



# Compensation Report 2021

**SIEMENS**

Siemens Aktiengesellschaft  
Berlin and Munich

## Compensation Report 2021

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 2021 (October 1, 2020 to September 30, 2021). 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 [www.siemens.com/corporate-governance](https://www.siemens.com/corporate-governance).

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

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## I A. Fiscal 2021 in retrospect

The Managing Board and the Supervisory Board of Siemens AG have decided to voluntarily implement ahead of time the new legal requirements regarding the issuance of the Compensation Report that are set out in Section 162 of the German Stock Corporation Act. The emphasis of the Report continues to be on providing clear, transparent and comprehensive reporting. The Managing Board and the Supervisory Board have also decided to commission the independent auditor to conduct a substantive audit of the Compensation Report, over and above the requirement set out in Section 162 para. 3 sent. 1 and 2 of the German Stock Corporation Act.

### What did the economic and political environment look like at the start of fiscal 2021?

In the fall of 2020, the outlook for the fiscal year ahead was anything but stable. Due to the ongoing COVID-19 pandemic, Siemens and its customers and partners worldwide faced major challenges. In the U.S., the presidential election was imminent, and it wasn't clear what economic consequences the tense relations between the U.S. and China would have. There were also structural problems in Siemens' key customer sectors such as machine building – due to low capacity utilization – and in the automobile industry, which is undergoing a dramatic structural transformation. All these factors are having an impact on Siemens' business. In retrospect, we've experienced an exciting and a very challenging, but also a very successful fiscal year. The employees of Siemens have delivered a stellar performance in difficult times.

### Changes in the Managing Board and the Compensation Committee

In fiscal 2021, there were also changes in the Managing Board. Matthias Rebellius and Judith Wiese were appointed full members of the Managing Board effective October 1, 2020. Joe Kaeser left the Managing Board effective the end of the Annual Shareholders' Meeting on February 3, 2021. Klaus Helmrich left the Managing Board effective March 31, 2021. The Supervisory Board is very grateful to both Mr. Kaeser and Mr. Helmrich for their many years of successful work on behalf of Siemens and for their extraordinary services to the Company.

Dr. Roland Busch was appointed President and CEO effective the end of the 2021 Annual Shareholders' Meeting. He combines entrepreneurial farsightedness with a desire to optimally support customers in their digital and sustainable transformation. The Company is driving this transformation with technologies that add real value for customers – technologies that will continue to be crucial for Siemens in the future and of which Dr. Roland Busch has a deep and broad understanding.

Following the scheduled departure of Werner Wenning, the previous, long-serving Chairman of the Compensation Committee of the Supervisory Board of Siemens AG, from the Supervisory Board and thereby also from the Compensation Committee, the Compensation Committee elected Michael Diekmann to serve as its new Chairman effective February 4, 2021. The Compensation Committee also acquired two new members: Harald Kern, who joined the Committee in October 2020, succeeding Robert Kensbock, who left the Supervisory Board on September 25, 2020, the effective date of the Siemens Energy spin-off, and Matthias Zachert, who joined the Committee in February 2021.

## How is the new strategy reflected in Managing Board compensation?

The Managing Board presented the new Company strategy for accelerated high value growth at Capital Market Day on June 24, 2021: Siemens as a focused technology company, active in highly attractive growth markets that are the backbone of the global economy: industry, infrastructure, transportation and healthcare. The Supervisory Board is convinced that this strategy positions Siemens to meet the challenges of the future. The Managing Board compensation that has been determined by the Supervisory Board fosters the implementation of the Company's strategic targets by providing incentives for increasing profit and capital efficiency and for cash generation.

Taking into account all the changes and the existing challenges, the Compensation Committee of the Supervisory Board intensively discussed the key performance indicators for variable compensation as well as the individual targets for Managing Board members. As a result of its decision to place the focus on the Managing Board's overall responsibility and cross-business collaboration, two-thirds of the short-term variable compensation (Bonus) of all Managing Board members were determined on the basis of the same criteria. Strategic and sustainability-related aspects, which are measured on the basis of the members' individual areas of responsibility, are anchored in the remaining third of short-term variable compensation, the "individual targets."

Sustainability – strategic goal and an expression of Siemens' social responsibility – is also firmly anchored in the long-term variable compensation of both the Managing Board and the roughly 7,000 other Company managers worldwide. At Capital Market Day in 2021, DEGREE, a framework that addresses sustainability from every angle and defines ambitious targets, was introduced. As a result, the environment, society and good governance will play a significantly stronger role. The key performance indicators applied in long-term variable compensation are part of this framework (CO<sub>2</sub> emissions and digital learning hours) and/or reflect the Company's priorities (Net Promoter Score as an expression of customer satisfaction).

## How did Siemens perform in fiscal 2021?

Despite the challenges and the economic and pandemic-related uncertainty, Siemens has achieved outstanding results. For example, the Company succeeded in maintaining its supply chains and its delivery capacity during the fiscal year and continued to be a reliable partner to its customers. These developments were reflected in the strong financial performance in fiscal 2021. Siemens raised its outlook several times during the fiscal year, most recently after the third quarter, and reached or exceeded all the targets set for the primary measures for fiscal 2021. Return on capital employed (ROCE) was in double-digits, and the capital structure ratio came in at 1.5. Basic EPS from net income increased 54% to €7.68. In addition, free cash flow from continuing and discontinued operations for fiscal 2021 increased 29% year-over-year to €8.2 billion, reaching a new high. Revenue also was higher at all industrial businesses, rising to €62.3 billion. Siemens achieved revenue growth of 11.5% net of currency translation and portfolio effects and delivered net income of €6.7 billion. Discontinued operations, largely related to the sale of Flender, contributed income of €1.1 billion in fiscal 2021.

In line with the principle anchored in the compensation system – namely, that exceptional performance should be appropriately rewarded and that failure to achieve targets should result in a perceptible reduction in compensation (the pay for performance principle) – the excellent results of fiscal 2021 are 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.

# B. Compensation of Managing Board members

## B.1 The compensation system at a glance

The current compensation system for the members of the Managing Board of Siemens AG has been in place since fiscal 2020 and was endorsed by the Annual Shareholders' Meeting on February 5, 2020, by a majority of 94.51%.

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.

The following table provides an overview of the components of the compensation system for Managing Board members, the underlying goals (including the link to the Company's strategy) and the components' concrete implementation in fiscal 2021.

FIXED COMPENSATION			
<b>Link to strategy</b>	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		
	Base salary	Fringe benefits	Pension benefit commitment
<b>Implementation in compensation system</b>	<ul style="list-style-type: none"> <li>→ Contractually agreed fixed annual compensation based on a Managing Board member's duties and related responsibilities and his or her experience</li> <li>→ Payment in 12 monthly installments</li> </ul>	<ul style="list-style-type: none"> <li>→ Determination of a maximum amount relative to base salary, covering expenses incurred to the benefit of the Managing Board member</li> <li>→ Includes in-kind compensation and fringe benefits granted by the Company, for example:                             <ul style="list-style-type: none"> <li>– Provision of a company car</li> <li>– Insurance allowances</li> <li>– Costs of medical checkups</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>→ Annual contributions to the Siemens Defined Contribution Pension Plan (BSAV)</li> <li>→ Newly appointed Managing Board members as of October 1, 2019: fixed cash amount for free disposal</li> <li>→ Commitment at beginning of fiscal year</li> <li>→ Credit to pension account (BSAV contribution) or payout (amount for free disposal) in January after the end of the fiscal year</li> </ul>
<b>Application in 2021</b>	<ul style="list-style-type: none"> <li>→ President and CEO: €1,770,000 p.a.</li> <li>→ Other Managing Board members: €1,101,600 p.a.</li> </ul>	<p>In fiscal 2021, 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"> <li>→ President and CEO: max. €132,750</li> <li>→ Other Managing Board members: max. €82,620</li> </ul>	<p>BSAV contribution (credit in January 2022)</p> <ul style="list-style-type: none"> <li>→ President and CEO: €991,200</li> <li>→ Other Managing Board members: €616,896</li> </ul> <p>Amount for free disposal (payment in January 2022)</p> <ul style="list-style-type: none"> <li>→ Other Managing Board members: €550,800</li> </ul>

VARIABLE COMPENSATION			
	<b>Short-term variable compensation (Bonus)</b>	<b>Long-term variable compensation (Stock Awards)</b>	<b>Malus and clawback regulations</b>
<b>Link to strategy</b>	Provides incentives for strong annual financial and non-financial performance as the basis for long-term Company strategy and sustainable value creation.	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.	Aim to ensure sustainable Company development and avoid inappropriate risks.
<b>Implementation in compensation system</b>	<p>Performance-oriented annual Bonus, paid in cash in the subsequent fiscal year</p> <p>→ Performance range: 0% to 200%, using linear interpolation</p> <p>→ Three equally weighted target dimensions:</p> <ul style="list-style-type: none"> <li>– Siemens Group</li> <li>– Managing Board portfolio</li> <li>– Individual targets: two to four equally weighted financial targets or focus topics</li> </ul> <p>→ Consideration of extraordinary developments in justified, infrequent special cases possible</p>	<p>Performance-oriented plan settled by share transfer after the end of an approximately four-year vesting period</p> <p>→ Performance range: 0% to 200%, using linear interpolation</p> <p>→ Two performance criteria:</p> <ul style="list-style-type: none"> <li>– 80%: development of total shareholder return (TSR) relative to an international sector index                             <ul style="list-style-type: none"> <li>• 12-month reference and 36-month performance period</li> <li>• Outperformance relative to sector index –/+20 percentage points</li> </ul> </li> <li>– 20%: Siemens-internal ESG/Sustainability index with three equally weighted key performance indicators and annual interim targets</li> </ul> <p>→ Payout cap: 300% of target amount</p>	<p>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.</p>
<b>Application in 2021</b>	<p><b>Bonus for fiscal 2021</b></p> <p>→ Performance period: October 1, 2020, to September 30, 2021</p> <p>→ Payout: February 2022 (at the latest)</p> <p>→ 33.34% earnings per share (EPS)</p> <p>→ 33.33% return on capital employed (ROCE)</p> <p>→ 33.33% individual targets:</p> <ul style="list-style-type: none"> <li>– Cash conversion rate (CCR) in the area of responsibility</li> <li>– Growth (for Managing Board members with business responsibility and the President and CEO)</li> <li>– One to three additional individual targets with focus topics from the Bonus topic catalogue</li> </ul> <p>Target amounts (based on 100% target achievement)</p> <p>→ President and CEO: €1,770,000</p> <p>→ Other Managing Board members: €1,101,600</p>	<p><b>2021 Stock Awards tranche</b></p> <p>→ Grant date: November 13, 2020</p> <p>→ End of vesting period: in November 2024</p> <p>→ Performance criteria:</p> <ul style="list-style-type: none"> <li>– 80%: development of TSR relative to MSCI World Industrials index</li> <li>– 20%: ESG key performance indicators: CO<sub>2</sub> emissions, digital learning hours and Net Promoter Score</li> </ul> <p>Target amounts (based on 100% target achievement)</p> <p>→ President and CEO: €2,390,000</p> <p>→ CFO: €1,544,000</p> <p>→ Other Managing Board members: €1,259,000</p>	<p>No application in fiscal 2021</p>

