reasons for non-ratification:

- e.g. non-information on overpayments, remunerations and benefits in money's worth in FY 2004 to
 - political parties
 - politicians
 - *Landtag* delegates
 - *Bundestag* delegates

Proposal: Detailed documentation and publication.

- In FY 2004, the Transportation Systems unit (primarily Combino-type low-floor trams) suffered financial losses, necessitating the creation of accruals. This was presumably due to inefficient risk management. What personnel and organizational consequences were imposed as a result thereof?
- Another significant blunder and misinformation is the fact that KPMG was, and will again be, appointed as independent auditors, although KPMG had material responsibility, for example, in the financial scandals involving Metall-Gesellschaft and Ph. Holzmann, Frankfurt.

However, there are a number of other KPMG scandals that, in my opinion, were or are being hushed up by the Managing and Supervisory Boards.

- There is a lack of comprehensive up-to-date information for shareholders and the general public, e.g. on work being done, technical conditions and radio-active emissions in the air and possible in waste waters resulting from the nuclear facilities in Hanau (closed-down fuel element plants and nuclear waste deposit) and in Karlstein, Bavaria (nuclear test center and nuclear waste deposit).

R

Re Agenda Item 5: To ratify the acts of the Supervisory Board

- ☐ **Be it resolved that ratification of the acts of the Supervisory Board is not granted.**

For points of reference see statement under Agenda Item 4, above.

S

Re Agenda Item 6: To ratify the appointment of independent auditors for the annual and consolidated financial statements

- ☐ **Be it resolved that the appointment of KPMG as independent auditors for the annual and consolidated financial statements is rejected.**

For points of reference see statement under Agenda Item 4 / Non-ratification of the Managing Board, above.

Alternative auditing firms could be Price Waterhouse and Ernst & Young.

I request that my proposals be made available to all shareholders in due time prior to the Annual Shareholders' Meeting, in accordance with the German Stock Corporation Act.

I will be present at the Annual Shareholders' Meeting, where I will submit my counter proposals, proposals and questions, if necessary.

Yours sincerely,

(sgd.) Eduard Bernhard

Mr. Wilm Diedrich Müller, Neuenburg, has submitted the following shareholder proposal:

T With respect to Agenda Item 7: Election to the Supervisory Board:

From: Herr Wilm Diedrich Müller [mailto:herr@myhymer.com]
Date: Wednesday, January 12, 2005, 15:08
To: HV2005
Re: Shareholder Proposal on Agenda Item 7

--

From: Mr. Wilm Diedrich Müller,
Profession: Greeter
E-mail: herr@myhymer.com
Address: Am Markt 3, 26340 Neuenburg
Postal address: P.O. Box 2142, 26334 Neuenburg
SMS/Telephone: 01701865248,
Answering Machine: 0170131865248
Date: 01/12/2005
Casablanca time: 12:01

To the firm of Siemens AG, Munich on the Isar

Election to the Supervisory Board

Persons:

I hereby propose that I be elected to the Supervisory Board as successor to the retiring Dr. Baumann.

I would support my proposal by stating that, in view of my above-named profession, I am far better qualified for this position than the person proposed by Management.

May I add that I currently hold no other supervisory board positions.

Herr Müller

Mr. Stefan Gerlach, Munich, has submitted the following shareholder proposal:

U With respect to Agenda Item 9, adjustments to Supervisory Board remuneration:

DIPL.-KOMMUNIKATIONSWIRT (BAW)
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January 12, 2005

**Annual Shareholders' Meeting on January 27, 2005
Counter proposal on Agenda Item 9, "Amendments to Supervisory Board remuneration"**

Dear Sir/Madam:

As a shareholder of Siemens AG, I have the following comments to make on the adjustments to Supervisory Board remuneration:

Nobody will doubt Dr. v. Pierer's indisputable merits in the leadership of Siemens AG as President of the Managing Board in the past years. Nevertheless, it appears to be questionable whether it is appropriate to pay a not insignificant amount of compensation, in addition to the pension benefits from the previous position, immediately upon changing from the Managing Board to the Supervisory Board and taking over the position of chairman of that board.

It would appear to be more than reasonable in this case, also in view of the general discussion on the subject of supervisory and managing board remunerations and job cuts affecting employees of Siemens AG time and

time again, to renounce all or part of the remuneration. It is more than questionable, also with regard to the company value and shareholder interests, to claim double remuneration from the Company.

