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Joint Spin-off Report

of the Managing Boards of

Siemens Aktiengesellschaft, Berlin and Munich,

– hereinafter also referred to as "**Siemens AG**" –

and

Siemens Energy AG, Munich

on the Spin-off

of a Majority Participation in Siemens Gas and Power GmbH & Co. KG and its General Partner including the Siemens Energy Business bundled therein

pursuant to Section 127 sentence 1 of the German Transformation Act (*Umwandlungsgesetz*)

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20	Group Separation Agreement

I. Introduction

The managing board of Siemens Aktiengesellschaft with its registered offices in Berlin and Munich ("**Siemens AG**") resolved with the approval of the supervisory board of 22 May 2020 to legally separate (*verselbständigen*) the worldwide Gas and Power operations described in detail in this Spin-off Report ("**Siemens Gas and Power Business**") to be legally separated of the group currently formed by Siemens AG and its subsidiaries ("**Siemens Group**", its companies each "**Siemens Group Companies**") and the approximately 67 % stake held by the Siemens Group in the listed Siemens Gamesa Renewable Energy, S.A. ("**SGRE S.A.**" and, together with its subsidiaries, "**SGRE**") under a German stock corporation (*Aktiengesellschaft*), i.e., Siemens Energy AG with its registered office in Munich ("**Siemens Energy AG**"). Hereinafter, the business of SGRE ("**SGRE Business**") and the Siemens Gas and Power Business are jointly referred to as "**Siemens Energy Business**".

55 % of the shares in Siemens Energy AG ("**Siemens Energy Shares**") are to be transferred to the shareholders of Siemens AG by way of a spin-off in accordance with the German Transformation Act (*Umwandlungsgesetz*, "**UmwG**"). Immediately after the Spin-off takes effect, it is planned for the Siemens Energy Shares to be admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and, additionally, in the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard).

As a result of the legal separation, Siemens AG intends to no longer exercise any control over Siemens Energy AG so that the Siemens Energy Business will cease to be part of the Siemens Group. Siemens AG will initially remain a non-controlling anchor shareholder in Siemens Energy AG with a 35.1 % shareholding directly and indirectly via its wholly owned subsidiary Siemens Beteiligungen Inland GmbH ("**SBI GmbH**"). Additionally, the Siemens Pension Trust e.V. ("**SPT e.V.**") will hold a 9.9 % stake in Siemens Energy AG. With the strategic and operational development of Siemens Energy AG and Siemens AG, Siemens AG intends to reduce its stake in Siemens Energy AG significantly in a timeframe of twelve to 18 months after the Spin-off taking effect.

The legal separation of the Siemens Energy Business under Siemens Energy AG is to be implemented by taking the following key steps:

- As described in more detail in Chapter V.1., the Siemens Energy Business was legally and organizationally consolidated under Siemens Gas and Power GmbH & Co. KG with its registered office in Munich, registered with the register of companies (*Handelsregister*) at the district court (*Amtsgericht*) of Munich under registration number HRA 111200 and to be renamed Siemens Energy Global GmbH & Co. KG ("**Siemens Energy KG**") ("**Carve-out**"). The sole personally liable partner (general partner) of Siemens Energy KG is Siemens Gas and Power Management GmbH, registered with the register of companies at

the district court of Munich under registration number HRB 241345 ("**General Partner GmbH**"). Siemens AG currently holds approximately 87.98 % partnership interest in the fixed capital of Siemens Energy KG as well as a corresponding percentage of the shares in the share capital of General Partner GmbH. SBI GmbH, a wholly-owned subsidiary of Siemens AG with its registered office in Munich and registered with the register of companies at the district court of Munich under registration number HRB 139644, holds the remaining interest in the amount of approximately 12.02 %in the fixed capital of Siemens Energy KG and a corresponding percentage of the shares in the share capital of General Partner GmbH.

- In advance, SBI GmbH and Siemens AG will contribute (partial) partnership interests in Siemens Energy KG and shares in General Partner GmbH in the total amount of 45 % of the fixed capital and the share capital of the relevant company in return for being granted shares in Siemens Energy AG ("**Capital Increases in Kind**"). Through this, the participation in Siemens Energy AG will be created, which will initially be held, directly and indirectly, by Siemens AG. To this end, Siemens Energy AG will increase its capital stock in total from EUR 100,000 by EUR 326,890,337 to EUR 326,990,337.