	OTHER BENEFITS	MAXIMUM COMPENSATION	SHARE OWNERSHIP GUIDELINES
<b>Link to strategy</b>	Are part of competitive compensation and help the Company obtain the best candidates worldwide for the Managing Board.	Caps Managing Board members' compensation in order to avoid uncontrollably high payments and thus disproportionate costs and risks for the Company.	Foster an alignment of Managing Board and shareholder interests and provide additional incentives to sustainably increase Company value.
<b>Implementation in compensation system</b>	<ul style="list-style-type: none"> <li>→ Commitments granted in connection with the commencement of Managing Board appointments:                             <ul style="list-style-type: none"> <li>– Compensation for the loss of benefits from a former employer</li> <li>– Moving expenses due to a change of the regular place of work at the request of the Company</li> </ul> </li> <li>→ Commitments in connection with the termination of Managing Board appointments:                             <ul style="list-style-type: none"> <li>– Termination by mutual agreement and without serious cause</li> <li>– Change of control (only for first-time appointments and/or reappointments before November 2019)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>→ Determined annually by the Supervisory Board</li> <li>→ 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:                             <ul style="list-style-type: none"> <li>Base salary</li> <li>+ maximum fringe benefits</li> <li>+ BSAV contribution or amount for free disposal</li> <li>+ two times the Bonus target amount</li> <li>+ three times the Stock Awards target amount</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>→ 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"> <li>– President and CEO: 300%</li> <li>– Other Managing Board members: 200%</li> </ul> </li> <li>→ Four-year build-up phase</li> <li>→ Verification date on second Friday in March</li> <li>→ Relevant share price: average Xetra opening price of the fourth quarter of the previous calendar year</li> <li>→ 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</li> </ul>
<b>Application in 2021</b>	<ul style="list-style-type: none"> <li>→ Compensation allotted to Judith Wiese for the loss of benefits granted by her former employer: €1,469,124 (gross)                             <ul style="list-style-type: none"> <li>– 50% in the form of Stock Awards additionally to the 2021 tranche in November 2020</li> <li>– 50% in cash in March 2021</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>→ Maximum compensation for each Managing Board member for fiscal 2021 determined in accordance with the compensation system</li> <li>→ Final assessment of compliance with maximum compensation when the 2021 Stock Awards tranche is settled in fiscal 2025</li> <li>→ Reporting in Compensation Report for fiscal 2025</li> </ul>	<ul style="list-style-type: none"> <li>→ Verification date: March 12, 2021</li> <li>→ Relevant share price: €111.13</li> <li>→ Fulfilled by all the Managing Board members obligated to provide verification</li> </ul>

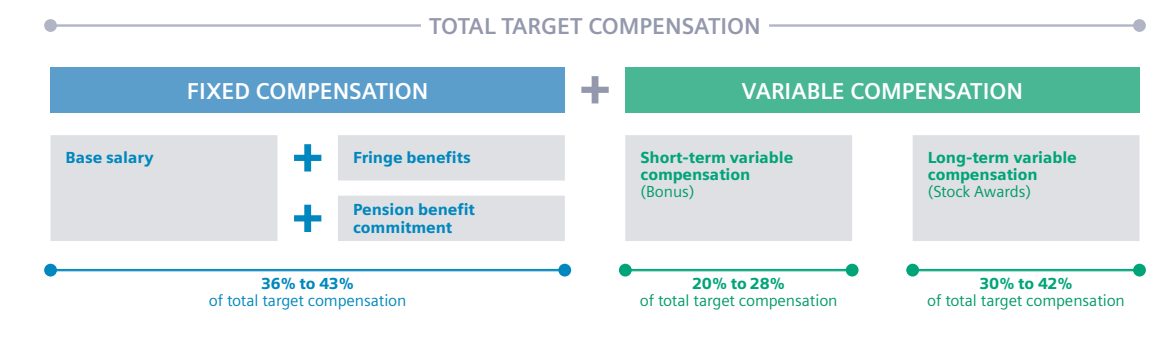


## B.2 Principles of the determination of compensation

### 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 2021. 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 the individual compensation components are within the ranges defined in the compensation system.

Composition of total target compensation



In line with the decision not to adjust, as a rule, employee compensation worldwide in fiscal 2021 due to the ongoing COVID-19 pandemic, the total target compensation of the Managing Board members was not increased except in the case of Dr. Roland Busch and is unchanged compared to fiscal 2020. The total target compensation of Dr. Roland Busch was increased as of October 1, 2020, due to his appointment as President and CEO effective the end of the Annual Shareholders’ Meeting on February 3, 2021, and the related expansion of his duties already at the beginning of fiscal 2021.

As in previous years, all components of the compensation of the position of President and CEO<sup>1</sup> were differentiated. As in fiscal 2020, the target amount of Prof. Dr. Ralf P. Thomas’s Stock Awards was differentiated due to his particular responsibilities as CFO.

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.

<sup>1</sup> Joe Kaeser held this position until the end of the Annual Shareholders’ Meeting on February 3, 2021, when he was succeeded by Dr. Roland Busch, who has held the position since that date.

## Target compensation fiscal 2021

Managing Board members in office on September 30, 2021		<b>Dr. Roland Busch<sup>1</sup></b> President and CEO since Feb. 3, 2021				<b>Cedrik Neike</b> Managing Board member since April 1, 2017			
		2021		2020		2021		2020	
		€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC
<b>Fixed compensation</b>	Base salary	<b>1,770</b>	<b>25%</b>	1,352	27%	<b>1,102</b>	<b>26%</b>	1,102	26%
	+ Fringe benefits <sup>2</sup>	<b>133</b>	<b>2%</b>	101	2%	<b>83</b>	<b>2%</b>	83	2%
	+ BSAV contribution/amount for free disposal <sup>3</sup>	<b>991</b>	<b>14%</b>	617	12%	<b>617</b>	<b>15%</b>	617	15%
	<b>= Total</b>	<b>2,894</b>	<b>41%</b>	2,071	42%	<b>1,801</b>	<b>43%</b>	1,801	43%
<b>Variable compensation</b>	+ <b>Short-term variable compensation</b>								
	Bonus for fiscal 2021	<b>1,770</b>	<b>25%</b>	–	–	<b>1,102</b>	<b>26%</b>	–	–
	Bonus for fiscal 2020	–	–	1,277	26%	–	–	1,102	26%
	+ <b>Long-term variable compensation</b>								
	2021 Stock Awards (vesting: 2020–2024)	<b>2,390</b>	<b>34%</b>	–	–	<b>1,259</b>	<b>30%</b>	–	–
2020 Stock Awards (vesting: 2019–2023)	–	–	1,594	32%	–	–	1,259	30%	
<b>= Total target compensation (TTC)</b>	<b>7,054</b>	<b>100%</b>	4,942	100%	<b>4,162</b>	<b>100%</b>	4,162	100%	
		<b>Matthias Rebellius</b> Managing Board member since Oct. 1, 2020				<b>Prof. Dr. Ralf P. Thomas</b> Managing Board member since Sept. 18, 2013			
		2021		2020		2021		2020	
		€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC
<b>Fixed compensation</b>	Base salary	<b>1,102</b>	<b>27%</b>	–	–	<b>1,102</b>	<b>25%</b>	1,102	25%
	+ Fringe benefits <sup>2</sup>	<b>83</b>	<b>2%</b>	–	–	<b>83</b>	<b>2%</b>	83	2%
	+ BSAV contribution/amount for free disposal <sup>3</sup>	<b>551</b>	<b>13%</b>	–	–	<b>617</b>	<b>14%</b>	617	14%
	<b>= Total</b>	<b>1,735</b>	<b>42%</b>	–	–	<b>1,801</b>	<b>41%</b>	1,801	41%
<b>Variable compensation</b>	+ <b>Short-term variable compensation</b>								
	Bonus for fiscal 2021	<b>1,102</b>	<b>27%</b>	–	–	<b>1,102</b>	<b>25%</b>	–	–
	Bonus for fiscal 2020	–	–	–	–	–	–	1,102	25%
	+ <b>Long-term variable compensation</b>								
	2021 Stock Awards (vesting: 2020–2024)	<b>1,259</b>	<b>31%</b>	–	–	<b>1,544</b>	<b>35%</b>	–	–
2020 Stock Awards (vesting: 2019–2023)	–	–	–	–	–	–	1,544	35%	
<b>= Total target compensation (TTC)</b>	<b>4,096</b>	<b>100%</b>	–	–	<b>4,447</b>	<b>100%</b>	4,447	100%	
		<b>Judith Wiese</b> Managing Board member since Oct. 1, 2020							
		2021		2020					
		€ thousand	in % of TTC	€ thousand	in % of TTC				
<b>Fixed compensation</b>	Base salary	<b>1,102</b>	<b>27%</b>	–	–				
	+ Fringe benefits <sup>2</sup>	<b>83</b>	<b>2%</b>	–	–				
	+ BSAV contribution/amount for free disposal <sup>3</sup>	<b>551</b>	<b>13%</b>	–	–				
	<b>= Total</b>	<b>1,735</b>	<b>42%</b>	–	–				
<b>Variable compensation</b>	+ <b>Short-term variable compensation</b>								
	Bonus for fiscal 2021	<b>1,102</b>	<b>27%</b>	–	–				
	Bonus for fiscal 2020	–	–	–	–				
	+ <b>Long-term variable compensation</b>								
	2021 Stock Awards (vesting: 2020–2024)	<b>1,259</b>	<b>31%</b>	–	–				
2020 Stock Awards (vesting: 2019–2023)	–	–	–	–					
<b>= Total target compensation (TTC)</b>	<b>4,096</b>	<b>100%</b>	–	–					

<sup>1</sup> Dr. Roland Busch was first appointed a full member of the Managing Board effective April 1, 2011. He served as Deputy CEO from October 1, 2019, until the end of the Annual Shareholders' Meeting on February 3, 2021, when he succeeded Joe Kaeser as President and CEO.

<sup>2</sup> For fiscal 2021, 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.

<sup>3</sup> 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.

## Target compensation fiscal 2021 (cont.)

Managing Board members who left during the fiscal year		Joe Kaeser <sup>1</sup> President and CEO until Feb. 3, 2021				Klaus Helmrich <sup>2</sup> Managing Board member until March 31, 2021			
		2021		2020		2021		2020	
		€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC	€ thousand	in % of TTC
<b>Fixed compensation</b>	Base salary	755	26%	2,205	26%	551	26%	1,102	26%
	+ Fringe benefits <sup>3</sup>	57	2%	165	2%	41	2%	83	2%
	+ BSAV contribution/amount for free disposal	423	15%	1,235	15%	308	15%	617	15%
	<b>= Total</b>	<b>1,234</b>	<b>43%</b>	<b>3,605</b>	<b>43%</b>	<b>901</b>	<b>43%</b>	<b>1,801</b>	<b>43%</b>
<b>Variable compensation</b>	<b>+ Short-term variable compensation</b>								
	Bonus for fiscal 2021	755	26%	–	–	551	26%	–	–
	Bonus for fiscal 2020	–	–	2,205	26%	–	–	1,102	26%
	<b>+ Long-term variable compensation</b>								
	2021 Stock Awards (vesting: 2020–2024)	861	30%	–	–	630	30%	–	–
2020 Stock Awards (vesting: 2019–2023)	–	–	2,516	30%	–	–	1,259	30%	
<b>= Total target compensation (TTC)</b>	<b>2,850</b>	<b>100%</b>	<b>8,326</b>	<b>100%</b>	<b>2,081</b>	<b>100%</b>	<b>4,162</b>	<b>100%</b>	

<sup>1</sup> Pro-rated compensation for the period from October 1, 2020, up to and including February 3, 2021.

<sup>2</sup> Pro-rated compensation for the period from October 1, 2020, up to and including March 31, 2021.

<sup>3</sup> For fiscal 2021, 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 for the fiscal year on a pro-rated basis.

## 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. 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, 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 2021 in accordance with Section 87a para. 1 sent. 2 No. 1 of the German Stock Corporation Act.

