



SIEMENS

Notice of Annual Shareholders' Meeting 2015

of Siemens AG on January 27, 2015

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Siemens Aktiengesellschaft

Berlin and Munich

**Notice of Annual Shareholders'
Meeting 2015**

Berlin and Munich,

December 2014

To Our Shareholders:
NOTICE IS HEREBY GIVEN

**that the Annual Shareholders' Meeting
of Siemens Aktiengesellschaft
(hereinafter "Siemens AG" or "Company")**

will be held on Tuesday, January 27, 2015
at 10:00 a.m. CET, at the Olympiahalle of the
Olympiapark, Coubertinplatz, 80809 Munich,
Federal Republic of Germany, for the follow-
ing purposes:

Agenda

- 1. To receive and consider the adopted Annual Financial Statements of Siemens AG and the approved Consolidated Financial Statements, together with the Combined Management Report of Siemens AG and the Siemens Group, including the Explanatory Report on the information required pursuant to Section 289 (4) and (5) and Section 315 (4) of the German Commercial Code (HGB) as of September 30, 2014, as well as the Report of the Supervisory Board, the Corporate Governance Report, the Compensation Report and the Compliance Report for fiscal year 2014**

The materials referred to, which are part of the Annual Report 2014 with the exception of the adopted Annual Financial Statements, are available on our website at WWW.SIEMENS.COM/AGM. Upon request, copies will be sent to shareholders. In addition, the materials will be available and explained in more detail at the Annual Shareholders' Meeting. In accordance with the applicable legal provisions, no resolution on Agenda Item 1 is proposed to be adopted, as the Supervisory Board has already approved the Annual Financial Statements and the Consolidated Financial Statements.

- 2. To resolve on the appropriation of the net income of Siemens AG to pay a dividend**

The Supervisory Board and the Managing Board propose that the unappropriated net income of Siemens AG for the fiscal year ended September 30, 2014 amounting to €2,907,300,000.00 be appropriated as follows:

| | |
|--|-------------------|
| Distribution of a dividend of €3.30 on each share of no par value entitled to the dividend for fiscal year 2014: | €2,734,313,412.60 |
| Amount carried forward: | €172,986,587.40 |

The proposal for appropriation of the net income reflects the 52,420,178 treasury shares held directly or indirectly by the Company at the time of the proposal that are not entitled to a dividend pursuant to Section 71b of the German Stock Corporation Act (AktG). Should there be any change in the number of shares of no par value entitled to the dividend for fiscal year 2014 before the date of the Annual Shareholders' Meeting, the above proposal will be amended accordingly and presented for resolution at the Annual Shareholders' Meeting, with an unchanged dividend of €3.30 on

each share of no par value entitled to the dividend for fiscal year 2014 as well as suitably amended amounts for the sum to be distributed and the carryforward.

3. To ratify the acts of the members of the Managing Board

The Supervisory Board and the Managing Board propose that the acts of the members of the Managing Board in fiscal year 2014 be ratified for that period.

4. To ratify the acts of the members of the Supervisory Board

The Supervisory Board and the Managing Board propose that the acts of the members of the Supervisory Board in fiscal year 2014 be ratified for that period.

5. To resolve on the approval of the system of Managing Board compensation

The Annual Shareholders' Meeting of January 28, 2014 approved by a large majority the system of Managing Board compensation valid since October 1, 2013, which was the basis for determining the compensation of members of the Managing Board in fiscal year 2014. Following the Supervisory Board's resolution to revise the system of Managing Board compensation with effect from October 1, 2014, the Annual Shareholders' Meeting shall also resolve on approval of that revised system.

In addition to describing the Managing Board compensation for fiscal year 2014, the Compensation Report also describes the compensation system and any changes to it that have been resolved on. This system of Managing Board compensation, which has been in effect since October 1, 2014, shall be the subject matter on which a resolution is to be adopted. The Compensation Report is contained in the Annual Report 2014 and is among the material which is mentioned in Agenda Item 1 and which is available on our website at www.siemens.com/AGM, copies of which will also be sent to shareholders upon request. Being part of this material, the Compensation Report will also be available and explained in more detail at the Annual Shareholders' Meeting.

The Supervisory Board – on the basis of its Compensation Committee's recommendation – and the Managing Board propose that the system of Managing Board compensation applicable since October 1, 2014 be approved.

6. To resolve on the appointment of independent auditors for the audit of the Annual Financial Statements and the Consolidated Financial Statements and for the review of the Interim Financial Statements

On the basis of its Audit Committee's recommendation, the Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart,

- a) be appointed to serve as independent auditors of the Annual Financial Statements and the Consolidated Financial Statements for fiscal year 2015

and

- b) be appointed to serve as auditors for the review of the condensed Financial Statements and the Interim Management Report (Sections 37w, 37y of the German Securities Trading Act (WpHG)) for the first half of fiscal year 2015.

7. To resolve on by-elections to the Supervisory Board

Berthold Huber, Gerd von Brandenstein and Prof. Dr. Peter Gruss have resigned as members of the Supervisory Board of Siemens AG each with effect as from the end of the Annual Shareholders' Meeting on January 27, 2015. For Mr. Huber as employee representative on the Supervisory Board, a successor shall be appointed by means of a court resolution. The Annual Shareholders' Meeting must therefore elect two shareholder representatives to the Supervisory Board as successors for Mr. von Brandenstein and Prof. Dr. Gruss who are resigning from the Supervisory Board.

Pursuant to Sections 96 (1) and 101 (1) of the German Stock Corporation Act (AktG) and pursuant to Section 7 (1) sentence 1 no. 3 of the German Co-determination Act (MitbestG), the Supervisory Board is composed of ten shareholder representatives and ten employee representatives. When electing the shareholder representatives, the Annual Shareholders' Meeting is not bound by election nominations. The following election nominations are based on the recommendation of the Nominating Committee of the Supervisory Board and take into account the targets for the Supervisory Board's composition resolved on September 18, 2013.

The Supervisory Board proposes that

- a) Dr. Ellen Anna Nathalie von Siemens, Munich, Managing Director and Spokesperson of Siemens Stiftung,

and

- b) Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer, Penzberg, Chairman of the Board of Management of Bayerische Motoren Werke Aktiengesellschaft,

be elected as shareholder representatives to the Supervisory Board, with effect as from the end of the Annual Shareholders' Meeting. Pursuant to Section 11 (2) sentence 3 of the Siemens Articles of Association the appointment shall take place for the remainder of the term of Mr. Gerd von Brandenstein and Prof. Dr. Peter Gruss who are resigning from the Supervisory Board as of the end of the Annual Shareholders' Meeting on January 27, 2015; that is, for a term of office until the end of the Annual Shareholders' Meeting that ratifies the acts of the members of the Supervisory Board for the second fiscal year following the start of the term of office of the newly elected shareholder representatives to the Supervisory Board. The fiscal year in which their term of office begins is not counted.

8. To resolve on the authorization to repurchase and use Siemens shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) and to exclude shareholders' subscription and tender rights

The authorization to repurchase and use Siemens shares resolved by the Annual Shareholders' Meeting on January 25, 2011, and applying to the repurchase of Siemens shares up to January 24, 2016, is to now be replaced by a new authorization, valid for the repurchase of Siemens shares until January 26, 2020, pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG).

The Supervisory Board and the Managing Board propose that the following resolution be approved and adopted:

- a) The Company shall be authorized to repurchase Siemens shares ("Siemens shares") until January 26, 2020 for every permissible purpose, up to a limit of 10% of its capital stock as of the date of the resolution or as of the date on which the authorization is exercised if the latter value is lower. The total number of Siemens shares repurchased under this authorization and any other Siemens shares previously acquired and still held in treasury by the Company or attributable to the Company pursuant to Section 71d and Section 71e of the German Stock Corporation Act (AktG) may at no time exceed 10% of the then existing capital stock.

The authorization to repurchase and use Siemens shares resolved by the Annual Shareholders' Meeting on January 25, 2011, including the additional authorization resolved by the same Annual Shareholders' Meeting on the use of derivatives in connection with the repurchase of Siemens shares, shall be canceled on the effective date of this new authorization.

- b) Any repurchase of Siemens shares shall be accomplished at the discretion of the Managing Board either (1) by acquisition on the

stock exchange or (2) through a public share repurchase offer. Offers under subsection (2) above can also be solicited by a request for submission of offers.

- (1) If the Siemens shares are to be acquired on the stock exchange, the purchase price paid per Siemens share (excluding incidental transaction charges) may neither exceed the stock market price of a Siemens share on the trading day, as determined during the opening auction in Xetra trading (or a comparable successor system) by more than 10% nor fall below such market price by more than 20%.
- (2) If the Siemens shares are to be acquired through a public share repurchase offer, the purchase price paid per Siemens share (excluding incidental transaction charges) may neither exceed the average closing price of a Siemens share in Xetra trading (or a comparable successor system) on the fourth, third and second trading day prior to the decision by the Managing Board about the offer or acceptance of offers made by the shareholders by more than 10% nor fall below such closing price by more than 20%.

The Managing Board shall define the arrangements for acquiring the shares in more detail. If the number of Siemens shares tendered or offered by shareholders for purchase exceeds the total volume which the Company intends to repurchase, the shareholders' right to tender may be excluded to the extent that the repurchase will be in proportion to the Siemens shares tendered or offered by each shareholder. Furthermore, the tender or acceptance of small lots of up to 150 Siemens shares per shareholder may receive preferential treatment and rounding according to commercial principles may be provided for.

If, after the publication of an offer in accordance with Agenda Item 8 b) subsection (2), there are differences from the price or from a price range defined in connection with a solicitation to submit offers and said differences may be material to the success of the offer, the price or the price range may be adjusted during the submission period or up to acceptance.

- c) The Managing Board shall be authorized to use any Siemens shares repurchased pursuant to Section 71 (1) no.8 of the German Stock Corporation Act (AktG) on the basis of this or any earlier authorizations – in addition to selling them on the stock exchange or through a public sales offer to all shareholders proportionately according to their quota participations – for every permissible purpose, in particular as follows:

- (1) Such Siemens shares may be retired without an additional resolution by the Annual Shareholders' Meeting being required for such retirement or its implementation. Such retirements can also be carried out without a capital decrease by adjusting the pro rata amount of the other shares of no par value relative to the Company's capital stock. In such a case, the Managing Board is authorized to adjust the number of shares of no par value specified in the Articles of Association.
- (2) Such Siemens shares may be used in connection with share-based compensation programs and/or employee share programs of the Company or any of its affiliated companies, and issued to individuals currently or formerly employed by the Company or any of its affiliated companies as well as to board members of any of the Company's affiliated companies. In particular, they may be offered for acquisition, awarded and transferred for free or against payment to said persons and board members, provided that the employment relationship or board membership exists at the time of the offer, award commitment or transfer.
- (3) Such Siemens shares may be offered and transferred, with the approval of the Supervisory Board, in exchange for considerations in kind, in particular in the context of business combinations or for the purpose of acquiring (also indirectly) companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its consolidated subsidiaries.
- (4) Such Siemens shares may, with the approval of the Supervisory Board, be sold against payment in cash if the selling price is not significantly lower than the stock market price of Siemens stock.
- (5) Such Siemens shares may be used to service or secure obligations or rights to acquire Siemens shares arising particularly from or in connection with convertible bonds or warrant bonds issued by Siemens AG or its consolidated subsidiaries.

The part of the capital stock mathematically attributable to the shares used under the authorizations pursuant to Agenda Item 8 (c) subsections (4) and (5) may not exceed 10% of the capital stock existing at the date of the resolution, or of the capital stock existing at the time of this authorization being exercised, if the latter is lower, as far as the shares – in *mutatis mutandis* application of the provisions of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) – are issued against contribution in cash and not significantly below the stock market price

with shareholders' subscription rights being excluded. This limit shall include shares issued or disposed of by direct or *mutatis mutandis* application of these provisions during the term of this authorization up to the time of it being exercised. The same applies to shares to be issued or disposed of on the basis of a convertible bond or warrant bond issued during the term of this authorization, with shareholders' subscription rights excluded in accordance with the provisions of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

- d) The Supervisory Board shall be authorized to use Siemens shares acquired on the basis of this or any previously given authorizations as follows:

Such shares may be used to service obligations or rights to acquire Siemens shares that were or will be agreed with members of the Managing Board of Siemens AG within the framework of rules governing Managing Board compensation. In particular, they may be offered for acquisition, awarded and transferred to members of the Managing Board of Siemens AG, provided that the employment relationship or board membership exists at the time of the offer, award commitment or transfer. The details regarding the compensation of the members of the Managing Board are determined by the Supervisory Board.

- e) The authorizations in this resolution may be exercised independently of each other, once or several times, solely or jointly, in whole or in part also by any of Siemens AG's consolidated subsidiaries or by third parties acting on behalf of Siemens AG or any of its consolidated subsidiaries. In addition, acquired Siemens shares may also be transferred to consolidated subsidiaries.
- f) Shareholders' subscription rights relating to repurchased Siemens shares shall be excluded to the extent to which such shares are used in accordance with the authorizations pursuant to Agenda Item 8 c), subsections (2) through (5), and Agenda Item 8 d) above. Moreover, the Managing Board shall be authorized to exclude subscription rights in order to grant holders/creditors of conversion or option rights or respective conversion or option obligations on Siemens shares subscription rights as compensation against the effects of dilution to the extent to which they would be entitled upon exercising such rights or fulfilling such obligations. Finally, the subscription right with regard to fractional amounts may be excluded from an offer to acquire Siemens shares made to all shareholders.

Against the background of the authorization to repurchase and use Siemens shares proposed under Agenda Item 8 and the authorization

to use derivatives in connection therewith proposed under Agenda Item 9, the Managing Board has prepared written reports on the reasons for which it is to be authorized to exclude shareholders' subscription and tender rights under certain circumstances (Section 186 (4) sentence 2 in connection with Section 71 (1) no. 8 sentence 5 of the German Stock Corporation Act (AktG)). The reports are reproduced after the Agenda.