- Finally, the partnership interest in Siemens Energy KG of 55 % of the fixed capital, having initially remained with Siemens AG, and the shares in General Partner GmbH, likewise having initially remained with Siemens AG, will be transferred to Siemens Energy AG by way of a spin-off by absorption (*Abspaltung zur Aufnahme*) under the UmwG ("**Spin-off**").

- Thus, all partnership interests in Siemens Energy KG and all shares in General Partner GmbH will be transferred to Siemens Energy AG by way of the Capital Increases in Kind and the Spin-off.

- As consideration in the context of the Spin-off, Siemens Energy AG will issue to the shareholders of Siemens AG, preserving the proportionate shareholdings, a total of 399,654,856 shares of no-par value (registered shares (*Namensaktien*)) in Siemens Energy AG. In order to carry out the Spin-off, Siemens Energy AG will increase its capital stock by additional EUR 399,654,856 to EUR 726,645,193 ("**Spin-off Capital Increase**"). The shares to be issued to the shareholders of Siemens AG in order to carry out the Spin-off are to equate to 55 % of Siemens Energy AG's future capital stock existing after the Spin-off Capital Increase and the Capital Increases in Kind. Upon the Spin-off taking effect, the remaining 45 % of the future capital stock of Siemens Energy AG will initially be held by Siemens AG, in part directly and in part indirectly through its wholly-owned subsidiary SBI GmbH, whereby in connection with the Spin-off a shareholding of 9.9 % of the future capital stock of Siemens Energy AG is to be transferred from Siemens AG to SPT e.V.

- The Siemens Energy Business will continue to use the brand "Siemens". To this end, brand licensing agreements have been entered into between Siemens AG and Siemens Energy KG and between Siemens AG and SGRE S.A.

- It is Siemens AG's intention, upon the Spin-off taking effect, not to exert any controlling influence over Siemens Energy AG and not to include Siemens Energy AG in its consolidated financial statements. The intended termination of control will be contractually ensured by way of an agreement with Siemens Energy AG ("**Deconsolidation Agreement**").

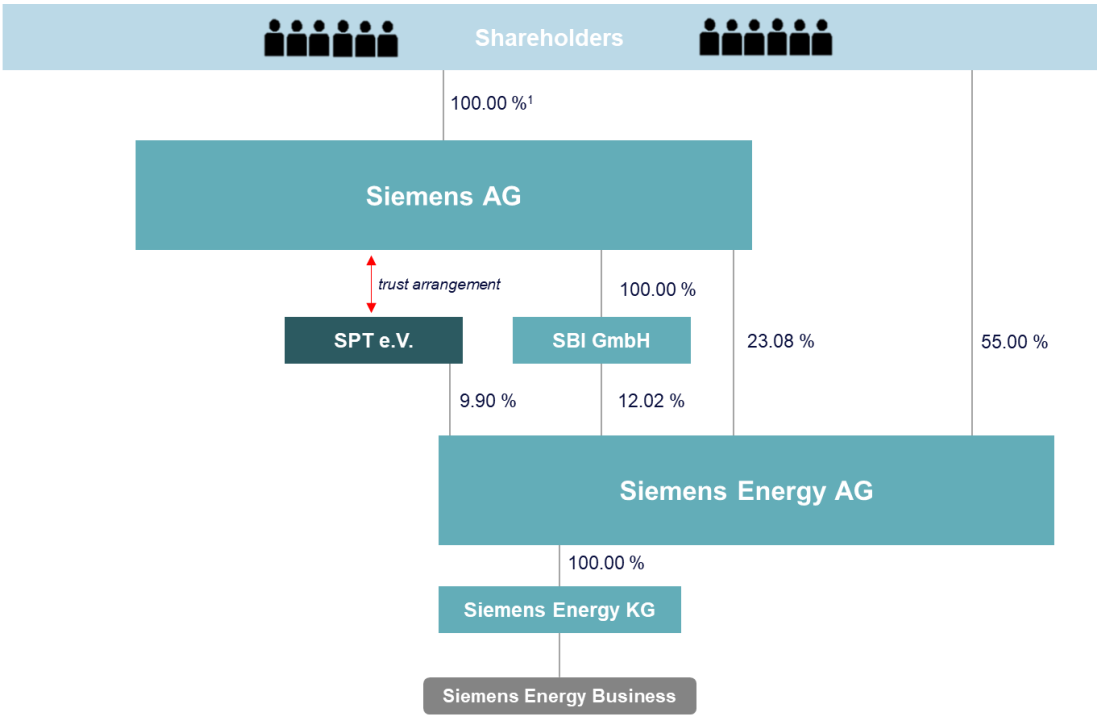
- Immediately after the Spin-off takes effect, it is planned for all shares of Siemens Energy AG to be admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and, additionally, in the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard).

