Report of the Managing Board

on Agenda Item 10 of the Annual Shareholders' Meeting
of Siemens AG on February 13, 2025

SIEMENS

Siemens Aktiengesellschaft

BERLIN AND MUNICH
ISIN DE0007236101

Report of the Managing Board on Agenda Item 10 of the Annual Shareholders’ Meeting on February 13, 2025

Siemens AG is again seeking authorization from the Annual Shareholders’ Meeting to repurchase and use shares of Siemens AG (”Siemens shares”) pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). The Company is to be able to repurchase Siemens shares over a period of up to five years in an amount of up to 10% of the capital stock and thus make use of the legal framework for such authorizations. The repurchase of Siemens shares may be effected as an acquisition on the stock exchange, through a public share repurchase offer or through a public swap offer made by the Company itself or any of its consolidated subsidiaries, or by third parties acting on behalf of the Company or any of its consolidated subsidiaries. Shares can also be acquired on the stock exchange as part of a repurchase program, which credit institutions or securities houses are engaged to conduct. The Company may also delegate management of the repurchase program to such an enterprise. For example, the Company’s ongoing share repurchase, which began on February 12, 2024, is being conducted under the management of such an enterprise. The option of a swap offer gives the Company added flexibility, since it can offer shares it holds in a listed company within the meaning of Section 3 (2) of the German Stock Corporation Act (AktG) instead of cash as a consideration for acquiring Siemens shares. For shareholders, too, such a swap offer can also be an attractive alternative to a public share repurchase offer.

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

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

Pursuant to the authorization proposed under Agenda Item 10 c) subsection (2) repurchased Siemens shares may be used in connection with share-based compensation programs and/or employee share programs. Siemens promotes an ownership culture at the Company and enables employees and managers, where possible worldwide, to participate in the Company and its development by means of share programs and share-based compensation. This participation is also desired by legislators and therefore is facilitated in several ways. The issue of shares to employees of Siemens AG or its affiliated companies and to board members of its affiliated companies is intended to enhance the identification of these persons with Siemens. Their long-term affiliation with the Company is to be reinforced and they are to be enabled to participate as shareholders in the Company’s long-term development. The aim, in the interests of the Company and its shareholders, is to strengthen the understanding and willingness to accept greater, especially economic, responsibility. The issue of shares also makes it possible to create schemes with long-term incentive effects in which both positive and negative developments can be reflected. For example, this enables the grant of shares with a lock-up period or vesting period or sales-deferring inducements to have not just a bonus effect, but, in the case of negative developments, also a malus effect, and therefore shall serve as a strong incentive to focus on a sustainable increase in the Company's value. The authorization also enables shares to be provided to employees and managers without any consideration being linked to the transfer and at special terms and conditions for employees. The details of the terms and conditions for the various models of employee share programs and share-based compensation can be defined differently in each case, taking into account the interests of the Company and its shareholders, and must also take into account the relevant national regulations for such programs, which differ around the world.

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

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

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

Eligible managers and employees of Siemens AG and of its affiliated companies are currently granted Siemens shares also without previous own investment with a vesting period. The shares are transferred when the vesting period ends ("Siemens stock awards"). As a matter of principle, the vesting periods are several years in length. However, an annual pro-rata transfer of equal parts of a total number of granted shares over a term of several years can also be provided for. Stock awards are also partly linked to performance targets. Currently, these performance targets are the development of the returns on the Siemens share in an international sector comparison and sustainability targets.

In addition, it should be possible to transfer repurchased treasury shares to eligible employees of Siemens AG and its affiliated companies without any own investment to reward them for their long service.

The issue of shares under the above-mentioned share programs may also be made to third parties (such as credit institutions or enterprises operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 53b (7) of the German Banking Act (KWG)) who transfer the shares or cede the beneficial ownership and/or the economic benefits of the shares to the program participants. The exercise of the authorization proposed under Agenda Item 10 c) subsection (2) is not intended to be restricted to the above-mentioned employee share programs and share-based compensation. The shares included under this authorization should also be available in cases in which, to the benefit of employees of Siemens AG or its affiliated companies or board members of its affiliated companies, new employee share programs and share-based compensations are introduced, including programs limited to individual companies, or when existing employee share programs or share-based compensations are extended or adjusted.