## Maximum compensation fiscal 2021

(€ thousand)		Managing Board members in office on September 30, 2021					Managing Board members who left during the fiscal year	
		Dr. Roland Busch	Cedrik Neike	Matthias Rebellius	Prof. Dr. Ralf P. Thomas	Judith Wiese	Joe Kaeser (until Feb. 3, 2021)	Klaus Helmrich (until March 31, 2021)
<b>Fixed compensation</b>	Base salary	1,770	1,102	1,102	1,102	1,102	755	551
	+ Fringe benefits (maximum amount)	133	83	83	83	83	57	41
	+ BSAV contribution/amount for free disposal	991	617	551	617	551	423	308
<b>Variable compensation</b>	Bonus for fiscal 2021 (two times target amount)	3,540	2,203	2,203	2,203	2,203	1,509	1,102
	+ 2021 Stock Awards vesting: 2020–2024 (three times target amount) <sup>1</sup>	7,170	3,777	3,777	4,632	3,777	2,583	1,889
	<b>= Maximum compensation</b>	<b>13,604</b>	<b>7,781</b>	<b>7,715</b>	<b>8,636</b>	<b>7,715</b>	<b>5,327</b>	<b>3,891</b>

<sup>1</sup> The value of the Siemens shares transferred after the expiration of the vesting period is capped at 300% of the Stock Awards target amount. If this cap is exceeded, a corresponding number of Stock Awards is forfeited without refund or replacement.

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 2021. The Bonus cap was not reached in fiscal 2021.

Since the 2021 Stock Awards tranche is not due until November 2024, compliance with the maximum limit of the Stock Awards for fiscal 2021 can only be finally assessed in November 2024, when the 2021 Stock Awards tranche is settled. However, compliance with the maximum compensation for fiscal 2021 in accordance with Section 87a of the German Stock Corporation Act is already ensured since the maximum compensation for fiscal 2021 will not be exceeded even if the value of the Siemens shares transferred equals 300% of the Stock Awards target amount (cap).

The final assessment of compliance with the maximum compensation for fiscal 2021 will be included in the Compensation Report for fiscal 2025.

### **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 – with the assistance of an external and independent compensation consultant and in accordance with the compensation system – 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 2021 has shown that the Managing Board compensation resulting from target achievement in fiscal 2021 is appropriate.

### **B.3 Variable compensation in fiscal 2021**

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 2021 are derived from the Company's strategic goals and operational steering and are in line with the current compensation system. 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 2021, 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 (EPS)	✓		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.
	Profitability/capital efficiency	Return on capital employed (ROCE)	✓		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.
	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 qualitative growth is a key element of Siemens' strategy. As a focused 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	Diverse 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 2021 comprised business development, optimization/efficiency enhancement, the implementation of portfolio measures and the implementation of other strategic measures.
	Sustainability	Diverse focus topics	✓		<ul style="list-style-type: none"> <li>→ <b>Succession planning</b> – Thorough succession planning ensures sustainable Company development and fosters talents and young employees.</li> <li>→ <b>Innovation performance</b> – Innovation is the basis of our success. The development and introduction of future-oriented technologies, products and services create opportunities for a sustainable and better future by, among other things, reducing emissions and waste and enhancing resource efficiency.</li> <li>→ <b>Employee satisfaction</b> – Satisfied employees feel valued. They are motivated and resilient, tackle challenges gladly and thus make a major contribution to the Company's success.</li> <li>→ <b>Sustainability/diversity</b> – Siemens honors its social responsibility by achieving ambitious sustainability targets and by fostering diversity, inclusion and equal opportunity.</li> </ul>
		Siemens-internal ESG/Sustainability index		✓	

The Supervisory Board aims to ensure that the targets for variable compensation are demanding and ambitious. 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:

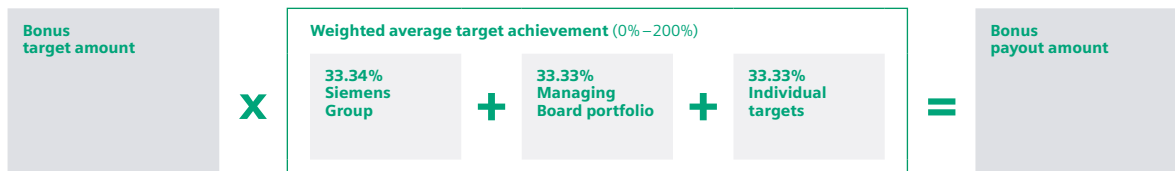
- “Siemens Group”
- “Managing Board portfolio”
- “Individual targets.”

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 indi-

cators. 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 2021**

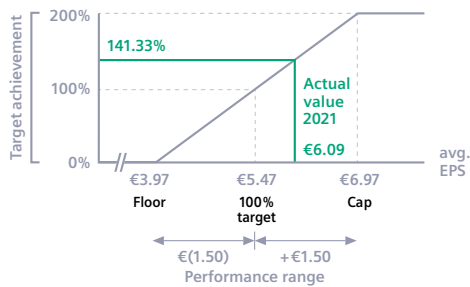
**“Siemens Group” target dimension**

For the “Siemens Group” target dimension in fiscal 2021, the Supervisory Board of Siemens AG approved the performance criterion “profit,” measured in terms of basic earnings per share (EPS). EPS is calculated by dividing income from continuing operations, income from discontinued operations and net income – all attributable to ordinary shareholders of Siemens AG – by the weighted average number of shares outstanding during the fiscal year.

For both target setting and target achievement, the average EPS of three consecutive fiscal years is used. The averaged values take account of the Company’s long-term performance and provide incentives for a sustainable increase in profit. Because of the significant change in the portfolio of Siemens AG due to the spin-off of Siemens Energy at the end of fiscal 2020, the EPS target for fiscal 2021 was defined on the basis of the comparable EPS of continuing operations in the years 2018 through 2020. In this process, the Flender sale in the first half of fiscal 2021 was also taken into account.

Earnings per share (EPS): Target setting and target achievement

**33.34% Siemens Group**  
Basic earnings per share (EPS), three-year average



Calculation of target and actual value:

FY	EPS
2018	€5.83
2019	€5.82
2020	€4.77
2021	€7.68

● → avg. 2018 – 2020 → €5.47 (100% target)  
 ● → avg. 2019 – 2021 → €6.09 (actual value)

For fiscal 2018 through 2020: comparable EPS of continuing operations

**Target achievement: 141.33%**

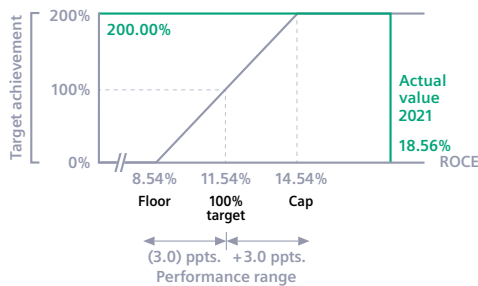
**“Managing Board portfolio” target dimension**

Because of the new structure of Siemens AG and the changes in the assignment of Managing Board responsibilities as of October 1, 2020, target setting for the Bonus for fiscal 2021 focused on the Managing Board’s overall responsibility, cross-business collaboration and Siemens’ strategic realignment. For this reason, 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 2021 for all Managing Board members. ROCE is defined as profit before interest and after tax divided by average capital employed. The target amount for ROCE is based on the budget plans. To focus on the operating performance of Siemens AG, Varian and main effects relating to the stake in Siemens Energy (profit “Siemens Energy Investment” and asset “Siemens Energy Investment”) were disregarded in target setting and in determining ROCE target achievement.

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

**33.33% Managing Board portfolio**  
Return on capital employed (ROCE)



Calculation:

<b>ROCE (as reported)</b>	<b>13.10%</b>
Varian and Siemens Energy-related effects	+ 5.46 percentage points
<b>Actual ROCE value</b>	<b>18.56%</b>

**Target achievement: 200.00%**

**“Individual targets” target dimension**

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

When setting the targets for fiscal 2021, the Supervisory Board took into account both the shared tasks and the individual responsibilities of the Managing Board members. For this reason, the cash conversion rate (CCR) was defined as a 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 Siemens’ Industrial Businesses (IB). The CCR IB is defined as the ratio of free cash flow from IB to Adjusted EBITA IB.

For the Managing Board members with business responsibility for Digital Industries (DI) and Smart Infrastructure (SI), the CCR targets are business-specific and defined as the ratio of free cash flow to Adjusted EBITA at each business. The target amounts for CCR were based on the budget plans.

The other individual targets were defined on the basis of the Managing Board members’ respective areas of responsibility.



Individual targets: Target setting and target achievement

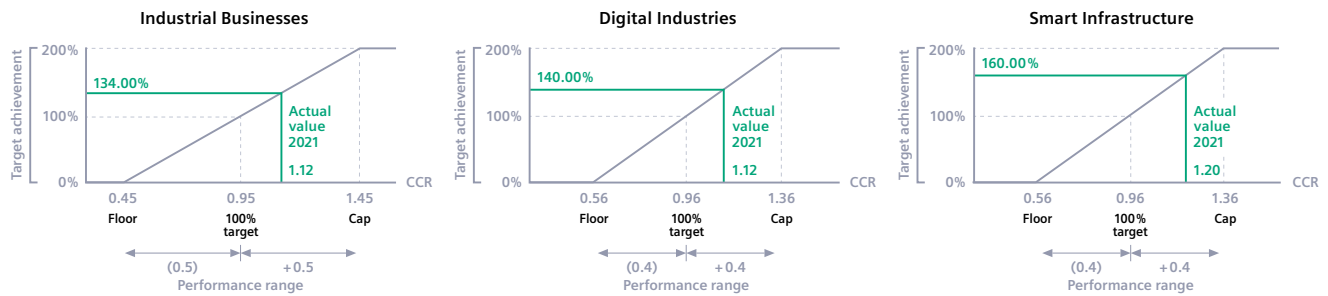
**33.33% Individual targets**

2 to 4 individual targets, target achievement between 0% and 200% each

Calculation:

Average achievement of the equally weighted individual targets: CCR as reported, growth and/or further non-financial, qualitative individual targets

**Cash conversion rate**



**Individual targets per Managing Board member**

	Weighting	Key performance indicator/focus topic	Target setting	Target achievement	Total target achievement
<b>Dr. Roland Busch</b>	25%	Cash conversion rate	CCR IB	134.00%	<b>133.50%</b>
	75%	Growth	Expansion of the software and digital businesses	avg. 133.33%	
		Implementation of other strategic measures	Further development of the strategy for the Mobility business		
<b>Cedrik Neike</b>	25%	Cash conversion rate	CCR DI	140.00%	<b>132.50%</b>
	75%	Growth	Expansion of the software and digital businesses	avg. 130.00%	
		Implementation of other strategic measures	Further development of the strategy for Digital Industries and Advanta		
<b>Matthias Rebellius</b>	25%	Innovation performance	Expansion und use of innovative IoT solution building blocks	160.00%	<b>125.00%</b>
	75%	Cash conversion rate	CCR SI		
		Implementation of other strategic measures	Expansion of the software and digital businesses		
<b>Prof. Dr. Ralf P. Thomas</b>	25%	Implementation of portfolio measures	Expansion and use of innovative IoT solution building blocks	134.00%	<b>131.00%</b>
	75%	Optimization/efficiency enhancement	Implementation of portfolio measures and drive performance of Portfolio Companies		
		Implementation of other strategic measures	Performance of Siemens Financial Services and optimization of finance organization		
<b>Judith Wiese</b>	25%	Implementation of other strategic measures	Preserve rating and safeguard deleveraging	123.33%	<b>126.00%</b>
	75%	Cash conversion rate	CCR IB		
		Business development	Expansion of Global Business Services		
<b>Managing Board members who left during the fiscal year</b>	50%	Employee satisfaction	Strengthening employee responsibility and people development	110.00%	<b>122.00%</b>
	50%	Sustainability/diversity	Implementation and realization of CO <sub>2</sub> climate targets; succession planning, taking into consideration Siemens' diversity targets		
	Succession planning	Successful transition to new CEO Dr. Roland Busch			
<b>Klaus Helmrich</b>	33%	Cash conversion rate	CCR IB	134.00%	<b>118.00%</b>
	67%	Growth	Optimization of the regional growth concept	avg. 110.00%	
		Succession planning	Successful transition of the Digital Industries business to Cedrik Neike		