The basis of the Spin-off is the Spin-off and Transfer Agreement entered into between Siemens AG and Siemens Energy AG and notarized before Dr. Tilman Götte, notary with offices in Munich, on 22 May 2020 ("**Spin-off and Transfer Agreement**"). The Spin-off and Transfer Agreement and its Annexes are enclosed with this Spin-off Report as Annex. The Spin-off and Transfer Agreement requires, *inter alia*, the approval of the shareholders' meetings of Siemens AG and Siemens Energy AG in order to be valid and is intended to be submitted to the extraordinary shareholders' meeting of Siemens AG for approval by resolution on 9 July 2020. The approval of the shareholders' meeting of Siemens Energy AG will be granted in advance by Siemens AG in its capacity as the sole shareholder of Siemens Energy AG.

The Spin-off is intended to be implemented (subject to a postponement of the effective date in the event of a delay in the Spin-off taking effect, as provided for in the Spin-off and Transfer Agreement) with retroactive economic effect from 1 April 2020, 0.00 hours. It will take effect upon registration with both registers of companies of Siemens AG.

Upon the Spin-off taking effect, Siemens Energy AG will become the parent company of the newly established Siemens Energy Group (Siemens Energy AG together with its direct and indirect subsidiaries existing after the Spin-off, "**Future Siemens Energy Group**"; each of its companies, "**Future Siemens Energy Group Company**"; the Siemens Group without the companies of the Future Siemens Energy Group, "**Future Siemens Group**"; each of its companies, "**Future Siemens Group Company**"). For the purposes of this Spin-off Report, SPT e.V. is also deemed part of the Future Siemens Group.

The diagram below gives a simplified overview of the target structure that is to be achieved immediately upon the Spin-off taking effect (including the transfer of shares to SPT e.V.; the chart does not depict the General Partner GmbH):



[1] This chart does not depict the treasury shares in Siemens AG.

In this report, the managing boards of the two companies involved in the Spin-off, i.e., Siemens AG and Siemens Energy AG, explain and provide the reasons for the planned Spin-off of a majority participation in Siemens Energy KG, in which the Siemens Energy Business of the Siemens Group is bundled, and of the corresponding shares in General Partner GmbH as its personally liable partner as well as for the Spin-off and Transfer Agreement in detail with regard to the legal and economic aspects in accordance with Section 127 sentence 1 UmwG (the "**Spin-off Report**"). The managing boards of Siemens AG and Siemens Energy AG avail themselves of the option provided for under Section 127 sentence 1 last half-sentence UmwG to issue this Spin-off Report jointly.

This Spin-off Report serves to inform the shareholders of Siemens AG in order to enable them to make an informed decision as prescribed by the German Transformation Act and not to enable them to make any specific investment decision. In particular, this Spin-off Report does not constitute a document similar to the document as defined in Section 9 (4) of the German Securities Prospectus Act (*Wertpapierprospektgesetz,* "**WpPG**"). The shares of Siemens Energy AG will be admitted to trading on the stock exchange under a separate securities prospectus.

