

Compensation Report 2023



SIEMENS

Siemens Aktiengesellschaft
Berlin and Munich

Compensation Report 2023

This Compensation Report provides an explanation and a clear and comprehensible presentation of the compensation individually awarded and due to the current and former members of the Managing Board and the Supervisory Board of Siemens AG for fiscal 2023 (October 1, 2022, to September 30, 2023). The Report complies with the requirements of the German Stock Corporation Act (*Aktiengesetz, AktG*). Detailed information regarding the compensation systems for members of the Managing Board and the Supervisory Board of Siemens AG is available on the Siemens Global Website at **WWW.SIEMENS.COM/CORPORATE-GOVERNANCE**.

Due to rounding, numbers presented throughout this Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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A. Fiscal 2023 in retrospect

What did the economic and political environment look like at the start of fiscal 2023?

Siemens AG began fiscal 2023 spurred by a strong performance in fiscal 2022. However, the economic and political environment still contained a large number of uncertainties. Although new variants of the coronavirus did not produce the negative impacts feared and a crisis in gas and electricity supplies failed to materialize, the economic situation began to weaken – particularly in Germany, the Company's home market. The war in Ukraine continued as did tensions between the western democracies and China. On the other hand, supply chain pressures eased. Due to a sharp increase in inflation, all major central banks raised their interest rates to levels not seen since the beginning of the financial crisis in 2008. In Europe, high energy prices burdened economic development, while, in the U.S., consumption and the labor market in particular proved to be very resilient despite the interest rate increases. Growth in China – which had been strong following the relaxation of COVID-19 restrictions in Q1 of fiscal 2023 – slowed due to the normalization of inventories, which had built up during the pandemic, and as a result of the burdens imposed by the crisis in China's real estate market. Siemens AG's markets benefited from high order backlogs, positive price developments and customers' efforts to become more resilient, more competitive and more sustainable.

How is the strategy reflected in Managing Board compensation?

As a leading technology company, Siemens partners closely with other companies, industries and innovators in order to combine the real and the digital worlds. In this context, the Company focuses on accelerated, high-value growth. The Managing Board compensation determined by the Supervisory Board fosters the implementation of the Company's strategic targets by providing incentives for increasing profit, capital efficiency and cash generation. Incentives are also provided for driving the Company's digital transformation and developing its sustainability-related business.

In addition, sustainability – as a strategic goal and an expression of Siemens' social responsibility – is a high priority at Siemens. Sustainability is managed using the DEGREE framework. Introduced in fiscal 2021, this framework addresses sustainability from every angle and determines Siemens' ambitions in the sustainability area with systematized, measurable and specific long-term targets for environment, social and governance (ESG) dimensions. DEGREE is an acronym that stands for decarbonization, ethics, governance, resource efficiency, equity and employability. The DEGREE framework is continuously developed and adapted to the commitments that Siemens has made, such as the Science Based Targets initiative. The key performance indicators applied in long-term variable compensation are part of this DEGREE framework (CO₂ emissions and digital learning hours per employee) and/or reflect the Company's priorities (Net Promoter Score as an expression of customer satisfaction).

How did Siemens perform in fiscal 2023?

Fiscal 2023 was another very successful year for Siemens. We achieved excellent financial results in a volatile market environment, which on the one hand included destocking by customers and distributors following previously proactive purchasing, particularly in our short-cycle businesses, and on the other hand included improved supply chain conditions, which accelerated revenue conversion from our high order backlog. We raised our outlook during the fiscal year after the first and the second quarters. We then reached or exceeded all the targets set for our primary measures for fiscal 2023.

Revenue was higher in nearly all our industrial businesses and rose to €77.8 billion, up 8% year-over-year. Smart Infrastructure and Digital Industries contributed double-digit growth with all businesses posting increases. Excluding currency translation and portfolio effects, revenue for Siemens rose 11%. Profit Industrial Business exceeded the record high of a year earlier and rose 11% to €11.4 billion. The profit margin of our Industrial Business rose to 15.4%, up from 15.1% a year earlier, reaching its highest level ever.

Net income nearly doubled year-over-year to a historic high of €8.5 billion and corresponding basic earnings per share (EPS) more than doubled to €10.04. Earnings per share before purchase price allocation (EPS pre PPA) increased to €10.77.

Return on capital employed (ROCE) for fiscal 2023 rose to 18.6%, up from 10.0% in fiscal 2022. This increase was due to sharply higher income before interest after tax year-over-year. We thus exceeded the forecast for ROCE, which was to come close to or reach the lower end of our target range of 15% to 20%.

Free cash flow from continuing and discontinued operations for fiscal 2023 was €10.0 billion, reaching a record high. The cash conversion rate for Siemens, defined as the ratio of free cash flow from continuing and discontinued operations to net

income, was 1.17. We thus achieved a cash conversion rate that contributed strongly to the average required to reach our target of 1 minus annual comparable revenue growth rate over a cycle of three to five years.

Siemens' strong operating performance in fiscal 2023 is reflected in the Managing Board's variable compensation, which takes into account not only financial success but also environmental and social aspects. As a result, the compensation of the Managing Board members is also oriented toward the interests of the shareholders as well as the other stakeholders of Siemens AG.

Composition of the Managing Board and the Compensation Committee

There were no changes in the composition of the Managing Board of Siemens AG in fiscal 2023. In fiscal 2023, the Managing Board comprised Dr. Roland Busch (President and CEO), Cedrik Neike, Matthias Rebellius, Prof. Dr. Ralf P. Thomas and Judith Wiese.

Following the scheduled departure of Michael Diekmann, the previous Chairman of the Compensation Committee of the Supervisory Board of Siemens AG, from the Supervisory Board and thus also from the Compensation Committee, the Compensation Committee elected Matthias Zachert to serve as its new Chairman, effective February 10, 2023. Grazia Vittadini has been a new member of the Compensation Committee since February 2023. As of September 30, 2023, the Compensation Committee comprised Matthias Zachert (Chairman), Harald Kern, Jürgen Kerner, Jim Hagemann Snabe, Birgit Steinborn and Grazia Vittadini.

Vote on the Compensation Report for fiscal 2022 at the 2023 Annual Shareholders' Meeting

The Compensation Report for fiscal 2022 was prepared in accordance with Section 162 of the German Stock Corporation Act (AktG), and its content was also audited by the independent auditors, beyond the requirement of Section 162 para. 3 sent. 1 and 2 of the German Stock Corporation Act (AktG). The Compensation Report on the compensation individually awarded and due to the members of the Managing Board and the Supervisory Board of Siemens AG in fiscal 2022 was approved by a majority of 92.09% of the valid votes cast at the Annual Shareholders' Meeting on February 9, 2023.

In view of the high level of approval, the Compensation Report for 2023 is basically unchanged in structure and scope. In addition, no changes to the compensation system were deemed necessary for fiscal 2023. Pursuant to Section 120a para. 1 sent. 1 of the German Stock Corporation Act (AktG), the compensation system for Managing Board members must be submitted for regular approval by the Annual Shareholders' Meeting in February 2024. In this connection, the compensation system has been subjected to a comprehensive review and adjusted. The compensation system as of fiscal 2024 is available on the Company website as part of the Notice of Annual Shareholders' Meeting.

B. Compensation of Managing Board members

B.1 The compensation system at a glance

The compensation system for the members of the Managing Board of Siemens AG that is applicable for fiscal 2023 has been in place since fiscal 2020 and was approved by the Annual Shareholders' Meeting on February 5, 2020, by a majority of 94.51% of the valid votes cast.

The compensation of the Managing Board members consists of fixed and variable components. Fixed compensation, which is not performance-based, comprises base salary, fringe benefits and a pension benefit commitment. Short-term variable compensation (Bonus) and long-term variable compensation (Stock Awards) are performance-based compensation and thus variable.

The Share Ownership Guidelines are a further key component of the compensation system. They obligate Managing Board members to permanently hold Siemens shares worth a defined multiple of their base salary and to purchase additional shares in the event that the value of their shares falls below the defined amount.

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

Overview of the compensation system for Managing Board members

		Compensation components	Design of compensation components			Maximum payout (in % of target amount)	Malus and clawback regulations	Maximum compensation	Other design characteristics
Fixed	Cash	Fixed compensation	Base salary	Fringe benefits	Pension benefit commitment	100% ¹	Not applicable	Equals the sum of maximum amounts that can possibly be paid out to each Managing Board member from all compensation components for the relevant fiscal year	Share Ownership Guidelines
	Variable		Short-term variable compensation (Bonus)	33.34% Siemens Group					33.33% Managing Board portfolio
Shares	Long-term variable compensation (Stock Awards)	80% Total shareholder return (TSR) compared to MSCI World Industrials Index	20% Environment, Social and Governance (ESG/ Sustainability index)		300%	✓	Commitments in the event of termination of appointments Severance cap		

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

The following tables describe the components of the compensation system for the Managing Board members, the components' link to the Company's strategy and their concrete application in fiscal 2023.

FIXED COMPENSATION		
Base salary	<p>Implementation in compensation system</p> <ul style="list-style-type: none"> Contractually agreed-upon fixed annual compensation based on a Managing Board member's duties and related responsibilities and his or her experience Payment in 12 monthly installments 	<p>Link to strategy</p> <p>Competitive compensation in order to obtain the best candidates worldwide to develop and execute the Company's strategy and manage its operations and in order to retain these individuals at the Company over the long term.</p>
	<p>Application in fiscal 2023</p> <ul style="list-style-type: none"> President and CEO: €1,770,000 a year Other Managing Board members: €1,101,600 a year 	
Fringe benefits	<p>Implementation in compensation system</p> <ul style="list-style-type: none"> Determination of a maximum amount relative to base salary, covering expenses incurred to the benefit of the Managing Board member Includes in-kind compensation and fringe benefits granted by the Company, for example: <ul style="list-style-type: none"> Provision of a company car Insurance allowances Costs of medical checkups 	
	<p>Application in fiscal 2023</p> <p>In fiscal 2023, Managing Board members were entitled to fringe benefits equal to a maximum of 7.5% of their base salary</p> <ul style="list-style-type: none"> President and CEO: max. €132,750 Other Managing Board members: max. €82,620 	
Pension benefit commitment	<p>Implementation in compensation system</p> <ul style="list-style-type: none"> Annual contributions to the Siemens Defined Contribution Pension Plan (BSAV) Newly appointed Managing Board members as of October 1, 2019: fixed cash amount for free disposal Commitment at beginning of fiscal year Credit to pension account (BSAV contribution) or payout (amount for free disposal) in January after the end of the fiscal year 	
	<p>Application in fiscal 2023</p> <p>BSAV contribution (credit in January 2024)</p> <ul style="list-style-type: none"> President and CEO: €991,200 Other Managing Board members: €616,896 <p>Amount for free disposal (payment in January 2024)</p> <ul style="list-style-type: none"> Other Managing Board members: €550,800 	

VARIABLE COMPENSATION
Short-term variable compensation (Bonus)
Implementation in compensation system

Performance-oriented annual Bonus, paid in cash in the subsequent fiscal year

- Performance range: 0% to 200%, using linear interpolation
- Three equally weighted target dimensions:
 - Siemens Group
 - Managing Board portfolio
 - Individual targets: two to four equally weighted financial targets or focus topics
- Consideration of extraordinary developments in justified, infrequent special cases possible

Link to strategy

Provides incentives for strong annual financial and non-financial performance as the basis for long-term Company strategy and sustainable value creation.

Application in fiscal 2023
Bonus for fiscal 2023

- Performance period: October 1, 2022, to September 30, 2023
- Payout: February 2024 (at the latest)
- Performance criteria:
 - 33.34% earnings per share before purchase price allocation (EPS pre PPA)
 - 33.33% return on capital employed adjusted (ROCE adjusted)
 - 33.33% individual targets:
 - Cash conversion rate (CCR) in the area of responsibility
 - Comparable revenue growth in the area of responsibility
 - Two additional individual targets with focus topics from the Bonus topic catalogue

Target amounts (based on 100% target achievement)

- President and CEO: €1,770,000
- Other Managing Board members: €1,101,600

Long-term variable compensation (Stock Awards)
Implementation in compensation system

Performance-oriented plan settled by share transfer after the end of an approximately four-year vesting period

- Performance range: 0% to 200%, using linear interpolation
- Two performance criteria:
 - Development of total shareholder return (TSR) relative to an international sector index (weighting: 80%)
 - 12-month reference and 36-month performance period
 - Outperformance relative to sector index $-/+$ 20 percentage points
 - Siemens-internal ESG/Sustainability index with three equally weighted key performance indicators and annual interim targets (weighting: 20%)
- Payout cap: 300% of target amount

Link to strategy

Fosters long-term commitment and provides incentives for sustainable value creation in accordance with the interests of shareholders and for the achievement of strategic sustainability targets.

Application in fiscal 2023
2023 Stock Awards tranche

- Allocation date: November 18, 2022
- End of vesting period: in November 2026
- Performance criteria:
 - Development of TSR relative to MSCI World Industrials index (weighting: 80%)
 - ESG key performance indicators: CO₂ emissions, digital learning hours per employee and Net Promoter Score (weighting: 20%)

Target amounts (based on 100% target achievement)

- President and CEO: €3,340,000
- Chief Financial Officer: €2,145,000
- Cedrik Neike: €1,470,000
- Other Managing Board members: €1,380,000

Malus and clawback regulations
Implementation in compensation system

In cases of severe breaches of duty or compliance and/or unethical behavior or in cases of grossly negligent or willful breaches of duty of care or in cases in which variable compensation components linked to the achievement of specific targets have been unduly paid out on the basis of incorrect data, the Supervisory Board can withhold or reclaim variable compensation.

Link to strategy

Aim to ensure sustainable Company development and avoid inappropriate risks.

