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**Past successfully and systematically addressed**

**Cromme: Siemens again “on a firm foundation of integrity”**

**“With great relief, a dark chapter in Siemens’ history has been systematically and successfully addressed,” said Gerhard Cromme, Chairman of the Supervisory Board of Siemens AG, at the company’s Annual Shareholders’ Meeting. Around two years after the start of investigations, the legal proceedings connected with the bribery allegations against the company in Germany and the U.S. have now come to an end. “We would like to express our deep regret that there has been unacceptable misconduct at Siemens in the past. We have done everything in our power to clarify what happened and to identify and correct the causes of misconduct,” added Cromme. “Today, Siemens has a clear, transparent structure with no gray zones of responsibility. At the same time, the company is more efficient, more cost-effective and thus more competitive. Siemens’ internal control mechanisms are among the best in the world. After two difficult years, Siemens once again stands on a firm foundation of integrity. Building on this foundation, we can now move forward,” he said.**

In December 2008, the investigating authorities in Germany and the U.S. concluded the legal proceedings connected with the bribery allegations against Siemens. Cromme spoke of a “fair and proportionate” verdict. The total fines imposed amounted to approximately €1.2 billion. The investigative authorities expressly emphasized the company’s exemplary cooperation. “It was clear from Day One that we were firmly committed to clearing up these matters, irrespective of the persons involved – and even if certain findings were hard to face. Wherever misconduct was proved beyond a doubt, we immediately took the necessary action. Wherever there were systematic weaknesses, we identified and corrected them. Wherever the necessary resources were lacking, we provided them,” said the Chairman of the Supervisory Board. Cromme also welcomed the decision of the U.S. authorities to appoint former German Finance Minister Theo Waigel as an independent Compliance Monitor at Siemens.

## **Changes in Siemens' Supervisory Board**

There will soon be a number of changes in Supervisory Board personnel. Effective today, Ralf Heckmann, the First Deputy Chairman, is resigning his office for personal reasons. "We have accepted Mr. Heckmann's decision with regret, and would like to thank him for his many years of outstanding service on the Board. With his considerable experience and clear thinking, he has always helped us reach a consensus, even on difficult matters," said Cromme. Ralf Heckmann has been a member of the Supervisory Board since 1988 and First Deputy Chairman since 2002. Berthold Huber has been nominated to succeed him in this position. The Supervisory Board will vote on Mr. Heckmann's successor following today's Annual Shareholders' Meeting. Hans-Jürgen Hartung has been nominated as a new member of the Supervisory Board.

## **Ernst & Young proposed as future independent auditors**

The Supervisory Board has proposed Ernst & Young as independent auditors for fiscal 2009. This was the result of a comprehensive bidding process and intensive discussions between the Supervisory Board, the Audit Committee and the Managing Board. The choice was ultimately narrowed down to the two accounting firms Ernst & Young and KPMG. Cromme emphasized that both companies had submitted compelling bids and met the requirements for appointment as independent auditors. By choosing Ernst & Young, the company would like to underscore its commitment to optimal corporate governance.

## **Adjustments to Supervisory Board remuneration**

Both the Chairman's Committee and the Supervisory Board have been intensively occupied with the revision of the system of Supervisory Board remuneration and have also sought the prior advice of outside experts. The adjustments will primarily affect remuneration for committee participation. The intention is to increase compensation for the intensive work done in those committees that meet regularly. There will also be increases for the Deputy Chairmen and the Chairman. Profit from continuing operations will provide the basis for calculating remuneration. "This means, for example, that restructuring costs will always be taken into account in the calculation. This was not the case in the past." Cromme explained that the remuneration paid to the members of Siemens' Supervisory Board is "commensurate": "This will remain unchanged. However, if future developments suggest that an adjustment is required to keep Supervisory Board remuneration at an appropriate level, we will, of course, act." The compensation paid to the Chairman of Siemens' Supervisory Board is considerably below that at other DAX-listed companies.

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