

B.4 Compensation report

This section outlines the principles underlying the determination of the total compensation of the members of the Managing Board of Siemens AG, and sets out the structure and level of the remuneration of the Managing Board members. It also describes the policies governing, and levels of, compensation paid to Supervisory Board members.

This section is based on the recommendations of the German Corporate Governance Code and includes disclosures in accordance with the requirements of the German Commercial Code (HGB) and International Financial Reporting Standards (IFRS). The Compensation Report is an integral part of the Notes to Consolidated Financial Statements.

B.4.1 Remuneration of members of the Managing Board

B.4.1.1 REMUNERATION SYSTEM

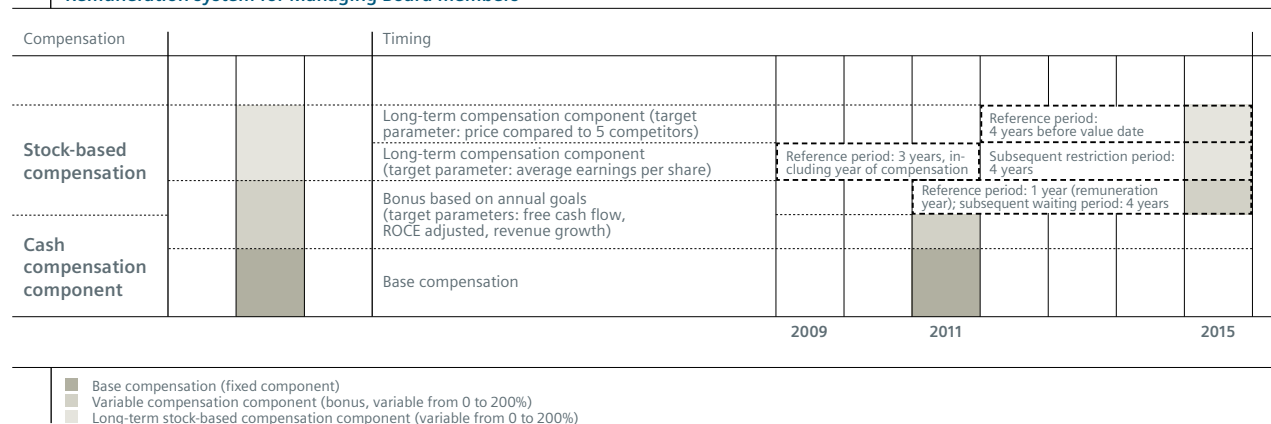
The remuneration system for the Managing Board at Siemens is intended to provide an incentive for successful corporate management with an emphasis on sustainability. Members of the Managing Board are expected to make a long-term commitment to and on behalf of the Company, and may benefit from any sustained increase in the Company's value. A further aim is for their remuneration to be commensurate with the compensation paid by companies of comparable size and economic position. Exceptional achievements are to be rewarded adequately, while falling short of goals is intended to result in an appreciable reduction in remuneration. Finally, the Managing Board's compensation is also structured so as to be attractive in comparison to that of competitors, with a view

to attracting outstanding managers to our Company and keeping them with us for the long term.

The system and levels for the remuneration of the Managing Board are determined and regularly reviewed by the full Supervisory Board, based on proposals from the Chairman's Committee. Additionally, in the fall of 2010 the Managing Board and Supervisory Board decided to submit the remuneration system for the Managing Board, revised as of fiscal 2011, to the Shareholders' Meeting for a vote. The remuneration system was approved by a large majority at the Annual Shareholders' Meeting on January 25, 2011. The remuneration system in effect until the end of fiscal 2010 was explained in detail in the Annual Report for fiscal 2010.

In order to focus compensation for the members of the Managing Board on the goal of sustainable value enhancement, the bulk of remuneration is paid only after a certain delay: for a 100% target attainment, more than half of total remuneration is provided in the form of stock-based compensation with a four-year restriction period, and over 50% of the variable component of compensation is determined on the basis of multi-year target parameters. Managing Board members' compensation is furthermore strongly aligned with shareholders' interest in a long-term remunerative investment, since one-half of long-term stock-based compensation relates to the multi-year performance of Siemens stock relative to the stock of (at present) five important competitors. In determining how successfully targets have been met for the variable components of compensation, adjustments are narrowly limited to exceptional, unforeseen matters.

Remuneration system for Managing Board members



In fiscal 2011, the remuneration system for the Managing Board had the following components:

Base compensation

Base compensation is paid as a monthly salary. The base compensation of President and CEO Peter Löscher was set at the time of his appointment on July 1, 2007, and has remained essentially unchanged since then. The base compensation of the other members of the Managing Board was most recently revised on October 1, 2010, from €780,000 to €900,000 per year.

Variable compensation component (bonus)

The variable compensation component (bonus) is based on the Company's business performance in the past fiscal year. For a 100% target attainment (target amount) the amount of the bonus equals the amount of base compensation. The targets are derived from One Siemens, our target system for sustainably enhancing corporate value. On the basis of this system, the Supervisory Board at the beginning of each fiscal year defines unique targets for several parameters: return on capital employed (ROCE adjusted); free cash flow; and organic revenue growth at the group level (continuing operations). These target parameters – in addition to other factors – also apply to senior executives, with a view to establishing a uniform and consistent target system throughout the Company. In its annual decision on targets and on the relative weighting of the target parameters, the Supervisory Board in particular takes into consideration market conditions and Siemens' competitiveness.

The bonus is subject to a ceiling (cap) of 200% of the target amount. If targets are substantially missed, the variable component may potentially not be paid at all.

The Supervisory Board is entitled to revise the amount resulting from attaining targets, by as much as 20% upward or downward, at its duty-bound discretion (pflichtgemäßes Ermessen); accordingly, the adjusted bonus payment can be as much as 240% of the target amount. In choosing the factors to be considered in deciding on possible revisions of the bonus payouts ($\pm 20\%$), the Supervisory Board takes account of incentives for sustainable corporate management. In addition, the revision option may be exercised in special recognition of Managing Board members' individual achievements, if applicable.