**Target achievement: 118.00% to 133.50%**

## Total target achievement for the Bonus for fiscal 2021

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 2021

Managing Board members in office on September 30, 2021	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	158.27%	€2,801,379
Cedrik Neike	€0	€1,101,600	€2,203,200	157.94%	€1,739,867
Matthias Rebellius	€0	€1,101,600	€2,203,200	155.44%	€1,712,327
Prof. Dr. Ralf P. Thomas	€0	€1,101,600	€2,203,200	157.44%	€1,734,359
Judith Wiese	€0	€1,101,600	€2,203,200	155.78%	€1,716,072
<b>Managing Board members who left during the fiscal year</b>					
Joe Kaeser (until Feb. 3, 2021)	€0	€754,688	€1,509,376	154.44%	€1,165,540
Klaus Helmrich (until March 31, 2021)	€0	€550,800	€1,101,600	153.11%	€843,330

## 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 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 environmental, 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

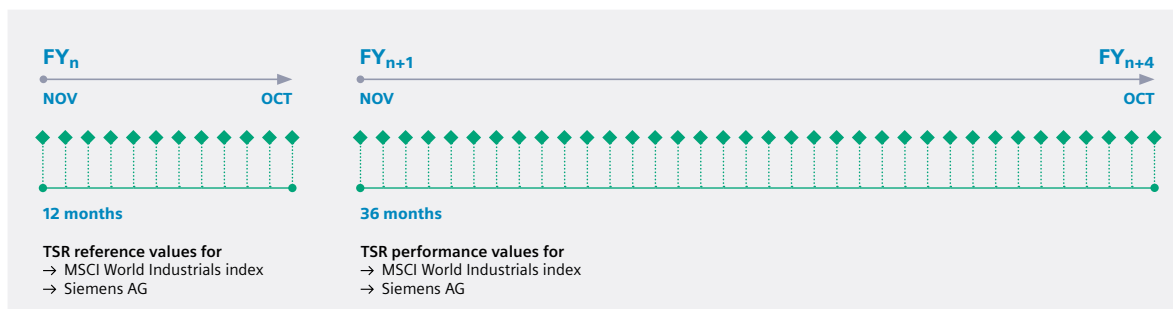
reference value is equal to the average of the end-of-month values over the first 12 months of the vesting period (reference period).

(performance period). The TSR performance value is the average of the end-of-month values during the performance 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

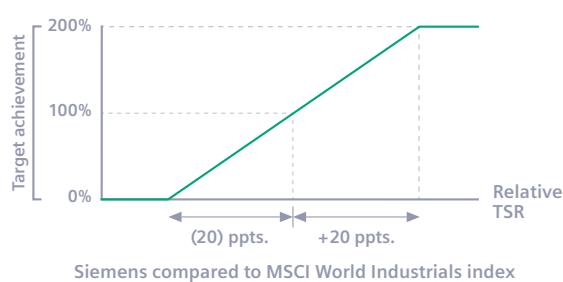
At the end of the vesting period, the change in Siemens' TSR as well as that of the sector index is determined by comparing the TSR reference values with the TSR performance values.

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.

**Environmental, 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 ambitious 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.

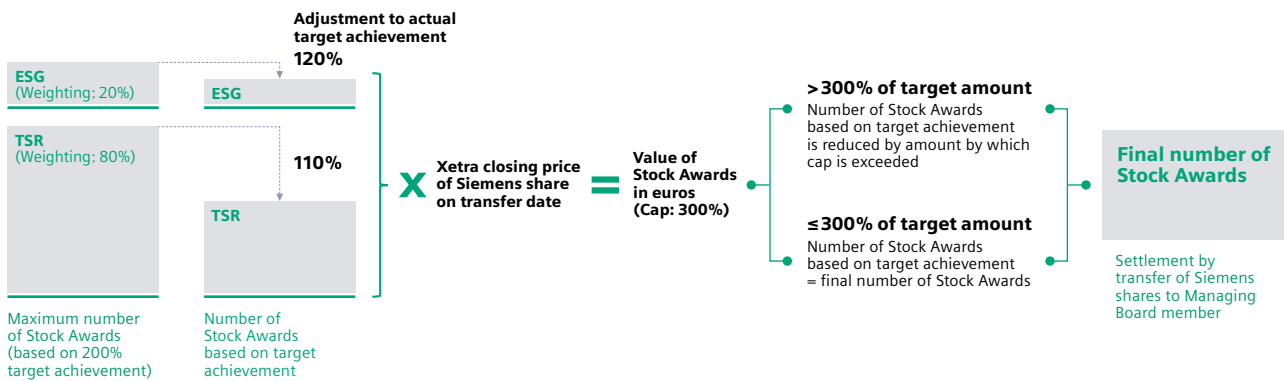
### Determination of total target achievement

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 short-fall 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.

Calculation of Siemens shares to be transferred (illustrative)



**B.3.2.2 ALLOCATION OF STOCK AWARDS  
IN FISCAL 2021**

The Supervisory Board approved the following performance criteria for the 2021 Stock Awards tranche:

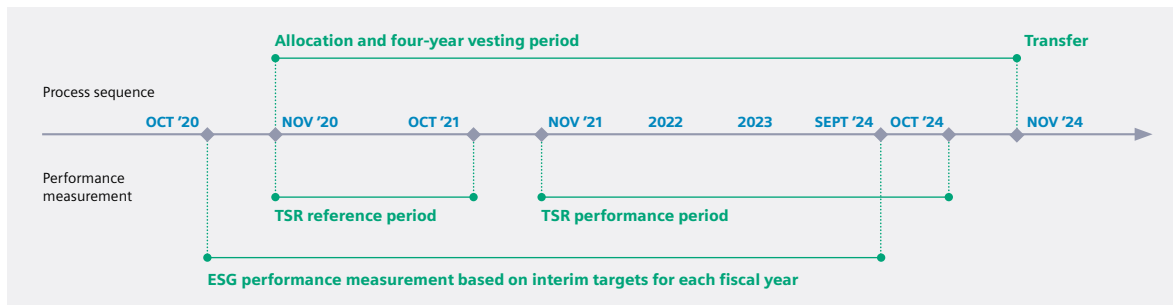
- “Long-term value creation,” measured in terms of the development of the TSR of Siemens AG relative to the international sector index MSCI World Industrials and
- “Sustainability,” measured in terms of the Siemens-internal ESG/Sustainability index, which is based on the following three equally weighted key performance indicators:

ESG key performance indicators for 2021 Stock Awards tranche

CO <sub>2</sub> emissions	Digital learning hours per employee	Net Promoter Score (NPS)
Amount of greenhouse gases emitted by the Company’s business operations in tons of CO <sub>2</sub> equivalent, excluding carbon offsets (for example, certificates).	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.	Customer intention to recommend us, measured on a scale of 1 (extremely unlikely) to 10 (extremely likely). NPS is defined as the number of promoters (%) minus the number of detractors (%).

The Supervisory Board set the allocation date for the 2021 Stock Awards tranche at November 13, 2020. The time sequence of this tranche is as follows.

Time sequence for the 2021 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 2021 tranche was €98.31.

## Information on the allocation of 2021 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	Fair value at allocation date <sup>1</sup>
<b>Managing Board members in office on September 30, 2021</b>					
			Siemens-internal ESG/Sustainability index (Weighting 20%)		
Dr. Roland Busch	€2,390,000	€4,780,000	38,897	9,724	€2,795,114
Cedrik Neike	€1,259,000	€2,518,000	20,490	5,123	€1,472,460
Matthias Rebellius <sup>2</sup>	€1,259,000	€2,518,000	20,490	5,122	€1,472,362
Prof. Dr. Ralf P. Thomas	€1,544,000	€3,088,000	25,129	6,282	€1,805,745
Judith Wiese <sup>3</sup>	€1,259,000	€2,518,000	20,490	5,123	€1,472,460
<b>Managing Board members who left during the fiscal year</b>					
Joe Kaeser (until Feb. 3, 2021)	€861,131	€1,722,262	14,015	3,504	€1,007,142
Klaus Helmrich (until March 31, 2021)	€629,500	€1,259,000	10,245	2,561	€736,181

- The fair value on the allocation date is calculated for the TSR component on the basis of a valuation model and amounts to €47.37. The fair value for the ESG component of €97.96 is equal to the Xetra closing price of the Siemens share on the allocation date, less the discounted expected dividends. For the 2021 tranche, the allocation date in accordance with IFRS 2 was December 14, 2020 (the date of communication to the Managing Board members).
- In addition to his position as a member of the Managing Board of Siemens AG, Matthias Rebellius is Chairman of the Board of Directors 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.
- As compensation for the loss of benefits granted by her former employer, the Supervisory Board allotted to Judith Wiese one-time compensation of €1,469,124 (gross) in fiscal 2021 – 50% in cash and the remaining 50% in the form of Stock Awards from the 2021 tranche. Accordingly, a further 14,944 Stock Awards from the 2021 tranche with a fair value of €859,111 were allocated to Judith Wiese in November 2020, based on target achievement of 200%.

Concrete target setting and the degree of target achievement for the Siemens-internal ESG/Sustainability index of the 2021 Stock Awards tranche will be published together with the degree of target achievement for the TSR in the Compensation Report for fiscal 2025, after the expiration of the vesting period.

### B.3.2.3 TRANSFER OF STOCK AWARDS IN FISCAL 2021 (2017 TRANCHE)

The 2017 Stock Awards tranche became due and was settled in fiscal 2021. The 2017 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 11, 2016, to November 12, 2020.

## Overview of target achievement for the 2017 Stock Awards tranche

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

	Reference price	Performance price	Reference price versus performance price
ABB	CHF 23.26	CHF 21.33	(8.27)%
GE	\$26.40	\$10.42	(60.54)%
MHI	¥4,607.00	¥3,867.60	(16.05)%
Rockwell	\$159.09	\$183.62	15.42%
Schneider	€65.55	€78.71	20.08%
Competitors (average)			(9.87)%
<b>Siemens AG</b>	<b>€108.32</b>	<b>€95.29</b>	<b>(12.03)%</b>

Δ = (2.16) percentage points

Target achievement: 89%

The following table provides a summary of the key parameters of the 2017 Stock Awards tranche. In connection with the due date and settlement of the Stock Awards for fiscal 2017, 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 2017 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 €22.20 on the date when their stock-based compensation commitments became due.