Application in fiscal 2023

No application in fiscal 2023

MAXIMUM COMPENSATION

Maximum compensation	<p>Implementation in compensation system</p> <ul style="list-style-type: none"> • Determined annually by the Supervisory Board based on total target compensation • Equals the sum of maximum amounts that can possibly be paid out to each Managing Board member from all compensation components for the relevant fiscal year and is calculated as follows: <p>Base salary + maximum fringe benefits + BSAV contribution or amount for free disposal + two times the Bonus target amount + three times the Stock Awards target amount</p>	<p>Link to strategy</p> <p>Caps Managing Board members' compensation in order to avoid uncontrollably high payments and thus disproportionate costs and risks for the Company.</p>
	<p>Application in fiscal 2023</p> <ul style="list-style-type: none"> • Maximum compensation for each Managing Board member for fiscal 2023 determined in accordance with the compensation system • Final assessment of compliance with maximum compensation when the 2023 Stock Awards tranche is settled in fiscal 2027 • Reporting in Compensation Report for fiscal 2027 	

OTHER DESIGN CHARACTERISTICS

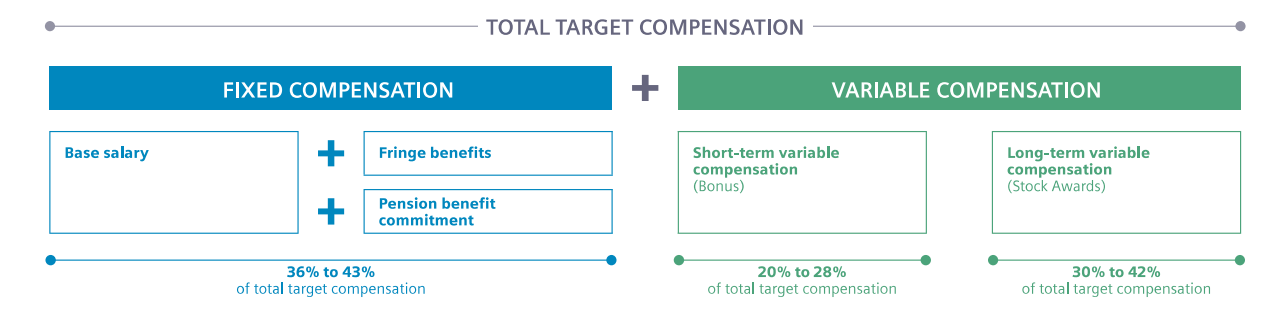
Share Ownership Guidelines	<p>Implementation in compensation system</p> <ul style="list-style-type: none"> • Obligates Managing Board members to permanently hold Siemens shares of an amount equal to a multiple of their base salary during their terms of office on the Managing Board <ul style="list-style-type: none"> • President and CEO: 300% • Other Managing Board members: 200% • Four-year build-up phase • Verification date on second Friday in March • Relevant share price: average Xetra opening price of the fourth quarter of the previous calendar year • Obligation to purchase additional shares if the value of the accumulated shareholding falls below the respective amounts to be verified due to fluctuations in the Siemens share price 	<p>Link to strategy</p> <p>Foster an alignment of Managing Board and shareholder interests and provide additional incentives to sustainably increase Company value.</p>
	<p>Application in fiscal 2023</p> <ul style="list-style-type: none"> • Verification date: March 10, 2023 • Relevant share price: €120.12 • Fulfilled by all the Managing Board members obligated to provide verification 	
Commitments in connection with the commencement of Managing Board appointments	<p>Implementation in compensation system</p> <ul style="list-style-type: none"> • Compensation for the loss of benefits from a former employer • Moving expenses due to a change of the regular place of work at the request of the Company 	<p>Link to strategy</p> <p>Are part of competitive compensation and help the Company obtain the best candidates worldwide for the Managing Board.</p>
	<p>Application in fiscal 2023</p> <p>No application in fiscal 2023</p>	
Commitments in the event of termination of Managing Board appointments	<p>Implementation in compensation system</p> <ul style="list-style-type: none"> • Termination by mutual agreement and without serious cause • Change of control (only for first-time appointments and/or reappointments before November 2019) 	
	<p>Application in fiscal 2023</p> <p>No application in fiscal 2023</p>	

B.2 Principles of the determination of compensation

B.2.1 Target compensation and compensation structure

The Supervisory Board has determined, in accordance with the compensation system for the Managing Board members, the amount of each Managing Board member's total target compensation for fiscal 2023. In making this determination, the Supervisory Board has ensured that the proportion of long-term variable compensation always exceeds that of short-term variable compensation and that the proportions of total target compensation represented by each of the individual compensation components are within the ranges defined in the compensation system.

Composition of total target compensation



The regular review of Managing Board compensation at the beginning of fiscal 2023 in order to determine the compensation's appropriateness and conformity with customary market practices indicated that – when compared to the companies in the DAX 40, the German blue-chip stock index, that have been defined in the compensation system as the relevant market – the total target compensation of the members of the Managing Board of Siemens AG was positioned toward the lower end of the customary market ranges. Compared to the companies in the STOXX Europe 50, which is also used for a market comparison due to Siemens' international footprint, direct target compensation was actually below the customary market range. Against this backdrop, the Supervisory Board approved an increase in the total target compensation of all Managing Board members as of October 1, 2022. This increase was implemented by raising the individual members' Stock Awards target amounts. The Stock Awards target amount for Dr. Roland Busch was raised to €3,340,000 from €2,954,000, the target amount for Prof. Dr. Ralf P. Thomas was raised to €2,145,000 from €2,000,000, the target amount for Cedrik Neike was raised to €1,470,000 from €1,259,000, and the target amounts for the remaining Managing Board members were raised to €1,380,000 from €1,259,000.

Due to the increase in the Stock Awards target amounts, variable compensation is structured on a more long-term basis, while compensation as a whole is oriented even more toward sustainable Company development.

Regarding compensation, all components of the compensation of the position of President and CEO are differentiated. The target amount of Prof. Dr. Ralf P. Thomas's Stock Awards is differentiated due to his particular responsibilities as CFO. The target amount of Cedrik Neike's Stock Awards is also differentiated due to the outstanding business results of Digital Industries, the strategic importance of this Business for the further development of Siemens AG and Cedrik Neike's five-years of membership on the Managing Board.

The following table shows the individualized target compensation of each Managing Board member and the relative proportions of total target compensation represented by each of the individual compensation components.

Target compensation fiscal 2023

Managing Board members in office on September 30, 2023		Dr. Roland Busch				Cedrik Neike			
		President and CEO since Feb. 3, 2021				Managing Board member since April 1, 2017			
		2023		2022		2023		2022	
		€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC
Fixed compensation	Base salary	1,770	22%	1,770	23%	1,102	25%	1,102	26%
	+ Fringe benefits ¹	133	2%	133	2%	83	2%	83	2%
	+ BSAV contribution / amount for free disposal ²	991	12%	991	13%	617	14%	617	15%
	= Total	2,894	36%	2,894	38%	1,801	41%	1,801	43%
Variable compensation	+ Short-term variable compensation								
	Bonus for fiscal 2023	1,770	22%	–	–	1,102	25%	–	–
	Bonus for fiscal 2022	–	–	1,770	23%	–	–	1,102	26%
	+ Long-term variable compensation								
	2023 Stock Awards (vesting: 2022 – 2026)	3,340	42%	–	–	1,470	34%	–	–
2022 Stock Awards (vesting: 2021 – 2025)	–	–	2,954	39%	–	–	1,259	30%	
= Total target compensation (TTC)	8,004	100%	7,618	100%	4,373	100%	4,162	100%	

		Matthias Rebellius				Prof. Dr. Ralf P. Thomas			
		Managing Board member since Oct. 1, 2020				Managing Board member since Sept. 18, 2013			
		2023		2022		2023		2022	
		€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC
Fixed compensation	Base salary	1,102	26%	1,102	27%	1,102	22%	1,102	22%
	+ Fringe benefits ¹	83	2%	83	2%	83	2%	83	2%
	+ BSAV contribution / amount for free disposal ²	551	13%	551	13%	617	12%	617	13%
	= Total	1,735	41%	1,735	42%	1,801	36%	1,801	37%
Variable compensation	+ Short-term variable compensation								
	Bonus for fiscal 2023	1,102	26%	–	–	1,102	22%	–	–
	Bonus for fiscal 2022	–	–	1,102	27%	–	–	1,102	22%
	+ Long-term variable compensation								
	2023 Stock Awards (vesting: 2022 – 2026)	1,380	33%	–	–	2,145	42%	–	–
2022 Stock Awards (vesting: 2021 – 2025)	–	–	1,259	31%	–	–	2,000	41%	
= Total target compensation (TTC)	4,217	100%	4,096	100%	5,048	100%	4,903	100%	

		Judith Wiese			
		Managing Board member since Oct. 1, 2020			
		2023		2022	
		€ thousand	in % of TTC	€ thousand	in % of TTC
Fixed compensation	Base salary	1,102	26%	1,102	27%
	+ Fringe benefits ¹	83	2%	83	2%
	+ BSAV contribution / amount for free disposal ²	551	13%	551	13%
	= Total	1,735	41%	1,735	42%
Variable compensation	+ Short-term variable compensation				
	Bonus for fiscal 2023	1,102	26%	–	–
	Bonus for fiscal 2022	–	–	1,102	27%
	+ Long-term variable compensation				
	2023 Stock Awards (vesting: 2022 – 2026)	1,380	33%	–	–
2022 Stock Awards (vesting: 2021 – 2025)	–	–	1,259	31%	
= Total target compensation (TTC)	4,217	100%	4,096	100%	

1 For fiscal 2023, each Managing Board member was awarded fringe benefits equal to a maximum 7.5% of his or her base salary. The target amount reported here is also equal to the maximum amount.

2 Matthias Rebellius and Judith Wiese are not included in the Siemens Defined Contribution Pension Plan (BSAV). Instead of BSAV contributions, they receive a fixed cash amount for free disposal.

B.2.2 Maximum compensation

The maximum compensation of each Managing Board member is determined annually by the Supervisory Board in accordance with Section 87a para. 1 sent. 2 No. 1 of the German Stock Corporation Act (AktG). Maximum compensation is equal to the total of the maximum amounts of all compensation components that can possibly be paid out to each Managing Board member for the relevant fiscal year. It is calculated by adding base salary, maximum fringe benefits and the BSAV contribution (or the amount for free disposal) as well as two times the Bonus target amount and three times the Stock Awards target amount. Twice the Bonus target amount and triple the Stock Awards target amount also correspond to the respective limits (individual caps) on the amount of variable compensation.

The following table shows the maximum compensation of each Managing Board member as approved by the Supervisory Board for fiscal 2023 in accordance with Section 87a para. 1 sent. 2 No. 1 of the German Stock Corporation Act (AktG).

Maximum compensation fiscal 2023

(€ thousand)		Managing Board members in office on September 30, 2023				
		Dr. Roland Busch	Cedrik Neike	Matthias Rebellius	Prof. Dr. Ralf P. Thomas	Judith Wiese
Fixed compensation	Base salary	1,770	1,102	1,102	1,102	1,102
	+ Fringe benefits (maximum amount)	133	83	83	83	83
	+ BSAV contribution / amount for free disposal	991	617	551	617	551
Variable compensation	+ Bonus for fiscal 2023 (two times target amount)	3,540	2,203	2,203	2,203	2,203
	+ Stock Awards 2023 vesting: 2022 – 2026 (three times target amount)	10,020	4,410	4,140	6,435	4,140
	= Maximum compensation	16,454	8,414	8,078	10,439	8,078

The base salary and the BSAV contribution (or the amount for free disposal) are fixed amounts. In no case did the fringe benefits awarded to a Managing Board member exceed the maximum amount defined for fiscal 2023. The Bonus cap was not reached in fiscal 2023.

Since the 2023 Stock Awards tranche is not due until November 2026, compliance with the maximum limit of the Stock Awards for fiscal 2023 can be finally assessed only in November 2026, when the 2023 Stock Awards tranche is settled.

The final assessment of compliance with the maximum compensation for fiscal 2023 will be included in the Compensation Report for fiscal 2027.

B.2.3 Appropriateness of compensation

The Supervisory Board conducted the annual review of Managing Board compensation in order to determine the latter's appropriateness and conformity with market conditions. For this purpose, the Supervisory Board assessed the compensation's level and structure relative to the companies included in the DAX 40, the German blue-chip stock index, and relative to the companies included in the STOXX Europe 50 (horizontal comparison). In the course of its review, the Supervisory Board also assessed the development of Managing Board compensation relative to the compensation of Senior Management and Siemens' total workforce in Germany (vertical comparison). Senior Management comprises executive employees. The total workforce comprises Senior Management as well as the Siemens employees who are covered by collective bargaining agreements and those who are not. In addition to a status quo analysis, the vertical comparison took into account the development of compensation ratios over time. Since Siemens Healthineers is a separately managed, publicly listed company, its workforce was not included in the vertical comparison.

The appropriateness review of Managing Board compensation for fiscal 2023 has shown that Managing Board compensation is appropriate.

B.3 Variable compensation in fiscal 2023

Variable compensation is tied to performance and accounts for a significant proportion of the total compensation of Managing Board members. It consists of a short-term variable component (Bonus) and a long-term variable component (Stock Awards).

The performance criteria and the key performance indicators used to measure performance for variable compensation in fiscal 2023 are derived from the Company's strategic goals and operational steering and are in line with the compensation system applicable for fiscal 2023. As a rule, all the performance criteria measure successful value creation in all its different forms, as strategically envisioned. In line with Siemens' social responsibility, sustainability is also included in the performance criteria.

The performance criteria relevant for fiscal 2023, the key performance indicators, the focus topics and the explanations of how these foster the Company's long-term development are shown in the following table.