II. Current Status – The Legal Entities Involved in the Spin-off and the Siemens Group prior to the Spin-off

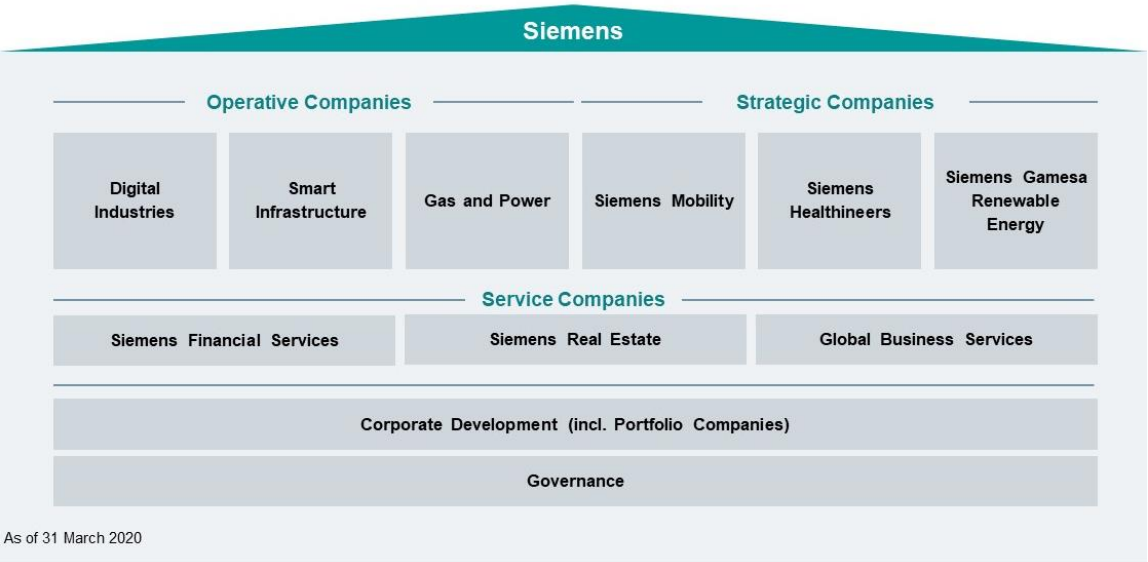
1. Overview of the Siemens Group

Siemens AG as it is known today, with its registered offices in Berlin and Munich, is the ultimate parent company of the Siemens Group. The Siemens Group comprises Siemens AG, a stock corporation (*Aktiengesellschaft*) under German law acting as the parent company, and its subsidiaries. The shares of Siemens AG are listed on the Frankfurt Stock Exchange in the Prime Standard segment and are represented in the DAX30 index of the Frankfurt Stock Exchange.

The Siemens Group is a technology group that has stood for technological excellence, innovation, quality, reliability and internationality for more than 170 years. The group is active in almost all countries of the world, focusing on the areas of automation and digitalization in the process and manufacturing industries, intelligent infrastructure for buildings and decentralized energy systems, conventional and renewable power generation and distribution, mobility solutions for rail and road transport as well as medical technology and digital healthcare services.

The Siemens Group has six industrial businesses: the three operating businesses Digital Industries, Smart Infrastructure and Gas and Power, and the three strategic businesses Siemens Mobility, Siemens Healthineers and Siemens Gamesa Renewable Energy. The industrial businesses are supported by the three service enterprises Siemens Financial Services ("**SFS**"), Siemens Real Estate and Global Business Services, whereby services are not only provided for Siemens units but to some extent also for external customers. Further activities are bundled in corporate development (including Portfolio Companies) and in governance.

The structure of the Siemens Group (as of 31 March 2020) can be depicted as follows:



As shown in its Annual Report 2019, in the fiscal year ended 30 September 2019, orders for the Siemens Group were EUR 97,999 million. The Group's revenue was EUR 86,849 million. In the Consolidated Financial Statements, net income amounted to EUR 5,648 million. As of 30 September 2019, the Siemens Group had approximately 385,000 employees, of which approximately 116,000 were employed in Germany and approximately 269,000 abroad.

In the first half of fiscal year 2020, orders from continuing operations for the Siemens Group were EUR 30,016 million. The Group's revenue from continuing operations amounted to EUR 28,336 million. The net income from continuing and discontinued operations as reported in the Half-year Consolidated Financial Statements was EUR 1,786 million. As of 31 March 2020, the Siemens Group had approximately 386,000 employees, of which approximately 116,000 were employed in Germany and approximately 270,000 abroad.