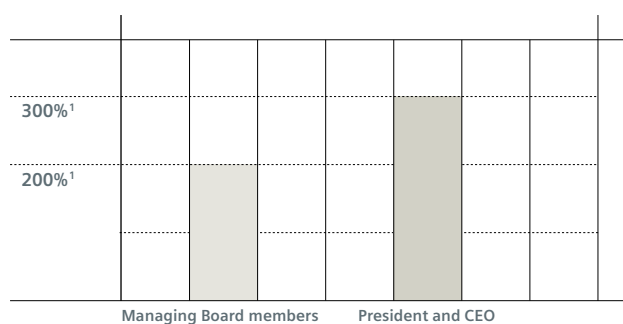
The bonus is paid half in cash, and half in the form of non-forfeitable awards of Siemens stock (Bonus Awards). After a four-year waiting period, the beneficiary will receive one share of Siemens stock for each Bonus Award. Instead of the transfer of Siemens stock, an equivalent cash settlement may be effected.

Long-term stock-based compensation

Since 2006, long-term stock-based compensation has consisted of a grant of forfeitable stock commitments (Stock Awards). The beneficiary of a Stock Award will receive one free share of Siemens stock after a restriction period. Beginning with fiscal 2011, the restriction period for Stock Awards will end at the close of the second day after publication of the results of operation in the fourth calendar year after the date of the award.

In the event of target attainment of 100% the annual target amount for the fair value of the Stock Awards commitment will be €2.5 million for the President and CEO, and €1 million for the other members of the Managing Board. Beginning with fiscal 2011, the Supervisory Board has the option of increasing, on an individual basis, the target amount for a member of the Managing Board that has been reappointed by as much as 75% above the amount of €1 million, for one fiscal year at a time; this option is not applicable to the CEO. The option enables the Supervisory Board to take special account of the Managing Board member's individual accomplishments and experience.

Obligations under Share Ownership Guidelines



1 Percentage of base compensation

The foundation for the performance-based component of long-term stock-based compensation is the One Siemens target system, which applies throughout the Company. It focuses on sustainably increasing Siemens' corporate value. The allocation rules for long-term stock-based compensation take this focus into account as follows:

- > On the one hand, the annual grant of Stock Awards depends on the sustainability of business performance. For this purpose, half of the annual target amount of the Stock Awards is linked to the average of the published earnings per share (EPS) for the past three fiscal years (continuing and discontinued operations undiluted). At the end of each fiscal year, the Supervisory Board decides on a figure that represents the relevant fiscal year's target attainment, which may lie between 0% and 200% (cap). This target attainment will then determine the actual fair value of the award, and the resulting number of Stock Awards.
- > On the other hand, the performance of Siemens' stock relative to its competitors is to have a direct effect on compensation. For this purpose, with respect to the other half of the annual target amount for the Stock Awards, the Supervisory Board will first grant a number of Stock Awards equivalent to the fair value of half the target amount on the date of the award. The Supervisory Board will also decide on a target system (target value for 100% and target curve) for the performance of Siemens stock relative to the stock of (at present) five competitors (ABB, General Electric, Philips, Rockwell, Schneider). The reference period for measuring the target will be the same as the four-year restriction period for the Stock Awards. After this restriction period expires, the Supervisory Board will determine how much better or worse Siemens stock has performed relative to the stock of its competitors. This determination will yield a target attainment of between 0% and 200% (cap). If target attainment is above 100%, an additional cash payment corresponding to the outperformance is effected. If target attainment is less than 100%, a number of Stock Awards equivalent to the shortfall from the target will expire without replacement.

With regard to the further terms of the Stock Awards, the same general principles apply for the Managing Board and senior executives; these principles are discussed in more detail in [▷ Note 34 of the Notes to Consolidated Financial Statements](#). That note also includes further information about the stock-based employee investment plans.

Share Ownership Guidelines

Since 2008, the remuneration system at Siemens has been significantly shaped by the Siemens Share Ownership Guidelines, which apply to the Managing Board and senior management throughout the Company. These guidelines require the members of the Managing Board to hold Siemens stock worth a multiple of their base compensation (300% for the President and CEO, 200% for the other members of the Managing Board) for the duration of their term of office on the Managing Board. The determining figure in this context is the average base compensation that the relevant member of the Managing Board has drawn over the past four years. Accordingly, changes that have been made to base compensation in the meantime are included. Moreover, non-forfeitable stock awards (Bonus Awards) will be taken into account in determining compliance with the Share Ownership Guidelines.

Evidence that the required amounts of Siemens shares are held must first be provided after a buildup phase of slightly more than four years – and therefore not until March 2012 at the earliest for certain members of the Managing Board. The evidence must be updated annually thereafter. If the value of the accrued holdings declines below the minimum to be evidenced from time to time because the market price of Siemens stock decreases, the member of the Managing Board must acquire additional shares. At the end of the calendar year, the Company determines the value of Siemens shares to be evidenced, together with the number of Siemens shares to be evidenced, and notifies each member of the Managing Board accordingly. Each Managing Board member then has until the second Friday in March of the following year to make up for any shortfalls. Accordingly, the Managing Board members are required to permanently invest a significant portion of their assets in Siemens shares during their term of office on the Board.

Pension benefit commitments

Since fiscal 2005, members of the Managing Board have been included in the Siemens Defined Contribution Benefit Plan (BSAV), the general conditions of which are uniformly applicable to all employees of Siemens AG in Germany. The former retirement benefit system was integrated into the BSAV in October 2004. Under the BSAV, members of the Managing Board receive contributions that are credited to their personal pension account. The amount of the annual contributions is based on a predetermined percentage which refers to the base compensation and the target amount for the bonus. This percentage was set by the Chairman's Committee of the Su-

pervisory Board at 28% when the system was introduced in October 2004, and has been reconfirmed at that figure each year since. Furthermore, special contributions may be granted to Managing Board members on the basis of individual decisions of the Supervisory Board. If a member of the Managing Board had earned a pension benefit entitlement from the Company before the BSAV was introduced, a portion of his contributions went toward financing this prior commitment.