Performance criteria of variable compensation and link to strategy

Performance criterion	Key performance indicator / focus topic	Bonus	Stock Awards	Link to strategy
FINANCIAL TARGETS				
Profit	Earnings per share before purchase price allocation (EPS pre PPA)	✓		EPS reflects the net income attributable to the shareholders of Siemens AG and incentivizes the sustainable increase in profit – particularly by focusing on profitable growth. This key performance indicator provides a comprehensive perspective that encompasses all units of the Siemens Group. The consideration of EPS pre PPA strengthens the focus on Siemens' operating performance.
Profitability / capital efficiency	Return on capital employed adjusted (ROCE adjusted)	✓		ROCE, which is the primary measure for managing capital efficiency at Group level, reflects our focus on profitable growth, the implementation of measures to sustainably increase competitiveness and stringent working capital management. The adjustment of ROCE places the focus on Siemens' operating performance.
Liquidity	Cash conversion rate (CCR)	✓		CCR measures the ability to convert profit into cash flow in order to finance growth and offer our shareholders an attractive, progressive dividend policy.
Growth	Comparable revenue growth	✓		Further accelerating high-value growth is a key element of Siemens' strategy. As a leading technology company, Siemens wants to expand its position on all targeted markets and tap additional profitable markets.
Long-term value creation	Total shareholder return (TSR)		✓	TSR is a yardstick for measuring the achievement of Siemens' strategic goal of sustainably increasing Company value. It indicates total value creation for shareholders in the form of increases in the Siemens share price and dividends paid.
NON-FINANCIAL, QUALITATIVE TARGETS				
Execution of Company strategy	Various focus topics	✓		The individual targets for executing the Company strategy enable the Company to focus on specific factors that are aligned with its short- and medium-term targets and measures in order to ensure its long-term strategic development. The focus topics in fiscal 2023 comprised business development, the implementation of other strategic target setting, optimization / efficiency enhancement and the implementation of portfolio measures.
Sustainability	Various focus topics	✓		Sustainability / diversity – Siemens honors its social responsibility by fostering diversity, inclusion and equal opportunity.
	Siemens-internal ESG/Sustainability index		✓	The Siemens-internal ESG/Sustainability index for the 2023 Stock Awards tranche includes: <ul style="list-style-type: none"> • CO₂ emissions – Climate neutrality by 2030 in order to support the 1.5-degree target and thus combat global warming. • Digital learning hours – Focus on learning in order to empower our people to remain resilient and relevant in a constantly changing environment. • Net Promoter Score – Strong customer relationships are the basis for sustainable development both for Siemens and for our customers.

The Supervisory Board aims to ensure that the targets for variable compensation are demanding and sustainable. If they are not reached, variable compensation can be reduced to zero. If the targets are significantly exceeded, target achievement is capped at 200%.

B.3.1 Short-term variable compensation (Bonus)

B.3.1.1 BASIC PRINCIPLES AND FUNCTIONING

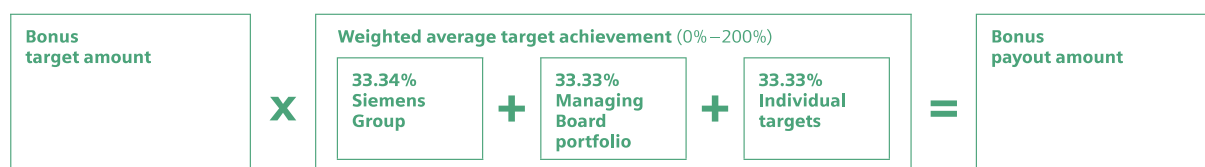
The Bonus system is based on three equally weighted target dimensions, which take account of the overall responsibility of the Managing Board as well as each Managing Board members’ specific business responsibilities and individual challenges:

- “Siemens Group”
- “Managing Board portfolio”
- “Individual targets.”

Performance criteria are assigned to each of the three target dimensions based on Company priorities and the responsibilities of each Managing Board member. One financial performance criterion is assigned to the “Siemens Group” dimension and another to the “Managing Board portfolio” dimension. The fulfillment of these criteria is measured on the basis of key performance indicators. Within the “Individual targets” dimension, the financial performance criteria “growth” and “liquidity” can be employed as can additional, non-financial performance criteria. In the case of non-financial performance criteria, the Supervisory Board considers the degree to which a Managing Board member has fulfilled so-called focus topics, which comprise operations-related aspects of the execution of the Company’s strategy as well as sustainability-related aspects.

At the end of the fiscal year, target achievement for the individual key performance indicators and the achievement of the Managing Board members’ individual targets are determined and aggregated to form a weighted average. The percentage of weighted target achievement multiplied by the individual target amount yields the Bonus payout amount for the past fiscal year. The payable Bonus is capped at two times the target amount and is paid in cash, at the latest, together with the compensation paid at the end of February of the following fiscal year.

Bonus design and calculation of payout amount



B.3.1.2. BONUS FOR FISCAL 2023

“Siemens Group” target dimension

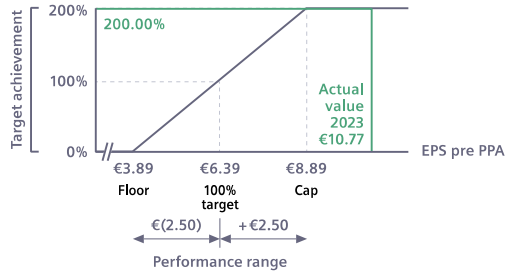
For the “Siemens Group” target dimension in fiscal 2023, the Supervisory Board of Siemens AG defined the performance criterion “profit.” In accordance with external communications and the Siemens Financial Framework for the financial steering of the Company, the focus is on the transparent presentation of Siemens’ operating performance. For this reason, “profit” is measured in terms of basic earnings per share before purchase price allocation (EPS pre PPA). EPS pre PPA is defined as basic earnings per share from net income adjusted for amortization of intangible assets acquired in business combinations and related income taxes. It includes the amounts attributable to shareholders of Siemens AG.

To take account of the Company’s long-term performance and provide incentives for a sustainable increase in profit, the average EPS pre PPA of three consecutive fiscal years was used for target setting. The portfolio of Siemens AG changed significantly due to the spin-off of Siemens Energy at the end of fiscal 2020. Against this backdrop, target setting for fiscal 2023 was defined on the basis of comparable EPS pre PPA values. The following EPS pre PPA values were used for this purpose: the EPS pre PPA value of continuing operations was used for fiscal 2020, and the EPS pre PPA values of continuing and discontinued operations were used for fiscal 2021 and fiscal 2022.

As part of target achievement, the actual EPS pre PPA value of the reporting year is used in order to place the focus on performance in the reporting year.

Earnings per share before purchase price allocation (EPS pre PPA): Target setting and target achievement

33.34% Siemens Group
EPS pre PPA, basic



Calculation of target and actual value:

Fiscal	EPS pre PPA
2020	€5.39
2021	€8.32
2022	€5.47
2023	€10.77

avg. 2020–2022 → 100% target = €6.39

Actual value → €10.77

For fiscal 2020:
comparable EPS pre PPA of continuing operations

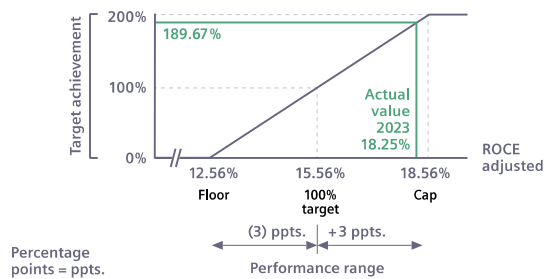
Target achievement: 200.00%

“Managing Board portfolio” target dimension

The Supervisory Board of Siemens AG established “profitability / capital efficiency” measured in terms of return on capital employed (ROCE) as the performance criterion for the “Managing Board portfolio” target dimension for fiscal 2023 for all Managing Board members. ROCE is defined as profit before interest and after tax divided by average capital employed. For the purposes of target setting and determining target achievement, ROCE – as defined in the Siemens Financial Framework, which excludes certain Varian-related acquisition effects – is adjusted for main effects relating to the stake in Siemens Energy (profit “Siemens Energy Investment” in the numerator and asset “Siemens Energy Investment” in the denominator). The target value for ROCE adjusted is derived from budget planning.

Return on capital employed adjusted (ROCE adjusted): Target setting and target achievement

33.33% Managing Board portfolio
ROCE adjusted



Calculation of actual value according to target setting:

ROCE as reported (excluding defined Varian-related acquisition effects)	18.65%
Main Siemens-Energy-related effects	(0.40) ppts.
Actual ROCE adjusted value	18.25%

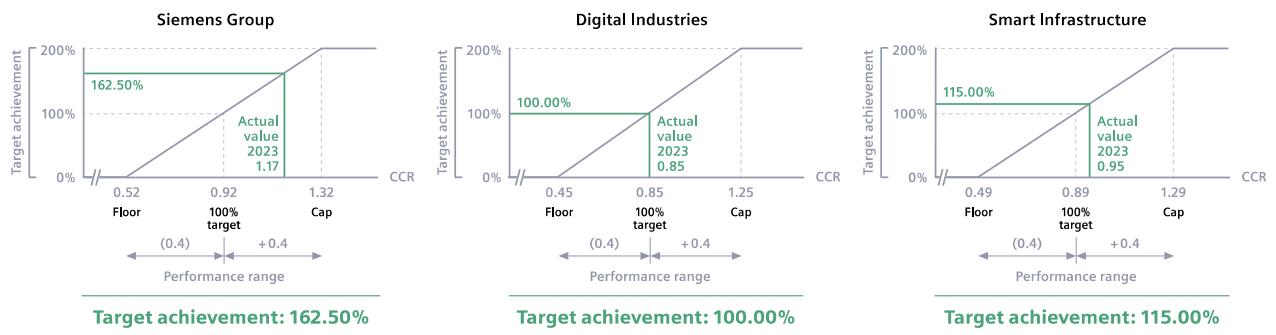
Target achievement: 189.67%

“Individual targets” target dimension

The “Individual targets” target dimension comprises four equally weighted individual targets, achievement of each of which may be between 0% and 200%.

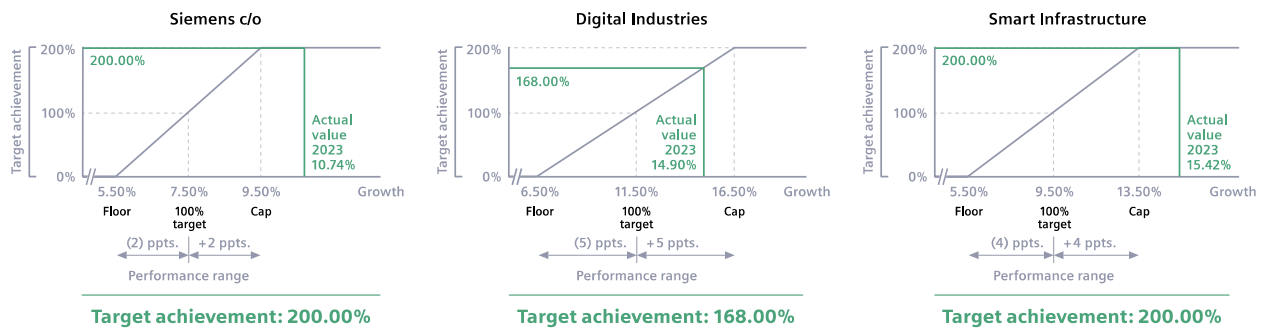
The cash conversion rate (CCR) was defined as the first individual target for all Managing Board members. The CCR reflects a company’s ability to convert profit into available cash. For the President and CEO and the Managing Board members with primarily functional responsibility, the CCR target was defined on the basis of the Siemens Group in order to support Siemens’ voluntary commitment to generate cash at Group level. CCR Siemens Group is defined as the ratio of free cash flow from continuing and discontinued operations to net income. For the Managing Board members with business responsibility for Digital Industries and Smart Infrastructure, the CCR targets are business-specific and defined as the ratio of free cash flow to profit at each business. The target amounts for CCR were based on the budget plans.

Individual targets: Cash conversion rate (CCR) – Target setting and target achievement



In addition to CCR, “comparable revenue growth” was defined as the second individual target for fiscal 2023 for all members of the Managing Board. It indicates the development in Siemens’ business net of currency translation effects arising from the external environment outside of Siemens’ control and the portfolio effects that involve business activities that are either new to or no longer a part of the relevant business. For the President and CEO and the members of the Managing Board with primarily functional responsibility, the growth target was determined on the basis of continuing operations (c/o) related to the Siemens Group (Siemens c/o). For the Managing Board members with business responsibility for Digital Industries and Smart Infrastructure, growth targets are based on their respective businesses. The respective target values were derived from the external outlook for fiscal 2023.

Individual targets: Comparable revenue growth – Target setting and target achievement



The other two individual targets include focus topics from the areas of Company strategy / sustainability and were defined on the basis of the Managing Board members' respective areas of responsibility.