The issue of the shares can be tied to other conditions, such as vesting periods, lock-up periods, achievement of specific targets or continued employment at the Siemens Group.

The above-described objectives of identification with the Company, affiliation with the Company and the acceptance of entrepreneurial responsibility are in the interest of the Company and its shareholders. Transferring existing or newly repurchased treasury shares instead of making use of available authorized capital, if any, may be an economically viable alternative, as it avoids the effort associated with a capital increase and the listing of new shares. The design of the individual employee share programs and share-based compensation and the number of shares issued and the preferential treatment granted to the beneficiaries should be in reasonable relation to the Company's situation and the anticipated advantages for the Company. The exclusion of shareholders' subscription rights required for this use of the Siemens shares is thus generally in the interest of the Company and its shareholders.

Furthermore, the authorization proposed under Agenda Item 10 d) is designed to enable the Company to use repurchased Siemens shares to service obligations or rights to acquire Siemens shares that were or will be agreed with members of the Managing Board of Siemens AG within the framework of rules governing Managing Board compensation. Again, to this extent, the exclusion of shareholders' subscription rights is required and is in the interest of the Company and its shareholders. In this way, variable compensation components can be granted which provide an incentive for sustainable management over the long term, for example by a part of the variable compensation, instead of being paid in cash, being granted in the form of shares subject to a certain lock-up period or stock awards that are subject to a vesting period. In addition, such stock-based compensation components can be linked to specific performance targets, such as the development of the returns on the Siemens share in an international sector comparison or other targets related to increasing company value or sustainability.

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

The details regarding the compensation of the members of the Managing Board are determined by the Supervisory Board as part of the Managing Board compensation system approved by the Annual Shareholders' Meeting. These include rules concerning further conditions, such as vesting periods, lock-up periods, achievement of specific targets, the forfeiture and non-forfeiture of stock awards, as well as rules concerning the treatment of stock awards and shares subject to a lock-up period in special cases, such as in the case of retirement, disability or death, or prematurely leaving the Company, where, for example, a cash settlement or removal of the lock-up period or vesting period may be provided.

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

Pursuant to the authorization proposed under Agenda Item 10 c) subsection (3), the Managing Board should also be authorized, with the approval of the Supervisory Board, to offer and transfer Siemens shares in exchange for contributions in kind and thereby use them as a consideration in connection with business combinations or as a consideration for the direct or indirect acquisition of companies, businesses, parts of businesses, participations or other assets or rights to acquire assets, including receivables against the Company or any of its consolidated subsidiaries. The proposed authorization is designed to enhance the Company's competitive edge in its quest for interesting acquisition targets and to give the Company the necessary freedom to exploit opportunities to acquire such assets quickly, flexibly and with little detriment to liquidity by using Siemens shares. The proposed exclusion of shareholders' subscription rights takes account of this objective. The decision whether and to what extent treasury shares or shares issued under an authorized capital are to be used as an acquisition currency is made by the Managing Board, whereby it will focus solely on the interests of the Company and its shareholders. When determining the valuation ratios, the Managing Board shall ensure that the interests of shareholders are adequately safeguarded, taking into account the stock market price of Siemens shares. However, no schematic link to a stock market price is foreseen in this context, in particular so that fluctuations in the stock market price do not jeopardize the results reached at negotiations.