9. To resolve on the authorization to use derivatives in connection with the repurchase of Siemens shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), and to exclude shareholders' subscription and tender rights

In addition to the authorization proposed under Agenda Item 8 regarding the repurchase of Siemens shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the Company shall be authorized to acquire Siemens shares also by using derivatives and to enter into corresponding derivative contracts. This authorization shall in no way restrict the Company's freedom to use derivatives, provided such use is legally permissible without authorization of the Annual Shareholders' Meeting.

The Supervisory Board and the Managing Board propose that the following resolution be approved and adopted:

- a) In addition to the authorization proposed under Agenda Item 8 regarding the acquisition of shares of Siemens AG ("Siemens shares") held in treasury pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the repurchase of Siemens shares in accordance with the authorization proposed under Agenda Item 8 may also be conducted, aside from in the manner described therein, with the use of certain derivatives or derivatives may be used with which the company undertakes to repurchase Siemens shares. This authorization may be exercised in whole or in part, in one or several (including different) transactions or in connection with other legally admissible transactions not covered by this authorization, by Siemens AG or any of its consolidated subsidiaries, or by third parties acting on behalf of Siemens AG or any of its consolidated subsidiaries. Options may be sold whereby the Company takes on the obligation to acquire Siemens shares upon exercise of the options ("put options"). Options entitling the Company to acquire Siemens shares upon exercise of the options ("call options") may also be purchased and exercised. Additionally, forward purchase agreements to buy Siemens shares with more than two trading days between the conclusion of the agreement and the delivery of the Siemens shares purchased ("forward purchases") may be entered into.

Lastly, Siemens shares may be acquired by using a combination of these derivatives (hereinafter, all the above instruments are collectively referred to as "derivatives").

The repurchase of Siemens shares based on derivatives by using this authorization shall, in addition to the capital stock related limits set pursuant to Agenda Item 8 a) of the proposed authorization, be limited to a maximum volume of 5% of the capital stock existing at the time of adopting the resolution at the Annual Shareholders' Meeting. A derivative's term of maturity must, in each case, not exceed 18 months and must be chosen in such a way that the repurchase of Siemens shares upon exercise of the derivative will take place no later than January 26, 2020.

- b) It must be contractually agreed in the terms and conditions of the derivatives that the derivatives are honored only with shares that were acquired on the stock exchange under observance of the principle of equal treatment. The predetermined purchase price to be paid per Siemens share upon exercise of a put option or fulfillment of a forward purchase as specified in the respective derivative contract (in each case excluding incidental transaction charges, but taking into account option premiums received) shall neither exceed the average closing price of Siemens stock in Xetra trading (or a comparable successor system) on the fourth, third and second trading day prior to entering into the relevant derivative contract by more than 10% nor fall below this average closing price by more than 30%. The predetermined purchase price to be paid per Siemens share upon exercise of a call option as specified in the respective derivative contract shall neither exceed the average closing price of Siemens stock in Xetra trading (or a comparable successor system) on the fourth, third and second trading day prior to exercise of the call option by more than 10% nor fall below 10% of this average closing price.

The premium paid by the Company for derivatives shall not be significantly higher, and the premium received by the Company for derivatives shall not be significantly lower, than the theoretical market price of the respective derivative calculated in accordance with generally accepted actuarial methods. Among other factors, the predetermined strike price shall be taken into account when determining the theoretical market price.

If derivatives are used in accordance with the above rules, shareholders shall have no right to enter into such derivative contracts with the Company. The shareholders shall also not have the right to enter into derivative contracts to the extent the Company,

when repurchasing Siemens shares using derivatives, provides for preferential treatment with regard to the conclusion of derivative contracts relating to small lots of shares.

Shareholders shall have a right to tender their Siemens shares only as far as the Company is obligated to take delivery of such shares under the terms and conditions of individually concluded derivative contracts. Any further tender right shall be excluded.

- c) The rules set out in Agenda Item 8 c), d), e) and f) shall apply *mutatis mutandis* to the use of Siemens shares acquired using derivatives.

Against the background of the authorization to repurchase and use Siemens shares proposed under Agenda Item 8 and the authorization to use derivatives in connection therewith proposed under Agenda Item 9, the Managing Board has prepared written reports on the reasons for which it is to be authorized to exclude shareholders' subscription and tender rights under certain circumstances (Section 186 (4) sentence 2 in connection with Section 71 (1) no. 8 sentence 5 of the German Stock Corporation Act (AktG)). The reports are reproduced after the Agenda.

10. To resolve on the creation of a new authorization of the Managing Board to issue convertible bonds and/or warrant bonds and exclude shareholders' subscription rights, and on the creation of a Conditional Capital 2015 and related amendments to the Articles of Association

The authorization to issue convertible bonds and/or warrant bonds resolved on by the Annual Shareholders' Meeting on January 26, 2010 under Agenda Item 10 will expire on January 25, 2015. Furthermore, in February 2012, the Company made use of this authorization and issued warrant bonds under facilitated exclusion of subscription rights in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) and thus partially utilized the limit of 10% of the capital stock set in the authorization from 2010. Therefore, the Managing Board shall again be authorized to issue convertible/warrant bonds, also in exchange for contributions in kind or considerations in kind, and corresponding Conditional Capital 2015 shall be resolved on. The proposed authorization shall exist alongside the authorization adopted by the 2014 Annual Shareholders' Meeting, with the result that the Company again has overall a sufficiently large authorized volume.

The Supervisory Board and the Managing Board propose that the following resolution be approved and adopted:

- a) The Managing Board shall be authorized to issue bearer or registered bonds in an aggregate principal amount of up to

€15,000,000,000 with conversion rights (convertible bonds) or with bearer or registered warrants attached (warrant bonds), or a combination of these instruments, entitling the holders/creditors to subscribe to up to 80,000,000 new shares of Siemens AG of no par value registered in the names of the holders ("Siemens shares"), representing a pro rata amount of up to €240,000,000 of the capital stock (hereinafter referred to as "bonds"). The terms and conditions of the bonds and/or warrants may provide for delivery of Siemens shares from conditional capital, in particular the new Conditional Capital 2015 to be created in connection with this authorization, but also for delivery exclusively or, alternatively, at the option of the Company, with Siemens shares from an authorized capital or from existing treasury shares, or treasury shares to be acquired, of Siemens AG or its consolidated subsidiaries. The terms and conditions of the bonds and/or warrants may also provide for mandatory conversion or an obligation to exercise the option rights or a put option of the issuer to deliver Siemens shares (and any combination of the foregoing), in each case at any point in time, especially also at the end of their term. The bonds may be issued in exchange for contributions in cash, but also contributions in kind, in particular a participation in other companies. Warrant bonds may be issued also in exchange for consideration in kind to the extent that the terms and conditions of the warrants provide for full payment in cash of the option price per Siemens share upon exercise, for example as consideration for the transfer of warrant bonds issued by Siemens Financieringsmaatschappij N.V., Den Haag, Netherlands, in February 2012 under the guarantee of Siemens AG which will become due in 2017 and 2019, respectively, together with the pertaining warrants issued by Siemens AG. If applicable, this also comprises the indirect issue of such bonds with the involvement of a bank if the procedure chosen would not anyway constitute under the circumstances an issue in exchange for cash consideration due to the payment of the issue price – made at the same time to such bank – for the new bond on the one hand and the payment of the purchase price for the old bond on the other. The authorization shall also include the option to assume the guarantee for bonds issued by consolidated subsidiaries of the Company and to make the statements and to take the required actions necessary for successful issuance of bonds. Furthermore, the authorization shall include the option to grant to holders/creditors of bonds Siemens shares to the extent holders/creditors of convertible bonds or warrants under warrant bonds exercise their conversion or option rights or if they fulfill their obligation to convert or exercise the option or to the extent the shares are tendered. The authorization for the issue of bonds

shall expire on January 26, 2020. The issue of the bonds and/or warrants may be implemented once or several times, wholly or in part, or simultaneously in different tranches. All partial bonds belonging to a particular tranche issued shall rank *pari passu*. The principal amount or an issue price of bonds below the principal amount may also be chosen such that it corresponds to the pro rata amount of the capital stock represented by the shares to be issued according to the terms of the bond, i.e., it need not necessarily exceed such amount.

The conversion or exercise price must not be less than 80% of the stock market price of the Siemens share as quoted by the Xetra trading system (or a comparable successor system). The calculation shall be based on the average closing price over the ten trading days prior to the date on which the final Managing Board resolution is reached to submit an offer for the subscription of bonds or to the Company's notice of acceptance following a public solicitation to submit subscription offers. In the event that subscription rights are traded, the closing market prices during the trading days on which the subscription rights are traded shall apply, with the exception of the last two trading days of subscription rights trading. In the case of bonds with mandatory conversion or with an obligation to exercise the option right or a put option entitling the issuer to deliver shares, the conversion or exercise price may either at least equal the minimum price set out above or correspond to the average volume-weighted price of the Siemens share in the Xetra trading system (or a comparable successor system) on at least three trading days immediately prior to calculation of the conversion/option price as defined in more detail by the terms and conditions of the bonds and/or warrants, even if this average price is below the minimum price (80%) set out above. Section 9 (1) and Section 199 (2) of the German Stock Corporation Act (AktG) shall remain unaffected.

In case of warrant bonds being issued, one or several warrants shall be attached to each partial bond entitling and/or obliging the holder/creditor to subscribe to Siemens shares or including a put option entitling the issuer to deliver shares, subject in each case to the terms and conditions of the bonds or warrants. The respective warrants may be detachable from the respective partial bonds. The terms and conditions of the bonds or the warrants may also provide that payment of the option price can also be fulfilled by transferring partial bonds (exchange) and, as the case may be, with an additional cash payment.

In the case of convertible bonds being issued, the holders/creditors of the convertible bonds shall be entitled and/or obliged to

convert them into Siemens shares, subject to the terms and conditions of the convertible bonds. The conversion ratio is obtained by dividing the principal amount or the lower issue price of a convertible bond by the conversion price stipulated for one Siemens share.

The pro rata amount of the capital stock represented by the shares to be subscribed for on the basis of one convertible bond or, in the case of an exchange, of one warrant bond, must not exceed the principal amount or the lower issue price of the bond.

The authorization shall also include the option, subject to the terms and conditions of the bonds and/or the warrants, to provide dilution protection and/or other adjustments under certain circumstances. Dilution protection or other adjustments may be provided for in particular if the Company changes its capital structure during the term of the bonds and/or warrants (e.g. through a capital increase, a capital decrease or a stock split), but also in connection with dividend payouts, the issue of additional convertible and/or warrant bonds, transformation measures, and in the case of other events affecting the value of the options or conversion rights that may occur during the term of the bonds and/or warrants (e.g. control gained by a third party). Dilution protection or other adjustments may be provided in particular by granting subscription rights, by changing the conversion or exercise price, and by amending or introducing cash components.

The Managing Board shall be authorized to determine the further terms and conditions of the bond and/or warrant issues or to establish such terms and conditions by mutual agreement with the respective issuing consolidated subsidiary. The terms and conditions may in particular include the following aspects:

- > whether and under what conditions, e.g. at the discretion of the issuer, servicing from conditional capital or from authorized capital, the delivery of treasury shares, payment of compensation for the value in cash or transfer of other listed securities may be provided for;
- > whether the conversion or exercise price or the conversion ratio should be determined at the time of bond issue or by means of future market prices;
- > whether and how a conversion ratio should be rounded;
- > whether an additional cash payment or a compensation in cash should be specified in the case of fractional amounts;
- > how, in the case of mandatory conversions, the fulfillment of obligations to exercise the option rights or delivery rights;

details are to be determined regarding the exercise, fulfillment of obligations or rights, deadlines and determination of conversion or exercise prices;

- > whether the bonds should be issued in euros or in the legal currency of an OECD country other than euros. For the purpose of determining the maximum aggregate principal amount of this authorization in the case of issues in foreign currencies, the principal amount of the bonds shall in each case be converted into euros on the day when the decision of the issue thereof is taken.

As a matter of principle, the bonds must be offered to shareholders for subscription, including the option of issuing them to banks or enterprises within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation that they must be offered to shareholders for subscription. However, the Managing Board shall be authorized to exclude shareholders' subscription rights with the approval of the Supervisory Board,

- > provided that the bonds are issued in exchange for cash payment and the issue price of the bonds is not significantly lower than their theoretical market price computed in accordance with accepted actuarial methods. The part of the capital stock mathematically attributable to shares to be issued as a result of bonds issued under this authorization must not exceed 10% of the capital stock at the time when such authorization takes effect or at the time at which it is exercised, if the latter amount is lower. When determining this limit, shares shall also be taken into account which, during the term of this authorization until its use, are issued or disposed of by direct or *mutatis mutandis* application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). The same applies to shares which are to be issued or granted due to a convertible bond and/or warrant bond issued during the term of this authorization based on the use of another authorization under exclusion of the subscription right in accordance with these provisions;
- > if the bonds are issued in exchange for contributions or considerations in kind, in particular in the context of business combinations or for the purpose of acquiring (also indirectly) companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its consolidated subsidiaries;

- > to the extent that the exclusion is necessary with regard to fractional amounts resulting from the subscription ratio;
- > in order to grant holders/creditors of conversion or option rights or respective conversion or option obligations on Siemens shares subscription rights as compensation against the effects of dilution to the extent to which they would be entitled upon exercising such rights or fulfilling such obligations.

Under this authorization, bonds may only be issued under exclusion of the subscription right, if the total of new shares to be issued on the basis of such bond, together with new shares issued by the Company during the term of this authorization based on another authorization under exclusion of the subscription right or to be issued on the basis of a convertible bond and/or warrant bond issued during the term of this authorization based on the use of another authorization under exclusion of the subscription right, does, in mathematical terms, not exceed 20% of the capital stock at the time this authorization takes effect.