Individual targets: Focus topics from the areas of Company strategy / sustainability

Dr. Roland Busch	Business development	
	Expansion of Siemens Xcelerator business	<ul style="list-style-type: none"> • Siemens Xcelerator revenue growth above fiscal-year targets • Accelerated expansion of Siemens Xcelerator business through modernization and modularization as well as the extension of marketplace content and functionalities
	Sustainable strengthening of the businesses, including resilience	<ul style="list-style-type: none"> • Market share gains in nearly all businesses with accompanying revenue growth • Strengthening of value chain resilience
	Sustainability / diversity	
	Further development of the sustainability-related business strategy and anchoring in Company steering	<ul style="list-style-type: none"> • Strengthening of the sustainability organization in the business units and establishment of a committee for sustainability-related business decisions • Implementation and anchoring in key processes such as product design and data / IT infrastructure as well as the development of business models
	Development of sustainability-related business	<ul style="list-style-type: none"> • Definition of basic structure and preparation of new key performance indicators for impact • Completion of materiality assessment pursuant to the Corporate Sustainability Reporting Directive (CSRD) as well as sustainability scenario modeling
Cedrik Neike	Business development	
	Expansion of Siemens Xcelerator business	<ul style="list-style-type: none"> • Positive revenue development as well as the expansion of Siemens Xcelerator scope to include product design, engineering and verification • Further expansion of customer and partner landscape with, among others, NVIDIA, Microsoft and Daimler Truck
	Strengthening of the Regions in go-to-market, including sector-specific expertise	<ul style="list-style-type: none"> • Driving Regional sales transformation, among other things, through the introduction of overarching sales processes and steering • Improved sector-specific expertise in the battery and semiconductor segment – in particular, through the dedicated allocation of resources and the addressing of key customers
	Achievement of software-as-a-service targets	<ul style="list-style-type: none"> • Transition to software-as-a-service considerably above plan and above the target communicated at the 2021 Capital Market Day
	Implementation of other strategic target setting	
	Development of sustainability-related business	<ul style="list-style-type: none"> • Definition of basic structure and preparation of new key performance indicators for impact • Implementation of sustainability and energy efficiency campaigns
	Strengthening of sector-specific solutions with regard to sustainability-related business	<ul style="list-style-type: none"> • Establishment and expansion of partnerships as well as analysis of new business opportunities • External communications and training of sales personnel in sector-specific aspects of sustainability
Matthias Rebellius	Business development	
	Expansion of Siemens Xcelerator business	<ul style="list-style-type: none"> • Siemens Xcelerator revenue growth above fiscal-year targets for Siemens Xcelerator software, internet of things (IoT) and digital services and for Siemens Xcelerator IoT hardware
	Strengthening of the Regions in go-to-market, including sector-specific expertise	<ul style="list-style-type: none"> • Planning for seven sectors in key countries for fiscal 2024 already concluded • Strong development in the battery and semiconductor segment, among other things, through the strengthening of sales structures and the conclusion of framework agreements
	Implementation of other strategic target setting	
	Development of sustainability-related business	<ul style="list-style-type: none"> • Definition and introduction of customer value in the sustainability strategy of Siemens AG • Determination of clear sustainability-related focus businesses and investment priorities
	Strengthening of sector-specific solutions with regard to sustainability-related business	<ul style="list-style-type: none"> • Identification of business opportunities and market-specific use cases • Successful, cross-sector scaling of energy-saving contracting in commercial buildings, hospitals, universities

Individual targets: Focus topics from the areas of Company strategy / sustainability (cont.)

Prof. Dr. Ralf P. Thomas	Implementation of portfolio measures	
	Driving performance of Portfolio Companies	<ul style="list-style-type: none"> Successful sale of Commercial Vehicles business to Meritor Strong operating performance, including revenue growth and increase in operating profitability year-over-year
	Further development of Siemens Financial Services (SFS)	<ul style="list-style-type: none"> Successful support for Siemens Xcelerator through specific SFS solutions and integration of a digital payment and financing gateway Scaling of established financing solutions in new business models of the industrial business
	Sustainability / diversity	
Judith Wiese	Development of the sustainability-related business of Siemens Financial Services (SFS)	<ul style="list-style-type: none"> Development and implementation of methods for identifying SFS financing solutions with a positive value contribution in the sustainability area Continuous further development of sustainability through innovation in financing offerings
	Optimization / efficiency enhancement	
	Further development and performance of Global Business Services (GBS)	<ul style="list-style-type: none"> Further expansion of business activities, including a first major external contract Revenue increase above annual planning as well as achievement of planned productivity targets
Judith Wiese	Implementation of Next Work program	<ul style="list-style-type: none"> Targeted scaling of Next Work to now roughly 80,000 employees Development and provision of a Next Work training program for managers and businesses
	Sustainability / diversity	
	Further development of DEGREE framework	<ul style="list-style-type: none"> Launch of a project to further develop the DEGREE framework Acceleration of two DEGREE targets with adjusted, ambitious target setting and early achievement of the target regarding the share of women in top management positions
Judith Wiese	Further development of the sustainability-related business strategy and anchoring in Company steering	<ul style="list-style-type: none"> Strengthening of the sustainability organization in the business units and establishment of a committee for sustainability-related business decisions Implementation and anchoring in key processes such as project design and data / IT infrastructure as well as the development of business models

Target achievement for the target dimension "Individual targets" is summarized for each Managing Board member in the following table.

Individual targets: Total target achievement by each Managing Board member

	Weighting	Key performance indicator / focus topics	Target achievement	Total target achievement
Dr. Roland Busch	25%	CCR Siemens Group	162.50%	165.63%
	25%	Comparable revenue growth Siemens c/o	200.00%	
	50%	Business development Sustainability / diversity	150.00%	
Cedrik Neike	25%	CCR Digital Industries	100.00%	132.00%
	25%	Comparable revenue growth Digital Industries	168.00%	
	50%	Business development Implementation of other strategic target setting	130.00%	
Matthias Rebellius	25%	CCR Smart Infrastructure	115.00%	153.75%
	25%	Comparable revenue growth Smart Infrastructure	200.00%	
	50%	Business development Implementation of other strategic target setting	150.00%	
Prof. Dr. Ralf P. Thomas	25%	CCR Siemens Group	162.50%	160.63%
	25%	Comparable revenue growth Siemens c/o	200.00%	
	50%	Implementation of portfolio measures Sustainability / diversity	140.00%	
Judith Wiese	25%	CCR Siemens Group	162.50%	155.63%
	25%	Comparable revenue growth Siemens c/o	200.00%	
	50%	Optimization / efficiency enhancement Sustainability / diversity	130.00%	

Target achievement: 132.00% to 165.63%

Total target achievement for the Bonus for fiscal 2023

Total target achievement and the resulting Bonus payout amount for each Managing Board member are summarized in the following table.

Total target achievement and Bonus payout amounts for fiscal 2023

Managing Board members in office on September 30, 2023	Compensation range			Total target achievement	Bonus payout amount
	Floor (based on 0% target achievement)	Target amount (based on 100% target achievement)	Cap (based on 200% target achievement)		
Dr. Roland Busch	€0	€1,770,000	€3,540,000	185.10%	€3,276,270
Cedrik Neike	€0	€1,101,600	€2,203,200	173.89%	€1,915,572
Matthias Rebellius	€0	€1,101,600	€2,203,200	181.14%	€1,995,438
Prof. Dr. Ralf P. Thomas	€0	€1,101,600	€2,203,200	183.43%	€2,020,665
Judith Wiese	€0	€1,101,600	€2,203,200	181.77%	€2,002,378

B.3.2 Long-term variable compensation (Stock Awards)

B.3.2.1. BASIC PRINCIPLES AND FUNCTIONING

Siemens grants long-term variable compensation in the form of Stock Awards. A Stock Award is the claim to one share – conditional on target achievement – after the expiration of a defined vesting period. The vesting period is, accordingly, the term of each Stock Awards tranche.

At the beginning of a fiscal year, the Supervisory Board defines a target amount in euros based on 100% target achievement for each Managing Board member. This target amount is extrapolated to target achievement of 200% (“maximum allocation amount”). Stock Awards for this maximum allocation amount are then allocated to the Managing Board members. The number of Stock Awards is calculated by dividing the maximum allocation amount by the price of the Siemens share on the allocation date, less the estimated discounted dividends (“allocation price”).

An approximately four-year vesting period begins with the allocation of Stock Awards, after the expiration of which Siemens shares are transferred. The beneficiary Managing Board members are not entitled to dividends during the vesting period.

Performance criteria

Since fiscal 2020, the number of Siemens shares that is actually transferred depends 80% on the financial performance criterion “long-term value creation,” measured on the basis of the key performance indicator “total shareholder return” (TSR), and 20% on the non-financial performance criterion “sustainability.” For measuring the “sustainability” performance criterion, Siemens AG’s performance in the environment, social and governance (ESG) area is assessed on the basis of a Siemens-internal ESG/Sustainability index, the composition of which is determined annually by the Supervisory Board.

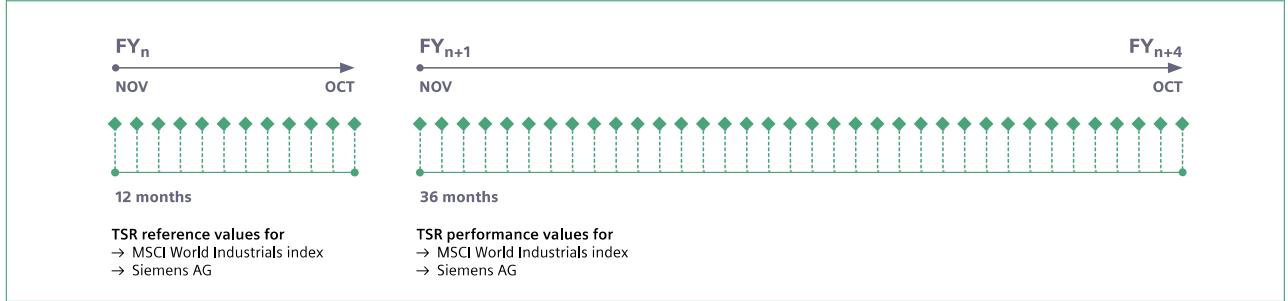
Total shareholder return – TSR is indicative of the performance of one share over a specified period of time – in the case of Siemens, over the approximately four-year vesting period. It takes into account changes in the share price and the dividends paid during this period. To reflect the Company’s 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 or a comparable successor index.

Target achievement for TSR is concretely 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 (reference period).

In order to determine at the end of the vesting period how well the TSR of Siemens AG has performed relative to the TSR of the sector index, 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.

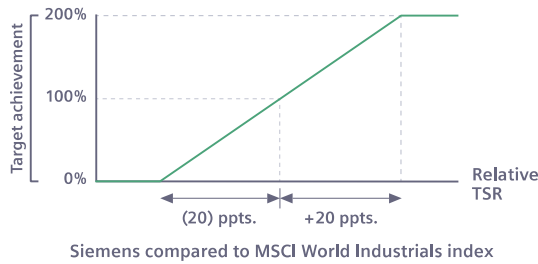
At the end of the vesting period, the change in Siemens' TSR as well as that of the sector index is determined by comparing the TSR reference values with the TSR performance values.

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



The following applies for the determination of target achievement.

Calculation of TSR target achievement



- If the change in the TSR of Siemens AG is at least 20 percentage points above that of the sector index, target achievement is 200%.
- If the change in the TSR of Siemens AG is equal to that of the sector index, target achievement is 100%.
- If the change in the TSR of Siemens AG is at least 20 percentage points below that of the sector index, target achievement is 0%.

If the change in the TSR of Siemens AG is between 20 percentage points above and 20 percentage points below that of the sector index, target achievement is calculated using linear interpolation.

Environment, social and governance – The Siemens-internal ESG/Sustainability index is based on three equally weighted, structured and verifiable ESG key performance indicators. At the beginning of each tranche, the Supervisory Board defines the target values for each of the ESG key performance indicators. Target measurement is based on defined interim targets for each fiscal year. Target achievement for the Siemens-internal ESG/Sustainability index is finally determined at the end of the approximately four-year vesting period on the basis of the weighted average of the target achievement values calculated for each of the key performance indicators.

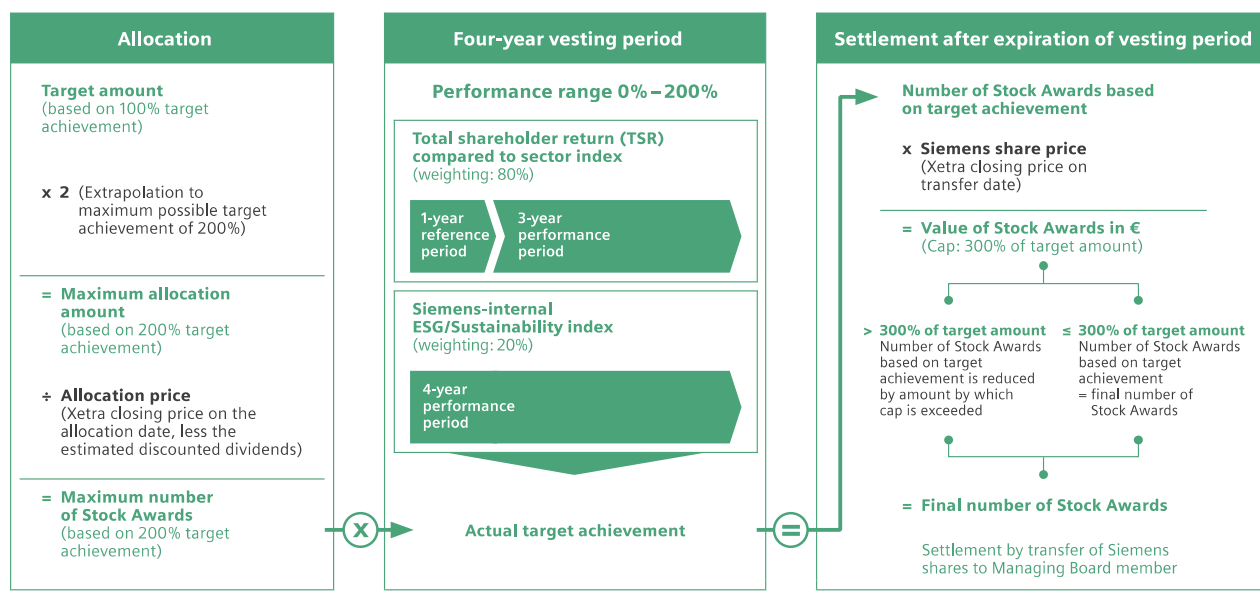
Determination of total target achievement

At the end of the approximately four-year vesting period, the Supervisory Board determines the degree of target achievement. The target achievement range for TSR and for the Siemens-internal ESG/Sustainability index is between 0% and 200%. If target achievement is less than 200%, a number of Siemens Stock Awards equivalent to the shortfall are forfeited without refund or replacement and a correspondingly smaller number of shares is transferred.