Information on the transfer of the 2017 Stock Awards tranche

	Target amount (based on 100% target achievement)	Allocation price Nov. 11, 2016	Number of Stock Awards <sup>1</sup> allocated	Target achievement of share price performance	Number of Stock Awards <sup>1</sup> calculated	Value at transfer date Nov. 13, 2020 <sup>2</sup>	Cash payment Siemens Energy spin-off
<b>Managing Board members in office on September 30, 2021</b>							
Dr. Roland Busch	€1,100,000 /	€91.32 =	12,046 x	89% =	10,721 >	€1,209,114 +	€119,003
Cedrik Neike (since April 1, 2017) <sup>3</sup>	€550,000 /	€91.32 =	6,023 x	89% =	5,360 >	€608,849 +	€59,836
Prof. Dr. Ralf P. Thomas	€1,100,000 /	€91.32 =	12,046 x	89% =	10,721 >	€1,209,114 +	€119,003
<b>Managing Board members who left during the fiscal year</b>							
Joe Kaeser (until Feb. 3, 2021)	€2,200,000 /	€91.32 =	24,092 x	89% =	21,442 >	€2,418,229 +	€238,006
Klaus Helmrich (until March 31, 2021)	€1,100,000 /	€91.32 =	12,046 x	89% =	10,721 >	€1,209,114 +	€119,003

<sup>1</sup> Cedrik Neike was appointed a full member of the Managing Board effective April 1, 2017. Due to his intra-year appointment, his Stock Awards target amount for fiscal 2017 was determined on a pro-rated basis and, instead of Stock Awards, a corresponding number of Phantom Stock Awards was allocated to him in accordance with plan requirements. In contrast to Stock Awards, these Phantom Stock Awards were settled after the end of the vesting period by cash payment rather than by share transfer. 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 Phantom Stock Awards reported here, 1,141 are attributable to the commitment by Siemens Ltd. China. Of the calculated number of Phantom Stock Awards reported here, 1,015 were awarded and paid by Siemens Ltd. China.

<sup>2</sup> The Stock Awards settled by share transfer were valued at €112.78, the German low price of the Siemens share on November 13, 2020.

<sup>3</sup> The amount reported for Cedrik Neike under "Value at transfer date" comprises the 4,345 Phantom Stock Awards allocated by Siemens AG that were valued at €113.72, the Xetra closing price of the Siemens share on November 12, 2020, in accordance with the plan requirements applicable to the Managing Board as well as the 1,015 Stock Awards allocated by Siemens Ltd. China that were valued at €113.04, the Xetra closing price of the Siemens share on November 13, 2020, in accordance with the plan requirements applicable to Senior Management. For the calculation of the additional cash payment resulting from the Siemens Energy spin-off, the Xetra closing prices of the Siemens Energy share on November 12, 2020, of €22.20 and on November 13, 2020, of €22.87, respectively, were used in accordance with the relevant plan requirements.

In the course of transferring the 2017 Stock Awards tranche, compliance with the maximum amounts of total compensation for fiscal 2017 was also reviewed. The applicable maximum amount was not exceeded in the case of any active or former Managing Board member.

**B.3.2.4 CHANGES IN STOCK AWARDS****IN FISCAL 2021**

The following overview shows the changes in the balance of the Stock Awards held by Managing Board members in fiscal 2021.

## Changes in Stock Awards in fiscal 2021

(Amounts in number of units) <sup>1</sup>	Balance at beginning of fiscal 2021	During fiscal year			Balance at the end of fiscal 2021
		Allocated	Vested and settled	Other changes <sup>2</sup>	
<b>Managing Board members in office on September 30, 2021</b>					
Dr. Roland Busch	83,308	48,621	10,721	1,325	119,883
Cedrik Neike <sup>3</sup>	70,291	25,613	5,360	663	89,881
Matthias Rebellius	–	25,612	–	–	25,612
Prof. Dr. Ralf P. Thomas	88,967	31,411	10,721	1,325	108,332
Judith Wiese <sup>4</sup>	–	40,557	–	–	40,557
<b>Managing Board members who left during the fiscal year</b>					
Joe Kaeser (until Feb. 3, 2021)	152,528	17,519	21,442	2,650	145,955
Klaus Helmrich (until March 31, 2021)	76,314	12,806	10,721	1,325	77,074

<sup>1</sup> The settlement of Stock Awards from the 2018 tranche will be by share transfer up to a target achievement of 100%, and above 100% in cash. For this reason, the number of Stock Awards from the 2018 tranche, as set out in the table, is based on a target achievement of 100%. Starting with the 2019 tranche, 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.

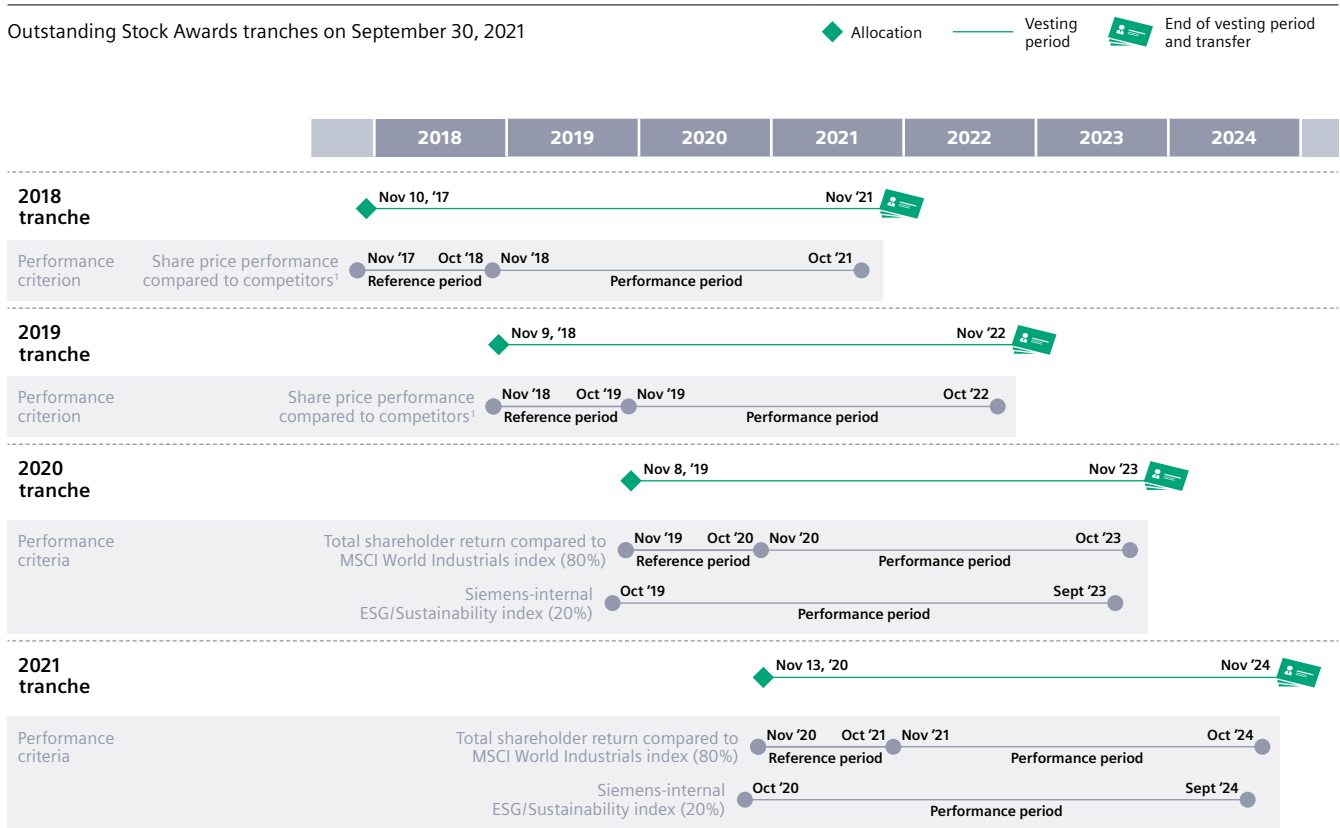
<sup>2</sup> The target achievement of the Stock Awards from the 2017 tranche, which were due and settled in fiscal 2021, was 89%. As the Stock Awards from the 2017 tranche were allocated on the basis of 100% target achievement, a number equivalent to this shortfall was forfeited without refund or replacement, in accordance with plan requirements.

<sup>3</sup> 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.

<sup>4</sup> 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 2021, the following Stock Awards tranches were within the vesting period and are therefore included in the balance at the end of the fiscal year.



<sup>1</sup> The 2018 and 2019 Stock Awards tranches depend on the performance of the Siemens share relative to the share performance of five relevant competitors during the approximately four-year vesting period.

### 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 2021, 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, 2021, the following table shows the number of Siemens shares that each held in order to comply with the SOG on March 12, 2021, 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, 2021, and required to verify compliance on March 12, 2021	Required			Verified		
	Percentage of base salary <sup>1</sup>	Value in € <sup>1</sup>	Number of shares <sup>2</sup>	Percentage of base salary <sup>1</sup>	Value in € <sup>2</sup>	Number of shares <sup>3</sup>
Dr. Roland Busch <sup>4</sup>	200%	2,446,325	22,013	268%	3,280,002	29,515
Prof. Dr. Ralf P. Thomas	200%	2,181,725	19,632	299%	3,264,444	29,375
<b>Total</b>		<b>4,628,050</b>	<b>41,645</b>		<b>6,544,446</b>	<b>58,890</b>

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

<sup>2</sup> Based on the average Xetra opening price of €111.13 for the fourth quarter of 2020 (October to December).

<sup>3</sup> As of March 12, 2021 (verification date).

<sup>4</sup> Dr. Roland Busch was appointed President and CEO only after the reference date relevant for the calculation of the SOG target.

As a result, the amount of his obligation on the verification date of March 12, 2021, was still 200% of his relevant average base salary.

## B.5 Pension benefit commitment

Most of the members of the Managing Board are included in the Siemens Defined Contribution Pension Plan (BSAV). 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 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) in January of each year. The interest rate is currently 0.90%.

### Information on the BSAV

(Amounts in €)	Contributions <sup>1</sup>		Service costs according to IAS 19R		Defined benefit obligation for all pension commitments excluding deferred compensation <sup>2</sup>	
	2021	2020	2021	2020	2021	2020
<b>Managing Board members in office on September 30, 2021</b>						
Dr. Roland Busch	<b>991,200</b>	616,896	<b>932,613</b>	608,225	<b>8,538,765</b>	6,566,101
Cedrik Neike	<b>616,896</b>	616,896	<b>594,468</b>	621,266	<b>4,069,811</b>	2,938,080
Prof. Dr. Ralf P. Thomas	<b>616,896</b>	616,896	<b>588,070</b>	601,098	<b>8,431,412</b>	6,702,858
<b>Total</b>	<b>2,224,992</b>	<b>1,850,688</b>	<b>2,115,151</b>	<b>1,830,589</b>	<b>21,039,988</b>	<b>16,207,039</b>
<b>Managing Board members who left during the fiscal year</b>						
Joe Kaeser (until Feb. 3, 2021)	<b>422,625</b>	1,234,800	<b>0</b>	1,219,888	<b>13,028,557</b>	15,592,209
Klaus Helmrich (until March 31, 2021)	<b>308,448</b>	616,896	<b>294,170</b>	611,168	<b>7,397,589</b>	7,026,562
<b>Total</b>	<b>731,073</b>	<b>1,851,696</b>	<b>294,170</b>	<b>1,831,056</b>	<b>20,426,146</b>	<b>22,618,771</b>

<sup>1</sup> As in the previous year, a total of €22,950 is attributable to the funding of personal pension benefit commitments earned prior to the transfer to the BSAV.

<sup>2</sup> Deferred compensation totals €4,164,429 (2020: €3,911,848), including €3,741,588 for Joe Kaeser (2020: €3,512,020), €359,363 for Klaus Helmrich (2020: €342,276) and €63,478 for Prof. Dr. Ralf P. Thomas (2020: €57,552).

Judith Wiese and Matthias Rebellius, who were newly appointed to the Managing Board as of October 1, 2020, are not included in the BSAV. Instead of BSAV contributions, the Supervisory Board awarded them for fiscal 2021 a fixed cash amount of €550,800 each for free disposal. This amount will be paid in January 2022.