- b) In order to grant shares of stock to holders/creditors of convertible bonds or warrant bonds issued under the authorization pursuant to Agenda Item 10 a) above, the capital stock shall be conditionally increased by up to €240,000,000 through the issuance of up to 80,000,000 shares of no par value registered in the names of the holders (Conditional Capital 2015). The conditional capital increase shall be effected through the issuance of up to 80,000,000 shares of no par value registered in the names of the holders with entitlement to dividends as of the beginning of the fiscal year in which they are issued and only to the extent to which holders/creditors of convertible bonds or warrants under warrant bonds issued until January 26, 2020 under the authorization of the Managing Board pursuant to Agenda Item 10 a) above by Siemens AG or any of its consolidated subsidiaries exercise their conversion or option rights, fulfill their conversion or option obligation, or to the extent shares are tendered, and provided that no other forms of fulfillment of delivery are used. The new shares of stock shall be issued at the conversion or exercise prices determined in each case in the terms and conditions of the bonds and/or the warrants in accordance with the above-mentioned authorization. The Managing Board shall be authorized to determine the further details of the implementation of the conditional capital increase.
- c) The following new subsection 9 shall be added to Section 4 of the Articles of Association:

“9. The capital stock is conditionally increased by up to €240,000,000. The conditional capital increase shall be effected through the issuance of up to 80,000,000 shares of no par value registered in the names of the holders with entitlement to dividends as of the beginning of the fiscal year in which they are issued and only to the extent to which holders/creditors of convertible bonds or warrants under warrant bonds issued until January 26, 2020 by Siemens AG or any of its consolidated subsidiaries under the authorization of the Managing Board granted by the Annual Shareholders’ Meeting of January 27, 2015 exercise their conversion or option rights, fulfill their conversion or option obligations, or to the extent shares are tendered, and provided that no other forms of fulfillment of delivery are used. The new shares shall be issued at the conversion or exercise prices determined in each case in the terms and conditions of the bonds and/or the warrants in accordance with the above-mentioned authorization (Conditional Capital 2015). The Managing Board shall be authorized to determine the further details of the implementation of the conditional capital increase.”

- d) The Supervisory Board shall be authorized to amend Section 4 of the Articles of Association depending on the use of the Conditional Capital 2015. The same shall apply in the event that the authorization to issue convertible bonds or warrant bonds has not been used upon expiration of the effective term of the authorization and in the event that the Conditional Capital 2015 has not been used or has not been fully used after expiration of all conversion or option periods.

Against the background of the above-proposed authorization to issue convertible bonds and/or warrant bonds, the Managing Board has prepared a written report on the reasons for which it is to be authorized to exclude shareholders’ subscription rights under certain circumstances. The report is reproduced after the Agenda.

11. To resolve on the approval of a settlement agreement with a former member of the Managing Board

On August 26, 2014, Siemens AG entered into a Settlement Agreement with Mr. Heinz-Joachim Neubürger, a former member of its Managing Board. The Company has asserted claims for damages against Mr. Neubürger from and in connection with the system of slush funds that became known in November 2006. The Settlement Agreement requires the approval by the Annual Shareholders’ Meeting to become effective.

The Supervisory Board and the Managing Board propose that the Settlement Agreement between Siemens Aktiengesellschaft and Mr. Heinz-Joachim Neubürger dated August 26, 2014 be approved.

The complete wording of the Settlement Agreement with Mr. Neubürger is set out in the Annex to Agenda Item 11. It forms an integral part of this Notice of Annual Shareholders' Meeting. Further explanations can be found in the report of the Supervisory Board on Agenda Item 11, which is reproduced after the Agenda.

12. To resolve on amendments to the Articles of Association in order to modernize provisions of the Articles of Association and make them more flexible

Some of the provisions in the Articles of Association relating to the Supervisory Board no longer reflect the current state of the art as regards technical means of communication or the contemporary corporate governance practice in all their points. The provisions on the procedure for filling seats on the Supervisory Board having become vacant, resigning from the Supervisory Board and submission of absentee ballots by Supervisory Board members who are unable to attend a meeting in person are therefore to be amended with the aim of modernizing them and making them more flexible.

The Company has not utilized its option to elect substitute members for the shareholders' members of the Supervisory Board in the past years. Instead, an application for the judicial appointment of a Supervisory Board member for a limited time in accordance with the recommendation in Section 5.4.3 sentence 2 of the German Corporate Governance Code was filed in order to fill vacancies on the Supervisory Board until the next Annual Shareholders' Meeting. A resolution by the shareholders on a by-election to the Supervisory Board was then adopted at that Annual Shareholders' Meeting. Consequently, a detailed provision in the Articles of Association relating to the appointment of substitute members does not appear necessary, especially since such an appointment is still also possible under the statutory regulations without a provision in the Articles of Association. In addition, the Annual Shareholders' Meeting is to be given flexibility within the framework of the statutory regulations in the event of such a by-election.

If a member of the Supervisory Board resigns, it shall be clarified who shall be the recipient of such resignation. In addition, the provision is to be made more flexible so that the one-month period of notice for the resignation can be dispensed with subject to the approval of the Chairman of the Supervisory Board.

The provisions currently contained in Section 11 (2) sentence 3 and Section 11 (3) of the Articles of Association are therefore to be dropped. The provision contained in Section 11 (4) of the Articles of Association to date is to be amended and restated as a new Section 11 (3).

Finally, modification of Section 15 (3) of the Articles of Association is intended to make clear that a member of the Supervisory Board who cannot take part in a meeting in person can also send his or her absentee ballot using other common means of communication (e.g. fax or e-mail).

Therefore, the Supervisory Board and the Managing Board propose that the following resolutions be approved and adopted:

- a) Section 11 (2) sentence 3 of the Articles of Association shall be deleted in its entirety.
- b) Section 11 (3) and (4) of the Articles of Association shall be deleted and replaced by the following new (3):

“Any member of the Supervisory Board may resign his office by giving written notice to the Chairman of the Supervisory Board or the Managing Board of the Company, with a period of notice of one month in advance. This period of notice can be dispensed with subject to the approval of the Chairman of the Supervisory Board. The right to resign immediately from the Supervisory Board for good cause shall remain unaffected.”

- c) The following sentence 2 shall be added to Section 15 (3) of the Articles of Association:

“A ballot by common means of communication (e.g. by fax or e-mail) shall also be valid as a written absentee ballot.”

13. To resolve on the approval of a control and profit-and-loss transfer agreement between Siemens AG and a subsidiary

On November 26, 2014, Siemens AG and its wholly-owned, Munich-based subsidiary Kyros 47 GmbH (hereinafter referred to as the “Subsidiary”) concluded a Control and Profit-and-Loss Transfer Agreement.

The Supervisory Board and the Managing Board propose that the Control and Profit-and-Loss Transfer Agreement between Siemens AG (as the parent company) and Kyros 47 GmbH be approved.

The essential content of the Control and Profit-and-Loss Transfer Agreement is as follows:

- > The Subsidiary shall subordinate management of its company to Siemens AG. The latter shall accordingly have the right to give instructions to the Management of the Subsidiary on how the Subsidiary is to be managed. The Management of the Subsidiary shall be obliged to obey the instructions.
- > The Subsidiary undertakes to transfer its entire profits to Siemens AG in accordance with the provisions of Section 301 of the German Stock Corporation Act (AktG), as amended from time to time.
- > With the consent of Siemens AG, the Subsidiary may appropriate amounts from the annual net income to other retained earnings pursuant to Section 272 (3) of the German Commercial Code (HGB) insofar as this is permitted under commercial law and economically justified based on reasonable business judgment. Upon request by Siemens AG, amounts appropriated to other retained earnings pursuant to Section 272 (3) of the German Commercial Code (HGB) during the term of the Agreement shall be released and used to compensate an annual net loss or be transferred as profits. The transfer of capital reserves and retained earnings existing prior to the date of the Agreement shall be excluded.
- > Siemens AG may demand that the Subsidiary transfer profits in advance during the year, if and to the extent this is legally permissible.
- > If the Agreement does not end prior to the expiration of the Subsidiary's fiscal year, the entitlement to the transfer of profits shall arise at the end of the Subsidiary's fiscal year and shall be due taking that date as value date. The obligation to transfer profits shall apply retroactively as of the beginning of the Subsidiary's fiscal year in which the Agreement becomes effective by registration in the register of companies at the registered office of the Subsidiary.
- > Siemens AG shall be obliged to assume the losses of the Subsidiary in accordance with the provisions of Section 302 of the German Stock Corporation Act (AktG), as amended from time to time.
- > If the Agreement does not end prior to the expiration of the Subsidiary's fiscal year, the entitlement to the assumption of losses shall arise at the end of the Subsidiary's fiscal year and shall be due taking that date as value date. The obligation to assume losses shall apply retroactively as of the beginning of

the fiscal year in which the Agreement becomes effective by registration in the register of companies at the registered office of the Subsidiary.

- > The Agreement becomes effective upon registration in the register of companies at the registered office of the Subsidiary.
- > The Agreement shall be concluded for an indefinite period of time. It may be terminated ordinarily upon three (3) months' notice prior to the end of the Subsidiary's fiscal year, but for the first time to the end of the Subsidiary's fiscal year that ends at least five (5) years in time after the beginning of the Subsidiary's fiscal year in which the Agreement became effective. In addition to the above notice period, Siemens AG can terminate the Agreement ordinarily after the minimum term specified in the above sentence expires upon two (2) weeks' prior notice.
- > The right to terminate the Agreement for good cause without observing a notice period shall remain unaffected. Good cause shall exist in particular if Siemens AG no longer holds the majority of the voting rights or capital stock in the Subsidiary, Siemens AG disposes of or contributes the shares in the Subsidiary, Siemens AG or the Subsidiary is merged, split up or liquidated or insolvency proceedings are instigated on the assets of Siemens AG or of the Subsidiary or an outside shareholder takes a stake in the Subsidiary for the first time within the meaning of Section 307 of the German Stock Corporation Act (AktG). In the event that the shares are disposed of, Siemens AG may also terminate the Agreement with effect from the effective conclusion of the promissory agreement relating to disposal of the shares in the Subsidiary.
- > Notice of termination of the Agreement shall be given in writing.
- > The interpretation of individual provisions of the Agreement shall be subject to Section 14 and Section 17 of the German Corporation Tax Act (KStG), as amended from time to time.
- > The Agreement contains a so-called severability clause. Should any provision of the Agreement be or become ineffective or unenforceable in whole or in part or should the Agreement contain a gap, this shall not affect the validity of the remaining provisions of the Agreement. In place of the ineffective or unenforceable provision, the parties shall agree on an effective or enforceable provision which in its economic effect comes as close as legally possible to that of the ineffective or unenforceable provision. In the event of a gap in the

Agreement, the parties shall agree on a provision that would have been intended, in light of the object and purpose of the Agreement, had they considered the point on concluding the Agreement.

- > If, under the terms of the Agreement, a declaration is to be made in writing, such a declaration shall be signed by the declaring party, signing his/her name in his/her own hand, and transmitted to the other party as an original. The written form may not be replaced by the electronic form.
- > Place of performance and jurisdiction for the parties shall be Munich.

Siemens AG is the sole shareholder of the Subsidiary. No compensation payments or financial settlements pursuant to Section 304 and Section 305, respectively, of the German Stock Corporation Act (AktG) are to be made to outside shareholders.

From the time of giving Notice of Annual Shareholders' Meeting, the following documents are available on our website at www.siemens.com/AGM:

SIEMENS.COM/AGM:

- > the Control and Profit-and-Loss Transfer Agreement between Siemens AG and Kyros 47 GmbH,
- > the adopted Annual Financial Statements of Siemens AG and the approved Consolidated Financial Statements together with the Combined Management Report of Siemens AG and the Siemens Group as of September 30, 2012,
- > the adopted Annual Financial Statements of Siemens AG and the approved Consolidated Financial Statements together with the Combined Management Report of Siemens AG and the Siemens Group as of September 30, 2013,
- > the adopted Annual Financial Statements of Siemens AG and the approved Consolidated Financial Statements together with the Combined Management Report of Siemens AG and the Siemens Group as of September 30, 2014,
- > the adopted Annual Financial Statements of Kyros 47 GmbH as of September 30, 2014 (short fiscal year),
- > the Joint Report by the Managing Board of Siemens AG and the Management of Kyros 47 GmbH prepared pursuant to Section 293a of the German Stock Corporation Act (AktG).

Upon request, each shareholder will receive without undue delay a copy of these documents free of charge. The documents will also be available at the Annual Shareholders' Meeting of Siemens AG.

Further information, details, and reports

Information on the Supervisory Board candidates proposed for election under Agenda Item 7

Dr. Ellen Anna Nathalie von Siemens, Munich,
Managing Director and Spokesperson of Siemens Stiftung

Personal information:

Date of birth: July 14, 1971

Place of birth: Munich

Education:

> Studies of Philosophy in Munich, Berlin, Paris

> Ph.D. (Dr. phil.)

Professional career:

2005-2007 Siemens Aktiengesellschaft, Berlin and Munich – Siemens Graduate Program, General Management Trainee, Munich/Erlangen/Beijing
Corporate Strategy, Corporate Communications, Investor Relations, Government Affairs (Siemens Limited China)

2007-2011 Siemens Aktiengesellschaft, Berlin and Munich – Corporate Strategy (Team Corporate Portfolio Development, systematic evaluation of Siemens' business portfolio)

2009-2012 Nokia Siemens Management GmbH, Munich – Member of the Supervisory Board

2011-2013 Siemens Aktiengesellschaft, Berlin and Munich – Corporate Development Executives (Programs to identify and develop managers for Corporate Key Functions)

since 2013 Siemens Stiftung, Munich – Managing Director and Spokesperson

Membership in domestic supervisory boards whose establishment is required by law:

> Messer Group GmbH, Sulzbach

Membership in comparable domestic or foreign controlling bodies of business enterprises:

> Unify Holdings B.V., Amsterdam, Netherlands

Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer, Penzberg,
Chairman of the Board of Management of Bayerische Motoren Werke
Aktiengesellschaft

Personal information:

Date of birth: May 29, 1956

Place of birth: Penzberg

Education:

- > Studies of Mechanical Engineering at Fachhochschule München,
Graduation as Diplom-Ingenieur (FH)
- > Studies of Production Technology and Operating Science at
Technische Universität München, Graduation as Diplom-Ingenieur
- > Ph.D. (Dr.-Ing.) at Technische Universität München

Professional career:

- 1984-1987 Scientific Assistant at Technische Universität München,
Institute for Machine Tools and Operating Science
- 1987 Joined BMW AG, Munich – Head of Maintenance Planning
- 1989-1991 BMW AG, Munich – Director of Control Technologies
and Process Data Management
- 1991-1994 BMW AG, Munich – Director of Body-in-White Division
- 1994-1997 BMW South Africa – Technical Director
- 1997-2000 President of BMW Manufacturing Corporation,
South Carolina, USA
- 2000-2006 BMW AG, Munich – Member of the Board of Management
(Production)
- since 2006 Chairman of the Board of Management of BMW AG,
Munich

No membership in domestic supervisory boards whose establishment
is required by law.