The value of the Siemens shares transferred after the expiration of the vesting period is also capped at 300% of the target amount. If this cap is exceeded, a corresponding number of Stock Awards is forfeited without refund or replacement.

The remaining number of Stock Awards is settled by the transfer of Siemens shares to the relevant Managing Board member.

Basic principles and functioning of Stock Awards



B.3.2.2 ALLOCATION OF STOCK AWARDS IN FISCAL 2023

The Supervisory Board approved the following performance criteria for the 2023 Stock Awards tranche:

- “Long-term value creation,” measured in terms of the development of the TSR of Siemens AG relative to the international sector index MSCI World Industrials and
- “Sustainability,” measured in terms of the Siemens-internal ESG/Sustainability index, which is based on the following three equally weighted key performance indicators. Target setting for the three key performance indicators is oriented on the Company’s strategic sustainability planning, which is described in detail in Siemens’ sustainability reporting.

ESG key performance indicators for 2023 Stock Awards tranche

Key performance indicator	Definition	Derived from	Ambition
CO₂ emissions	Amount of greenhouse gases emitted by the Company's business operations in tons of CO ₂ equivalent, excluding carbon offsets (for example, certificates).	Sustainability strategy (DEGREE framework)	Net zero emissions in business operations by 2030 with 55% emission reduction by 2025 and 90% by 2030. This ambition, which was raised in fiscal 2022, also contributes to compliance with the SBTi pathway ¹ and the fulfilment of the obligations arising from membership in the RE100, EV100 and EP100 initiatives. ²
Digital learning hours per employee	The total number of digital learning hours completed in virtual trainer-led training sessions, self-paced learning, learning on the job, community-based virtual learning and hybrid training sessions, divided by the total number of employees.	Sustainability strategy (DEGREE framework) and Company priorities (Growth mindset)	Siemens' success is inseparably linked with highly qualified employees. The right employees with the right expertise are decisive for our further growth. That is why we place a strong emphasis on learning in order to sustainably anchor it in our day-to-day working environment while continuously increasing learning hours.
Net Promoter Score (NPS)	Customer intention to recommend us, measured on a scale of 1 (extremely unlikely) to 10 (extremely likely) and based on comprehensive annual customer satisfaction surveys. ³	Company priorities (Customer impact)	Customer satisfaction is Siemens' top priority. For us, this means identifying customer requirements as early as possible, strengthening partnerships and maintaining and building trust. As a result, we systematically measure customer satisfaction and take steps to improve it.

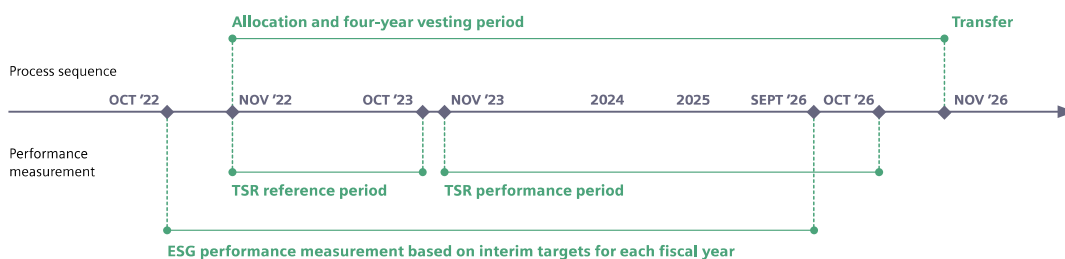
¹ Science Based Target Initiative (SBTi): Reduction targets for 2030 based on the scientific requirements for limiting global warming to 1.5 degrees Celsius.

² Use of renewable energy (RE): 100% green electricity by 2030; use of electric vehicles (EV): 100% electric vehicles; improving energy productivity (EP): 100% CO₂-neutral buildings.

³ The NPS is calculated by subtracting the percentage of detractors from the percentage of promoters. Customers that rate Siemens high on the scale are promoters. Customers that find it unlikely to recommend Siemens to others are named detractors. Example: promoters (55%) minus detractors (10%) = NPS (45%).

The Supervisory Board set the allocation date for the 2023 Stock Awards tranche at November 18, 2022. The timeline of this tranche is as follows.

Timeline for the 2023 Stock Awards tranche



The target amounts, the maximum allocation amounts, the maximum number of Stock Awards allocated and the fair value at allocation date in accordance with IFRS 2 Share-based Payment are shown in the following table. The allocation price applicable for the 2023 tranche was €114.22.

Information on the allocation of the 2023 Stock Awards tranche

	Based on 200% target achievement				
	Target amount (based on 100% target achievement)	Maximum allocation amount	Total shareholder return (weighting: 80%)	Maximum number of Stock Awards Siemens-internal ESG/ Sustainability index (weighting: 20%)	Fair value at allocation date ¹
Managing Board members in office on September 30, 2023					
Dr. Roland Busch	€3,340,000	€6,680,000	46,787	11,697	€3,626,839
Cedrik Neike	€1,470,000	€2,940,000	20,592	5,148	€1,596,240
Matthias Rebellius ²	€1,380,000	€2,760,000	19,331	4,833	€1,498,519
Prof. Dr. Ralf P. Thomas	€2,145,000	€4,290,000	30,047	7,512	€2,329,196
Judith Wiese	€1,380,000	€2,760,000	19,331	4,833	€1,498,519

¹ The fair value on the allocation date is calculated for the TSR component on the basis of a valuation model and amounts to €49.42. The fair value for the ESG component of €112.39 is equal to the Xetra closing price of the Siemens share on the allocation date, less the discounted expected dividends. For the 2023 tranche, the allocation date in accordance with IFRS 2 was November 23, 2022 (the date of communication to the Managing Board members).

² In addition to his position as a member of the Managing Board of Siemens AG, Matthias Rebellius is CEO of Smart Infrastructure and CEO of Siemens Schweiz AG. The corresponding legal relationship is defined in a separate contract between Matthias Rebellius and Siemens Schweiz AG. The entire compensation he receives under the terms of his contract with Siemens Schweiz AG is deducted from his Managing Board compensation. Of the target amount reported here (based on 100% target achievement), €600,000 is attributable to Siemens Schweiz AG.

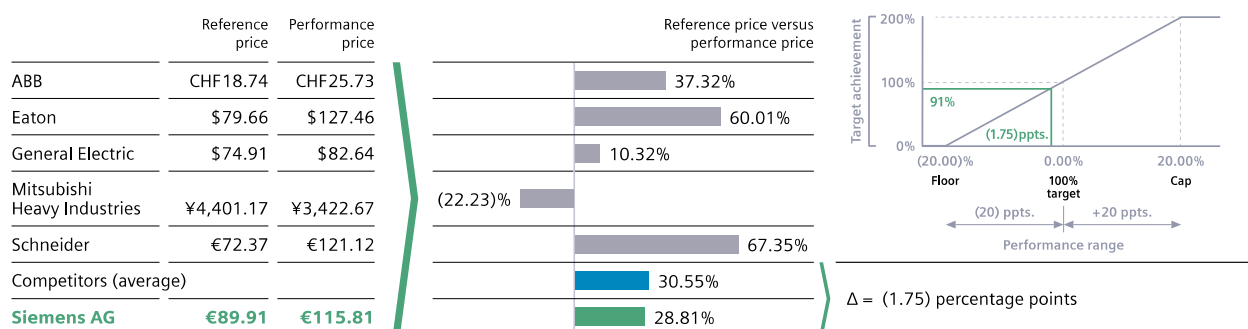
Concrete target setting and the degree of target achievement for the Siemens-internal ESG/Sustainability index of the 2023 Stock Awards tranche will be published together with the degree of target achievement for the TSR in the Compensation Report for fiscal 2027, after the expiration of the vesting period.

B.3.2.3 TRANSFER OF STOCK AWARDS IN FISCAL 2023 (2019 TRANCHE)

The 2019 Stock Awards tranche became due and was settled in fiscal 2023. The 2019 Stock Awards tranche depended on the performance of the Siemens share compared to the share performance of five relevant competitors during the approximately four-year vesting period from November 9, 2018, to November 17, 2022.

Overview of target achievement for the 2019 Stock Awards tranche

Performance of the Siemens share compared to the share performance of five relevant competitors



Target achievement: 91%

The following table provides a summary of the key parameters of the 2019 Stock Awards tranche. In connection with the due date and settlement of the Stock Awards for fiscal 2019, the table also includes an additional cash payment to the Managing Board members as a result of the Siemens Energy spin-off. The spin-off of Siemens Energy in fiscal 2020 led to adjustments in the stock-based compensation commitments agreed upon until the spin-off date. At the time when the 2019 Stock Awards became due, the Managing Board members – like all other eligible employees – were, accordingly, entitled to receive an additional cash payment based on the spin-off ratio of 2:1 and on the Siemens Energy share price of €14.68 on the date when their stock-based compensation commitments became due.

Information on the transfer of the 2019 Stock Awards tranche

	Maximum allocation amount (based on 200% target achievement)	Allocation price Nov. 9, 2018	Maximum number of Stock Awards (based on 200% target achievement)	Target achievement of share price performance	Number of Stock Awards based on target achievement	Value at transfer day Nov. 18, 2022 ¹	Cash payment Siemens Energy spin-off
Managing Board members in office on September 30, 2023							
with a commitment of the Stock Awards from the 2019 tranche							
Dr. Roland Busch	€2,280,000	/ €85.03	= 26,815	x 91%	= 12,202	> €1,580,891	+ €89,532
Cedrik Neike ²	€2,280,000	/ €85.03	= 26,815	x 91%	= 12,202	> €1,580,891	+ €89,532
Prof. Dr. Ralf P. Thomas	€2,850,000	/ €85.03	= 33,518	x 91%	= 15,251	> €1,975,920	+ €111,904

¹ The Stock Awards settled by share transfer were valued at €129.56, the German low price of the Siemens share on November 18, 2022.

² In addition to his position as a member of the Managing Board, Cedrik Neike served as Executive Chairman of the Board of Directors of Siemens Ltd. China from May 1, 2017, to March 31, 2019. Of the allocated number of Stock Awards reported here, 2,940 are attributable to the commitment by Siemens Ltd. China. Of the calculated number of Stock Awards reported here, 1,338 were awarded and paid by Siemens Ltd. China.

In the course of transferring the 2019 Stock Awards tranche, compliance with the maximum amounts of total compensation for fiscal 2019 was also reviewed. The applicable maximum amount was not exceeded in the case of any Managing Board member.

B.3.2.4 CHANGES IN STOCK AWARDS IN FISCAL 2023

The following overview shows the changes in the balance of the Stock Awards held by Managing Board members in fiscal 2023.

Changes in Stock Awards in fiscal 2023

(Amount in number of units) ¹	Balance at beginning of fiscal 2023	During fiscal year			Balance at the end of fiscal 2023
		Allocated	Vested and settled	Other changes ²	
Managing Board members in office on September 30, 2023					
Dr. Roland Busch	154,052	58,484	(12,202)	(14,613)	185,721
Cedrik Neike ³	98,036	25,740	(12,202)	(14,613)	96,961
Matthias Rebellius ⁴	44,936	24,164	–	–	69,100
Prof. Dr. Ralf P. Thomas	127,859	37,559	(15,251)	(18,267)	131,900
Judith Wiese ⁵	59,881	24,164	–	–	84,045

¹ Starting with the 2019 tranche, the settlement of Stock Awards will be entirely by share transfer. For this reason, the number of Stock Awards, as set out in the table, is based on a target achievement of 200%. At the end of the vesting period, a final number of Siemens shares to be transferred will be determined on the basis of actual target achievement and taking into account the Stock Awards cap.