I would like to say again that it is not my intention to question Dr. v. Pierer's performance or his change to the Supervisory Board as such, which for continuity in the Company's management is more than reasonable.

It is entirely possible, however, to make a decent living on the pension benefits paid to a retired managing board president, and to set a significant example for Siemens AG and the general public by renouncing the Supervisory Board remuneration.

Therefore, it is proposed that § 17 of the Articles of Association of Siemens AG be amended by an additional paragraph, as follows:

"If members of the Supervisory Board receive pension benefits from a previous position on the Managing Board (e.g. pension benefits or stock-based compensation paid in money's worth), no remuneration (cash compensation and performance-related, stock-based, non-cash compensation) shall be paid for membership on the Supervisory Board of Siemens AG.

This does not apply to reimbursement of expenses incurred by any member in connection with attending meetings of the Supervisory Board or one of its committees, as well as the provision of an office with secretarial services and an appropriate company car for the chairman of the Supervisory Board."

[...]

I request that these counter proposals, including supporting statements, be published in accordance with §125 and §126 of the German Stock Corporation Act. I have been recorded in the stock register of Siemens AG.

Yours sincerely,

(sgd.) Stefan Gerlach

Company Response to the Shareholder Proposals

We believe that the shareholder proposals are without merit and recommend a vote against these proposals. The Managing Board will respond to appropriate shareholder questions at the Annual Shareholders' Meeting. A first response follows below:

Re: Shareholder proposals by the *Dachverband der Kritischen Aktionärinnen und Aktionäre*, Cologne, not to grant discharge to the members of Managing and Supervisory Boards:

1. The use of the term “mass dismissals” in connection with Siemens in Germany is unrealistic.
2. Furthermore, blaming Siemens for threatening to relocate thousands of jobs to low-wage countries is entirely without foundation. On the contrary, Siemens has always made it clear that it will fight for every job in Germany. The aim is not to establish uniform regulations but to reach locally tailored agreements that can — in line with location-specific conditions — leverage the possibilities provided by the framework agreement “to safeguard and develop employment, competitiveness and innovation” that was signed at the end of June between Siemens AG and the IG Metall labor union. In the meantime, comparable solutions were found for the Bocholt, Kamp-Lintfort, Bruchsal and Kirchheim locations.
3. As early as January 2001, Siemens had spun off its nuclear activities into a joint venture with Framatome. According to the relevant agreements, the French partners have the capital majority (66 percent) and management control of the Framatome ANP joint venture. Blaming Siemens for failing to take reasonable measures in the area of renewable energies is a baseless allegation. The recent acquisition of Bonus Energy, a leading supplier of wind power plants, corroborates Siemens's continuing commitment to renewable energies.

Re: Shareholder proposal by the *Dachverband der Kritischen Aktionärinnen und Aktionäre*, Cologne, to reject Dr. v. Pierer's election to the Supervisory Board:

The remark that Dr. Heinrich v. Pierer, as President of the Managing Board, refused on several occasions at past shareholder meetings to provide clear answers to questions and spoke disparagingly of the use of renewable energies is wholly without foundation.

Re: Shareholder proposal by the *Dachverband der Kritischen Aktionärinnen und Aktionäre*, Cologne, concerning adjustments to Supervisory Board remuneration:

The adjustments to Supervisory Board remuneration proposed by Siemens are designed both to enhance transparency and to account for an unclear legal situation with regard to stock-based compensation components. Therefore, from the start of the current fiscal year, the remuneration of Supervisory Board members shall consist, apart from a fixed compensation component, only of variable components that will be based on short- and long-term earnings per share. Pursuant to the Articles of Association, legal requirements and its self-image, the Supervisory Board of Siemens AG is generally committed to the Company as a whole and thus also to the Company's employees.

Re: Shareholder proposal by Mr. Reinhardt Freudenberg, Jesteburg, not to appoint KPMG as independent auditors:

KPMG is one of the most respected auditing firms in the world. Siemens has worked for many years with KPMG as independent auditors. We have no indication whatsoever that KPMG's auditing practice has not always and unrestrictedly been in line with international standards.

Re: Shareholder proposal by Mr. Manfred Meiler, Munich, and Mr. Wolfgang Niemann, Seefeld, and the Verein von Belegschaftsaktionären in der Siemens AG, e.V., Munich, not to increase the dividend, but to maintain the previous level of €1.10 per no-par value share entitled to the dividend:

In determining the amount of dividend payments, Siemens has always pursued a policy of income appropriation guided by focus and continuity. This also includes the necessity to find a reasonable balance between the requirements of shareholders and employees. Based on the development of net income in fiscal year 2004, Management believes that the proposed dividend increase from €1.10 to €1.25 per no-par value share entitled to the dividend would be appropriate.