Membership in comparable domestic or foreign controlling bodies
of business enterprises:

- > Henkel AG & Co. KGaA, Düsseldorf (Shareholders' Committee)

With regard to Section 5.4.1 of the German Corporate Governance Code,
it is hereby declared that, in the appraisal of the Supervisory Board,
none of the proposed candidates has personal or business relations sub-

ject to disclosure requirements under this provision with Siemens AG or its consolidated subsidiaries, the governing bodies of Siemens AG, or with a shareholder holding a material interest in Siemens AG.

Report of the Managing Board on Agenda Item 8

Siemens AG is again seeking authorization from the Annual Shareholders' Meeting to repurchase shares of Siemens AG ("Siemens shares") pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). With this new authorization, the Company should be able to repurchase Siemens shares over a period of five years in an amount of up to 10% of the capital stock and thus make use of the legal framework for such authorizations. The repurchase of Siemens shares may be effected as a purchase on the stock exchange or through a public share repurchase offer made by Siemens AG or any of its consolidated subsidiaries, or by third parties acting on behalf of Siemens AG or any of its consolidated subsidiaries.

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

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

Siemens promotes an ownership culture at the Company and enables employees and managers, where possible worldwide, to participate in the Company and its development by means of share programs and share-based compensation. This participation is also desired by legislators and so is facilitated in several ways. The issue of shares to employees of Siemens AG or its affiliated companies and to board members of its affiliated companies is intended to enhance the identification of these persons with Siemens. Their long-term affiliation with the Company is to be reinforced and they are to be enabled to participate as shareholders in the Company's long-term development. In the interests of the Company and its shareholders, this step also aims to strengthen understanding and the willingness to accept greater especially economic responsibility. The issue of shares also makes it possible to create schemes with long-term incentive effects in which both positive and negative developments can be reflected. For example, this enables the grant of shares with a lock-up period or vesting period of several years or sales-deferring

inducements to have not just a bonus effect, but, in the case of negative developments, also a malus effect, and therefore shall serve as a strong incentive to focus on a sustainable increase in the Company's value.

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

Under the so-called Share Matching Plan, eligible employees and managers of Siemens AG and its affiliated companies that participate in the plan worldwide have the opportunity, every year in which a new plan tranche is issued, to invest a certain portion of their compensation in the acquisition of Siemens shares at the stock market price. After a vesting period of around three years, plan participants are entitled to receive one additional free Siemens share for every three Siemens shares acquired and continuously held under the Share Matching Plan ("matching share"), provided their employment with Siemens AG or any of its affiliated companies has continued without interruption until the end of the vesting period. In addition, eligible Siemens employees and managers in Germany have the opportunity to acquire shares with the purchase funded in equal parts through their own investment and a company contribution in accordance with the applicable tax privileges. Shares that are acquired in this way on preferential terms also entitle the holders to receive matching shares under the same conditions as under the Share Matching Plan.

Siemens shares can be granted with a vesting period of several years and transferred when the vesting period ends to eligible managers and other eligible employees of Siemens AG and any of its affiliated companies ("stock awards"), currently also without previous personal investment. Stock awards are also partly linked to performance targets, such as the development of the price of Siemens shares relative to its main competitors.

In addition, it should be possible to transfer repurchased Siemens shares to eligible employees of Siemens AG and its affiliated companies without any personal investment to allow for a participation in the Company's success after successful fiscal years or to reward them for their long service.

The issue of shares under the above-mentioned share programs may also be made to third parties (such as credit institutions) who cede the beneficial ownership and/or the economic benefits of the shares to the program participants. The exercise of the authorization proposed under Agenda Item 8 c) subsection (2) is not intended to be restricted to the above-mentioned existing employee share programs and share-based compensation. The shares included under this authorization should also be available in cases in which, to the benefit of employees of Siemens AG or its affiliated companies or board members of its affiliated companies, new employee share programs and share-based compensation are introduced, including programs limited to individual companies, or when

existing employee share programs or share-based compensation are extended or adjusted. If this authorization is utilized, the total number of shares issued and the preferential treatment granted to the beneficiaries as a result of the shares being granted at a reduced price or without any personal investment should be in reasonable proportion to the Company's situation and the anticipated advantages for the Company. Issue of the shares can be tied to other conditions, such as vesting periods, lock-up periods, achievement of specific targets or continued employment at the Siemens Group.

The above-described objectives of identification with the Company, affiliation with the Company and the acceptance of corporate responsibility are in the Company's interest. Transferring existing or newly repurchased Siemens shares held in treasury instead of making use of available authorized capital, if any, may be an economically viable alternative, as it avoids the effort associated with a capital increase and the listing of new shares as well as the dilutive effect of such a transaction which otherwise may occur. The exclusion of shareholders' subscription rights required for this use of the Siemens shares is thus generally in the interest of the Company and its shareholders.

Furthermore, the authorization is designed to enable the Company to use repurchased Siemens shares to service obligations or rights to acquire Siemens shares that were or will be agreed with members of the Managing Board of Siemens AG within the framework of rules governing Managing Board compensation. Again, to this extent, the exclusion of shareholders' subscription rights is required. Variable compensation components may thus be granted which provide an incentive for sustainable management over the long term, for example by a part of the variable compensation, instead of being paid in cash, being granted in the form of shares subject to a certain lock-up period or stock awards that are subject to a vesting period. By transferring shares subject to a lock-up period or granting stock awards with a vesting period or granting other share-based compensation instruments to members of the Managing Board, a part of their compensation can be deferred, thereby increasing their loyalty to the Company, since the Managing Board will participate in a sustainable increase in the Company's value. The minimum vesting period for new shares to be transferred and subject to a lock-up period or new stock awards should be approximately four years. Since disposal of such shares is not permitted before the end of the vesting period, the member of the Managing Board will participate in the positive as well as negative changes in share performance during the vesting period. As a consequence, the members of the Managing Board may, in addition to the bonus effect, also experience a malus effect. The details regarding the compensation of the members of the Managing Board are determined by the Supervisory Board. These include rules concerning further conditions, such as vesting periods, lock-up periods, achievement of

specific targets, the forfeiture and non-forfeiture of stock awards, as well as rules concerning the treatment of stock awards and shares subject to a lock-up period in special cases, such as in the case of retirement, disability or death, or prematurely leaving the Company, where, for example, a cash settlement or removal of the lock-up period or vesting period may be provided.

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

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

Furthermore, the authorization is designed to enable the Company, with the approval of the Supervisory Board, to sell Siemens shares (under exclusion of shareholders' subscription rights) for a cash payment, e.g. to one or more institutional investors, or to enhance the Company's investor base. The sale shall be subject to the condition that the selling price is not significantly lower than the stock market price of a Siemens share. The possibility of selling repurchased shares held in treasury against cash payment under exclusion of shareholders' subscription rights serves the interests of the Company to obtain the best price possible on

the sale. By excluding shareholders' subscription rights, it is possible to place the shares close to the stock market price, i.e. the discount normally associated with rights issues is eliminated. Compared with selling the shares on the stock market over a lengthy period of time, this approach results in an immediate inflow of funds and avoids the uncertainties of future stock market developments in relation to the total purchase price that is obtained. It enables the Company to quickly, flexibly and cost-effectively exploit opportunities that arise in the context of prevailing stock market conditions. The part of the capital stock mathematically attributable to the shares sold under this kind of facilitated exclusion of subscription rights must not exceed 10% of the capital stock at the time the resolution is adopted by the Annual Shareholders' Meeting or at the time at which the authorization is exercised, if the latter amount is lower. By basing the selling price on the stock market price, the desirability of dilution protection and the shareholders' interests in safeguarding their assets and voting rights are given due consideration. When determining the final selling price, Management shall keep any possible markdown on the quoted stock market price as low as possible, taking into account current market conditions. Generally, shareholders will be able to maintain their percentage ownership in the Company by purchasing Siemens shares on the stock exchange under comparable terms and conditions, while the Company is provided with additional room for maneuver in the interest of all shareholders. There are currently no concrete plans to make use of this authorization.

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

In addition, in the event of a sale of Siemens shares by a public offer to all shareholders, the subscription right for fractional amounts could also be excluded to facilitate ease of handling.

Finally, the Company shall be entitled to retire Siemens shares without requiring an additional resolution by the Annual Shareholders' Meeting. Such retirements can also be carried out without a capital decrease, with the result that the pro rata amount of the other shares relative to the Company's capital stock is increased. In such a case, the Managing Board is authorized to adjust the number of shares of no par value specified in the Articles of Association.

The proposed authorization ensures that the number of Siemens shares issued pursuant to Agenda Item 8 (c) subsections (4) and (5) – by way of facilitated exclusion of shareholders' subscription rights in *mutatis mutandis* application of the provisions of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) – plus the number of other Siemens shares issued or disposed of during the term of the authorization up to the time of it being exercised by applying the above provisions either directly or *mutatis mutandis*, does not exceed 10% of the capital stock, neither at the time of the resolution of the Annual Shareholders' Meeting nor at the time of the use of the authorization. Likewise included are shares to be issued or disposed of on the basis of a convertible bond or warrant bond issued during the term of the authorization, with shareholders' subscription rights excluded in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

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

Report of the Managing Board on Agenda Item 9

In connection with the repurchase of Siemens shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the Company should be authorized to use certain derivatives in addition to the possibilities for repurchasing Siemens shares set down under Agenda Item 8. This authorization will grant the Company greater flexibility in the design of its repurchase strategies and programs. The use of put options, call options and forward purchases or a combination of these instruments (hereinafter "derivatives") may – also in combination with other legally admissible transactions not covered by this authorization – be advantageous compared to direct purchases or, for example, may offer advantages for optimizing the purchase strategy in financial terms and serve to improve the repurchase of Siemens shares. The authorization shall be used by Siemens AG or any of its consolidated subsidiaries, or by third parties acting on behalf of Siemens AG or any of its consolidated subsidiaries. The authorization proposed under Agenda Item 9 does not result in overshooting the maximum limit (provided for in Agenda Item 8) for the repurchase of Siemens shares of up to 10% of the capital stock

existing at the date of the resolution or the capital stock existing as of the date on which the authorization is exercised – if the latter value is lower, but merely opens up additional repurchase modalities within the envisaged additional upper limit of a maximum 5% of the capital stock.

The term of the derivatives must be chosen in such a way that the repurchase of Siemens shares pursuant to the terms and conditions of the derivatives takes place no later than January 26, 2020. This is to ensure that the Company will not acquire any more Siemens shares after expiry, on January 26, 2020, of the authorization to repurchase Siemens shares under this authorization. Furthermore, the maturity of a derivative is limited to a maximum of 18 months.

When selling put options, the buyer (or holder) of the put option is given the right to sell Siemens shares to the Company at a price specified in the put option contract (“strike price”). In return, the Company receives an option premium which corresponds to the value of the disposal right taking into consideration, among other things, the strike price, the term of the option, and the volatility of Siemens stock. If the put option is exercised, the option premium paid by the purchaser of the put option reduces the total consideration paid by the Company for the acquisition of the share. As a rule, the exercise of the put option makes economic sense for the option holder if the stock market price of Siemens stock, at the time of exercise, is lower than the strike price, because the option holder can then sell the Siemens share at the higher strike price. From the Company’s perspective, the use of put options in share repurchases may have the advantage that the strike price is already determined at the date of entering into the option contract, while liquidity will not flow out until the date the option is exercised. If the option holder does not exercise the option because the share price on the date of exercise exceeds the strike price, the Company, although unable to acquire any Siemens shares in this way, still keeps the option premium received.

When purchasing call options, the Company acquires, against payment of a premium, the right to buy a predetermined number of Siemens shares at a predetermined exercise price (“strike price”) from the seller (or writer) of the option. The authorization enables the Company to conclude and exercise such options. For the Company, exercise of the call option makes economic sense if the stock market price of Siemens stock is higher than the strike price, because it can then buy the shares from the option writer at the lower strike price. In addition, the Company’s liquidity will not be adversely impacted by the agreed strike price until the agreed price for the shares is to be paid upon exercise of the call option.

In the case of a forward purchase contract, the Company agrees to purchase from the forward seller the shares at a fixed future date (“forward settlement date”) and at a predetermined price (“forward price”) that is agreed by the parties at the time the contract is entered into. It may be

expedient for the Company to enter into forward purchase contracts in order to satisfy its need for Siemens shares on the forward settlement date at the forward price.

The conditions governing the structure of these derivatives that are contained in the authorization are designed to ensure that, also in the event of such derivative contracts being used, the principle of equal treatment can be observed and economic disadvantages for the shareholders are ruled out.

The premium paid by the Company for derivatives shall not be significantly higher, and the premium received by the Company for derivatives shall not be significantly lower, than the theoretical market price of the respective derivative calculated in accordance with generally accepted actuarial methods. Among other factors, the predetermined strike price shall be taken into account when determining the theoretical market price. The determination of both option premium and strike price/forward price in the manner described above and the commitment to be included in the terms and conditions of the derivative contract to satisfy the exercise of options or the fulfillment of forward purchases by utilizing only Siemens shares that were previously acquired on the stock exchange, subject to compliance with the principle of equal treatment, is designed to rule out economic disadvantages for existing shareholders from such a repurchase of Siemens shares. Since the Company receives or pays a fair market price, the shareholders not involved in the derivative transactions do not suffer any substantial loss in value. In this respect, this is comparable to the position of shareholders in the case of a share repurchase on the stock exchange, where in fact not all shareholders are likewise able to sell shares to the Company. Both the regulations governing the structure of the derivatives and the regulations governing the shares suitable for delivery ensure that full account is also taken of the principle of equal treatment of shareholders in this form of purchase. Therefore it is justifiable, also in accordance with the legal basis underlying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), that shareholders shall have no right to enter into such derivative contracts with the Company. The shareholders shall also not have the right to enter into derivative contracts to the extent the Company, when repurchasing Siemens shares using derivatives, provides for preferential treatment with regard to the conclusion of derivative contracts relating to small lots of shares. Besides, without the exclusion of shareholders' subscription and tender rights, it would make hardly any economic sense to conclude derivative contracts at short notice or with suitable counterparties for such derivatives.

