

# **SIEMENS**

This edition of our Bylaws for the Compensation Committee, prepared for the convenience of English-speaking readers, is a translation of the German original.

## **Bylaws**

for the Compensation Committee  
of the Supervisory Board  
of Siemens Aktiengesellschaft

Version dated May 6, 2014

## **§ 1 Composition**

1. The Compensation Committee comprises the members of the Chairman's Committee of the Supervisory Board as well as one of the Supervisory Board's shareholder representatives and one of the Supervisory Board's employee representatives.
2. The Chairman of the Compensation Committee shall be elected by the members of the Committee from among their number.

## **§ 2 Duties**

The Compensation Committee shall perform all of the duties assigned to it by a decision of the Supervisory Board, by the Bylaws for the Supervisory Board or these Bylaws. In particular, the Compensation Committee shall prepare the proposals for decisions by the Supervisory Board's plenary meetings regarding:

- the system of Managing Board compensation, including the implementation of this system in the Managing Board contracts,
- the definition of the targets for variable Managing Board compensation,
- the determination and review of the appropriateness of the total compensation of individual Managing Board members and
- the approval of the annual Compensation Report.

In addition, the Compensation Committee shall prepare the regular review by the Supervisory Board's plenary meetings of the system of Managing Board compensation.

## **§ 3 Meetings and voting procedures**

1. The Compensation Committee meets at least three times each fiscal year at the invitation of its Chairman. Meetings of the Compensation Committee shall be convened, with at least two weeks notice, by the Chairman or, if he or she is unable to do so, by a representative, whom the Chairman, where possible, has designated in good time.
2. In urgent cases, the Chairman of the Compensation Committee may convene meetings with less than two weeks notice. The provisions of the Bylaws for the Supervisory Board regarding the convening, form and recording of meetings and decisions and regarding quorums and voting procedures shall apply analogously to the proceedings of the Compensation Committee. At least three Compensation Committee members must vote on a resolution in order for it to be adopted.

3. The Chairman of the Compensation Committee may permit other individuals to attend meetings of the Compensation Committee.

#### **§ 4 Internal procedures**

1. The Compensation Committee shall be entitled to obtain information regarding matters related to its activities from the Managing Board and from executive employees of the company who report directly to the Managing Board as well as to engage company employees to carry out preliminary work.
2. To perform its duties, the Compensation Committee may, at its discretion, call in auditors, legal counsels and other external or internal consultants – in particular, compensation experts. When external compensation experts are engaged, their independence of the Managing Board and of the enterprise is to be ensured. The Chairman of the Compensation Committee may permit these individuals to attend committee meetings. The costs for consulting with the above-mentioned persons shall be borne by the company.
3. The Compensation Committee shall regularly review the efficiency of its operations. This efficiency review may also be included in the efficiency review referred to in Section 1, paragraph 8 of the Bylaws for the Supervisory Board. The Compensation Committee shall regularly review its Bylaws and, when necessary, recommend appropriate changes to the Supervisory Board.
4. The Bylaws for the Compensation Committee shall be published.

#### **§ 5 Reporting and explanations**

1. The Chairman of the Compensation Committee shall provide the Supervisory Board with regular reports regarding the activities of the Compensation Committee.
2. The issuance and receipt of any explanations required to implement the decisions of the Compensation Committee shall be handled on behalf of the Committee by the Chairman of the Compensation Committee or, if he or she is unable to do so, by a representative, whom the Chairman, where possible, has designated in good time.

#### **§ 6 Confidentiality**

The members of the Compensation Committee may not disclose, in particular, the information contained in the confidential reports they receive or the contents of confidential discussions. They shall also ensure that any employees appointed to support them likewise comply with this rule.