Re: Shareholder proposal by Mr. Wilm Diedrich Müller, Neuenburg, not to pay the dividend in euros, but in the form of shares of stock of OLB AG:

Management rejects this counter proposal. The content speaks for itself.

Re: Shareholder proposal by Mr. Wilm Diedrich Müller, Neuenburg, not to grant discharge to the members of the Supervisory Board:

The invitation to the Annual Shareholders' Meeting on January 22, 2004 was sent to shareholder W. Diedrich Müller at the address then recorded in the stock register. An admission ticket for that annual meeting was not ordered by the shareholder. Invitation letter and admission ticket for the Annual Shareholders' Meeting on January 27, 2005 were sent to the shareholder at the address currently recorded in the stock register, but acceptance was refused by him.

Re: Shareholder proposal by Mr. Christian Mischke, Isernhagen, concerning adjustments to Supervisory Board remuneration:

The rules for compensating Supervisory Board members at Siemens comply with the German Corporate Governance Code for good, transparent corporate governance. The Code expressly states that the levels of compensation should take into account the responsibilities and scope of tasks of the members of the Supervisory Board as well as the economic situation and performance of the enterprise. It recommends ex-

plicitly that Supervisory Board members should receive fixed as well as performance-related compensation. For this reason, fixed compensation only would not conform to the principles of the Code. Furthermore, § 113 (3) of the German Stock Corporation Act holds that performance-related compensation for Supervisory Board members is permissible.

Compensation at Siemens reflects the high demands made by the Company with regard to the qualifications of members of its Supervisory Board. The levels of compensation are reasonable and in line with other large comparable German and European stock corporations.

Re: Shareholder proposal by Mr. Joachim Koch, Mömbris, and Dr. Lutz Niemann, Holzkirchen, not to ratify the acts of the Managing Board:

Siemens has always held the position that all available energy sources should be used to satisfy the growing worldwide demand for energy in a reliable, cost-efficient, resource-friendly and environmentally compatible manner.

Siemens anticipates above-average growth rates for wind power systems worldwide and has been active in this field for some years. With the acquisition of Denmark-based Bonus Energy, Siemens has rounded out its wind energy portfolio and thus strengthened its position in this important market of the future. Key growth areas include Europe, the U.S. and Asia.

Re: Shareholder proposals by Mrs. A. Schröder, Bonn, to reject Dr. v. Pierer's election to the Supervisory Board and to elect Mr. Giese to the Supervisory Board:

Dr. v. Pierer's qualifications as a top manager, and thus as a candidate for election to the Supervisory Board, is without question. This is also corroborated by the development of Siemens' earnings over the past years and the Company's economically and strategically strong position.

Dr. v. Pierer's nomination to the Supervisory Board was proposed by the Supervisory Board of Siemens AG. The election to the Supervisory Board will be decided by the

shareholders at the Annual Shareholders' Meeting on January 27, 2005. The new board chairman will be elected by the Supervisory Board from among its members immediately after the close of the Annual Shareholders' Meeting. Thus, there is absolutely no question of a self-appointment of the Supervisory Board chairman.

Re: Shareholder proposals by Mr. Helmut Kohler, Ludwigsburg, concerning non-ratification of the acts of the Managing and Supervisory Boards and rejection of Dr. v. Pierer's election to the Supervisory Board:

We believe that the counter proposals are without merit. The facility for the fabrication of mixed oxide (MOX) fuel elements, now containerized in Hanau, Germany, is designed to mix the nuclear fuels (residual uranium and plutonium) resulting from reprocessing of spent fuel rods to make new fuel elements which can then be reused in nuclear power plants to generate electricity. A large part of the nuclear power plants now operating in Europe have for some time used MOX fuel elements. Reprocessing plants for spent fuel elements are located in France and the UK. In these countries and in Belgium there are facilities for the fabrication of MOX fuel elements. The Siemens MOX facility can neither be used to produce plutonium nor to make plutonium suitable for weapons use from non-weapons-grade plutonium. MOX technology can play an important role in the context of worldwide disarmament because it can be used to convert plutonium derived from military programs into MOX fuel elements.