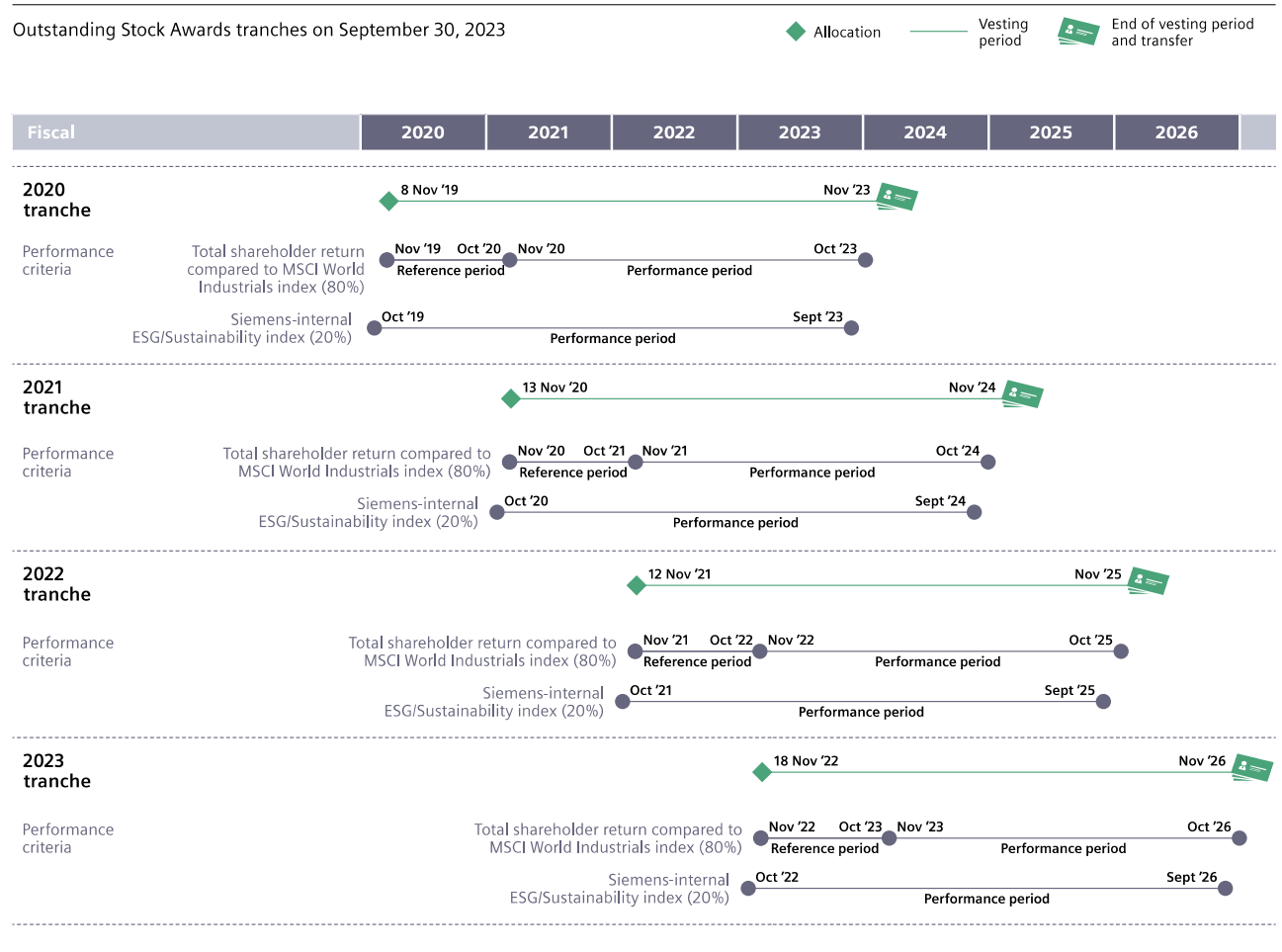
² The target achievement of the Stock Awards from the 2019 tranche, which were due and settled in fiscal 2023, was 91%. Since the Stock Awards were initially allocated on the basis of 200% target achievement, a number equivalent to this shortfall was forfeited without refund or replacement, in accordance with plan requirements.

³ In addition to his position as a member of the Managing Board, Cedrik Neike served as Executive Chairman of the Board of Directors of Siemens Ltd. China from May 1, 2017, to March 31, 2019. The reported figures include the Stock Awards allocated to Cedrik Neike by Siemens Ltd. China due to this position.

⁴ In addition to his position as a member of the Managing Board of Siemens AG, Matthias Rebellius is CEO of Smart Infrastructure and CEO of Siemens Schweiz AG. The corresponding legal relationship is defined in a separate contract between Matthias Rebellius and Siemens Schweiz AG. The entire compensation he receives under the terms of his contract with Siemens Schweiz AG is deducted from his Managing Board compensation. The Stock Awards reported here also include the Stock Awards allocated by Siemens Schweiz AG since the appointment of Matthias Rebellius to the Managing Board of Siemens AG.

⁵ The reported figures also include the Stock Awards allocated to Judith Wiese in November 2020 as compensation for the loss of benefits granted by her former employer in addition to the regular allocation of Stock Awards from the 2021 tranche.

As of the end of fiscal 2023, the following Stock Awards tranches were within the vesting period and are therefore included in the balance at the end of the fiscal year.



B.3.3 Malus and clawback regulations

Under existing malus and clawback regulations, the Supervisory Board is authorized to withhold or reclaim variable compensation in cases of severe breaches of duty or compliance and/or unethical behavior or in cases of grossly negligent or willful breaches of the duty of care or in cases in which variable compensation components linked to the achievement of specific targets have been unduly paid out on the basis of incorrect data.

The Supervisory Board exercises its authority to withhold or reclaim variable compensation components at its duty-bound discretion.

In fiscal 2023, the Supervisory Board did not exercise this authority.

B.4 Share Ownership Guidelines

The deadlines by which the individual Managing Board members must first verify compliance with the Share Ownership Guidelines (SOG) vary from member to member, depending on when they were appointed to the Managing Board. For Managing Board members in office on September 30, 2023, the following table shows the number of Siemens shares that each held in order to comply with the SOG on March 10, 2023, the verification date. It also shows the number of shares to be held throughout the Managing Board members' terms of office with a view to future verification dates.

Obligations under the Share Ownership Guidelines

Managing Board members in office on September 30, 2023, and required to verify compliance on March 10, 2023	Required			Verified		
	Percentage of base salary	Value in € ¹	Number of shares ²	Percentage of base salary ¹	Amount in € ²	Number of shares ³
Dr. Roland Busch	300%	4,704,300	39,163	316%	4,956,271	41,261
Cedrik Neike	200%	2,203,200	18,342	247%	2,718,676	22,633
Prof. Dr. Ralf P. Thomas	200%	2,203,200	18,342	466%	5,131,887	42,723
Total		9,110,700	75,847		12,806,834	106,617

¹ The amount of the obligation is based on the average base salary during the four years prior to the respective verification dates.

² Based on the average Xetra opening price of €120.12 for the fourth quarter of 2022 (October to December).

³ As of March 10, 2023 (verification date).

B.5 Pension benefit commitment

Most of the members of the Managing Board are included in the Siemens Defined Contribution Pension Plan (BSAV). Since fiscal 2020, newly appointed members of the Managing Board can be awarded, instead of BSAV contributions, a fixed cash amount for free disposal.

Contributions under the BSAV are credited to the individual members' pension accounts in the January following each fiscal year. Until pension payments begin, members' pension accounts are credited with an annual interest payment (guaranteed interest) on January 1 of each year. The interest rate is currently 0.25%.

Information regarding the Siemens Defined Contribution Pension Plan (BSAV)

(Amounts in €)	Contributions ¹		Service costs according to IAS 19R		Defined benefit obligation for all pension commitments excluding deferred compensation ²	
	2023	2022	2023	2022	2023	2022
Managing Board members in office on September 30, 2023						
Dr. Roland Busch	991,200	991,200	792,442	913,079	8,569,123	7,814,364
Cedrik Neike	616,896	616,896	502,591	581,069	4,350,198	4,026,008
Prof. Dr. Ralf P. Thomas	616,896	616,896	518,342	578,296	8,707,501	7,572,833
Total	2,224,992	2,224,992	1,813,375	2,072,444	21,626,822	19,413,205

¹ A total of €12,325 is attributable to the funding of personal pension benefit commitments earned prior to the transfer to the BSAV.

² Deferred compensation for Prof. Dr. Ralf P. Thomas totals €59,980 (2022: €57,419).

Judith Wiese and Matthias Rebellius, who were appointed to the Managing Board as of October 1, 2020, are not included in the BSAV. Instead of BSAV contributions, the Supervisory Board awarded these members for fiscal 2023 a fixed cash amount of €550,800 each for free disposal. This amount will be paid in January 2024.

B.6 Compensation awarded and due

B.6.1 Active Managing Board members in fiscal 2023

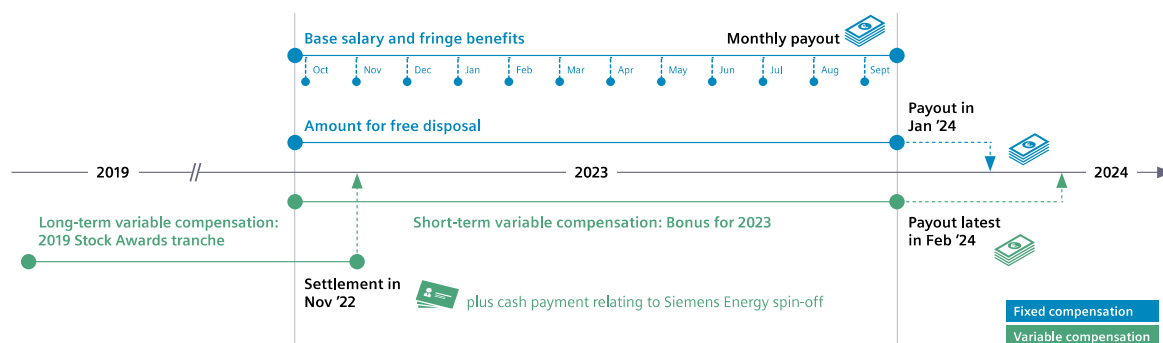
The following tables show the compensation awarded and due to the active members of the Managing Board in fiscal 2023 and fiscal 2022 in accordance with Section 162 para. 1, sent. 1 of the German Stock Corporation Act (AktG). As a result, they include all the amounts actually paid to individual Managing Board members in the reporting period (“awarded compensation”) and all the compensation that is legally due but not yet received (“due compensation”).

The Bonus is reported under “Short-term variable compensation” as “due compensation” since the underlying services were fully rendered by the end of each period (September 30). Therefore, the Bonus payout amounts for the reporting year are reported, although payout only occurs after the end of each reporting year, in order to make reporting transparent and comprehensible and in order to guarantee a connection between performance and compensation in the reporting period.

Furthermore, in fiscal 2023 and fiscal 2022, the Stock Awards from the 2019 and 2018 tranches allocated in fiscal 2019 and fiscal 2018, respectively, became due and were settled by transfer of Siemens shares. The value of Siemens shares at the time of transfer is reported under “Long-term variable compensation.”

In connection with the due date and settlement of the Stock Awards for fiscal 2019 and fiscal 2018, the tables also include the additional cash payments to eligible Managing Board members as a result of the Siemens Energy spin-off. The spin-off of Siemens Energy in fiscal 2020 led to adjustments in the stock-based compensation allocations agreed upon until the spin-off date. At the time when the 2019 and 2018 Stock Awards became due, the Managing Board members – like all other eligible employees – were, accordingly, entitled to receive an additional cash payment based on the spin-off ratio of 2:1 and on the Siemens Energy share price of €14.68 and €24.32, respectively, on the date when their respective stock-based compensation allocations became due.

Compensation awarded and due in fiscal 2023



In addition to the amounts of compensation, Section 162 para. 1 sent. 2 No. 1 of the German Stock Corporation Act (AktG) requires disclosure of the relative proportion of total compensation represented by all fixed and variable compensation components. The relative proportions reported here refer to the compensation components “awarded” and “due” in the respective fiscal years in accordance with Section 162 para. 1 sent. 1 of the German Stock Corporation Act (AktG).

Although the service costs for Company pension plans are not to be classified as awarded and due compensation, they are also reported in the following table for purposes of transparency.

Compensation awarded and due in accordance with Section 162 para. 1 sent. 1 German Stock Corporation Act (AktG) – Active Managing Board members in fiscal 2023

Managing Board members in office on September 30, 2023		Dr. Roland Busch				Cedrik Neike ²			
		President and CEO since Feb. 3, 2021		Managing Board member since April 1, 2017		2023		2022	
		2023	2022	2023	2022	2023	2022	2023	2022
		€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC
Fixed compensation	Base salary	1,770	26%	1,770	30%	1,102	23%	1,102	26%
	+ Fringe benefits	99	1%	111	2%	36	1%	31	1%
	+ Amount for free disposal ¹	–	–	–	–	–	–	–	–
	= Total	1,869	27%	1,881	31%	1,137	24%	1,132	27%
Variable compensation	+ Short-term variable compensation								
	Bonus for fiscal 2023	3,276	48%	–	–	1,916	41%	–	–
	Bonus for fiscal 2022	–	–	2,479	41%	–	–	1,462	35%
	+ Long-term variable compensation								
	2019 Stock Awards (vesting: 2018 – 2022)	1,581	23%	–	–	1,581	33%	–	–
	2018 Stock Awards (vesting: 2017 – 2021)	–	–	1,496	25%	–	–	1,496	35%
	Cash payment Siemens Energy spin-off	90	1%	124	2%	90	2%	124	3%
	= Total compensation (TC) (according to Section 162 AktG)	6,815	100%	5,979	100%	4,723	100%	4,215	100%
+ Service costs	792	–	913	–	503	–	581	–	
= Total compensation (incl. service costs)	7,608	–	6,892	–	5,226	–	4,796	–	
		Matthias Rebellius ³				Prof. Dr. Ralf P. Thomas			
		Managing Board member since Oct. 1, 2020		Managing Board member since Sept. 18, 2013		2023		2022	
		2023	2022	2023	2022	2023	2022	2023	2022
		€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC
Fixed compensation	Base salary	1,102	30%	1,102	35%	1,102	21%	1,102	26%
	+ Fringe benefits	75	2%	80	3%	60	1%	58	1%
	+ Amount for free disposal ¹	551	15%	551	17%	–	–	–	–
	= Total	1,727	46%	1,733	55%	1,161	22%	1,160	27%
Variable compensation	+ Short-term variable compensation								
	Bonus for fiscal 2023	1,995	54%	–	–	2,021	38%	–	–
	Bonus for fiscal 2022	–	–	1,428	45%	–	–	1,524	35%
	+ Long-term variable compensation								
	2019 Stock Awards (vesting: 2018 – 2022)	–	–	–	–	1,976	37%	–	–
	2018 Stock Awards (vesting: 2017 – 2021)	–	–	–	–	–	–	1,496	35%
	Cash payment Siemens Energy spin-off	–	–	–	–	112	2%	124	3%
= Total compensation (TC) (according to Section 162 AktG)	3,723	100%	3,160	100%	5,270	100%	4,304	100%	
+ Service costs	–	–	–	–	518	–	578	–	
= Total compensation (incl. service costs)	3,723	–	3,160	–	5,788	–	4,882	–	