If Siemens shares are repurchased using derivatives, shareholders shall have a right to tender their Siemens shares only insofar as the Company is obligated to take delivery of such shares pursuant to the terms and

conditions of the derivatives. Otherwise the use of derivatives in share repurchases would not be possible, and the Company would not be able to reap the benefits associated therewith. Having carefully weighed the interests of shareholders and the Company, and given the advantages to the Company resulting from the use of derivatives, the Managing Board considers the nongranteeing of, or the restriction on, the shareholders' right to tender their shares to be justified.

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

Report of the Managing Board on Agenda Item 10

An adequate capital structure and appropriate financing are essential prerequisites for the development of the Company. By issuing convertible bonds and/or warrant bonds (hereinafter referred to as "bonds"), the Company is able to use attractive financing opportunities depending on the market situation and its financing necessities for example in order to raise debt capital at favorable interest rates. Furthermore, the issue of convertible bonds or warrant bonds, potentially in addition to other instruments such as a capital increase, may serve to broaden the investor spectrum, including what are known as anchor investors. In February 2012, the Company made use of its authorization resolved on by the Annual Shareholders' Meeting on January 26, 2010 under Agenda Item 10, issued two warrant bonds under facilitated exclusion of subscription rights in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) and thus partially utilized the limit of 10% of the capital stock. Therefore, the Managing Board shall again be authorized to issue convertible/warrant bonds, also in exchange for contributions in kind or considerations in kind, and corresponding Conditional Capital 2015 shall be resolved on. The proposed authorization shall exist alongside the authorization adopted by the 2014 Annual Shareholders' Meeting, with the result that the Company has overall a sufficiently large authorized volume.

The authorization being sought under Agenda Item 10 is designed for issuing bonds in a principal amount of up to €15,000,000,000 with conversion or option rights or obligations entitling or obliging the holders/creditors to subscribe to stock of Siemens AG. For this purpose, up to 80,000,000 new Siemens shares from the new Conditional Capital 2015 shall be provided for, representing a pro rata amount of up to €240,000,000 of the capital stock. Full utilization of the proposed authorization would enable the issue of bonds granting subscription rights for approx. up to 9.1% of the Company's current capital stock. The authorization shall expire on January 26, 2020.

The Company, possibly also through its consolidated subsidiaries, shall be entitled to raise funds through the issue of bonds in euros as well as in other legal currencies of OECD countries. The terms and conditions of the bonds shall also provide for the option of an obligation to exercise the conversion or option rights or a delivery right of the issuer under a put option. Furthermore, the terms and conditions may also – apart from servicing from conditional capital or from authorized capital – provide for the option of fulfilling the rights under the bonds by using treasury shares, by paying the compensation for the value in cash or by transferring other listed securities.

The conversion and/or exercise price must not be lower than a minimum issue price that is computed in accordance with detailed procedures. The basis for the computation is in each case the stock exchange price of Siemens shares prevailing at the time of placement of the bonds; alternatively, in case of conversion or option obligations or a delivery right under a put option, the stock exchange price of Siemens shares prevailing at the time when the conversion or exercise price is calculated as defined in detail by the terms and conditions of the bonds and/or the warrants. Without prejudice to Section 9 (1) and Section 199 (2) of the German Stock Corporation Act (AktG), the conversion or exercise price may be adjusted by virtue of a dilution protection or adjustment clause subject to a more precise definition of the terms and conditions of the bonds if the Company, for example, changes its capital structure during the term of the bonds or warrants (e.g. through a capital increase, a capital decrease or a stock split). Furthermore, dilution protection or other adjustments may be provided for in connection with dividend payouts, the issue of additional convertible and/or warrant bonds, transformation measures, and in the case of other events affecting the value of the option and/or conversion rights that may occur during the term of the bonds or warrants (e.g. control gained by third parties). Dilution protection or other adjustments may be provided in particular by granting subscription rights, by changing the conversion or exercise price, and by amending or introducing cash components.

As a matter of principle, shareholders shall have subscription rights with regard to this type of bond issue. In order to facilitate ease of handling, however, it is intended to provide for the option to make use of the possibility of issuing the bonds to banks or enterprises within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation that they must be offered to shareholders for purchase. In the cases referred to in the authorization, however, the Managing Board shall also be authorized to exclude the subscription rights with the approval of the Supervisory Board.

Pursuant to Section 221 (4) sentence 2 of the German Stock Corporation Act (AktG), the provisions of Section 186 (3) sentence 4 of the German

Stock Corporation Act (AktG) apply *mutatis mutandis* to the exclusion of subscription rights when convertible bonds or warrant bonds are issued. On the basis of the legal restriction in this connection that forms part of the authorization, the limit for the exclusion of subscription rights of up to 10% of the respective capital stock stipulated in the above provision is not exceeded. The part of the capital stock mathematically attributable to shares to be issued as a result of bonds issued under this authorization must not exceed 10% of the capital stock at the time when such authorization takes effect or at the time at which it is exercised, if the latter amount is lower. When determining this limit, shares shall also be taken into account which, during the term of this authorization until its use, are issued or disposed of by direct or *mutatis mutandis* application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). The same applies to shares which are to be issued or granted due to a convertible bond and/or warrant bond issued during the term of this authorization based on the use of another authorization under exclusion of the subscription right in accordance with these provisions.

Placements that exclude shareholders' subscription rights provide a platform for the Company to take advantage of favorable situations on the capital market at short notice and thus achieve a significantly higher inflow of funds than in the case of issues retaining subscription rights. If issues provide for the retention of subscription rights, uncertainty about the utilization of such rights would put a successful placement at risk or at least burden it with additional expenses. Terms and conditions that are favorable for the Company and that reflect market conditions as far as possible can be achieved only if the Company is not bound by these terms for an excessively long offering period. Otherwise a substantial discount would be required in order to ensure the attractiveness of the terms and conditions and thus the success of the issue over the entire offering period. Moreover, if foreign currencies are included, the effects of exchange rate fluctuations can be mitigated if the subscription rights are excluded and the offer period is appropriately reduced.

To ensure that the interests of shareholders are safeguarded, the bonds are issued at a price that is not significantly lower than the theoretical market price computed in accordance with accepted actuarial methods. In determining the price and taking into account the then current capital market situation, the Managing Board will keep the discount on that market price as small as possible, thus reducing the financial value of a subscription right in respect of the bonds to near zero. As a result, existing shareholders will not suffer a material economic disadvantage following the exclusion of their subscription rights. In addition, to protect themselves against any negative dilutive effects, they have the opportunity to maintain their percentage equity ownership interests in the Company's capital stock by purchasing the necessary shares on the stock exchange as close as possible to the time of determination of the terms of issue of the bonds.

Furthermore, the subscription right can also be excluded if the bonds are issued in exchange for contribution in kind or consideration in kind. Among other things, this is intended to enable the Managing Board to use the bonds also as an "acquisition currency" to acquire such contributions or considerations in kind against transfer of such financing instruments, in each case on an opportunistic basis in connection with business combinations or for the purpose of acquiring (also indirectly) companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its consolidated subsidiaries. Business expansions realized by way of acquisition of companies or participations in companies normally require quick decisions. The proposed authorization enables the Managing Board to react in a quick and flexible manner to advantageous offers or other opportunities arising on national or international markets and to seize business expansion opportunities by acquiring companies or participations in companies against the issuance of bonds in the interest of the Company and its shareholders. The Managing Board will carefully review in each case whether it should use the authorization to issue bonds under exclusion of shareholders' subscription rights where actual opportunities for the acquisition of assets, in particular companies or participations in companies, arise. The Managing Board will not exclude the shareholders' subscription rights unless this would be in the Company's best interests.

In addition, as a result of the spin-off of all the shares in OSRAM Beteiligungen GmbH to OSRAM Licht AG, certain adjustments became necessary in connection with the terms and conditions of the warrants pertaining to the bonds issued in 2012 by Siemens Financieringsmaatschappij N.V., Den Haag, Netherlands. As of July 5, 2013, the warrants were adjusted in accordance with their terms and conditions to the effect that, upon exercise of the option right, the holders of the warrants now also receive shares in OSRAM Licht AG in addition to the shares in Siemens AG. This results in delivery obligations extending to shares in a company that is no longer part of the Siemens Group, and related accounting effects. An exchange of the warrant bonds against bonds that again relate exclusively to Siemens shares may be in the Company's interest, in particular with a view to future market developments. This, too, is made possible by the proposed exclusion of subscription rights, without such an exchange being currently planned. Also in this respect, the Managing Board will not exclude the shareholders' subscription rights unless this would be in the Company's best interests.

The remaining proposed instances of exclusion of shareholders' subscription rights are designed to facilitate the process of bond issue. The exclusion in the case of fractional amounts is a reasonable and market-conforming means for achieving a practical subscription ratio. The exclusion of shareholders' subscription rights for the benefit of holders/

creditors of outstanding bonds is in line with common market practice and has the advantage that the conversion or exercise price of the already outstanding bonds, which are commonly equipped with an anti-dilution mechanism, does not have to be reduced. As a result, the attractiveness of a bond issue may be enhanced by placing the bonds in several tranches, thus raising a higher total inflow of funds. Therefore, the proposed exclusions of shareholders' subscription rights are in the interests of the Company and its shareholders.

Under this authorization, bonds may only be issued under exclusion of the subscription right, if the total of new shares to be issued on the basis of such bond, together with new shares issued by the Company during the term of this authorization based on another authorization under exclusion of the subscription right or to be issued on the basis of a convertible bond and/or warrant bond issued during the term of this authorization based on the use of another authorization under exclusion of the subscription right, does, in mathematical terms, not exceed 20% of the capital stock at the time this authorization takes effect.

The Conditional Capital 2015 is required in order to be able to fulfill conversion and/or option rights or conversion or option obligations or delivery rights under an option attached to bonds on or in respect of Siemens shares, unless other types of fulfillment are used to ensure delivery.

There are currently no concrete plans to make use of the authorization to issue convertible bonds and/or warrant bonds. The Managing Board will carefully consider on a case-by-case basis whether use of the authorization would be in the interests of the Company and its shareholders.

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

Report of the Supervisory Board on Agenda Item 11

Further to the settlement agreements entered into with other former board members that became effective in January 2010 and January 2013, it is now intended to settle, by way of compromise, claims asserted against the former member of the Managing Board Mr. Heinz-Joachim Neubürger on account of the breach of organizational and supervisory duties in connection with illegal business practices that occurred in the course of international business transactions revealed in November 2006.

Settlement agreements entered into with former board members to date

The Company concluded settlements with nine former board members in December 2009 and, in December 2012, with one further board member out of the total of eleven former board members against whom the Company had asserted claims for damages on the above grounds. The

settlements were submitted to the Company's Annual Shareholders' Meeting for approval on January 26, 2010 and January 23, 2013. In the respective Notice of Annual Shareholders' Meeting, the shareholders were given comprehensive information on the settlement agreements submitted for approval in the reports on the respective Agenda Items. The respective Annual Shareholders' Meetings approved the settlement agreements; there was no objection raised by a minority of shareholders whose combined shares amounted to at least 10% of the capital stock (Section 93 (4) sentence 3 of the German Stock Corporation Act (AktG)). The approving resolutions were not challenged, either. The settlement agreements thus became effective. On January 26, 2010, the Annual Shareholders' Meeting also approved a settlement agreement entered into between the Company and its D&O insurance carriers regarding claims in connection with the D&O insurance policy, resulting in payments of up to €100 million ("Coverage Settlement").

Assertion of the claims by court action

No agreement on a settlement was reached with Mr. Neubürger prior to the Annual Shareholders' Meeting on January 26, 2010. Mr. Neubürger was offered the possibility of paying a settlement amount of €4 million, but did not accept this proposal. Consequently, the Company filed an action for part of the claim (*Teilklage*) against Mr. Neubürger with the Regional Court (*Landgericht*) of Munich I in January 2010, claiming damages in the amount of €15 million plus interest. The amount claimed was based on the defendant's maximum financial resources assumed at the time. Mr. Neubürger countered the action. In addition, he asserted in a counterclaim against the Company a claim for transfer of 8,442 Siemens shares as a long-term bonus (referred to in the following as "bonus") for fiscal year 2004 and 8,146 Siemens shares as a bonus for fiscal year 2005. In addition, he demanded the payout of the dividend on the shares to which he was entitled for the fiscal years 2008 and 2009 up to 2012, plus in each case interest of five percent above the respective base interest rate as from the time the action became pending.

In the hearing on September 5, 2013 the court suggested that the parties conclude a settlement. In its communication dated October 9, 2013 the court again appealed to the parties' willingness to compromise and proposed a concrete judicial solution with a total economic volume of approximately €900,000. Siemens AG did not accept this proposal since the proposed settlement amount was not appropriate in the view of Siemens AG.

With its ruling dated December 10, 2013, the Regional Court (*Landgericht*) of Munich I upheld the action against Mr. Neubürger and ordered him to pay the Company the amount it had sued for, namely €15 million plus interest of five percent above the respective base interest rate as from September 20, 2010. In relation to the counterclaim by

Mr. Neubürger, the Company was ordered to transfer to Mr. Neubürger 8,442 Siemens shares as a bonus for fiscal year 2004 and 8,146 Siemens shares as a bonus for fiscal year 2005 and to pay him outstanding dividends of €134,599.60 and a further €49,764.00. However, this order against the Company was subject to the proviso that the Company is only obliged to transfer the shares and pay out the dividends conditional upon receipt of the damages totaling €15 million plus interest. The interest claimed by Mr. Neubürger in his counterclaim was rejected on account of the Company's right of retention. The court ordered Mr. Neubürger to pay 13/14th of the costs of the dispute and the Company 1/14th.