## B.6 Compensation awarded and due

### B.6.1 Active Managing Board members in fiscal 2021

The following tables show the compensation awarded and due to the active members of the Managing Board in fiscal 2021 and fiscal 2020 in accordance with Section 162, para. 1, sent. 1 of the German Stock Corporation Act. As a result, they include all the amounts actually paid to individual Managing Board members in the reporting period (“awarded compensation”) and/or all the compensation that is legally due but not yet received (“due compensation”).

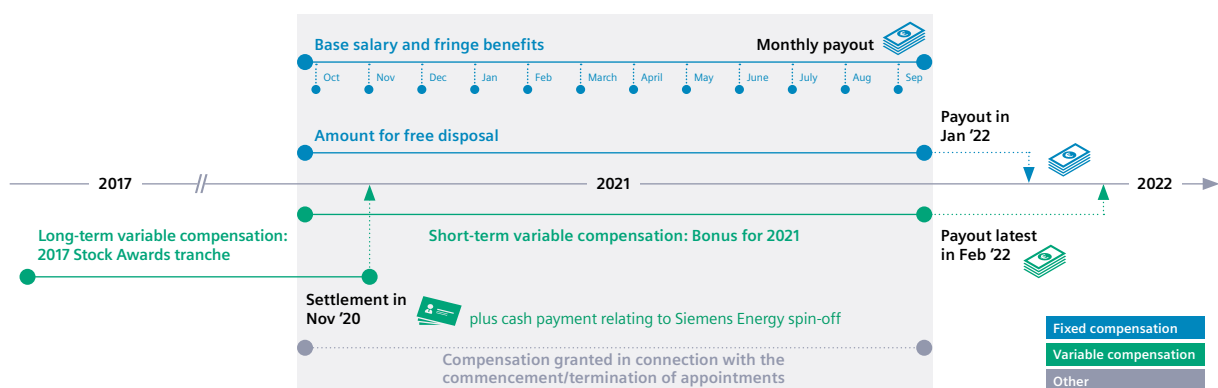
The Bonus is reported under “Short-term variable compensation” as “due compensation” since the underlying services were fully rendered by the end of each period (September 30). Therefore, the Bonus payout amounts

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 2021 and 2020, the Stock Awards from the 2017 and 2016 tranches allocated in fiscal 2017 and 2016, 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 2017, the table also includes the additional cash payment 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 2017 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 €22.20 on the date when their stock-based compensation allocations became due.

Compensation awarded and due in fiscal 2021



In addition to the amounts of compensation, Section 162 para. 1 sent. 2 No. 1 of the German Stock Corporation Act 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.

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 AktG –  
Active Managing Board members in fiscal 2021

Managing Board members in office on September 30, 2021		Dr. Roland Busch <sup>1</sup>				Cedrik Neike <sup>2,3</sup>			
		President and CEO since Feb. 3, 2021		Managing Board member since April 1, 2017					
		2021	2020	2021	2020				
		€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC
Fixed compensation	Base salary	1,770	29%	1,352	30%	1,102	31%	1,102	55%
	+ Fringe benefits	109	2%	98	2%	14	0%	36	2%
	+ Amount for free disposal	–	–	–	–	–	–	–	–
	= Total	1,879	31%	1,450	33%	1,116	32%	1,138	56%
Variable compensation	+ Short-term variable compensation								
	Bonus for fiscal 2021	2,801	47%	–	–	1,740	49%	–	–
	Bonus for fiscal 2020	–	–	899	20%	–	–	879	44%
	+ Long-term variable compensation								
	2017 Stock Awards (vesting: 2016–2020)	1,209	20%	–	–	609	17%	–	–
	2016 Stock Awards (vesting: 2015–2019)	–	–	2,092	47%	–	–	–	–
	Cash payment Siemens Energy spin-off	119	2%	–	–	60	2%	–	–
	+ Other	–	–	–	–	–	–	–	–
	= Total compensation (TC) (according to Section 162 AktG)	6,008	100%	4,441	100%	3,524	100%	2,017	100%
	+ Service costs	933	–	608	–	594	–	621	–
= Total compensation (incl. service costs)	6,941	–	5,049	–	4,119	–	2,638	–	
		Matthias Rebellius <sup>4</sup>				Prof. Dr. Ralf P. Thomas			
		Managing Board member since Oct. 1, 2020		Managing Board member since Sept. 18, 2013					
		2021	2020	2021	2020				
		€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC
Fixed compensation	Base salary	1,102	32%	–	–	1,102	26%	1,102	27%
	+ Fringe benefits	70	2%	–	–	71	2%	81	2%
	+ Amount for free disposal	551	16%	–	–	–	–	–	–
	= Total	1,723	50%	–	–	1,172	28%	1,183	29%
Variable compensation	+ Short-term variable compensation								
	Bonus for fiscal 2021	1,712	50%	–	–	1,734	41%	–	–
	Bonus for fiscal 2020	–	–	–	–	–	–	812	20%
	+ Long-term variable compensation								
	2017 Stock Awards (vesting: 2016–2020)	–	–	–	–	1,209	29%	–	–
	2016 Stock Awards (vesting: 2015–2019)	–	–	–	–	–	–	2,092	51%
	Cash payment Siemens Energy spin-off	–	–	–	–	119	3%	–	–
	+ Other	–	–	–	–	–	–	–	–
= Total compensation (TC) (according to Section 162 AktG)	3,435	100%	–	–	4,235	100%	4,087	100%	
+ Service costs	–	–	–	–	588	–	601	–	
= Total compensation (incl. service costs)	3,435	–	–	–	4,823	–	4,688	–	

<sup>1</sup> Dr. Roland Busch was first appointed a full member of the Managing Board effective April 1, 2011. He served as Deputy CEO from October 1, 2019, until the end of the Annual Shareholders' Meeting on February 3, 2021, when he succeeded Joe Kaeser as President and CEO.

<sup>2</sup> Cedrik Neike was appointed a full member of the Managing Board effective April 1, 2017. Due to his intra-year appointment, his Stock Awards target amount for fiscal 2017 was determined on a pro-rated basis and, instead of Stock Awards, a corresponding number of Phantom Stock Awards was allocated to him in accordance with plan requirements. In contrast to Stock Awards, these Phantom Stock Awards were settled after the expiration of the vesting period by cash payment rather than by share transfer.

<sup>3</sup> 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 amount reported under "2017 Stock Awards (vesting: 2016–2020)" includes 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 "Transfer of Stock Awards in fiscal 2021 (2017 tranche)."

<sup>4</sup> In addition to his position as a member of the Managing Board of Siemens AG, Matthias Rebellius is Chairman of the Board of Directors 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, €615,367 and €29,579, respectively, were awarded and paid by Siemens Schweiz AG. Of the Bonus for fiscal 2021 reported here, €859,802 (corresponding to CHF931,165 and converted into euros as of September 30, 2021) 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.

Compensation awarded and due in accordance with Section 162 para. 1 sent 1 AktG –  
Active Managing Board members in fiscal 2021 (cont.)

Managing Board members in office on September 30, 2021		Judith Wiese <sup>1</sup>			
		Managing Board member since Oct. 1, 2020			
		2021		2020	
		€ thousand	in % of TC	€ thousand	in % of TC
Fixed compensation	Base salary	1,102	26%	–	–
	+ Fringe benefits	82	2%	–	–
	+ Amount for free disposal	551	13%	–	–
	= Total	1,734	41%	–	–
Variable compensation	+ Short-term variable compensation				
	Bonus for fiscal 2021	1,716	41%	–	–
	Bonus for fiscal 2020	–	–	–	–
	+ Long-term variable compensation				
	2017 Stock Awards (vesting: 2016–2020)	–	–	–	–
	2016 Stock Awards (vesting: 2015–2019)	–	–	–	–
	Cash payment Siemens Energy spin-off	–	–	–	–
	+ Other	735	18%	–	–
= Total compensation (TC) (according to Section 162 AktG)	4,185	100%	–	–	
+ Service costs	–	–	–	–	
= Total compensation (incl. service costs)	4,185	–	–	–	

Managing Board members who left during the fiscal year		Joe Kaeser <sup>2</sup>				Klaus Helmrich <sup>3</sup>			
		President and CEO until Feb. 3, 2021				Managing Board member until March 31, 2021			
		2021		2020		2021		2020	
		€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC	€ thousand	in % of TC
Fixed compensation	Base salary	755	16%	2,205	27%	551	20%	1,102	26%
	+ Fringe benefits	40	1%	115	1%	34	1%	45	1%
	+ Amount for free disposal	–	–	–	–	–	–	–	–
	= Total	794	17%	2,320	29%	585	21%	1,147	27%
Variable compensation	+ Short-term variable compensation								
	Bonus for fiscal 2021	1,166	25%	–	–	843	31%	–	–
	Bonus for fiscal 2020	–	–	1,626	20%	–	–	947	23%
	+ Long-term variable compensation								
	2017 Stock Awards (vesting: 2016–2020)	2,418	52%	–	–	1,209	44%	–	–
	2016 Stock Awards (vesting: 2015–2019)	–	–	4,106	51%	–	–	2,092	50%
	Cash payment Siemens Energy spin-off	238	5%	–	–	119	4%	–	–
	+ Other	–	–	–	–	–	–	–	–
= Total compensation (TC) (according to Section 162 AktG)	4,616	100%	8,051	100%	2,756	100%	4,186	100%	
+ Service costs	–	–	1,220	–	294	–	611	–	
= Total compensation (incl. service costs)	4,616	–	9,271	–	3,050	–	4,797	–	

<sup>1</sup> As compensation for the loss of benefits granted by her former employer, the Supervisory Board allotted to Judith Wiese one-time compensation of €1,469,124 (gross) in fiscal 2021. 50% of this compensation was allocated in November 2020 in the form of Stock Awards, and the remaining 50% was awarded in cash in March 2021. The cash payment is included under "Other."

<sup>2</sup> Pro-rated compensation for the period from October 1, 2020, up to and including February 3, 2021.

<sup>3</sup> Pro-rated compensation for the period from October 1, 2020, up to and including March 31, 2021.

## 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 2021 in accordance with Section 162 para. 1 sent. 1 of the German Stock Corporation Act. In accordance with Section 162 para. 5 of the German Stock Corporation Act, the personal information of former Managing Board members is no longer included if they left the Managing Board before September 30, 2011.

Compensation awarded and due in accordance with Section 162 para. 1 sent 1 AktG – Former members of the Managing Board<sup>1</sup>

(€ thousand)		<b>Klaus Helmrich</b> Managing Board member until March 31, 2021	<b>Joe Kaeser<sup>4</sup></b> President and CEO until Feb. 3, 2021	<b>Michael Sen<sup>5</sup></b> Managing Board member until March 31, 2020	<b>Lisa Davis</b> Managing Board member until Feb. 29, 2020
<b>Fixed and variable compensation</b>	Fringe benefits <sup>2</sup>	–	–	21	106
	Other	–	–	4,646	–
	2017 Stock Awards (vesting: 2016–2020) <sup>3</sup>	–	–	1,247	1,328
<b>Pensions</b>	Annuity	14	1,103	–	–
	Capital payment (partial or full)	571	3,085	–	–
		<b>Janina Kugel</b> Managing Board member until Jan. 31, 2020	<b>Prof. Dr. Siegfried Russwurm</b> Managing Board member until March 31, 2017	<b>Prof. Dr. Hermann Requardt</b> Managing Board member until Jan. 31, 2015	<b>Peter Löscher</b> President and CEO until July 31, 2013
<b>Fixed and variable compensation</b>	Fringe benefits <sup>2</sup>	–	–	–	–
	Other	–	–	–	–
	2017 Stock Awards (vesting: 2016–2020) <sup>3</sup>	1,274	664	–	–
<b>Pensions</b>	Annuity	–	–	42	–
	Capital payment (partial or full)	–	–	–	588

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

<sup>2</sup> Fringe benefits include in-kind compensation and fringe benefits awarded by the Company such as the provision of a company car and insurance allowances. In the case of Lisa Davis, they also include contractually agreed payments for tax adjustments.