- Matthias Rebellius and Judith Wiese are not included in the Siemens Defined Contribution Pension Plan (BSAV). Instead of BSAV contributions, they receive a fixed cash amount for free disposal.
- In addition to his position as a member of the Managing Board, Cedrik Neike served as Executive Chairman of the Board of Directors of Siemens Ltd. China from May 1, 2017, to March 31, 2019. The amounts reported under "2019 Stock Awards (vesting: 2018 – 2022)" and "2018 Stock Awards (vesting: 2017 – 2021)" include the value of the Stock Awards allocated by Siemens Ltd. China. Likewise, a portion of the additional cash payment attributable to the Stock Awards allocated by Siemens Ltd. China is included under "Cash payment Siemens Energy spin-off." For details, see chapter "B.3.2.3 Transfer of Stock Awards in fiscal 2023 (2019 tranche)."
- In addition to his position as a member of the Managing Board of Siemens AG, Matthias Rebellius is CEO of Smart Infrastructure and CEO of Siemens Schweiz AG. The corresponding legal relationship is defined in a separate contract between Matthias Rebellius and Siemens Schweiz AG. The entire compensation he receives under the terms of his contract with Siemens Schweiz AG is deducted from his Managing Board compensation. Of the base salary and fringe benefits reported here, €710,428 and €34,312, respectively, were awarded and paid by Siemens Schweiz AG. Of the Bonus for fiscal 2023 reported here, €1,192,486 (corresponding to CHF 1,153,015 and converted into euros as of September 30, 2023) will be paid by Siemens Schweiz AG. Furthermore, employer contributions to pension plans paid by Siemens Schweiz AG are deducted from the amount for free disposal. Matthias Rebellius is subject to Swiss legislation on social insurance. Unlike in Germany, this subjection to social insurance also applies to compensation as a member of the Managing Board of Siemens AG. Since the clarification of this matter in May 2023, employer contributions of CHF5,785 (€6,048) have accrued. For the reverse transaction relating to the period from October 2020, when Matthias Rebellius joined the Managing Board, until May 2023, Siemens AG has incurred, in addition, one-time social insurance costs of CHF133,548 (€139,855). Neither the employer contributions nor the one-time social insurance costs are included in the compensation awarded and due to Matthias Rebellius in fiscal 2023.

Compensation awarded and due in accordance with Section 162 para. 1 sent. 1 German Stock Corporation Act (AktG) – Active Managing Board members in fiscal 2023 (cont.)

Managing Board members in office on September 30, 2023		Judith Wiese			
		Managing Board member since Oct. 1, 2020			
		2023		2022	
		€ thousand	in % of TC	€ thousand	in % of TC
Fixed compensation	Base salary	1,102	30%	1,102	34%
	+ Fringe benefits	41	1%	83	3%
	+ Amount for free disposal ¹	551	15%	551	17%
	= Total	1,693	46%	1,735	54%
Variable compensation	+ Short-term variable compensation				
	Bonus for fiscal 2023	2,002	54%	–	–
	Bonus for fiscal 2022	–	–	1,487	46%
	+ Long-term variable compensation				
	2019 Stock Awards (vesting: 2018 – 2022)	–	–	–	–
	2018 Stock Awards (vesting: 2017 – 2021)	–	–	–	–
	Cash payment Siemens Energy spin-off	–	–	–	–
= Total compensation (TC) (according to Section 162 AktG)	3,696	100%	3,223	100%	
+ Service costs	–	–	–	–	
= Total compensation (incl. service costs)	3,696	–	3,223	–	

¹ Matthias Rebellius and Judith Wiese are not included in the Siemens Defined Contribution Pension Plan (BSAV). Instead of BSAV contributions, they receive a fixed cash amount for free disposal.

B.6.2 Former members of the Managing Board

The following table shows the compensation awarded and due to former members of the Managing Board in fiscal 2023 in accordance with Section 162 para. 1 sent. 1 of the German Stock Corporation Act (AktG). In accordance with Section 162 para. 5 of the German Stock Corporation Act (AktG), the personal information of former Managing Board members is no longer included if they left the Managing Board before September 30, 2013. The amounts reported under Stock Awards also include the additional cash payment due to the Siemens Energy spin-off.

Compensation awarded and due in accordance with Section 162 para. 1 sent. 1 German Stock Corporation Act (AktG) – Former members of the Managing Board¹

(in Tsd. €)		Klaus Helmrich Managing Board member until March 31, 2021	Joe Kaeser President and CEO until Feb. 3, 2021	Michael Sen Managing Board member until March 31, 2020	Lisa Davis ² Managing Board member until Feb. 29, 2020
Fixed and variable compensation	Fringe benefits	–	–	–	1
	2019 Stock Awards (vesting: 2018 – 2022)	1,670	3,338	2,088	1,670
Pensions	Annuity	28	58	–	–
	Capital payment (partial or full)	583	1,107	–	–
		Janina Kugel Managing Board member until Jan. 31, 2020	Prof. Dr. Siegfried Russwurm Managing Board member until March 31, 2017	Prof. Dr. Hermann Requardt Managing Board member until Jan. 31, 2015	
Fixed and variable compensation	Fringe benefits	–	–	–	
	2019 Stock Awards (vesting: 2018 – 2022)	1,670	–	–	
Pensions	Annuity	–	29	47	
	Capital payment (partial or full)	–	–	–	

¹ The table includes only compensation that was awarded to former members after they left the Managing Board.

² Lisa Davis's fringe benefits include contractually agreed-upon payments for tax adjustments.

B.7 Outlook for fiscal 2024

The following overview shows the performance criteria for variable compensation for fiscal 2024, as approved by the Supervisory Board of Siemens AG. These criteria are based on the regularly audited and adjusted compensation system, which will be submitted to the Annual Shareholders' Meeting for approval in February 2024.

Outlook for fiscal 2024 – Variable compensation

BONUS

Performance criterion	Key performance indicator	Details
Financial targets	Profit	EPS pre PPA, basic Analogously to fiscal 2023, basic earnings per share before purchase price allocation (EPS pre PPA) is used to place the focus on Siemens' operating performance and present it transparently.
	Profitability / capital efficiency	ROCE adjusted With adjusted return on capital employed (ROCE adjusted), we aim to focus on Siemens' operating performance, analogously to fiscal 2023. Therefore, ROCE – as defined in the Siemens Financial Framework, which excludes certain Varian-related acquisition effects – is adjusted for the main effects relating to the stake in Siemens Energy.
Individual targets	Liquidity	CCR Cash conversion rate (CCR), measured on the basis of: <ul style="list-style-type: none"> • Siemens Group for Managing Board members with primarily functional responsibility • the relevant business for Managing Board members with business responsibility
	Growth	Comparable revenue growth Comparable revenue growth, measured on the basis of: <ul style="list-style-type: none"> • Siemens (c/o) for Managing Board members with primarily functional responsibility • the relevant business for Managing Board members with business responsibility
	Execution of the Company's strategy	<ul style="list-style-type: none"> • Business development • Expansion of Siemens Xcelerator business • Strengthening the Regions • Next Work
	Sustainability	<ul style="list-style-type: none"> • Further development of the DEGREE framework • Further anchoring of sustainability in business processes and product development

STOCK AWARDS

Performance criterion	Key performance indicator	Details
Long-term value creation	Total shareholder return (TSR)	Development of the TSR of Siemens AG relative to the international sector index MSCI World Industrials
Sustainability	Siemens ESG/ Sustainability index	The Siemens ESG/Sustainability index for the 2024 Stock Awards tranche is based on the following two equally weighted key performance indicators: <ul style="list-style-type: none"> • CO₂ emissions • Digital learning hours per employee

C. Compensation of Supervisory Board members

The currently applicable rules for Supervisory Board compensation are set out in Section 17 of the Articles of Association of Siemens AG. They have been in effect since October 1, 2021, and stem from a decision of the Annual Shareholders' Meeting on February 3, 2021, in accordance with Section 113 para. 3 of the German Stock Corporation Act (AktG). The compensation system for Supervisory Board members submitted to the Annual Shareholders' Meeting and the proposed new version of Section 17 of the Articles of Association were approved by a majority of 97.49% of the valid votes cast. The compensation system approved by the Annual Shareholders' Meeting as well as the Articles of Association are publicly available on the Siemens Global Website at WWW.SIEMENS.COM/CORPORATE-GOVERNANCE.

Supervisory Board compensation consists entirely of fixed compensation; it reflects the responsibilities and scope of the work of the Supervisory Board members. Under the applicable rules, the members of the Supervisory Board receive base compensation for each full fiscal year, and the members of the Audit Committee, the Chairman's Committee, the Compensation Committee and the Innovation and Finance Committee receive additional compensation for their committee work. The Chairman and Deputy Chairs of the Supervisory Board as well as the chairs of the Audit Committee, the Chairman's Committee, the Compensation Committee and the Innovation and Finance Committee receive additional compensation.

Compensation of members of the Supervisory Board and its committees

Basic compensation of Supervisory Board			
Chairman €280,000		Deputy Chair €210,000	
Member €140,000			
Additional compensation for committee work			
Audit Committee	Chairman's Committee	Compensation Committee	Innovation and Finance Committee
Chair €180,000 Member €90,000	Chair €80,000 Member €40,000	Chair €80,000 Member €40,000	Chair €80,000 Member €40,000

In the event of changes in the composition of the Supervisory Board and/or its committees within a fiscal year, compensation is paid on a pro-rated basis, rounding up to the next full month.

In addition, the members of the Supervisory Board receive a fee of €2,000 for each of the meetings of the Supervisory Board and its committees that they attend. Attendance at a meeting also includes participation via telephone, video conference or other similar customary means of communication. For attendance at several meetings on the same day, only a single fee is paid.

The members of the Supervisory Board are reimbursed for out-of-pocket expenses incurred in connection with their duties and for any value-added tax to be paid on their compensation. For the performance of his duties, the Chairman of the Supervisory Board is also entitled to an office with secretarial support and the use of a car service. No loans or advances from the Company are provided to members of the Supervisory Board.

The following table shows the compensation awarded and due to the members of the Supervisory Board in fiscal 2023 and fiscal 2022 in accordance with Section 162 para. 1 sent. 1 of the German Stock Corporation Act (AktG).

Compensation awarded and due in accordance with Section 162 para. 1 sent. 1 German Stock Corporation Act (AktG) –
Supervisory Board members

Supervisory Board members in office on September 30, 2023		Basic compensation		Committee compensation		Meeting attendance fee		Total com- pensation (TC)
		in €	in % of TC	in €	in % of TC	in €	in % of TC	in €
Jim Hagemann Snabe	2023	280,000	47%	290,000	48%	32,000	5%	602,000
(since Oct. 2013, Chairman since Jan. 2018)	2022	280,000	47%	290,000	48%	32,000	5%	602,000
Birgit Steinborn ¹	2023	210,000	47%	210,000	47%	30,000	7%	450,000
(since Jan. 2008, First Deputy Chairwoman since Jan. 2015)	2022	210,000	47%	210,000	47%	26,000	6%	446,000
Dr. Werner Brandt	2023	210,000	45%	220,000	47%	34,000	7%	464,000
(since Jan. 2018, Second Deputy Chairman since Feb. 2021)	2022	210,000	45%	220,000	48%	32,000	7%	462,000
Tobias Bäuml ¹	2023	140,000	47%	130,000	44%	26,000	9%	296,000
(since Oct. 2020)	2022	140,000	48%	130,000	45%	22,000	8%	292,000
Dr. Regina E. Dugan	2023	93,333	70%	26,667	20%	14,000	10%	134,000
(since Feb. 2023)	2022	–	–	–	–	–	–	–
Dr. Andrea Fehrmann ¹	2023	140,000	90%	–	–	16,000	10%	156,000
(since Jan. 2018)	2022	140,000	92%	–	–	12,000	8%	152,000
Bettina Haller ¹	2023	140,000	55%	90,000	35%	26,000	10%	256,000
(since April 2007)	2022	140,000	56%	90,000	36%	20,000	8%	250,000
Oliver Hartmann	2023	11,667	85%	–	–	2,000	15%	13,667
(since Sept. 2023)	2022	–	–	–	–	–	–	–
Keryn Lee James	2023	93,333	90%	–	–	10,000	10%	103,333
(since Feb. 2023)	2022	–	–	–	–	–	–	–
Harald Kern ¹	2023	140,000	57%	80,000	33%	24,000	10%	244,000
(since Jan. 2008)	2022	140,000	58%	80,000	33%	20,000	8%	240,000
Jürgen Kerner ¹	2023	140,000	43%	157,500	48%	28,000	9%	325,500
(since Jan. 2012)	2022	140,000	37%	210,000	56%	26,000	7%	376,000
Martina Merz	2023	93,333	56%	60,000	36%	14,000	8%	167,333
(since Feb. 2023)	2022	–	–	–	–	–	–	–
Dr.-Ing. Christian Pfeiffer ¹	2023	93,333	90%	–	–	10,000	10%	103,333
(since Feb. 2023)	2022	–	–	–	–	–	–	–
Benoît Potier	2023	140,000	88%	–	–	20,000	13%	160,000
(since Jan. 2018)	2022	140,000	86%	–	–	22,000	14%	162,000
Hagen Reimer ¹	2023	140,000	63%	60,000	27%	22,000	10%	222,000
(since Jan. 2019)	2022	140,000	92%	–	–	12,000	8%	152,000
Kasper Rørsted	2023	140,000	71%	40,000	20%	18,000	9%	198,000
(since Feb. 2021)	2022	140,000	71%	40,000	20%	16,000	8%	196,000
Dr. Nathalie von Siemens	2023	140,000	88%	–	–	20,000	13%	160,000
(since Jan. 2015)	2022	140,000	86%	–	–	22,000	14%	162,000
Dorothea Simon ¹	2023	140,000	91%	–	–	14,000	9%	154,000
(since Oct. 2017)	2022	140,000	92%	–	–	12,000	8%	152,000
Grazia Vittadini	2023	140,000	53%	104,167	39%	20,000	8%	264,167
(since Feb. 2021)	2022	140,000	48%	130,000	45%	20,000	7%	290,000
Matthias Zachert	2023	140,000	43%	160,000	49%	26,000	8%	326,000
(since Jan. 2018)	2022	140,000	48%	130,000	45%	22,000	8%	292,000
Supervisory Board members who left during the fiscal year								
		in €	in % of TC	in €	in % of TC	in €	in % of TC	in €
Michael Diekmann	2023	58,333	59%	33,333	33%	8,000	8%	99,667
(until Feb. 2023)	2022	140,000	59%	80,000	34%	18,000	8%	238,000
Dr.-Ing. Dr.-Ing. E. h. Norbert Reithofer	2023	58,333	72%	16,667	21%	6,000	7%	81,000
(until Feb. 2023)	2022	140,000	72%	40,000	21%	14,000	7%	194,000
Baroness Nemat Shafik (DBE, DPhil)	2023	58,333	91%	–	–	6,000	9%	64,333
(until Feb. 2023)	2022	140,000	92%	–	–	12,000	8%	152,000
Michael Sigmund	2023	128,333	90%	–	–	14,000	10%	142,333
(until Aug. 2023)	2022	140,000	92%	–	–	12,000	8%	152,000
Gunnar Zukunft ¹	2023	58,333	91%	–	–	6,000	9%	64,333
(until Feb. 2023)	2022	140,000	92%	–	–	12,000	8%	152,000
Total	2023	3,126,667	60%	1,678,333	32%	446,000	8%	5,251,000
	2022	3,080,000	60%	1,650,000	32%	384,000	8%	5,114,000

¹ These employee representatives on the Supervisory Board and the representatives of the trade unions on the Supervisory Board have agreed to transfer their compensation to the Hans Böckler Foundation, in accordance with the guidelines of the Confederation of German Trade Unions.