Commitments in connection with termination of Managing Board membership

Managing Board contracts provide for a compensatory payment if membership on the Managing Board is terminated prematurely by mutual agreement, without serious cause. The amount of this payment must not exceed the value of two years' compensation (cap). The amount of the compensatory payment is calculated on the basis of the base compensation and the variable components of compensation actually received for the last fiscal year before termination. In addition, a one-time exceptional contribution is made to the BSAV. The amount of this contribution is based on the BSAV contribution that the Board member received for the previous year, together with the remaining term of the appointment, but is limited to not more than two years' contributions (cap). The above benefits are not paid if an amicable termination of the member's activity on the Managing Board is agreed upon at the member's request, or if there is serious cause for the Company to terminate the employment relationship.

In the event of a change of control – i.e., if one or more shareholders acting jointly or in concert acquire a majority of the voting rights in Siemens AG and exercise a controlling influence, or if Siemens AG becomes a dependent enterprise as a result of entering into an intercompany agreement within the meaning of §291 of the German Stock Corporation Act, or if Siemens AG is to be merged into an existing corporation or other entity – any member of the Managing Board has the right to terminate his or her contract with the Company if such a change of control results in a substantial change in position (e.g., due to a change in corporate strategy or a change in the Managing Board member's duties and responsibilities). If this right of termination is exercised, the Managing Board member is entitled to a severance payment in the amount of not more than two years' compensation. The calculation of the annual compensation includes not only the base compensation and the target amount for the bonus, but also the target amount for the Stock Awards, in each case based on the most recent completed fiscal year prior to termination of the

contract. The stock-based components for which a firm commitment already exists will remain unaffected. There is no entitlement to a severance payment if the Managing Board member receives benefits from third parties in connection with a change of control. Moreover, there is no right to terminate if the change of control occurs within a period of twelve months prior to a Managing Board member's retirement.

Additionally, compensatory or severance payments cover non-monetary benefits by including an amount of 5% of the compensation or severance total. Furthermore, compensatory or severance payments will be reduced by 15% as a lump-sum allowance for discounted values and for income earned elsewhere. However, this reduction will apply only to the portion of compensatory or severance payment that was calculated without taking account of the first six months of the remaining term of the Managing Board member's contract.

If a member leaves the Managing Board, the variable component (bonus) is determined after the end of the fiscal year in which the appointment was terminated pro rata temporis and settled in cash at the usual payout or transfer date, as the case may be. If the employment contract is terminated in the course of an appointment period, the non-forfeitable stock awards (Bonus Awards) for which the waiting period is still in progress remain in effect without restriction. If the employment agreement is terminated because of retirement, disability or death, a Managing Board member's Bonus Awards are settled in cash as of the date of departure from the Board.

By contrast, stock commitments made as long-term variable compensation (Stock Awards) for which the restriction period is still in progress will expire without replacement if the employment agreement is terminated in the course of an appointment period. The same applies if the employment agreement is not extended after the end of an appointment period, either at the Board member's request or because there is serious cause that would have entitled the Company to revoke the appointment or terminate the contract. However, once granted, Stock Awards do not lapse if the employment agreement is terminated because of retirement, disability, or death, or in connection with a spinoff, the transfer of an operation, or a change of activity within the corporate group. In this case, the Stock Awards will remain in effect upon termination of the employment agreement, and will be honored on expiration of the restriction period.

B.4.1.2 REMUNERATION FOR THE MEMBERS OF THE MANAGING BOARD FOR FISCAL 2011

The Supervisory Board engaged an independent outside compensation consultant to review the appropriateness and level of the Managing Board's compensation for fiscal 2011. The independent compensation consultant confirmed that the remuneration of the Managing Board – on the basis of the target attainment for fiscal 2011 – was appropriate. Taking this expert review into account, and after reviewing the achievement of the targets set at the beginning of the fiscal year, the Supervisory Board decided at its meeting on November 9, 2011, to set the variable compensation component, the Stock Awards to be granted, and the pension benefit contributions as follows:

Variable compensation component (bonus)

In setting the targets for the variable compensation (bonus) at the beginning of fiscal 2011, the Supervisory Board took into account that the Company's One Siemens target system focuses on a sustainable appreciation of value:

- > When weighting the target parameters, the focus was on sustainable growth, whereby particular importance was attributed to the target parameter organic revenue growth.
- > The ROCE target defined by the Supervisory Board is based on the prior-year figure for "ROCE adjusted" and takes into account special effects from impairments in fiscal 2010.
- > The target for free cash flow takes into account that the additional investments that the Company must make in fiscal 2011 could burden free cash flow compared to the prior year.

As a consequence, the following targets were set and attained with respect to the variable compensation component:

Target parameter	Weight	100% of target	Actual 2011 figure	Target attainment
Revenue growth (organic) ¹	50%	1%	7%	200.00%
ROCE adjusted ¹	25%	16.1%	24.0%	200.00%
Free cash flow (FCF) ¹	25%	€3,200 million	€5,885 million	189.50%
Total target attainment	100%	-	-	197.38%

¹ Continuing operations

The values set for target attainment were not adjusted.

The Supervisory Board also decided, exercising its duty-bound discretion (pflichtgemäßes Ermessen), not to adjust the bonus payout amounts resulting from target attainment.

Long-term stock-based compensation

Half of the annual target amount of the Stock Awards is linked to the average earnings per share (basic EPS undiluted) for the past three fiscal years. The earnings for fiscal 2011 resulted in an average (basic) EPS of €4.73 for fiscal 2009 to 2011, yielding a target attainment of 114%.

For the other half of the annual target amount for the Stock Awards, the Supervisory Board approved a number of Stock Awards equivalent to the fair value of half the target amount on the award date. The amount by which these stock commitments must be adjusted – or an additional cash payment must be made – after the end of the restriction period will depend on the performance of Siemens stock compared to the stock of five competitors (ABB, General Electric, Philips, Rockwell, Schneider) over the coming four years, and will therefore not be determined until after the end of fiscal 2015.

All stock awards were recorded at the closing price of Siemens stock in Xetra trading on the date of commitment less the present value of dividends expected during the restriction period, because Stock Award holders are not entitled to receive dividends. The resulting figure amounted to €57.70 (prior year: €77.76).