Mr. Neubürger appealed the ruling in January 2014. At the joint motion of both parties, the Higher Regional Court (*Oberlandesgericht*) of Munich has now ordered the proceedings to be suspended so as to await the decision by the Annual Shareholders' Meeting on whether to consent to the settlement or not.

Mr. Neubürger served a third-party notice against two former board members of Siemens AG in the course of the first-instance proceedings. Following the judgment given in the first-instance proceedings, he extended the third-party notice to ten other former board members of the Company in mid-April 2014. None of the persons notified has joined the legal dispute to date.

Termination of the criminal proceedings against Mr. Neubürger

At the time the action was filed in January 2010, Mr. Neubürger was being investigated by the public prosecutor. The investigations related, among other things, to the suspicion of a breach of fiduciary duty respectively aiding and abetting a breach of fiduciary duty to the detriment of Siemens Aktiengesellschaft due to the suspicion that he was aware of the creation of slush funds, the suspicion of misrepresentation in connection with the 2003 and 2004 Annual Financial Statements, and the suspicion that he had negligently violated his supervisory duty. The investigations in this regard were terminated in July 2010 and May 2011 respectively (termination in accordance with Section 170 (2) of the German Code of Criminal Procedure (*Strafprozessordnung*) and Section 47 (1) of the German Act on Regulatory Offenses (*Gesetz über Ordnungswidrigkeiten*). In addition, investigations due to suspected tax evasion and acting as an accessory to bribery of foreign officials in the course of international business transactions were terminated in September 2011 after Mr. Neubürger had consented to settlement of the proceedings subject to the requirement on him to pay a total sum of €400,000.00 to three not-for-profit organizations (termination in accordance with Section 153a (1) of the German Code of Criminal Procedure (*Strafprozessordnung*)).

Key terms of the Settlement

Following the judgment given in the first-instance proceedings by the Regional Court (*Landgericht*) of Munich I, negotiations on a settlement between the parties were resumed. In the course of these negotiations, Mr. Neubürger also disclosed his financial situation to Siemens Aktiengesellschaft. The Settlement Agreement submitted for approval was negotiated taking account of Mr. Neubürger's limited financial resources. The terms of the Settlement Agreement with Mr. Neubürger largely correspond to the terms of the settlement agreements that were entered into with other board members and approved by the Annual Shareholders' Meeting in January 2010 and – in the case of Dr. Ganswindt – in January 2013. The key terms of the Settlement Agreement reached with Mr. Neubürger can be summarized as follows:

- > Mr. Neubürger will pay an amount of €2,500,000 to Siemens Aktiengesellschaft without acknowledgment of any legal obligation.
- > The settlement amount will be paid in part by being set off against as yet unpaid claims of Mr. Neubürger against the Company (claims to dividends from the bonus shares to which Mr. Neubürger is still entitled; compensation payment instead of OSRAM shares to which Mr. Neubürger is entitled), in each case less taxes to be withheld, if any. The remaining settlement amount less the net dividend payments that have been set off and less the net OSRAM Settlement Payment that has been set off will be due on March 1, 2015, and at the discretion of Mr. Neubürger may be paid in money or by means of a waiver, in whole or in part, of Mr. Neubürger's claims against the Company, in particular if Mr. Neubürger waives his claim to transfer to him the Siemens shares to which he is entitled as a bonus for fiscal 2004 and 2005 or waives pension claims to which he is entitled.
- > Any further current and future, known or unknown claims – irrespective of their legal ground – by the Company against Mr. Neubürger under or in connection with the practices within the Siemens Group initially mentioned, in particular any claims based on a breach of organizational and supervisory duties with regard to the compliance organization and the observation of the rules regarding compliance and orderly payment transactions as well as any other claims of the Company against Mr. Neubürger with regard to the facts and circumstances described in the action brought by the Company against Mr. Neubürger before the Regional Court (*Landgericht*) of Munich I, shall be settled and discharged upon payment in full by Mr. Neubürger.
- > Moreover, Siemens Aktiengesellschaft undertakes to indemnify Mr. Neubürger from and against any internal claims for compensation asserted by other board members, affiliated companies and employees as well as from and against any claims asserted by certain third

parties in connection with the acts of corruption. These indemnity commitments are required to ensure that the amount to be paid by Mr. Neubürger personally remains limited to the settlement amount. In addition, the Company will indemnify Mr. Neubürger from and against any claims asserted by the D&O insurance carriers on account of any alleged violation of duties as a result of the negotiations on the Settlement Agreement and/or the conclusion of the Settlement Agreement. Finally, the Company has agreed – subject to the proviso that such costs may be claimed back in the event that the Company obtains a non-appealable ruling according to which Mr. Neubürger is guilty of a negligent or willful breach of duty – to assume further legal defense costs to the extent that these costs exceed the amount provided by the D&O insurance carriers for this purpose within the framework of the Coverage Settlement.

- > The Company undertakes to withdraw the claim currently pending with the Higher Regional Court (*Oberlandesgericht*) of Munich against Mr. Neubürger. Mr. Neubürger undertakes to withdraw his counterclaim at the same time. As far as the costs of the dispute between the Company and Mr. Neubürger are concerned, specifically, the costs related to the first instance, the decision of the court in the ruling dated December 10, 2013 shall continue to apply. The costs of the dispute in the second instance shall be paid by Mr. Neubürger.

For further details, reference is hereby made to the complete wording of the Settlement Agreement reproduced in the Annex to Agenda Item 11.

Legal framework for the Settlement

Pursuant to Section 93 (4) sentence 3 of the German Stock Corporation Act, the Company may only waive or settle compensation claims against (former) members of the Managing Board if three years have passed since the claim came into existence, if the annual shareholders' meeting approves the decision and if no minority whose combined shares amount to at least 10% of the capital stock raises an objection recorded in the minutes. This three-year period started, at the latest, upon the extensive search of the business premises of Siemens Aktiengesellschaft conducted on November 15, 2006, and thus expired, at the latest, on November 16, 2009.

The Settlement Agreement will therefore become effective if the Annual Shareholders' Meeting approves the decision and no minority of shareholders whose combined shares amount to at least 10% of the capital stock raises an objection recorded in the minutes. The approving resolution of the Annual Shareholders' Meeting must be adopted with the simple majority of the votes cast.

Summary of recommendations

The Supervisory Board and the Managing Board are convinced that the Settlement proposed is, on the whole, favorable to Siemens Aktiengesellschaft. Although the Company has a provisionally enforceable judgment from the first-instance proceedings to the effect that Mr. Neubürger has to pay €15 million, Mr. Neubürger has appealed the ruling and, if continued before the courts, the dispute may last for a long time to come, involving significant further cost and work for the Company. It can also be assumed that a continuation of the dispute with Mr. Neubürger would attract considerable media attention. The settlement will also avoid further costs from the proceedings, which will also benefit Siemens to the extent that, under the terms of the Coverage Settlement concluded with them, the D&O insurance carriers will disburse to Siemens AG half of the funds provided for this purpose that are not used for defense costs of former board members, i.e. an amount of approximately €2.5 million.

Moreover, Mr. Neubürger demonstrated in a credible manner – by submitting a statement of property and a corresponding affirmation before a notary – that the amount of €15 million claimed in the action cannot be enforced for lack of available assets and that the payment of €2.5 million means he will have to forgo a large part of his personal assets as compensation for the damage. Enforcement of the claim for €15 million would destroy the economic existence of Mr. Neubürger. The Supervisory Board would regard that as being unreasonable – especially considering the undisputed merits of Mr. Neubürger for Siemens AG. The Supervisory Board believes it appropriate to treat Mr. Neubürger in a similar way as the other board members with whom settlement agreements have been concluded in the past. Even though the settlement amount has been reduced from the original proposal of €4 million in 2009 by €1.5 million to €2.5 million, this is mainly a reflection of the knowledge the Company now has regarding the matter. The reason for the original proposal of a settlement amount of €4 million at the time was that, next to other board members, also Mr. Neubürger possessed “considerable special knowledge” of the corruption practices in the Group. Now that the investigations into Mr. Neubürger by the public prosecutor have been terminated and also the Regional Court (*Landgericht*) of Munich I has based its judgment against Mr. Neubürger in the first-instance proceedings primarily on his overall responsibility as a member of the Managing Board, a reduction in the original settlement amount appears appropriate for Mr. Neubürger. Moreover, the payment of €2.5 million means Mr. Neubürger will have to forgo a large part of his personal assets as compensation for the damage. The fact that Mr. Neubürger at least undertook – albeit inadequate – attempts at countermeasures against the illegal business practices that occurred in the course of international business transactions as of 2004 can also be taken into account.

That the view that Mr. Neubürger's guilt is somewhat diminished is not unjustified is also shown by the settlement amount of €900,000 proposed by the court on October 9, 2013, which likewise voiced the view that Mr. Neubürger had not done enough to reveal the cash flows in question and prevent them in future, but that he was also not the main person to blame. The proposed settlement amount of €2.5 million reflects these aspects and accords with the settlement system to date. Finally, in concluding the settlement agreement with Mr. Neubürger, the Supervisory Board also took into consideration the fact that the Annual Shareholders' Meetings in 2010 and 2013 approved the settlement agreements with the former board members by majorities of over 99% and 98% respectively. The Supervisory Board has taken this as a clear sign that the shareholders wish to see the disputes with the former board members ended finally and conclusively.

Overall, the Supervisory Board and the Managing Board are of the opinion that the interest of the Company to definitively come to terms with the legal remediation of corrupt practices by means of settlement agreements with the former board members outweighs the alternatives. The Supervisory Board and the Managing Board therefore propose to the Annual Shareholders' Meeting to approve the Settlement Agreement with Mr. Neubürger.

Total number of shares and voting rights

At the time of giving Notice of the Annual Shareholders' Meeting, the Company's capital stock amounts to 881,000,000 shares of no par value, with each share entitling to one vote. The total number of voting rights thus amounts to 881,000,000. Of these 881,000,000 shares, at the time of the proposal for appropriation of the net income, 52,420,178 shares are held as treasury shares from which the Company derives no rights.

Prerequisites for attending the Annual Shareholders' Meeting and for exercising the voting rights

Notification of attendance

Only those shareholders are entitled to attend and vote at the Annual Shareholders' Meeting who are recorded as shareholders of the Company in the Company's share register and who have submitted timely notification of attendance at the Annual Shareholders' Meeting. The notification of attendance must be received by the Company no later than Tuesday, January 20, 2015.

Shareholders who are registered in the Company's share register may submit their notification of attendance in text form in the German or English language to Siemens AG at the following address:

Siemens Hauptversammlung 2015
c/o ADEUS Aktienregister-Service-GmbH
20636 Hamburg, Germany
Telefax: +49 (0) 89/380090592
E-mail: hv-service.siemens@adeus.de

or by using the password-protected Internet Service for the Annual Shareholders' Meeting electronically via the Internet at

 WWW.SIEMENS.COM/AGM-SERVICE

You can obtain online access by entering your Shareholder Control Number and the related Personal Identification Number (PIN), both of which are contained in the materials sent to you. Instead of their PIN, shareholders who have registered for electronic delivery of invitations to Shareholders' Meetings with an Access Password selected by them upon registration must use this Access Password. Further information on the attendance notification procedure is provided on the Attendance Notification Form (which may also be used to assign a proxy and vote by absentee voting) sent to you together with the Notice of Annual Shareholders' Meeting, as well as at the above-mentioned website. After timely notification of your attendance, you may use our Internet Service to change your admission ticket order, absentee votes, proxy authorization and voting instructions until the end of the general debate on the day of the Annual Shareholders' Meeting. Special conditions apply to the use of our Internet Service for notification of attendance from credit institutions, shareholders' associations or persons, institutions or companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG). Detailed information can be found on the above-mentioned website.

Credit institutions, shareholders' associations and persons, institutions or companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG) are not entitled to vote such shares not owned by them, but recorded under their name in the Company's share register (commonly referred to as nominee or "street name" registration), unless they have the shareholder's authority.

Holders of American Depositary Receipts (ADRs) may obtain further information through Deutsche Bank Trust Company Americas, c/o AST & Trust Co, 6201 15th Avenue, Brooklyn, NY 11219, USA (phone: +1 866 706 8374, e-mail: DB@amstock.com).

Please note that due to the historically high number of attendance notifications received for our Annual Shareholders' Meeting, it is necessary to limit the number of admission tickets sent to shareholders to generally one ticket per shareholder. Without wishing to restrict your right to attend, we request that you notify your attendance as early as possible and only if you seriously intend to attend the Annual Shareholders' Meeting. This will facilitate organization of the Annual Shareholders' Meeting.

Shareholders of record or their duly appointed proxies entitled to attend the Annual Shareholders' Meeting will receive admission tickets and voting cards.

Free disposability of shares

Shareholders may dispose of their shares even after having registered for attendance at the Annual Shareholders' Meeting. The right to attend and vote is based on the shareholding evidenced by entry in the Company's share register as of the date of the Annual Shareholders' Meeting. Applications for registration in the Company's share register received by the Company after the end of the closing date of the notification period from January 21, 2015 through January 27, 2015 will be processed and considered only with effect after the Annual Shareholders' Meeting on January 27, 2015. The technical record date is therefore the end of January 20, 2015.

Proxy voting procedure

Shareholders who are registered in the Company's share register are entitled to appoint a proxy representative – such as a credit institution or a shareholders' association – and to delegate to this representative their authority to vote their shares at the Annual Shareholders' Meeting. Here again, timely notification of attendance must be given by the shareholder or the duly authorized proxy (see "Notification of attendance" above).

A proxy authorization, its revocation and evidence of proxy authorization vis-à-vis the Company must be provided in text form or via the above-mentioned Internet Service for the Annual Shareholders' Meeting (by entering the Shareholder Control Number and the related Personal Identification Number (PIN) or the Access Password) if neither a credit institution nor a shareholders' association nor persons, institutions or companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG) are authorized. Please use preferably the Attendance Notification Form sent to you together with the Notice of Annual Shareholders' Meeting and send it to the above-mentioned address. Credit institutions, shareholders' associations and persons, institutions or companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connec-

tion with Section 125 (5) of the German Stock Corporation Act (AktG) may stipulate different requirements with regard to their own appointment as proxies.