D. Comparative information on profit development and annual change in compensation

The following table shows, in accordance with Section 162 para. 1 sent. 2 No. 2 of the German Stock Corporation Act (AktG), Siemens' profit development, the annual change in the Managing Board and Supervisory Board members' compensation and the annual change in average employee compensation on a full-time equivalent basis over the last five fiscal years.

Profit development is presented on the basis of the Siemens Group's key performance indicators revenue, comparable revenue growth and basic earnings per share from continuing and discontinued operations. Through fiscal 2021, the latter was also one of the financial targets for the short-term variable compensation (Bonus) of the Managing Board and thus had a significant influence on the amount of the compensation of the Managing Board members. Since fiscal 2022, the comparative information has also included basic earnings per share before purchase price allocation. This key performance indicator supersedes basic earnings per share from continuing and discontinued operations in the Bonus in accordance with the Siemens Financial Framework, which has been in effect since fiscal 2022. In accordance with Section 275 para. 3 No. 16 of the German Commercial Code (*Handelsgesetzbuch*, HGB), the development of the net income of Siemens AG is also shown.

The compensation awarded and due to the Managing Board and Supervisory Board members in each fiscal year is presented in accordance with Section 162 para. 1 sent. 1 of the German Stock Corporation Act (AktG). Pension payments to former members of the Managing Board are not listed here since they do not depend on Siemens' profit development.

The presentation of average employee compensation is based on the size of the workforce, including trainees, employed by Siemens in Germany. In fiscal 2023, this workforce comprised on average 70,984 employees (full-time equivalent). By way of comparison, the Siemens Group had about 254,000 employees and trainees worldwide as of September 30, 2023. The figures exclude the workforce of Siemens Healthineers, which is not included in the presentation since it is a separately managed, publicly listed company.

Average employee compensation comprises the personnel costs for wages and salaries, fringe benefits, employer contributions to social insurance and any short-term variable compensation components attributable to the fiscal year. For compensation in connection with share plans, the amounts received in the fiscal year are taken into account. Therefore, employee compensation is also equivalent, in principle, to awarded and due compensation within the meaning of Section 162 para. 1 sent. 1 of the German Stock Corporation Act (AktG) and is thus in line with Managing Board and Supervisory Board compensation.

Comparative information on profit development and change in compensation
 of employees, Managing Board and Supervisory Board members

Fiscal	2019	2020	Change in %	2021	Change in %	2022	Change in %	2023	Change in %
I. PROFIT DEVELOPMENT									
Revenue ¹ (in € million)	86,849	57,139	(34)%	62,265	9%	71,977	16%	77,769	8%
Comparable revenue growth ² (in %)	3	(2)	n.a.	11.5	n.a.	8.2	n.a.	11	n.a.
Earnings per share ³ (in €)	6.41	5.00	(22)%	7.68	54%	4.65	(40)%	10.04	116%
Earnings per share before purchase price allocation (in €)	–	–	–	8.32	–	5.47	(34)%	10.77	97%
Net income according to HGB (in € million)	11,219	5,270	(53)%	5,147	(2)%	3,612	(30)%	4,460	23%
II. AVERAGE EMPLOYEE COMPENSATION (in € thousand)									
Workforce in Germany	95	96	1%	99	3%	102	3%	107	5%
III. MANAGING BOARD MEMBERS' COMPENSATION (in € thousand)									
Dr. Roland Busch (since April 2011, President and CEO since Feb. 2021)	6,730	4,441	(34)%	6,008	35%	5,979	0%	6,815	14%
Cedrik Neike (since April 2017)	2,331	2,017	(13)%	3,524	75%	4,215	20%	4,723	12%
Matthias Rebellius (since Oct. 2020)	–	–	–	3,435	–	3,160	(8)%	3,723	18%
Prof. Dr. Ralf P. Thomas (since Sept. 2013)	6,740	4,087	(39)%	4,235	4%	4,304	2%	5,270	22%
Judith Wiese (since Oct. 2020)	–	–	–	4,185	–	3,223	(23)%	3,696	15%
Former Managing Board members									
Lisa Davis (until Feb. 2020)	7,969	6,562	(18)%	1,434	(78)%	1,721	20%	1,671	(3)%
Klaus Helmrich (until March 2021)	6,679	4,186	(37)%	2,756	(34)%	1,620	(41)%	1,670	3%
Joe Kaeser (President and CEO until Feb. 2021)	12,978	8,051	(38)%	4,616	(43)%	3,238	(30)%	3,338	3%
Janina Kugel (until Jan. 2020)	4,192	2,631	(37)%	1,274	(52)%	1,620	27%	1,670	3%
Michael Sen (until March 2020)	2,448	1,991	(19)%	5,914	197%	1,620	(73)%	2,088	29%

¹ Revenue as reported. In fiscal 2020, the segments "Gas and Power" and "Siemens Gamesa Renewable Energy" were classified as discontinued operations and are therefore not included in the amount reported for fiscal 2020.

² The primary measure for managing and controlling revenue growth is comparable growth, because it shows the development in Siemens' business net of currency translation effects arising from the external environment outside of Siemens' control and the portfolio effects that involve business activities that are either new to or no longer a part of the relevant business.

³ Basic earnings per share from continuing and discontinued operations as reported.

Comparative information on profit development and change in compensation
 of employees, Managing Board and Supervisory Board members (cont.)

Fiscal	2019	2020	Change in %	2021	Change in %	2022	Change in %	2023	Change in %
IV. SUPERVISORY BOARD MEMBERS' COMPENSATION (in € thousand)									
Jim Hagemann Snabe (since Oct. 2013, Chairman since Jan. 2018)	613	632	3%	608	(4)%	602	(1)%	602	0%
Birgit Steinborn ¹ (since Jan. 2008, First Deputy Chairwoman since Jan. 2015)	471	482	2%	467	(3)%	446	(4)%	450	1%
Dr. Werner Brandt (since Jan. 2018, Second Deputy Chairman since Feb. 2021)	324	336	4%	438	30%	462	5%	464	0%
Tobias Bäuml ¹ (since Oct. 2020)	–	–	–	287	–	292	2%	296	1%
Dr. Regina E. Dugan (since Feb. 2023)	–	–	–	–	–	–	–	134	–
Dr. Andrea Fehrmann ¹ (since Jan. 2018)	149	158	6%	154	(3)%	152	(1)%	156	3%
Bettina Haller ¹ (since April 2007)	244	256	5%	243	(5)%	250	3%	256	2%
Oliver Hartmann (since Sept. 2023)	–	–	–	–	–	–	–	14	–
Keryn Lee James (since Feb. 2023)	–	–	–	–	–	–	–	103	–
Harald Kern ¹ (since Jan. 2008)	240	247	3%	264	7%	240	(9)%	244	2%
Jürgen Kerner ¹ (since Jan. 2012)	391	402	3%	384	(4)%	376	(2)%	326	(13)%
Martina Merz (since Feb. 2023)	–	–	–	–	–	–	–	167	–
Dr.-Ing. Christian Pfeiffer ¹ (since Feb. 2023)	–	–	–	–	–	–	–	103	–
Benoît Potier (since Jan. 2018)	141	157	11%	155	(1)%	162	5%	160	(1)%
Hagen Reimer ¹ (since Jan. 2019)	110	158	44%	154	(3)%	152	(1)%	222	46%
Kasper Rørsted (since Feb. 2021)	–	–	–	131	–	196	50%	198	1%
Dr. Nathalie von Siemens (since Jan. 2015)	194	201	4%	173	(14)%	162	(6)%	160	(1)%
Dorothea Simon ¹ (since Oct. 2017)	149	158	6%	154	(3)%	152	(1)%	154	1%
Grazia Vittadini (since Feb. 2021)	–	–	–	188	–	290	54%	264	(9)%
Matthias Zachert (since Jan. 2018)	244	256	5%	286	12%	292	2%	326	12%
Supervisory Board members who left during the fiscal year									
Michael Diekmann (until Feb. 2023)	215	223	3%	246	11%	238	(3)%	100	(58)%
Dr.-Ing. Dr.-Ing. E. h. Norbert Reithofer (until Feb. 2023)	182	194	7%	190	(2)%	194	2%	81	(58)%
Baroness Nemat Shafik (DBE, DPhil) (until Feb. 2023)	140	158	13%	140	(11)%	152	8%	64	(58)%
Michael Sigmund (until Aug. 2023)	149	158	6%	154	(3)%	152	(1)%	142	(6)%
Gunnar Zukunft ¹ (until Feb. 2023)	149	158	6%	154	(3)%	152	(1)%	64	(58)%

¹ These employee representatives on the Supervisory Board and the representatives of the trade unions on the Supervisory Board have agreed to transfer their compensation to the Hans Böckler Foundation, in accordance with the guidelines of the Confederation of German Trade Unions.

E. Other

The Company provides a group insurance policy for Supervisory and Managing Board members and certain other employees of the Siemens Group. The policy is taken out for one year at a time or renewed annually. It covers the personal liability of the insured individuals in cases of financial loss associated with their activities on behalf of the Company. The insurance policy for fiscal 2023 includes a deductible for the members of the Managing Board that complies with the requirements of the German Stock Corporation Act (AktG).

For the Managing Board

For the Supervisory Board

Dr. Roland Busch
President and Chief Executive Officer
of Siemens AG

Prof. Dr. Ralf P. Thomas
Chief Financial Officer
of Siemens AG

Jim Hagemann Snabe
Chairman of the Supervisory Board
of Siemens AG

Independent auditor's report

To Siemens Aktiengesellschaft, Berlin and Munich

We have audited the attached Compensation Report of Siemens Aktiengesellschaft, Berlin and Munich, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from October 1, 2022 to September 30, 2023 and the related disclosures. We have not audited the content of disclosures regarding appropriateness and marketability of the compensation in chapter **B.2.3 APPROPRIATENESS OF THE COMPENSATION** that is beyond the scope of Sec. 162 AktG.

Responsibilities of management and the Supervisory Board

Management and the Supervisory Board of Siemens Aktiengesellschaft are responsible for the preparation of the Compensation Report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, management and the Supervisory Board are responsible for such internal control as they determine is necessary to enable the preparation of a Compensation Report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's responsibility

Our responsibility is to express an opinion on this Compensation Report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Compensation Report and the related disclosures are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts in the Compensation Report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Compensation Report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the Compensation Report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the Compensation Report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the Compensation Report for the fiscal year from October 1, 2022 to September 30, 2023 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG. Our opinion on the Compensation Report does not cover the content of the abovementioned disclosures of the Compensation Report that go beyond the scope of Sec. 162 AktG.

Other matter – formal audit of the Compensation Report

The audit of the content of the Compensation Report described in this auditor's report comprises the formal audit of the Compensation Report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the Compensation Report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the Compensation Report in all material respects.

Limitation of liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on January 1, 2017, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement (WWW.DE.EY.COM/GENERAL-ENGAGEMENT-TERMS).

Munich, December 6, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Keller
Wirtschaftsprüfer
[German Public Auditor]

Dr. Gaenslen
Wirtschaftsprüfer
[German Public Auditor]

Notes

This Report includes – in the applicable financial reporting framework not clearly defined – supplemental financial measures that are or may be alternative performance measures (non-GAAP-measures). These supplemental financial measures should not be viewed in isolation or as alternatives to measures of Siemens' net assets and financial positions or results of operations as presented in accordance with the applicable financial reporting framework in its Consolidated Financial Statements. Other companies that report or describe similarly titled alternative performance measures may calculate them differently. Explanations of financial measures used can be found in the Annual Financial Report 2023 of Siemens AG, in particular in section 2 of the Combined Management Report.

This Report is an English language translation of the German document. In case of discrepancies, the German language document is the sole authoritative and universally valid version.

For technical reasons, there may be differences between the accounting records appearing in this Report and those published pursuant to legal requirements.

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