Total compensation

The decisions by the Supervisory Board described above yield total compensation of €39.25 million for the Managing Board for fiscal 2011 (2010: €34.25 million), an increase of 14.6%, which is predominantly due to the increased number of Managing Board members. Of this total amount, €18.94 million (2010: €24.27 million) was attributable to the cash compensation components and €20.31 million (2010: €9.98 million) to stock-based compensation. Thus, more than half of the compensation was paid in the form of stock-based instruments with waiting or restriction periods of four years, and therefore on a deferred basis.

The following compensation was determined for each of the members of the Managing Board for fiscal year 2011 (individualized disclosure):

	Base compensation		Variable compensation (bonus) – cash component ¹		Variable compensation (bonus) – stock-based component (Bonus Awards) ^{1,2}			
	2011	2010	2011	2010	2011		2010	
(Amounts in number of units or €)					Shares	Monetary Value	Shares	Monetary Value
Managing Board members serving as of September 30, 2011								
Peter Löscher	2,000,000	1,980,000	1,973,800	4,084,622	34,208	1,973,802	–	–
Dr. Roland Busch ⁵	450,000	–	444,105	–	7,697	444,117	–	–
Brigitte Ederer ⁶	900,000	195,000	888,210	394,308	15,394	888,234	–	–
Klaus Helmrich ⁵	450,000	–	444,105	–	7,697	444,117	–	–
Joe Kaeser	900,000	780,000	888,210	1,577,230	15,394	888,234	–	–
Barbara Kux	900,000	780,000	888,210	1,577,230	15,394	888,234	–	–
Prof. Dr. Hermann Requardt	900,000	780,000	888,210	1,577,230	15,394	888,234	–	–
Prof. Dr. Siegfried Russwurm	900,000	780,000	888,210	1,577,230	15,394	888,234	–	–
Peter Y. Solmssen ⁷	900,000	780,000	888,210	1,577,230	15,394	888,234	–	–
Dr. Michael Süß ⁵	450,000	–	444,105	–	7,697	444,117	–	–
Former members of the Managing Board								
Wolfgang Dehen ⁸	450,000	780,000	444,105	1,577,230	7,697	444,117	–	–
Dr. Heinrich Hiesinger ⁹	–	780,000	–	1,577,230	–	–	–	–
Total	9,200,000	7,635,000	9,079,480	15,519,540	157,360	9,079,674	–	–

- 1 Because of the revisions of the compensation system for the Managing Board as of October 1, 2010, 50% of the variable compensation (bonus) for fiscal 2011 was paid for the first time in the form of non-forfeitable Bonus Awards of stock; the bonus for fiscal 2010 was paid entirely in cash. Additionally, in the course of the revisions of the compensation system, other target parameters were set for long-term stock-based compensation (Stock Awards); see page 41 above for details.
- 2 The expenses recognized for stock-based compensation (Stock Awards and Bonus Awards) and for the Share Matching Plan for members of the Managing Board in accordance with IFRS in fiscal 2011 and 2010 amounted to €15,193,559 and €8,266,027, respectively. The following amounts pertained to the members of the Managing Board in fiscal 2011: Peter Löscher €4,042,438 (2010: €1,930,604), Dr. Roland Busch €285,356 (2010: €0), Wolfgang Dehen €1,328,251 (2010: €734,877), Brigitte Ederer €766,761 (2010: €0), Klaus Helmrich €285,356 (2010: €0), Joe Kaeser €1,770,429 (2010: €1,011,350), Barbara Kux €1,290,005 (2010: €276,178), Prof. Dr. Hermann Requardt €1,741,299 (2010: €975,639), Prof. Dr. Siegfried Russwurm €1,701,676 (2010: €741,426), Peter Y. Solmssen €1,696,632 (2010: €680,793) and Dr. Michael Süß €285,356 (2010: €0). An amount of €0 (2010: €974,015) pertained to Dr. Heinrich Hiesinger, who resigned from the Managing Board with effect at the close of September 30, 2010.
- 3 Other compensation includes non-cash benefits arising, for example, from the provision of Company cars in the amount of €212,641 (2010: €185,338), subsidized insurance in the amount of €72,964 (2010: €71,904) and reimbursement of legal and/or tax advice fees, accommodation and moving expenses, as well as costs connected with preventive medical examinations, in the amount of €370,656 (2010: €860,642).
- 4 The monetary value reflects the target attainment of 100%. For the individual members of the Managing Board, the respective fair value of these Stock Awards at the date of commitment is as follows: Peter Löscher €1,336,014, Dr. Roland Busch €267,215, Brigitte Ederer €534,430, Klaus Helmrich €267,215, Joe Kaeser €534,430, Barbara Kux €534,430, Prof. Dr. Hermann Requardt €534,430, Prof. Dr. Siegfried Russwurm €534,430, Peter Y. Solmssen €534,430, Dr. Michael Süß €267,215, Wolfgang Dehen €267,215.
- 5 Dr. Roland Busch, Klaus Helmrich and Dr. Michael Süß were elected full members of the Managing Board effective April 1, 2011.
- 6 Brigitte Ederer was elected a full member of the Managing Board effective July 1, 2010.
- 7 Siemens AG will reimburse Peter Y. Solmssen for relocation expenses incurred by him upon termination of his membership on the Managing Board.
- 8 Wolfgang Dehen resigned from the Managing Board effective March 31, 2011.
- 9 Dr. Heinrich Hiesinger resigned from the Managing Board effective September 30, 2010.