Furthermore, the authorization proposed under Agenda Item 10 c) subsection (4) is designed to enable the Company, with the approval of the Supervisory Board, to sell Siemens shares (under exclusion of shareholders' subscription rights) in exchange for payment in cash, e.g. to one or more institutional investors, or to enhance the Company's investor base. The sale shall be subject to the condition that the selling price is not significantly lower than the stock market price of a Siemens share. The possibility of selling repurchased treasury shares in exchange for payment in cash under exclusion of shareholders' subscription rights serves the interests of the Company to obtain the best price possible on the sale. By excluding shareholders' subscription rights, it is possible to place the shares close to the stock market price, i.e. the discount normally associated with rights issues is eliminated. Compared to selling the shares on the stock exchange over a lengthy period of time, this approach results in an immediate inflow of funds and avoids the uncertainties of future stock market developments in relation to the total purchase price that is obtained. It enables the Company to quickly, flexibly and cost-effectively exploit opportunities that arise in the context of prevailing stock market conditions. The part of the capital stock mathematically attributable to the Siemens shares sold under this kind of facilitated exclusion of subscription rights must not exceed 10% of the capital stock at the time the resolution is adopted by the Annual Shareholders' Meeting or at the time at which the authorization is exercised, if the latter amount is lower. By basing the selling price on the stock market price, the desirability of dilution protection and the shareholders' interests in safeguarding their assets and voting rights are given due consideration. When determining the final selling price, Management shall keep any possible markdown on the stock market price as low as possible, taking into account current market conditions. Generally, shareholders will be able to maintain their percentage of ownership in the Company by purchasing Siemens shares on the stock exchange under comparable terms and conditions, while the Company is provided with additional room for maneuver in the interest of all shareholders.

It is also ensured that the number of Siemens shares issued pursuant to Agenda Item 10 (c) subsection (4) − by way of facilitated exclusion of shareholders' subscription rights in *mutatis mutandis* application of the provisions of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) − plus the number of other Siemens shares issued or disposed of during the term of the authorization up to the time of it being exercised by applying the above provisions either directly or *mutatis mutandis*, does not exceed the statutory limit of 20% of the capital stock stipulated in Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). This limit shall also include shares that have been issued or granted or are to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of the authorization, with shareholders' subscription rights excluded in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

In addition, under the authorization proposed under Agenda Item 10 c) subsection (5) the Company should be able to use Siemens shares to service or secure obligations or rights to acquire Siemens shares arising particularly from or in connection with convertible bonds or warrant bonds of the Company or its consolidated subsidiaries. In its decision whether to use Siemens shares or to issue new shares when servicing obligations or rights to acquire Siemens shares, the Managing Board will consider the interests of the shareholders appropriately. The same applies to the question of the – also possibly exclusive – serviceability of convertible bonds or warrant bonds using Siemens shares. The exclusion of shareholders' subscription rights is a prerequisite in all such cases. This also applies if a customary market form of dilution protection is granted to the extent that holders/creditors of conversion or option rights or conversion or option obligations on Siemens shares are granted subscription rights to shares in the event of rights issues by the Company to the extent to which they would be entitled after having exercised such rights or fulfilled such obligations.

Further, pursuant to the authorization proposed under Agenda Item 10 f) in the event of a sale of Siemens shares by a public offer to all shareholders, the subscription right for fractional amounts could also be excluded in order to facilitate ease of handling.

Finally, the Company shall pursuant to the authorization proposed under Agenda Item 10 c) subsection (1) be entitled to retire Siemens shares without requiring an additional resolution by the Annual Shareholders' Meeting. Such retirements can also be carried out without a capital decrease, with the result that the pro rata amount of the other shares relative to the Company's capital stock is increased.

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

Munich, December 2, 2024

[signed] (Dr. Busch)	[signed] (Bienert)
[signed] (Dr. Körte)	[signed] (Neike)
[signed] (Rebellius)	[signed] (Prof. Dr. Thomas)
[signed] (Wiese)	

This version of the Report of the Managing Board on Agenda Item 10 of the Annual Shareholders' Meeting on February 13, 2025 prepared for the convenience of English-speaking readers is a translation of the German original. For purposes of interpretation, the German text shall be authoritative and final.

Address	Siemens AG Werner-von-Siemens-Str. 1 80333 Munich Germany
Internet	www.siemens.com
Phone	+49 (0) 89 7805-33443 (Media Relations) +49 (0) 89 7805-32474 (Investor Relations)
Fax	+49 (0) 89 7805-32475 (Investor Relations)
E-mail	press@siemens.com investorrelations@siemens.com