As a special service, we offer our shareholders, as in the past, the option of delegating, to employees of the Company, their authority to vote their shares at the Annual Shareholders' Meeting in accordance with their voting instructions. Again, the required authorization may be given at the above-mentioned website (by way of the Shareholder Control Number and the related Personal Identification Number (PIN) or Access Password), or by returning the forms sent to you. Please note that these proxy representatives can only vote your shares on agenda items on which you have given voting instructions, and that they may not accept instructions on proposals of procedure prior to or during the Annual Shareholders' Meeting. By the same token, these proxy representatives will not accept any instructions for requests to speak, to raise objections against resolutions of the Annual Shareholders' Meeting, or to ask questions or submit proposals.

Further details regarding the proxy voting procedure are provided on the Attendance Notification Form sent to you together with the Notice of Annual Shareholders' Meeting and at the above-mentioned website.

After timely notification of your attendance, you may use our Internet Service to change your proxy authorization and voting instructions until the end of the general debate on the day of the Annual Shareholders' Meeting. Special conditions apply to the use of our Internet Service for notification of attendance from credit institutions, shareholders' associations or persons, institutions or companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG). Detailed information can be found on the above-mentioned website. When using our Internet Service for the Annual Shareholders' Meeting, please note that you can neither vote on possible counterproposals or election nominations or other proposals not made available or brought forward prior to the Annual Shareholders' Meeting in accordance with statutory provisions, nor give voting instructions with regard to such proposals. Likewise, no requests to speak, objections to resolutions of the Annual Shareholders' Meeting, questions or proposals from shareholders can be accepted via the Internet Service for the Annual Shareholders' Meeting.

Absentee voting procedure

Shareholders registered in the Company's share register are entitled to submit their votes by way of absentee voting (voting by mail), even without attending the Annual Shareholders' Meeting. Only those shareholders of record are entitled to vote by absentee voting who have submitted timely notification of attendance at the Annual Shareholders' Meeting (see "Notification of attendance" above). Authorized credit institutions, shareholders' associations and persons, institutions or companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG) may also take advantage of absentee voting.

Absentee voting shall be in writing or by using electronic communication. Please use preferably the Attendance Notification Form sent to you together with the Notice of Annual Shareholders' Meeting and send it to the above-mentioned address, or use our password-protected Internet Service for the Annual Shareholders' Meeting via the above-mentioned Internet address (by entering your Shareholder Control Number and the related Personal Identification Number (PIN) or the Access Password).

Further details regarding the absentee voting procedure are provided on the Attendance Notification Form sent to you together with the Notice of Annual Shareholders' Meeting and at the above website.

After timely notification of your attendance, you may use our Internet Service to change your voting by mail until the end of the general debate on the day of the Annual Shareholders' Meeting. Special conditions apply to the use of our Internet Service for notification of attendance from credit institutions, shareholders' associations or persons, institutions or companies of equal status pursuant to Section 135 (8) or Section 135 (10) in connection with Section 125 (5) of the German Stock Corporation Act (AktG). Detailed information can be found on the above-mentioned website. When using our Internet Service for the Annual Shareholders' Meeting, please note that you cannot cast absentee votes either on possible counterproposals or on election nominations or on other proposals not made available or brought forward prior to the Annual Shareholders' Meeting in accordance with statutory provisions. Likewise, no requests to speak, objections to resolutions of the Annual Shareholders' Meeting, questions or proposals from shareholders can be accepted via the Internet Service for the Annual Shareholders' Meeting.

Inquiries, proposals, election nominations, and information requests

(information on shareholders' rights pursuant to Section 122 (2), Section 126 (1), Section 127, Section 131 (1) and Section 293g (3) of the German Stock Corporation Act (AktG))

Requests for additions to the agenda pursuant to Section 122 (2) of the German Stock Corporation Act (AktG)

Shareholders whose combined shares amount to at least one-twentieth of the capital stock or a proportionate ownership of at least €500,000 (the latter equivalent to 166,667 shares) may request that items be placed on the agenda and be published. Each new item must be accompanied by supporting information or a formal resolution proposal. The request must be submitted in writing to the Managing Board of Siemens AG and be received by the Company no later than midnight (CET) on December 27, 2014. Please use the following address to submit your respective requests:

Managing Board of Siemens AG
Wittelsbacherplatz 2
80333 Munich, Germany.

Unless made public at the same time as the Notice of Annual Shareholders' Meeting, requests for additions to the agenda that are required to be published are published without undue delay upon receipt in the German Federal Gazette (*Bundesanzeiger*) and submitted for publication to those media which may be presumed to distribute the information throughout the European Union. In addition, such requests are published on the Internet at WWW.SIEMENS.COM/AGM and communicated to the shareholders.

Counterproposals and election nominations pursuant to Section 126 (1) and Section 127 of the German Stock Corporation Act (AktG)

In addition, shareholders may submit to the Company counterproposals to Managing and/or Supervisory Board proposals relating to certain agenda items and make election nominations. All counterproposals (along with supporting information), election nominations and other inquiries by shareholders concerning the Annual Shareholders' Meeting must be sent to:

Siemens Aktiengesellschaft
Governance & Markets
Investor Relations (GM IR)
Wittelsbacherplatz 2
80333 Munich, Germany
Telefax: +49 (0) 89/636-32830

or e-mailed to:

hv2015@siemens.com

Counterproposals and election nominations by shareholders to be made available, including the shareholder's name and any supporting information to be made available, will be posted on the Internet at www.siemens.com/AGM immediately upon their receipt. All counterproposals and election nominations relating to items on the present Agenda that are received at the above-mentioned address by midnight (CET) on January 12, 2015, will be considered. Management's position, if any, on the counterproposals and election nominations will also be available at the above-mentioned website.

Right to obtain information pursuant to Section 131 (1) and Section 293g (3) of the German Stock Corporation Act (AktG)

Every shareholder or shareholder representative present at the Annual Shareholders' Meeting may request from the Managing Board information regarding the Company's affairs, the Company's legal and business relations with any affiliated companies, and the position of the Group and any companies included in the Consolidated Financial Statements, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. Moreover, under Section 293g (3) of the German Stock Corporation Act (AktG), with regard to Agenda Item 13 any shareholder shall, upon request, also be given information at the shareholders' meeting relating to all affairs of Kyros 47 GmbH that are material in the context of concluding the Control and Profit-and-Loss Transfer Agreement.

Additional explanations

Additional explanations regarding shareholders' rights pursuant to Section 122 (2), Section 126 (1), Section 127, Section 131 (1) and Section 293g (3) of the German Stock Corporation Act (AktG) can be found on the Company's website at www.siemens.com/AGM.

Live transmission of the Annual Shareholders' Meeting

As determined by the Chairman of the Meeting, the entire Annual Shareholders' Meeting on January 27, 2015 will be webcast live for shareholders of Siemens AG over the Internet starting at 10:00 a.m. CET (www.siemens.com/AGM-SERVICE). Shareholders of record will be able to obtain online access by entering their Shareholder Control Number and the related Personal Identification Number (PIN) specified in the materials sent to them. Instead of their PIN, shareholders who have registered for electronic delivery of invitations to Shareholders' Meetings with an Access Password selected by them upon registration must use this Access Password.

Furthermore, the speeches of the Chairman of the Supervisory Board and of the President and CEO may also be followed by other interested parties live over the Internet at WWW.SIEMENS.COM/AGM.

A replay of the speeches of the Chairman of the Supervisory Board and of the President and CEO, but not of the entire Annual Shareholders' Meeting, will be available after the Annual Shareholders' Meeting at the above Internet address.

The live transmission of the Annual Shareholders' Meeting does not allow for a participation in the Annual Shareholders' Meeting within the meaning of Section 118 (1) sentence 2 of the German Stock Corporation Act (AktG).

Website where information pursuant to Section 124a of the German Stock Corporation Act (AktG) is available

The Notice of Annual Shareholders' Meeting, together with the information and explanations required by law, is also available on our website at WWW.SIEMENS.COM/AGM, where the information pursuant to Section 124a of the German Stock Corporation Act (AktG) can also be found.

The voting results will be posted at the same website after the Annual Shareholders' Meeting.

The Notice of Annual Shareholders' Meeting has been submitted for publication to those media which may be presumed to distribute the information throughout the European Union.

By order of the Managing Board

Siemens Aktiengesellschaft

Annex to Agenda Item 11

Settlement Agreement

between

Siemens Aktiengesellschaft, represented by its Supervisory Board,
Wittelsbacherplatz 2, 80333 Munich

– hereinafter also referred to as the “**Company**” –

and

Mr. Heinz-Joachim Neubürger

Preamble

1. Mr. Neubürger was a member of the Company’s Managing Board from 1997 until April 2006 and a member of its Corporate Executive Committee from 1998. In his capacity as the Chief Financial Officer, he was responsible for CF and served as manager of both SFS and SRE. Mr. Neubürger joined the Company in 1989 and worked in the treasury and investor relations departments among others before being appointed to the Managing Board.
2. In November 2006, a system of slush funds existing throughout the Siemens Group became public. The Company is of the opinion that the members of the Corporate Executive Committee have breached their organizational and supervisory duties in connection with the slush fund system, which has caused and still causes the Company to incur substantial losses. The Company therefore held Mr. Neubürger liable for damages by letter of its Chairman of the Supervisory Board dated 29 July 2008.
3. After talks regarding a settlement by way of compromise had initially failed, the Company filed an action for part of the claim (*offene Teilklage*) against Mr. Neubürger with the Munich Regional Court I (*Landgericht*) (docket no. 5 HK O 1387/10) on 25 January 2010, claiming damages in the amount of EUR 15,000,000.00 plus interest as from the time the action became pending at a rate of 5 percent above the base interest rate.

By brief dated 15 January 2013 Mr. Neubürger filed a counterclaim against the Company for transfer of 8,442 Siemens shares as a bonus for fiscal 2003/2004 and 8,146 Siemens shares as bonus for fiscal 2004/2005; a claim to payment of a dividend on these shares for fiscal 2007/2008 and fiscal 2008/2009 up to fiscal 2011/2012 in the amount of EUR 134,599.60 plus interest at the rate of 5 percent above the prevailing base rate since the matter has been pending; as well as an additional claim to payment of EUR 49,764.00 plus interest at the rate of 5 percent above the prevailing base rate since 25 January 2013.

In a ruling dated 10 December 2013 the Munich Regional Court I allowed the Company's claim in full. The Munich Regional Court I allowed Mr. Neubürger's counterclaim against the Company at the same time, with the proviso however that he could only bring his claim conditional upon the payment of EUR 15,000,000 to the Company and that dividend payments do not carry interest on account of the Company's right of retention. The court ordered Mr. Neubürger to pay 13/14th of the costs of the dispute and the Company 1/14th.

4. By brief dated 09 January 2014 Mr. Neubürger appealed the ruling of the Munich Regional Court I to the Munich Higher Regional Court (*Oberlandesgericht*), docket no. 7 U 113/14. Mr. Neubürger believes that his actions were consistent with his duties. In particular, he claims that, given the information available to him in each case, he was justified to consider the extant organization of compliance and the monitoring of compliance with the rules of both compliance and orderly payment transactions to be adequate and did not have, or should not have had, any reason to take steps above and beyond those carried out by both the Managing Board and himself. The Company did not appeal the ruling of the Munich Regional Court I.
5. The Company's Supervisory Board is aware that the investigations conducted by the public prosecutor's office in connection with the events specified in item 2 were abandoned in part pursuant to Sec. 170 German Code of Criminal Procedure (*Strafprozessordnung*) without any requirements and in part pursuant to Sec. 153a German Code of Criminal Procedure in return for payment of a fine in the amount of EUR 400,000.
6. Mr. Neubürger belongs to the group of individuals insured under a D&O insurance policy taken out by the Company as the policyholder with a total sum insured of EUR 250 million, which is composed of one underlying policy in the amount of EUR 50 million and four excess of loss contracts in the amount of EUR 50 million each (the "**D&O Policy**"). The Company reached a settlement with Allianz Global Corporate & Specialty AG, Zürich Versicherung Aktiengesellschaft (Deutschland), ACE European Group Limited, Liberty Mutual Insurance Europe Limited and Swiss Re International SE (collectively, the "**D&O Insurance Companies**") as the leading insurers of the D&O Policy on 02 December 2009 (the "**Insurance Cover Settlement**"). The Shareholders' Meeting approved the Insurance Cover Settlement by shareholders' resolution of 26 January 2010. As no minority of shareholders whose aggregate shareholding equals or exceeds 10% of the Company's share capital raised an objection recorded in the minutes, the Insurance Cover Settlement thus entered into effect on 26 January 2010.

7. Even though the D&O Insurance Companies only pay part of the sum insured, the Company declared that it would place the former members of its corporate bodies in the position in which they would be if the insurance companies had paid EUR 250 million to the Company towards the claim for damages, unless the former members of its corporate bodies willfully or knowingly breached their duties. The Company is of the opinion, however, that the damage it is to be compensated for is many times higher than the sum insured of EUR 250 million. The Company therefore still holds Mr. Neubürger, the last former accountable member of its corporate bodies with whom it has so far not reached a settlement, liable for damages even after the D&O Policy has been utilized.
8. In the interest of both parties, the Company and Mr. Neubürger wish to avoid the continuation of the dispute and wish to reach a final and amicable solution, both on the merits and in terms of amount, irrespective of the amount of the payments made by the D&O Insurance Companies and other former members of the Company's corporate bodies.