Stock Awards (Target attainment depends on EPS for past three fiscal years)		Stock Awards (Target attainment depends on future stock price performance)		2011		Share-based compensation Stock Awards ^{1,2}		Other compensation ³		Total		
				Total		2010		2011	2010	2011	2010	
Shares	Monetary Value	Shares	Monetary Value ⁴	Shares	Monetary Value	Shares	Monetary Value					
24,697	1,425,017	21,664	1,250,013	46,361	2,675,030	36,652	2,850,060	29,594	67,360	8,652,226	8,982,042	
4,940	285,038	4,333	250,014	9,273	535,052	–	–	88,726	–	1,962,000	–	
9,879	570,018	8,666	500,028	18,545	1,070,046	3,666	285,068	54,651	10,372	3,801,141	884,748	
4,940	285,038	4,333	250,014	9,273	535,052	–	–	35,318	–	1,908,592	–	
9,879	570,018	8,666	500,028	18,545	1,070,046	14,661	1,140,039	72,411	66,587	3,818,901	3,563,856	
9,879	570,018	8,666	500,028	18,545	1,070,046	14,661	1,140,039	168,176	462,073	3,914,666	3,959,342	
9,879	570,018	8,666	500,028	18,545	1,070,046	14,661	1,140,039	62,565	58,947	3,809,055	3,556,216	
9,879	570,018	8,666	500,028	18,545	1,070,046	14,661	1,140,039	41,303	52,607	3,787,793	3,549,876	
9,879	570,018	8,666	500,028	18,545	1,070,046	14,661	1,140,039	64,720	314,012	3,811,210	3,811,281	
4,940	285,038	4,333	250,014	9,273	535,052	–	–	13,751	–	1,887,025	–	
4,940	285,038	4,333	250,014	9,273	535,052	14,661	1,140,039	25,046	49,984	1,898,320	3,547,253	
–	–	–	–	–	–	–	–	–	35,942	–	2,393,172	
103,731	5,985,277	90,992	5,250,237	194,723	11,235,514	128,284	9,975,362	656,261	1,117,884	39,250,929	34,247,786	

Pension benefit commitments

The amount of the contributions to the BSAV is determined annually by the Supervisory Board. The contributions under the BSAV are added to the personal pension account each January following the close of the fiscal year, with value date on January 1. Until the beneficiary's time of retirement, the pension account is credited with an annual interest payment (guaranteed interest) on January 1 of each year.

For fiscal 2011, the members of the Managing Board were granted contributions under the BSAV totaling €5.2 million

(2010: €4.3 million), based on a resolution of the Supervisory Board dated November 9, 2011. Of this amount, €0.1 million (2010: €0.1 million) relates to funding of pension commitments earned prior to transfer to the BSAV and the remaining €5.1 million (2010: €4.2 million) to contributions granted under the BSAV.

The following table shows, among other things, individualized details of the contributions (additions) under the BSAV attributable to the members of the Managing Board for fiscal 2011.

Defined Contribution Benefit Plan (BSAV)¹

(Amounts in €)	Balance of BSAV account at September 30, ²		Total contributions for fiscal		Of which, funding of pension commitments earned prior to transfer to BSAV		Of which, contributions to BSAV account	
	2011	2010	2011	2010	2011	2010	2011	2010
Managing Board members serving as of September 30, 2011								
Peter Löscher	12,822,252	11,444,745	1,120,000	1,120,000	–	–	1,120,000	1,120,000
Dr. Roland Busch ³	361,138	246,908	252,000	–	6,162	–	245,838	–
Brigitte Ederer ⁴	109,200	–	504,000	109,200	–	–	504,000	109,200
Klaus Helmrich ³	542,875	379,120	252,000	–	4,887	–	247,113	–
Joe Kaeser	2,302,379	1,848,093	504,000	436,800	24,097	24,097	479,903	412,703
Barbara Kux	1,193,859	740,400	504,000	436,800	–	–	504,000	436,800
Prof. Dr. Hermann Requardt	2,234,757	1,785,597	504,000	436,800	27,816	27,816	476,184	408,984
Prof. Dr. Siegfried Russwurm	1,514,528	1,066,482	504,000	436,800	12,750	12,750	491,250	424,050
Peter Y. Solmssen	12,336,740	11,638,083	504,000	436,800	–	–	504,000	436,800
Dr. Michael Süß ³	885,986	631,771	252,000	–	–	–	252,000	–
Former members of the Managing Board								
Wolfgang Dehen ⁵	1,618,665	1,188,777	252,000	436,800	16,830	33,660	235,170	403,140
Dr. Heinrich Hiesinger ⁶	1,947,176	1,507,773	–	436,800	–	31,322	–	405,478
Total	37,869,555	32,477,749	5,152,000	4,286,800	92,542	129,645	5,059,458	4,157,155

- 1 The expenses recognized in accordance with IFRS in fiscal 2011 for fiscal 2011 entitlements of members of the Managing Board under the Siemens Defined Contribution Benefit Plan (BSAV) came to €6,748,662 (2010: €6,459,046). The following amounts pertained to the members of the Managing Board in fiscal 2011: Peter Löscher €2,024,285 (2010: €1,920,692), Dr. Roland Busch €59,315 (2010: €0), Brigitte Ederer €485,154 (2010: €0), Klaus Helmrich €85,758 (2010: €0), Joe Kaeser €601,111 (2010: €569,568), Barbara Kux €549,741 (2010: €515,379), Prof. Dr. Hermann Requardt €590,941 (2010: €559,856), Prof. Dr. Siegfried Russwurm €567,035 (2010: €536,762), Peter Y. Solmssen €1,364,049 (2010: €1,294,836), Dr. Michael Süß €147,792 (2010: €0), Wolfgang Dehen €273,481 (2010: €517,823), and Dr. Heinrich Hiesinger €0 (2010: €544,130).
- 2 In each case, including the additions in January 2011, but without reflecting minimum interest of currently 2.25% accrued in the meantime.
- 3 Dr. Roland Busch, Klaus Helmrich and Dr. Michael Süß were elected full members of the Managing Board effective April 1, 2011.
- 4 Brigitte Ederer was elected a full member of the Managing Board effective July 1, 2010.
- 5 Wolfgang Dehen resigned from the Managing Board effective March 31, 2011.
- 6 Dr. Heinrich Hiesinger resigned from the Managing Board effective September 30, 2010.

The defined benefit obligation (DBO) of all pension commitments to members of the Managing Board as of September 30, 2011, amounted to €47.0 million (2010: €44.6 million), which amount is included in [▶ Note 24 of the Notes to Consolidated Financial Statements](#).

Former members of the Managing Board and their surviving dependents received emoluments within the meaning of Section 314 (1), No. 6 b of the HGB totaling €15.0 million (2010: €13.7 million) in fiscal 2011, but no Stock Awards (2010: 14,661 Stock Awards with a total fair value of €1.1 million).