<sup>3</sup> The amounts reported under "2017 Stock Awards (vesting: 2016–2020)" also include the additional cash payment relating to the settlement of the 2017 Stock Awards tranche due to the Siemens Energy spin-off.

<sup>4</sup> Like other eligible employees of Siemens AG who were employed by the Company before September 30, 1983, Joe Kaeser was entitled to transition payments in the first six months of his retirement equal to the difference between his last base salary and his pension entitlement under the Company pension plan. The transition payments that Joe Kaeser received in each month from March through August 2021 amounted to €178,080 and are included under "Pensions: Annuity."

<sup>5</sup> Michael Sen's appointment as a member of the Managing Board of Siemens AG was terminated by mutual agreement as of March 31, 2020, prior to the end of his contractual term of office. His employment relationship remained unaffected until the end of the day on March 31, 2021. The amount reported under "Other" contains the base salary of €550,800 awarded to Michael Sen for the period from October 1, 2020, until the early termination of his employment contract on March 31, 2021, his pro-rated Bonus for fiscal 2021 of €550,800 and a severance payment in the gross amount of €3,544,427, which was due and payable on the termination date of March 31, 2021.

## B.7 Outlook for fiscal 2022

The following overview shows the maximum compensation and the performance criteria for variable compensation for fiscal 2022, as approved by the Supervisory Board of Siemens AG on September 23, 2021.

Outlook fiscal 2022

### MAXIMUM COMPENSATION

<b>Dr. Roland Busch</b> €15,295,950	<b>Cedrik Neike</b> €7,781,316	<b>Matthias Rebellius</b> €7,715,220	<b>Prof. Dr. Ralf P. Thomas</b> €8,636,316	<b>Judith Wiese</b> €7,715,220
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### VARIABLE COMPENSATION

	Target dimension	Performance criterion	Key performance indicator	Details	
Bonus fiscal 2022	Siemens Group	Profit	Basic earnings per share (EPS)	To strengthen the focus and connection between performance in the reporting year and target achievement, the actual value of the reporting year is used. The target value continues to be based on the average of the previous three fiscal years and thus on the concept of continuous improvement.  Beginning with fiscal 2022, EPS before purchase price allocation (EPS pre PPA) will be used in order to increase transparency regarding the operating performance of Siemens. 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. As for EPS, EPS pre PPA includes the amounts attributable to shareholders of Siemens AG.  This approach is aligned with external communications and the modified Financial Framework for the financial steering of the Company, presented at Capital Market Day 2021.	
	Managing Board portfolio	Profitability/capital efficiency	Return on capital employed (ROCE)	With return on capital employed (ROCE), we aim to focus on Siemens' operating performance, analogously to fiscal 2021. Thus ROCE excludes defined Variance-related acquisition effects and the main Siemens Energy-related effects in order to further increase the transparency of Siemens' operating performance.	
	Individual targets	Liquidity	Cash conversion rate (CCR)	CCR, measured on the basis of: → all-in for Managing Board members with primarily functional responsibility → the relevant business for Managing Board members with business responsibility	
				Growth	Comparable revenue growth
		Company strategy	Diverse focus topics		
Sustainability		Diverse focus topics	Succession planning; sustainability/diversity		
2022 Stock Awards tranche	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-internal ESG/Sustainability index	The Siemens-internal ESG/Sustainability index for the 2022 Stock Awards tranche is based on the following three equally weighted key performance indicators: → CO <sub>2</sub> emissions → Digital learning hours per employee → Net Promoter Score		

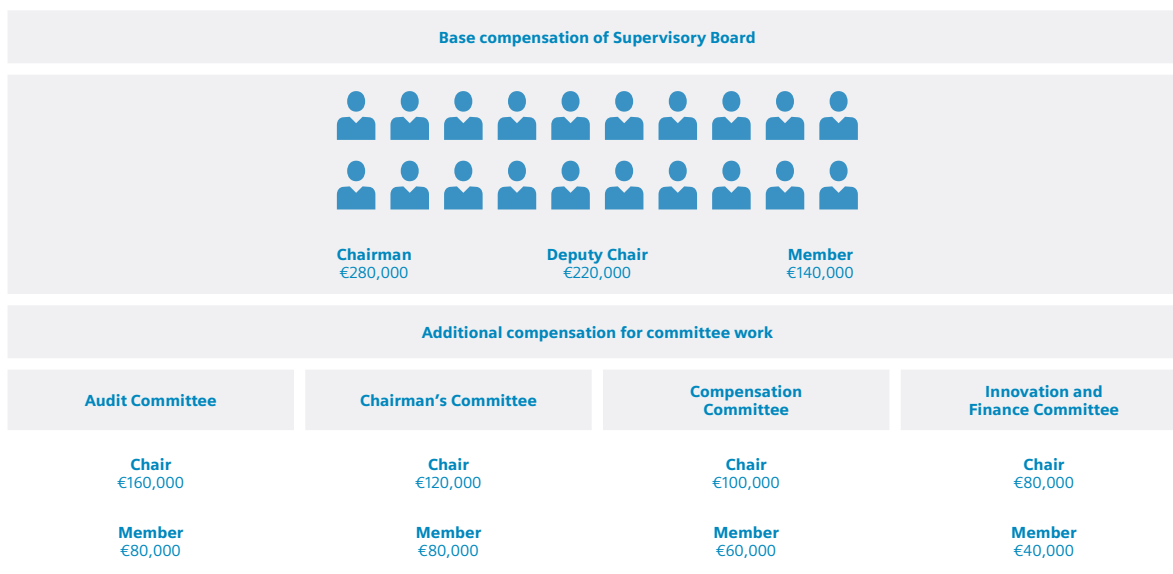
# C. Compensation of Supervisory Board members

The rules for Supervisory Board compensation for fiscal 2021 were approved by the Annual Shareholders' Meeting on January 28, 2014, and have been in effect since fiscal 2014. They are set out in Section 17 of the Articles of Association of Siemens AG in the version applicable for fiscal 2021. Supervisory Board compensation consists entirely of fixed compensation; it reflects the responsibilities and scope of the work of the Supervisory Board members. The Chairman and Deputy Chairs of the Supervisory Board as well as the chairs and members of the Audit Committee, the Chairman's Committee, the Compensation Committee, the Compliance Committee and

the Innovation and Finance Committee receive additional compensation. The compensation authorized by the Articles of Association for work in the Compliance Committee was no longer paid in fiscal 2021 since the Compliance Committee was reintegrated into the Audit Committee and the duties of the Compliance Committee were transferred to the Audit Committee effective October 1, 2020.

Under the rules for fiscal 2021, the members of the Supervisory Board receive an annual base compensation, and the members of the Supervisory Board committees receive additional compensation for their committee work.

Compensation of members of the Supervisory Board and its committees



Compensation for any work on the Chairman's Committee is deducted from compensation for work on the Compensation Committee.

In addition, the members of the Supervisory Board receive €1,500 for each meeting of the Supervisory Board and its committees they attend.

If a Supervisory Board member is absent from any Supervisory Board meetings, one-third of the aggregate compensation due to that member is reduced by the percentage of Supervisory Board meetings he or she does not attend in relation to the total number of Supervisory Board meetings held during the fiscal year. In the event of changes in the composition of the Supervisory Board or its committees, compensation is paid on a pro-rated basis, rounding up to the next full month.

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 2021 and fiscal 2020 in accordance with Section 162, para. 1, sent. 1 of the German Stock Corporation Act.

Compensation awarded and due in accordance with Section 162 para. 1 sent 1 AktG –  
Supervisory Board members

		Basic compensation		Committee compensation		Meeting attendance fee		Total compensation (TC)
		in €	in % of TC	in €	in % of TC	in €	in % of TC	in €
<b>Supervisory Board members in office on September 30, 2021</b>								
Jim Hagemann Snabe (since Oct. 2013, Chairman since Jan. 2018)	2021	280,000	46%	280,000	46%	48,000	8%	608,000
	2020	280,000	44%	280,000	44%	72,000	11%	632,000
Birgit Steinborn <sup>1</sup> (since Jan. 2008, First Deputy Chairwoman since Jan. 2015)	2021	220,000	47%	200,000	43%	46,500	10%	466,500
	2020	220,000	46%	200,000	42%	61,500	13%	481,500
Dr. Werner Brandt <sup>2</sup> (since Jan. 2018, Second Deputy Chairman since Feb. 2021)	2021	193,333	44%	213,333	49%	31,500	7%	438,167
	2020	140,000	42%	160,000	48%	36,000	11%	336,000
Tobias Bäuml <sup>1</sup> (since Oct. 2020)	2021	140,000	49%	120,000	42%	27,000	9%	287,000
	2020	–	–	–	–	–	–	–
Michael Diekmann (since Jan. 2008)	2021	140,000	57%	86,667	35%	19,500	8%	246,167
	2020	140,000	63%	60,000	27%	22,500	10%	222,500
Dr. Andrea Fehrmann <sup>1</sup> (since Jan. 2018)	2021	140,000	91%	–	–	13,500	9%	153,500
	2020	140,000	89%	–	–	18,000	11%	158,000
Bettina Haller <sup>1</sup> (since April 2007)	2021	140,000	58%	80,000	33%	22,500	9%	242,500
	2020	140,000	55%	80,000	31%	36,000	14%	256,000
Harald Kern <sup>1</sup> (since Jan. 2008)	2021	140,000	53%	100,000	38%	24,000	9%	264,000
	2020	140,000	57%	80,000	32%	27,000	11%	247,000
Jürgen Kerner <sup>1</sup> (since Jan. 2012)	2021	140,000	37%	200,000	52%	43,500	11%	383,500
	2020	140,000	35%	200,000	50%	61,500	15%	401,500
Benoît Potier (since Jan. 2018)	2021	140,000	90%	–	–	15,000	10%	155,000
	2020	135,758	87%	–	–	21,000	13%	156,758
Hagen Reimer <sup>1</sup> (since Jan. 2019)	2021	140,000	91%	–	–	13,500	9%	153,500
	2020	140,000	89%	–	–	18,000	11%	158,000
Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer (since Jan. 2015)	2021	134,815	71%	38,519	20%	16,500	9%	189,833
	2020	135,758	70%	38,788	20%	19,500	10%	194,045
Kasper Rørsted (since Feb. 2021)	2021	93,333	72%	26,667	20%	10,500	8%	130,500
	2020	–	–	–	–	–	–	–
Baroness Nemat Shafik (DBE, DPhil) (since Jan. 2018)	2021	129,630	93%	–	–	10,500	7%	140,130
	2020	140,000	89%	–	–	18,000	11%	158,000
Dr. Nathalie von Siemens (since Jan. 2015)	2021	140,000	81%	16,667	10%	16,500	10%	173,167
	2020	140,000	70%	40,000	20%	21,000	10%	201,000
Michael Sigmund (since March 2014)	2021	140,000	91%	–	–	13,500	9%	153,500
	2020	140,000	89%	–	–	18,000	11%	158,000
Dorothea Simon <sup>1</sup> (since Oct. 2017)	2021	140,000	91%	–	–	13,500	9%	153,500
	2020	140,000	89%	–	–	18,000	11%	158,000
Grazia Vittadini (since Feb. 2021)	2021	93,333	50%	80,000	42%	15,000	8%	188,333
	2020	–	–	–	–	–	–	–
Matthias Zachert (since Jan. 2018)	2021	140,000	49%	120,000	42%	25,500	9%	285,500
	2020	140,000	55%	80,000	31%	36,000	14%	256,000
Gunnar Zukunft <sup>1</sup> (since Jan. 2018)	2021	140,000	91%	–	–	13,500	9%	153,500
	2020	140,000	89%	–	–	18,000	11%	158,000
<b>Supervisory Board members who left during the fiscal year</b>								
Werner Wenning (Second Deputy Chairman until Feb. 2021)	2021	91,667	55%	58,333	35%	16,500	10%	166,500
	2020	220,000	54%	140,000	34%	51,000	12%	411,000
Dr. Nicola Leibinger-Kammüller (until Feb. 2021)	2021	53,472	57%	30,556	33%	9,000	10%	93,028
	2020	131,515	55%	75,152	31%	34,500	14%	241,167
<b>Total<sup>3</sup></b>	<b>2021</b>	<b>3,109,583</b>	<b>60%</b>	<b>1,650,741</b>	<b>32%</b>	<b>465,000</b>	<b>9%</b>	<b>5,225,324</b>
	<b>2020</b>	<b>2,943,030</b>	<b>59%</b>	<b>1,433,939</b>	<b>29%</b>	<b>607,500</b>	<b>12%</b>	<b>4,984,470</b>

<sup>1</sup> 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.