Re: Shareholder proposal by Mr. Eduard Bernhard, Kleinostheim, concerning appropriation of net income:

Siemens has always held the position that all available energy sources should be used to satisfy the growing worldwide demand for energy in a reliable, cost-efficient, resource-friendly and environmentally compatible manner. Siemens sees wind energy worldwide as a promising resource with above-average growth potential, and has been active in this field for many years. With the acquisition of Denmark-based Bonus Energy, Siemens has rounded out its wind energy portfolio and thus strengthened its position in this important market of the future. And the Siemens organization has the expertise and financial ability to deliver the required scope of change from

within its operational business. A reduction in dividend payout in this connection is to be rejected.

Re: Shareholder proposals by Mr. Eduard Bernhard, Kleinostheim, not to ratify the acts of the Managing and Supervisory Boards:

1. Even today nuclear energy is a key component of worldwide energy generation. This is not only reflected by new power plants within the European Union, but also in China. We accounted for these changes in the nuclear energy market by combining the nuclear businesses of Siemens and Framatome in January 2001. In accordance with each partner's contribution, the French side holds the capital majority (66%) and management control of the Framatome ANP joint venture. At the same time, the transaction served to protect the knowhow accumulated by Siemens. This knowhow will continue to ensure safe and reliable operation of the power plants built by us in Germany and abroad.

For Siemens' fundamental position on energy generation, see also our statement on net income.

2. The facility for the fabrication of mixed oxide (MOX) fuel elements, now containerized in Hanau, Germany, is designed to mix the nuclear fuels (residual uranium and plutonium) resulting from reprocessing of spent fuel rods to make new fuel elements which can then be reused in nuclear power plants to generate electricity. A large part of the nuclear power plants now operating in Europe have for some time used MOX fuel elements. Reprocessing plants for spent fuel elements are located in France and the UK. In these countries and in Belgium there are facilities for the fabrication of MOX fuel elements. The Siemens MOX facility can neither be used to produce plutonium nor to make plutonium suitable for weapons use from non-weapons-grade plutonium. MOX technology can play an important role in the context of worldwide disarmament because it can be used to convert plutonium derived from military programs into MOX fuel elements.

3. Siemens expressly supports the socio-political commitment of employees to bring more business expertise into the political arena. The vast majority of our more than 400 political representatives serve as politicians in an honorary capacity. The majority of the twelve representatives serving on a full-time basis hold an office or

membership of a community government. The employment contracts with Siemens of all full-time political representatives have been put in abeyance. These issues are well-known to the public.

4. The Transportation Systems Group incurred losses, mainly because of quality problems in the Combino low-floor trams. In response to these problems, Siemens developed a two-stage repair concept, whose first stage guarantees the safe operation of the vehicles and has been more or less completed. In the second stage, we have defined the final repair measures to be taken. Therefore, the problems as a whole have been delimited. We believe that the proposed solution can be rapidly implemented after completion of the current tests and their final positive assessment.

Re: Shareholder proposal by Mr. Eduard Bernhard, Kleinostheim, concerning rejection of KPMG's appointment as independent auditors:

KPMG is one the most respected auditing firms in the world. Siemens has worked for many years with KPMG as independent auditors. We have no indication whatsoever that KPMG's auditing practice has not always and unrestrictedly been in line with international standards.

Re: Shareholder proposal by Mr. Stefan Gerlach, Munich, concerning adjustments to Supervisory Board remuneration:

Compensation at Siemens reflects the high demands made by the Company with regard to the qualifications of members of its Supervisory Board. The levels of compensation are reasonable and in line with those of other large comparable German and European stock corporations. The rules for compensating Supervisory Board members at Siemens comply with the German Corporate Governance Code for transparent corporate governance. An essential principle in this regard is the equal treatment of Supervisory Board members. The principle expressly prohibits any differentiation in the amount of remuneration, unless justified by the type of assignment or function.

Siemens Aktiengesellschaft · Chairman of the Supervisory Board: Karl-Hermann Baumann ·
Managing Board: Heinrich v. Pierer, President and CEO · Members of the Managing Board:
Johannes Feldmayer, Thomas Ganswindt, Klaus Kleinfeld, Edward G. Krubasik, Rudi Lamprecht,
Heinz-Joachim Neubürger, Jürgen Radomski, Erich R. Reinhardt, Uriel J. Sharef, Claus Weyrich, Klaus Wucherer
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Munich, HRB 6684