The defined benefit obligation (DBO) of all pension commitments to former members of the Managing Board and their survivors as of September 30, 2011, amounted to €161.9 million (2010: €175.7 million). This amount is included in [▶ Note 24 of the Notes to Consolidated Financial Statements](#).

Other

No loans from the Company are provided to members of the Managing Board.

B.4.1.3 ADDITIONAL INFORMATION ON STOCK-BASED COMPENSATION INSTRUMENTS IN FISCAL 2011

This section provides information concerning the Stock Awards and stock options held by members of the Managing Board that were components of stock-based compensation in fiscal 2011 and prior years, and also about the Managing Board members' entitlements to matching shares under the Siemens Share Matching Plan.

Stock Awards

The following table shows the changes in the Stock Awards held by Managing Board members in fiscal 2011:

(Amounts in number of units or €)	Balance at beginning of fiscal 2011		Granted during fiscal year		Vested during fiscal year		Forfeited during fiscal year		Balance at end of fiscal 2011 ¹	
	Awards	Weighted average fair value at grant date	Awards	Weighted average fair value at grant date	Awards	Weighted average fair value at grant date	Awards	Weighted average fair value at grant date	Awards	Weighted average fair value at grant date
Managing Board members serving as of September 30, 2011										
Peter Löscher	117,739	50.96	36,652	77.76	10,211	97.94	–	–	144,180	54.45
Dr. Roland Busch ²	6,195	50.84	2,829	77.76	982	67.70	–	–	8,042	58.25
Brigitte Ederer ³	8,760	53.49	5,364	77.76	1,702	80.03	–	–	12,422	60.33
Klaus Helmrich ²	9,532	54.03	3,858	77.76	1,574	82.42	–	–	11,816	57.99
Joe Kaeser	55,102	55.35	14,661	77.76	12,090	86.85	–	–	57,673	54.45
Barbara Kux	14,394	60.79	14,661	77.76	–	–	–	–	29,055	69.35
Prof. Dr. Hermann Requardt	53,625	55.01	14,661	77.76	10,613	89.52	–	–	57,673	54.45
Prof. Dr. Siegfried Russwurm	45,478	48.46	14,661	77.76	2,466	82.72	–	–	57,673	54.45
Peter Y. Solmsen	43,012	46.50	14,661	77.76	–	–	–	–	57,673	54.45
Dr. Michael Süß ²	22,252	63.78	5,510	77.76	7,327	97.94	–	–	20,435	55.31
Former member of the Managing Board										
Wolfgang Dehen ⁴	45,648	47.72	14,661	77.76	2,636	67.70	–	–	57,673	54.45
Total	421,737	52.11	142,179	77.76	49,601	89.37	–	–	514,315	55.61

¹ Amounts do not include stock awards (Bonus Awards and Stock Awards) granted in November 2011 for fiscal 2011. For details see above pages 42 and 43. However, these amounts may include Stock Awards received as compensation by the Managing Board member before joining the Managing Board.

² Dr. Roland Busch, Klaus Helmrich and Dr. Michael Süß were elected full members of the Managing Board effective April 1, 2011.

³ Brigitte Ederer was elected a full member of the Managing Board effective July 1, 2010. The figures include Stock Awards granted to Brigitte Ederer in November 2010 for her work as CEO of Siemens Austria in fiscal 2010.

⁴ Wolfgang Dehen resigned from the Managing Board effective March 31, 2011.

Stock options

Stock options were issued for fiscal years 1999 through 2005 under the terms and conditions of the 1999 and 2001 Siemens Stock Option Plans approved by the Annual Shareholders' Meetings of Siemens AG on February 18, 1999, and February 22, 2001 (for additional information on the Siemens Stock Option Plans see [▶ Note 34 of the Notes to Consolidated Financial Statements](#)). At the beginning of fiscal 2011, the members of the Managing Board held a total of 27,585 outstanding stock options, with a strike price of €74.59. Of this total, 11,495 options pertained to Joe Kaeser and 16,090 options pertained to Prof. Dr. Hermann Requardt. Joe Kaeser exercised 11,495 options on November 16, 2010, at a share price of €84.56; the strike price of these options was €74.59. Prof. Dr. Hermann Requardt exercised 16,090 options on November 15, 2010, at a share price of €85.19; the strike price of these options was €74.59. No stock options lapsed in fiscal 2011 and no new options were granted to members of the Managing Board. No members of the Managing Board held stock options as of September 30, 2011.

Shares from the Share Matching Plan

In fiscal 2011, the members of the Managing Board were entitled for the last time to participate in the Siemens Share Matching Plan, and under the plan were entitled to invest up to 50% of the annual gross amount of their variable cash compensation component (bonus) determined for fiscal 2010 in Siemens shares. After expiration of a vesting period of approximately three years, plan participants will receive one free matching share of Siemens stock for every three Siemens shares acquired and continuously held under the plan, provided the participants were employed without interruption at Siemens AG or a Siemens company until the end of the vesting period. The following table shows the development of the matching share entitlements of the individual members of the Managing Board in fiscal 2011 and the applicable fair values.

Entitlement to matching shares under the Share Matching Plan¹

(Amounts in number of units or €)	Balance at beginning of fiscal 2011		Acquired during the fiscal year		Due during the fiscal year		Forfeited during the fiscal year		Balance at end of fiscal 2011 ^{1,2}	
	Entitlement to matching shares	Weighted average fair value at acquisition date	Entitlement to matching shares	Weighted average fair value at acquisition date	Entitlement to matching shares	Weighted average fair value at acquisition date	Entitlement to matching shares	Weighted average fair value at acquisition date	Entitlement to matching shares	Weighted average fair value at acquisition date
Managing Board members serving as of September 30, 2011										
Peter Löscher	–	–	–	–	–	–	–	–	–	–
Dr. Roland Busch ³	868	23.30	–	–	–	–	–	–	868	23.30
Brigitte Ederer ⁴	560	21.34	–	–	–	–	–	–	560	21.34
Klaus Helmrich ³	1,128	21.34	3	66.13	–	–	–	–	1,131	21.44
Joe Kaeser	5,445	28.89	2,216	66.13	–	–	–	–	7,661	39.66
Barbara Kux	698	47.18	–	–	–	–	–	–	698	47.18
Prof. Dr. Hermann Requardt	4,255	27.58	1,386	66.13	–	–	–	–	5,641	37.05
Prof. Dr. Siegfried Russwurm	5,459	23.86	–	–	–	–	–	–	5,459	23.86
Peter Y. Solmssen	6,051	21.34	–	–	–	–	–	–	6,051	21.34
Dr. Michael Süß ³	–	–	–	–	–	–	–	–	–	–
Former member of the Managing Board										
Wolfgang Dehen ⁵	5,845	28.88	–	–	–	–	–	–	5,845	28.88
Total	30,309	26.13	3,605	66.13	–	–	–	–	33,914	30.38