Now, therefore, to reach a final and comprehensive settlement of the dispute, the Parties agree as follows:

§ 1

Payment by the Member of the Managing Board

- (1) Mr. Neubürger agrees to make a payment to the Company in accordance with the provisions of this Settlement Agreement. He makes this payment without acknowledgement of any legal obligation. In particular, the payment does not constitute any acknowledgement of an obligation to pay damages or any acknowledgement of the breaches of duty of which the Company accused Mr. Neubürger.
- (2) The payment to be made amounts to EUR 2.5 million (hereinafter also referred to as the "**Settlement Amount**"). The Settlement Amount shall be owed irrespective of the amount of the payments made by any other former members of the Company's corporate bodies and irrespective of the amount of the payment made by the D&O Insurance Companies.
- (3) Subject to condition precedent as of the date on which this Settlement Agreement takes effect in accordance with § 4 (1), the Parties agree to set off the settlement amount against the as of yet unpaid claims to dividends in the amount of EUR 184,363.60 allocable to the Siemens shares to be transferred to Mr. Neubürger pursuant to item 3 of the Preamble, specifically, for fiscal 2007/2008 or fiscal 2008/2009 up to fiscal 2011/2012, and in the amount of EUR 49,764.00 for fiscal 2012/2013, in each case less taxes if any. If and insofar as Mr. Neubürger still holds the claim to transfer of Siemens

shares pursuant to item 3 of the Preamble at the time the claim to dividends for fiscal 2013/2014 falls due, this claim to dividends shall also be included in the offsetting and be set off against the claim to dividends for fiscal 2013/2014 to be resolved by the Company's next Shareholders' Meeting. Siemens AG does not owe any interest on the claims to dividends.

- (4) As part of the spin-off of OSRAM Licht AG, which was resolved by the 2013 Shareholders' Meeting of Siemens AG, the shareholders of Siemens AG were granted one no-par bearer share in OSRAM Licht AG for ten no-par bearer shares in Siemens AG free of charge. The Parties agree instead that Mr. Neubürger has a claim to a cash payment equivalent to the value of one OSRAM Licht share for every ten Siemens shares to be transferred to him pursuant to item 3 of the Preamble (hereinafter also referred to as the "**OSRAM Settlement Payment**"). The closing price in Xetra trading of the OSRAM Licht stock at the Frankfurt/Main Stock Exchange on the payment due date as per paragraph (5) shall be used to determine the amount of the OSRAM Settlement Payment. This shall not affect Mr. Neubürger's right to carry out a virtual sale of the OSRAM Licht shares to which he is entitled. In this case, the OSRAM Settlement Payment shall be determined based on the closing price in Xetra trading at the Frankfurt/Main Stock Exchange on the day after the Company receives the virtual sell order. Subject to condition precedent as of the date on which this Settlement Agreement takes effect in accordance with §4 (1), the Parties agree that the Settlement Amount shall be set off against the OSRAM Settlement Payment to which Mr. Neubürger is entitled, less taxes if any. Siemens AG does not owe any interest on the OSRAM Settlement Payment.
- (5) Hereinafter, the Settlement Amount less the net dividend payments that have been set off and less the net OSRAM Settlement Payment that has been set off is also referred to as the "**Payment Amount**". The Payment Amount shall be due on 01 March 2015. If the validity of the resolution of the Shareholders' Meeting regarding approval of this Settlement is challenged in court, the Payment Amount shall not be due until the suit has been finally adjudicated, withdrawn or otherwise settled. In this case, the Payment Amount shall carry interest of 5 percent p.a. above the prevailing base rate from 01 March 2015. No interest shall be due if the payment owed is made by waiving claims against the Company pursuant to paragraph (6).
- (6) At the discretion of Mr. Neubürger, the Payment Amount may be paid in money or by means of a waiver, in whole or in part, of Mr. Neubürger's claims against the Company, in particular, if Mr. Neubürger waives his claim to transfer to him the Siemens shares to which he is entitled as a bonus for fiscal 2003/2004 and 2004/2005 pursuant to

item 3 of the Preamble. The right to choose the payment mode must be exercised no later than on the due date. If and insofar as Mr. Neubürger elects to make payment by waiving a claim, the given claims shall be assessed at the value they would have as of the due date pursuant to paragraph (5), less taxes if any. To this end, pension claims are assessed at the net present value determined by the Company as of the due date of the payment pursuant to paragraph (5). The closing price in Xetra trading of the Siemens stock at the Frankfurt/Main Stock Exchange on the due date as per paragraph (5) shall be used to determine the claim to transfer of Siemens shares; no dividends or interest shall be added to this value. This shall not affect Mr. Neubürger's right to carry out a virtual sale of the Siemens shares to which he is entitled under item 3 of the Preamble. In this case, the virtual proceeds that the Company retains shall be set off against the amount that Mr. Neubürger owes as of the due date pursuant to paragraph (5) without interest.

- (7) Any further current and future, known or unknown claims – irrespective of the grounds therefor – by the Company against Mr. Neubürger under or in connection with the events within the Siemens Group specified in item 2 of the Preamble, in particular any claims based on a breach of organizational and supervisory duties with regard to the compliance organization and the observation of the rules regarding compliance and orderly payment transactions as well as any other claims of the Company against Mr. Neubürger with regard to the facts and circumstances described in the action brought by the Company against Mr. Neubürger before the Munich Regional Court I, shall be settled and discharged upon payment in full by Mr. Neubürger in accordance with the provisions of this § 1, notwithstanding § 2 (2) and § 3 (1) e.

§ 2

D&O Policy

- (1) The payments already made and still to be made by the D&O Insurance Companies shall be determined on the basis of the insurance contract and the Insurance Cover Settlement agreed between the Company and the D&O Insurance Companies.
- (2) Pursuant to the terms of the Insurance Cover Settlement, the insurance companies will only try to recover any defense costs from Mr. Neubürger incurred before the Insurance Cover Settlement takes effect if it is established by way of a final and binding judgment by a court that Mr. Neubürger willfully or knowingly breached his duties in connection with the events specified in item 2 of the Preamble. For defense costs that are or will be incurred for a defense against third-party claims after the Insurance Cover Settlement has entered into effect, Mr. Neubürger will be granted insurance cover by the

insurance companies on the aforementioned conditions in accordance with the Insurance Cover Settlement out of the provisions set up for this purpose in the amount of EUR 10 million. If Mr. Neubürger is not granted insurance cover under the Insurance Cover Settlement, the Company shall indemnify Mr. Neubürger against any costs incurred for a defense against any third-party claims exceeding such amount; unless the further indemnity under §3 (1) hereof is applicable this applies, however, subject to the proviso that such costs may be claimed back in the event that the Company obtains a nonappealable judgment against Mr. Neubürger, according to which Mr. Neubürger is guilty of a negligent or willful breach of duty in connection with the third-party claim being brought.

- (3) Mr. Neubürger hereby consents to the terms of the Insurance Cover Settlement. Above and beyond this, Mr. Neubürger waives, as a precautionary measure, any claims against the Company arising from or in connection with the conclusion of the Insurance Cover Settlement by the Company.

§3

Indemnity, Counterclaims

- (1) The Company shall hold Mr. Neubürger harmless from and against
- a) any claims which other – including former – members of the Company’s corporate bodies or employees of the Company or any affiliates of the Company may have against Mr. Neubürger as a result of, or in connection with, the events specified in item 2 of the Preamble;
 - b) any claims arising from or in connection with the events specified in item 2 of the Preamble that may be brought by shareholders of the Company against Mr. Neubürger in Germany or abroad;
 - c) any claims of affiliates of the Company and customers or competitors of the Siemens Group against Mr. Neubürger arising from or in connection with the events specified in item 2 of the Preamble;
 - d) any claims of the D&O Insurance Companies against Mr. Neubürger on account of any alleged violation of duties as a result of the negotiations on and/or the conclusion of this settlement; and
 - e) any costs of legal advice and legal defense in proceedings that have been or will be brought against Mr. Neubürger by foreign and/or domestic authorities in connection with the events specified in item 2 of the Preamble and if such costs are not covered pursuant to §2 (2) hereof subject to the proviso that such costs may be claimed back to the extent that the Company obtains a nonappealable judgment against Mr. Neubürger, according to which Mr. Neubürger is guilty of a negligent or willful breach of duty.

- (2) Mr. Neubürger will notify the Company immediately and in writing of each claim by third parties covered by paragraph (1) and of each announcement of any such claim. Mr. Neubürger undertakes not to issue any waiver or enter into any settlement or other binding agreement regarding any such claim without the approval of the Company. The Company is entitled to take any measures that are legally permitted to defend against or otherwise settle a claim on behalf of Mr. Neubürger, taking due account of his interests. Mr. Neubürger will support the Company in defending or settling any claims.
- (3) Mr. Neubürger will bring any claims arising from or in connection with the events specified in item 2 of the Preamble he may have against third parties (in particular other – including former – members of the Company’s corporate bodies or employees of the Company) only with the approval of the Company. The Company will not refuse its approval if Mr. Neubürger asserts any such claims exclusively for the purposes of legal defense in proceedings in which he himself is the defendant. Mr. Neubürger undertakes not to serve any further third-party notices (*Streitverkündung*) on former or current members of the Company’s corporate bodies or former or current employees of the Company or to file third-party counterclaims (*Widerklagen*) which are directed against these persons or the Company.
- (4) The Company shall fulfill those of Mr. Neubürger’s claims against it in regards to which it has exercised its right of retention after this Settlement takes effect conditional upon fulfillment of the claim to payment pursuant to § 1 unless Mr. Neubürger waives these claims pursuant to § 1 (6) in order to fulfill his own payment obligation. If the validity of the resolution of the Shareholders’ Meeting regarding approval of this Settlement is challenged in court, the Company reserves the right to enforce its right of retention or other security interests, if and insofar as such measures are deemed appropriate by the Company’s Supervisory Board, until the given action is dismissed in a final adjudication, withdrawn or otherwise settled. Claims to interest on arrears or the indemnification of any other losses on default are barred.
- (5) Unless otherwise provided for in this Agreement, Mr. Neubürger hereby waives, as a precautionary measure, any and all claims against the Company based on payments, expenses, costs or losses incurred or made by him in connection with the events specified in item 2 of the Preamble. If the Company has borne or reimbursed any such payments, expenses, costs or losses up to the effective date hereof, Mr. Neubürger shall be under no obligation to repay them.

§4

Effective Date

- (1) The Company undertakes to put this Settlement Agreement to the vote at the Company's next Shareholders' Meeting. With the exception of the preliminary provision in §5 (1), which takes effect at the time this Settlement Agreement is made, the latter shall take effect (condition precedent) when it is approved by the Shareholders' Meeting of the Company and no minority whose aggregate shareholding equals or exceeds 10% of the Company's share capital raises an objection which is recorded in the minutes (Sec. 93 (4) sentence 3 of the German Stock Corporation Act (AktG)). The condition precedent shall be deemed to have lapsed if it has not been fulfilled by midnight on the fifth day following the Company's next Shareholders' Meeting.
- (2) The effectiveness of this Settlement Agreement does not depend on the effectiveness of the Insurance Cover Settlement reached with the D&O Insurance Companies or the effectiveness of the settlement agreements with other former members of the Company's corporate bodies.

§5

Withdrawal of Claim, Costs

- (1) The Parties shall file an application with the court to stay the proceedings pending before the Munich Higher Regional Court (docket no. 7 U 113/14) and shall not apply to have the stay lifted until the condition precedent set forth in §4 (1) sentence 1 is deemed to have lapsed in accordance with §4 (1) sentence 3. Likewise, the Parties shall motion the court to extend the current deadline for filing the grounds of appeal to 30 April 2015. If and insofar as the validity of the resolution of the Shareholders' Meeting regarding approval of this Settlement is challenged in court after the condition precedent has been fulfilled pursuant to §4 (1) sentence 1 by the deadline for filing any challenge pursuant to Sec. 246 (1) German Stock Corporation Act, the Parties shall apply for another extension of the current deadline for filing the grounds of appeal up to the expiration of two months from the date on which the action is dismissed in a final adjudication, withdrawn or otherwise settled.
- (2) The Company undertakes to withdraw the claim pending with the Munich Higher Regional Court (docket no. 7 U 113/14) on the due date of the payment pursuant to §1 (5). Mr. Neubürger undertakes to withdraw his counterclaim at the same time. The Parties mutually agree to withdraw the claim and the counterclaim. The Parties waive any application pursuant to Sec. 269 (3) and (4) of the German Code of Civil Procedure (Zivilprozessordnung).

- (3) As far as the costs of the dispute between the Company and Mr. Neubürger are concerned, specifically, the costs related to the first instance, the decision of the court in the ruling dated 10 December 2013 shall continue to apply. The costs of the dispute in the second instance shall be paid by Mr. Neubürger. To the extent that any Party is obliged, as a result thereof, to bear costs which have already been advanced by the other Party, then the Party obligated to bear the costs shall have the obligation to reimburse the corresponding amount upon written request by the other Party, but no earlier than five days after the claim or counterclaim has been withdrawn. The provisions regarding the reimbursement of defense costs by the D&O-Insurers and the Company shall not be affected thereby.

§6

Miscellaneous

- (1) There are no ancillary agreements to this Agreement. This Agreement may be amended only up to the resolution of the Shareholders' Meeting on the approval of the settlement has been adopted, and any such amendment – including of this clause requiring the written form – must be made in writing.
- (2) All disputes arising from or in connection with this Agreement shall be governed by German law. Munich shall be the place of performance and exclusive place of jurisdiction, to the extent permitted by law.
- (3) If any of the provisions hereof are or become invalid or unenforceable, in whole or in part, or if it becomes evident when implementing this Agreement that it contains a gap, this shall not affect the validity of the remainder hereof. The invalid, unenforceable or missing provision shall be replaced by an appropriate and legally valid provision which, in economic terms, comes as close as possible to that which the Parties intended or would have intended if they had considered the invalidity, unenforceability or omission.

This version of the Notice of Annual Shareholders' Meeting, prepared for the convenience of English-speaking readers, is a translation of the German original. For purposes of interpretation, the German text shall be authoritative and final.

Siemens Aktiengesellschaft

Chairman of the Supervisory Board: Gerhard Cromme

Managing Board: Joe Kaeser, Chairman, President and Chief

Executive Officer · Members of the Managing Board:

Roland Busch, Lisa Davis, Klaus Helmrich, Hermann Requardt,
Siegfried Russwurm, Ralf P. Thomas

Registered offices: Berlin and Munich, Germany

Commercial registries: Berlin Charlottenburg, HRB 12300,

Munich, HRB 6684; WEEE-Reg.-No. DE 23691322