<sup>2</sup> Werner Brandt has been a member of the Supervisory Board since January 31, 2018, and was elected Second Deputy Chairman of the Supervisory Board, effective the end of the Annual Shareholders' Meeting on February 3, 2021.

<sup>3</sup> Compared to the amounts reported in the 2020 Compensation Report, the total does not include the compensation of €359,000 paid to former Supervisory Board member Robert Kensbock.

Pursuant to Section 113 para. 3 of the German Stock Corporation Act in the version amended by the German Act Implementing the Second Shareholders' Rights Directive (*Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie*, ARUG II), the annual shareholders' meeting of a listed company must resolve on compensation for the members of the supervisory board at least every four years. In accordance with Section 113 para. 3 of the German Stock Corporation Act, the Annual Shareholders' Meeting on February 3, 2021, therefore adopted a resolution regarding the compensation of Supervisory Board members and voted to amend Section 17 of the Articles of Association. 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 provisions of the new version of Section 17 of the Articles of Association, which came into effect on October 1, 2021, replace the previous provisions of the Articles of Association regarding Supervisory Board compensation as of that date. 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](http://www.siemens.com/corporate-governance).

## 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, 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 earnings per share. The latter is also one of the financial targets for the short-term variable compensation (Bonus) of the Managing Board and thus has a significant influence on the amount of the compensation of the Managing Board members. 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.

The presentation of average employee compensation is based on the size of the workforce, including trainees, employed by Siemens in Germany. In fiscal 2021, this workforce comprised on average 71,838 employees (full-time equivalent). By way of comparison, the Siemens Group had about 241,000 employees and trainees worldwide as of September 30, 2021. 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 and 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	2017	2018	Change in %	2019	Change in %	2020	Change in %	2021	Change in %
<b>I. PROFIT DEVELOPMENT</b>									
Revenue <sup>1</sup> (in € billion)	83,049	83,044	(0.0)%	86,849	4.6%	57,139	(34.2)%	<b>62,265</b>	<b>9.0%</b>
Comparable revenue growth <sup>2</sup> (in %)	3	2	n.a.	3	n.a.	(2)	n.a.	<b>11.5</b>	<b>n.a.</b>
Earnings per share <sup>3</sup> (in €)	7.44	7.12	(4.3)%	6.41	(10.0)%	5.00	(22.0)%	<b>7.68</b>	<b>53.6%</b>
Net income according to HGB (in € billion)	4,076	4,547	11.6%	11,219	146.7%	5,270	(53.0)%	<b>5,147</b>	<b>(2.3)%</b>
<b>II. AVERAGE EMPLOYEE COMPENSATION (in € thousand)</b>									
Workforce in Germany	91	94	3.3%	95	1.1%	96	1.1%	<b>99</b>	<b>3.1%</b>
<b>III. MANAGING BOARD MEMBERS' COMPENSATION (in € thousand)</b>									
Dr. Roland Busch <sup>4</sup> (since April 2011, President and CEO since Feb. 2021)	5,482	4,556	(16.9)%	6,730	47.7%	4,441	(34.0)%	<b>6,008</b>	<b>35.3%</b>
Cedrik Neike (since April 2017)	2,556	3,710	45.1%	2,331	(37.2)%	2,017	(13.5)%	<b>3,524</b>	<b>74.7%</b>
Matthias Rebellius (since Oct. 2020)	–	–	–	–	–	–	–	<b>3,435</b>	<b>–</b>
Prof. Dr. Ralf P. Thomas <sup>4</sup> (since Sept. 2013)	3,347	3,143	(6.1)%	6,740	114.5%	4,087	(39.4)%	<b>4,235</b>	<b>3.6%</b>
Judith Wiese (since Oct. 2020)	–	–	–	–	–	–	–	<b>4,185</b>	<b>–</b>
<b>Managing Board members who left during the fiscal year</b>									
Joe Kaeser <sup>4</sup> (President and CEO until Feb. 2021)	9,643	8,391	(13.0)%	12,978	54.7%	8,051	(38.0)%	<b>4,616</b>	<b>(42.7)%</b>
Klaus Helmrich <sup>4</sup> (until March 2021)	5,586	4,608	(17.5)%	6,679	45.0%	4,186	(37.3)%	<b>2,756</b>	<b>(34.2)%</b>
<b>Former Managing Board members</b>									
Lisa Davis <sup>4</sup> (until Feb. 2020)	2,825	2,661	(5.8)%	7,969	199.5%	6,562	(17.6)%	<b>1,434</b>	<b>(78.2)%</b>
Janina Kugel (until Jan. 2020)	2,202	2,718	23.4%	4,192	54.3%	2,631	(37.2)%	<b>1,274</b>	<b>(51.6)%</b>
Prof. Dr. Siegfried Russwurm <sup>4</sup> (until March 2017)	4,363	3,244	(25.7)%	4,330	33.5%	2,905	(32.9)%	<b>664</b>	<b>(77.1)%</b>
Michael Sen (from April 2017 until March 2020)	1,272	2,841	123.4%	2,448	(13.8)%	1,991	(18.7)%	<b>5,914</b>	<b>197.1%</b>

<sup>1</sup> 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.

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

<sup>3</sup> Basic earnings per share from continuing and discontinued operations as reported.

<sup>4</sup> The increase in compensation in fiscal 2019 is primarily attributable to the one-time benefit from two Stock Awards tranches – the 2014 and 2015 tranches – in November 2018, due to a reduction in the duration of the Stock Awards to the customary four-year period starting with the 2015 tranche.

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

Fiscal	2017	2018	Change in %	2019	Change in %	2020	Change in %	2021	Change in %
<b>IV. SUPERVISORY BOARD MEMBERS' COMPENSATION (in € thousand)</b>									
Jim Hagemann Snabe (since Oct. 2013, Chairman since Jan. 2018)	279	536	92.0%	613	14.3%	632	3.2%	<b>608</b>	<b>(3.8)%</b>
Birgit Steinborn <sup>1</sup> (since Jan. 2008, First Deputy Chairwoman since Jan. 2015)	468	477	1.9%	471	(1.3)%	482	2.2%	<b>467</b>	<b>(3.1)%</b>
Dr. Werner Brandt <sup>2</sup> (since Jan. 2018, Second Deputy Chairman since Feb. 2021)	–	240	–	324	35.0%	336	3.7%	<b>438</b>	<b>30.4%</b>
Tobias Bäuml <sup>1</sup> (since Oct. 2020)	–	–	–	–	–	–	–	<b>287</b>	–
Michael Diekmann (since Jan. 2008)	204	217	6.1%	215	(0.7)%	223	3.5%	<b>246</b>	<b>10.6%</b>
Dr. Andrea Fehrmann <sup>1</sup> (since Jan. 2018)	–	113	–	149	32.4%	158	6.0%	<b>154</b>	<b>(2.8)%</b>
Bettina Haller <sup>1</sup> (since April 2007)	231	244	5.8%	244	0.0%	256	4.9%	<b>243</b>	<b>(5.3)%</b>
Harald Kern <sup>1</sup> (since Jan. 2008)	229	244	6.5%	240	(1.8)%	247	3.1%	<b>264</b>	<b>6.9%</b>
Jürgen Kerner <sup>1</sup> (since Jan. 2012)	381	394	3.5%	391	(0.8)%	402	2.7%	<b>384</b>	<b>(4.5)%</b>
Benoît Potier (since Jan. 2018)	–	113	–	141	25.5%	157	11.0%	<b>155</b>	<b>(1.1)%</b>
Hagen Reimer <sup>1</sup> (since Jan. 2019)	–	–	–	110	–	158	44.3%	<b>154</b>	<b>(2.8)%</b>
Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer (since Jan. 2015)	188	189	0.6%	182	(3.7)%	194	6.6%	<b>190</b>	<b>(2.2)%</b>
Kasper Rørsted (since Feb. 2021)	–	–	–	–	–	–	–	<b>131</b>	–
Baroness Nemat Shafik (DBE, DPhil) (since Jan. 2018)	–	113	–	140	24.2%	158	13.1%	<b>140</b>	<b>(11.3)%</b>
Dr. Nathalie von Siemens (since Jan. 2015)	151	185	22.9%	194	4.6%	201	3.9%	<b>173</b>	<b>(13.8)%</b>
Michael Sigmund (since March 2014)	151	152	1.0%	149	(2.0)%	158	6.0%	<b>154</b>	<b>(2.8)%</b>
Dorothea Simon <sup>1</sup> (since Oct. 2017)	–	152	–	149	(2.0)%	158	6.0%	<b>154</b>	<b>(2.8)%</b>
Grazia Vittadini (since Feb. 2021)	–	–	–	–	–	–	–	<b>188</b>	–
Matthias Zachert (since Jan. 2018)	–	177	–	244	37.9%	256	4.9%	<b>286</b>	<b>11.5%</b>
Gunnar Zukunft <sup>1</sup> (since Jan. 2018)	–	113	–	149	32.4%	158	6.0%	<b>154</b>	<b>(2.8)%</b>
<b>Supervisory Board members who left during the fiscal year</b>									
Werner Wenning (Second Deputy Chairman until Feb. 2021)	402	404	0.4%	398	(1.5)%	411	3.4%	<b>167</b>	<b>(59.5)%</b>
Dr. Nicola Leibinger-Kammüller (until Feb. 2021)	243	249	2.5%	246	(1.2)%	241	(1.8)%	<b>93</b>	<b>(61.4)%</b>

<sup>1</sup> 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.

<sup>2</sup> Werner Brandt has been a member of the Supervisory Board since January 31, 2018, and was elected Second Deputy Chairman of the Supervisory Board, effective the end of the Annual Shareholders' Meeting on February 3, 2021.

## | 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 2021 includes a deductible for the members of the Managing Board that complies with the requirements of the German Stock Corporation Act.

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

# I 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, 2020 to September 30, 2021 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 AG 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 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.

An audit involves performing audit procedures to obtain audit evidence about the amounts in the Compensation Report and the related disclosures. The audit 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 under the given 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, 2020 to September 30, 2021 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 in the Compensation Report that is 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](http://www.de.ey.com/general-engagement-terms)).

Munich, December 2, 2021

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Breitsameter  
Wirtschaftsprüferin  
[German Public Auditor]

Dr. Gaenslen  
Wirtschaftsprüfer  
[German Public Auditor]



# I 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 2021 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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