1 Amounts may include entitlements acquired before the member joined the Managing Board.

2 The entitlements of the Managing Board members in fiscal 2011 had the following fair values: Peter Löscher €0 (2010: €0), Dr. Roland Busch €21,039 (2010: €21,039), Brigitte Ederer €11,958 (2010: €11,958), Klaus Helmrich €25,059 (2010: €24,532), Joe Kaeser €305,003 (2010: €158,102), Barbara Kux €33,282 (2010: €33,282), Prof. Dr. Hermann Requardt €210,169 (2010: €118,158), Prof. Dr. Siegfried Russwurm €131,068 (2010: €131,068), Peter Y. Solmssen €129,588 (2010: €129,588), Dr. Michael Süß €0 (2010: €0), Wolfgang Dehen €169,623 (2010: €169,623). The above fair values also take into account that the shares were acquired under the Share Matching Plan at the lowest share price on November 14, 2008, and that a Company subsidy was provided under the Base Share Program.

3 Dr. Roland Busch, Klaus Helmrich and Dr. Michael Süß were elected full members of the Managing Board effective April 1, 2011.

4 Brigitte Ederer was elected a full member of the Managing Board effective July 1, 2010.

5 Wolfgang Dehen resigned from the Managing Board effective March 31, 2011.

Share Ownership Guidelines

The Siemens Share Ownership Guidelines require the members of the Managing Board to hold Siemens shares worth a multiple of their average base compensation over the past four years (300% for the President and CEO, 200% for the other members of the Managing Board) for the duration of their term of office on the Managing Board. The deadlines for

submitting first-time proof of compliance with this obligation vary from member to member. The first such deadline is March 9, 2012. The following table shows the number of Siemens shares held and the number of non-forfeitable Bonus Awards received for fiscal 2011 by the individual members of the Managing Board in view of the Share Ownership Guidelines:

(Amounts in number of units or €)	Obligations under Share Ownership Guidelines				
	Number of shares ¹	Bonus Awards 2011	Required number of shares ²	Required value ³	Due date for initial measurement of adherence
Managing Board members serving as of September 30, 2011					
Peter Löscher	110,211	34,208	81,205	5,961,250	3/9/2012
Dr. Roland Busch ⁴	7,398	7,697	24,520	1,800,000	3/11/2016
Brigitte Ederer ⁵	8,432	15,394	24,520	1,800,000	3/13/2015
Klaus Helmrich ⁴	7,671	7,697	24,520	1,800,000	3/11/2016
Joe Kaeser	49,240	15,394	22,409	1,645,000	3/9/2012
Barbara Kux	6,237	15,394	23,226	1,705,000	3/8/2013
Prof. Dr. Hermann Requardt	40,648	15,394	22,409	1,645,000	3/9/2012
Prof. Dr. Siegfried Russwurm	34,400	15,394	22,409	1,645,000	3/9/2012
Peter Y. Solmssen	44,826	15,394	22,409	1,645,000	3/9/2012
Dr. Michael Süß ⁴	8,884	7,697	24,520	1,800,000	3/11/2016
Total	317,947	149,663	292,147	21,446,250	

¹ As per November 14, 2011 (transfer date for Stock Awards 2008).

² On the basis of the closing price of Siemens stock in Xetra trading on November 14, 2011 (€73.41).

³ The amount of the obligation is based on a member's average base compensation for each of the four years prior to the review of his or her achievement of the targets defined by the Share Ownership Guidelines.

⁴ Dr. Roland Busch, Klaus Helmrich and Dr. Michael Süß were elected full members of the Managing Board effective April 1, 2011.

⁵ Brigitte Ederer was elected a full member of the Managing Board effective July 1, 2010.

B.4.2 Remuneration of members of the Supervisory Board

The current remuneration policies for the Supervisory Board were authorized at the Annual Shareholders' Meeting held on January 25, 2011. Details are set out in Section 17 of the Articles of Association of Siemens AG. By way of exception to a recommendation of the German Corporate Governance Code, the Supervisory Board remuneration is organized in the form of purely fixed remuneration. The remuneration of the members of the Supervisory Board is commensurate with compensation paid by companies of comparable size and reflects the responsibilities and scope of work of the Supervisory Board members. The Chairman and deputy chairmen of the Supervi-

sory Board, as well as the Chairmen and members of the Audit Committee and the Chairman's Committee, and – to a lesser extent – the Compliance Committee and the Finance and Investment Committee, receive additional compensation.

According to current rules, members of the Supervisory Board receive an annual base compensation of €140,000; the Chairman of the Supervisory Board receives a base compensation of €280,000, and each of the deputy chairmen receives €220,000.

The members of the Supervisory Board committees receive the following additional fixed compensation for their work on those committees: The Chairman of the Audit Committee receives €160,000, and each of the other members receives €80,000; the Chairman of the Chairman's Committee receives €120,000, and each of the other members receives €80,000; the Chairman of the Finance and Investment Committee re-

ceives €80,000, and each of the other members receives €40,000; the Chairman of the Compliance Committee receives €80,000, and each of the other members receives €40,000. However, no additional compensation is paid for work on the Compliance Committee if a member of that committee is already entitled to compensation for work on the Audit Committee.

(Amounts in €)	2011			2010			Total
	Base compensation	Additional compensation for committee work ¹	Total	Fixed compensation	Short-term variable compensation	Long-term variable compensation	
Supervisory Board members serving as of September 30, 2011							
Dr. Gerhard Cromme	280,000	280,000	560,000	200,000	206,400	81,000	487,400
Berthold Huber ²	210,833	76,667	287,500	100,000	103,200	40,500	243,700
Dr. Josef Ackermann	210,833	76,667	287,500	100,000	103,200	40,500	243,700
Lothar Adler ²	140,000	160,000	300,000	100,000	103,200	40,500	243,700
Jean-Louis Beffa	140,000	40,000	180,000	62,500	64,500	25,313	152,313
Gerd von Brandenstein	134,167	38,333	172,500	62,500	64,500	25,313	152,313
Michael Diekmann	134,167	–	134,167	47,222	48,733	19,125	115,080
Dr. Hans Michael Gaul	140,000	160,000	300,000	112,500	116,100	45,563	274,163
Prof. Dr. Peter Gruss	128,333	–	128,333	47,222	48,733	19,125	115,080
Bettina Haller ²	140,000	80,000	220,000	87,500	90,300	35,438	213,238
Hans-Jürgen Hartung ²	140,000	–	140,000	50,000	51,600	20,250	121,850
Harald Kern ²	140,000	–	140,000	50,000	51,600	20,250	121,850
Dr. Nicola Leibinger-Kammüller	128,333	–	128,333	47,222	48,733	19,125	115,080
Werner Mönius ²	140,000	40,000	180,000	62,500	64,500	25,313	152,313
Håkan Samuelsson	128,333	36,667	165,000	62,500	64,500	25,313	152,313
Dieter Scheitor ²	140,000	120,000	260,000	87,500	90,300	35,438	213,238
Dr. Rainer Sieg	140,000	–	140,000	50,000	51,600	20,250	121,850
Birgit Steinborn ²	140,000	120,000	260,000	87,500	90,300	35,438	213,238
Lord Iain Vallance of Tummel	140,000	80,000	220,000	87,500	90,300	35,438	213,238
Sibylle Wankel ²	140,000	40,000	180,000	62,500	64,500	25,313	152,313
Total	3,034,999	1,348,334	4,383,333³	1,566,666	1,616,799	634,505	3,817,970³

- 1 Dr. Gerhard Cromme as Chairman of the Supervisory Board and of the Chairman's Committee, the Compliance Committee, and the Finance and Investment Committee, as well as a member of the Audit Committee; Berthold Huber as Deputy Chairman of the Supervisory Board and member of the Chairman's Committee; Dr. Josef Ackermann as Deputy Chairman of the Supervisory Board and member of the Chairman's Committee; Lothar Adler as member of the Chairman's Committee, the Compliance Committee and the Finance and Investment Committee; Jean-Louis Beffa as member of the Finance and Investment Committee; Gerd von Brandenstein as member of the Finance and Investment Committee; Dr. Hans Michael Gaul as Chairman of the Audit Committee and member of the Compliance Committee; Bettina Haller as member of the Audit Committee and the Compliance Committee; Werner Mönius as member of the Finance and Investment Committee; Håkan Samuelsson as member of the Finance and Investment Committee; Dieter Scheitor as member of the Audit Committee and the Finance and Investment Committee; Birgit Steinborn as member of the Audit Committee and the Finance and Investment Committee; Lord Iain Vallance of Tummel as member of the Audit Committee and the Compliance Committee; and Sibylle Wankel as member of the Compliance Committee, each receive an additional fixed compensation for their committee work.
- 2 Both the employee representatives on the Supervisory Board who represent the employees pursuant to Section 3 (1) No. 1 of the German Codetermination Act (Mitbestimmungsgesetz, MitbestG) and the representatives of the trade unions on the Supervisory Board declared their readiness to transfer their compensation to the Hans Boeckler Foundation, in accordance with the guidelines of the Confederation of German Trade Unions (DGB).
- 3 In addition, the members of the Supervisory Board are entitled to receive a meeting attendance fee of €1,500 (2010: €1,000) for each meeting of the Supervisory Board and its committees that they attend. In fiscal 2011, Dr. Gerhard Cromme received meeting fees of €46,500 (2010: €26,000), Lothar Adler, €34,500 (2010: €20,000), Dr. Hans Michael Gaul, €30,000 (2010: €17,000), Bettina Haller, €30,000 (2010: €17,000), Dieter Scheitor, €30,000 (2010: €14,000), Birgit Steinborn, €30,000 (2010: 14,000), Lord Iain Vallance of Tummel, €28,500 (2010: €17,000), Dr. Josef Ackermann, €19,500 (2010: €13,000), Berthold Huber, €19,500 (2010: €12,000), Werner Mönius, €18,000 (2010: €8,000), Sibylle Wankel, €18,000 (2010: €11,000), Jean-Louis Beffa, €16,500 (2010: €8,000), Gerd von Brandenstein, €16,500 (2010: 8,000), Håkan Samuelsson, €13,500 (2010: €8,000), Hans-Jürgen Hartung, €12,000 (2010: €6,000), Harald Kern, €12,000 (2010: €6,000), Dr. Rainer Sieg, €12,000 (2010: €6,000), Michael Diekmann, €10,500 (2010: €5,000), Prof. Dr. Peter Gruss, €9,000 (2010: €5,000) and Dr. Nicola Leibinger-Kammüller, €9,000 (2010: €5,000).

If a Supervisory Board member does not attend a meeting of the Supervisory Board, one third of the aggregate compensation due to that member is reduced by the percentage of Supervisory Board meetings not attended by the member in relation to the total number of Supervisory Board meetings held during the fiscal year.

In addition, the members of the Supervisory Board are entitled to receive a meeting attendance fee of €1,500 for each meeting of the Supervisory Board and its committees that they attend.

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 remuneration. For the performance of his duties, the Chairman of the Supervisory Board is furthermore entitled to an office with secretarial support and use of the Siemens carpool service.

No loans from the Company are provided to members of the Supervisory Board.

B.4.3 Other

The Company provides a group insurance policy for board and committee members and certain employees of the Siemens organization that is taken out for one year and renewed annually. The insurance covers the personal liability of the insured in the case of a financial loss associated with employment functions. The insurance policy for fiscal 2011 includes a deductible for the members of the Managing Board and the Supervisory Board in compliance with the requirements of the German Stock Corporation Act and the German Corporate Governance Code.