2. Siemens AG as the Transferring Entity

a) Registered Offices and Fiscal Year

Siemens AG as the transferring entity is a stock corporation under German law with registered offices in Berlin and Munich. Its corporate headquarters are located at Werner-von-Siemens-Straße 1 in Munich. Siemens AG is registered with the register of companies at the district court of Charlottenburg under registration number HRB 12300 B and with the register of companies at the district court of Munich under registration number HRB 6684. Its fiscal year begins on 1 October of each year and ends on 30 September of the subsequent year.

b) Object of the Company

The object of the company, according to its articles of association, is to develop, manufacture, supply, operate, distribute and trade in products, systems, facilities and solutions and to render services, as well as research and development, in particular in the areas of industry, energy, healthcare and infrastructure, including its traditional fields of electrical engineering, electronics, precision mechanics and mechanical engineering, as well as adjacent fields of activity. The company can operate in these and other areas in all information technology fields (including electronic data processing and transfer, software, platforms and self-learning systems) and render related services. Moreover, the company can operate in the financial sector in particular through consolidated subsidiaries or associated companies (including banks and reinsurance companies) and participate directly or indirectly in enterprises and companies of any type, also to manage its own assets. Finally, the company may engage in business of any kind and take any and all measures related to, or which seem to be directly or indirectly useful in promoting, the aforementioned activities.

Siemens AG may realize its object itself or through consolidated subsidiaries or associated companies (including joint ventures). It can confine itself to some of the activities specified above. The company can set up associated companies, acquire participating interests and change them structurally, bring them under uniform control or may limit itself to managing the participating interest, sell participating interests and conclude enterprise and cooperation agreements of any kind.

c) Capital Stock and Shares

The capital stock of Siemens AG amounts to EUR 2,550,000,000, divided into 850,000,000 shares of no-par value (registered shares) with a notional share in the capital stock of EUR 3.00 each ("**Siemens Shares**"). Every share grants one vote.

Additionally, § 4 (4) – (8) of the articles of association of Siemens AG contain various categories of authorized capital and conditional capital for different purposes. The aforementioned capital has not been used thus far.

d) Authorization to Acquire Treasury Shares

On 27 January 2015, the annual shareholders' meeting of Siemens AG resolved to authorize the acquisition and use of treasury shares; this authorization was valid until, and expired on, 26 January 2020. Siemens AG may now opt to acquire and use treasury shares under a new resolution adopted by the annual shareholders' meeting of Siemens AG on 5 February 2020. According to the aforementioned resolution, Siemens AG is authorized pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**") to acquire, until 4 February 2025, treasury shares up to a limit of in total 10 % of its capital stock as of the time of the resolution or as of the

date on which the authorization is exercised, if the latter value is lower, on the stock exchange, through a public share purchase offer or through a public offer to swap shares for shares in a listed company within the meaning of Section 3 (2) AktG. According to the resolution of the shareholders' meeting, these shares and shares that were previously acquired may be used, *inter alia*, for every permissible purpose, in particular the retirement (*Einziehung*) of these shares, the acquisition by members of corporate bodies and employees of group companies of the Siemens Group, the use as consideration for acquisitions of assets, the sale to third parties, the servicing and / or securing of obligations and rights to acquire Siemens Shares arising from and in connection with convertible bonds and warrant bonds that have been issued (including granting of subscription rights to compensate for dilution), and the issuance to service obligations and rights to acquire Siemens Shares that were or will be agreed with members of the managing board as part of their remuneration.

On 7 November 2018, using the authorization granted on 27 January 2015, the managing board of Siemens AG resolved to launch a share buyback program with a volume of up to EUR 3 billion, which has been continued based on the authorization granted on 5 February 2020 until 7 May 2020 and suspended until further notice since 8 May 2020. Under the authorizations referred to above, Siemens AG has already acquired 28,408,786 treasury shares in the period between December 2018 and 7 May 2020. It is intended to resume the share buyback program after completion of the Spin-off.

The shares that have been, and are yet to be, bought back serve exclusively for purposes of their issuance to employees and members of corporate bodies of Siemens AG and of companies affiliated with Siemens AG, their retirement and their servicing / securing of obligations or rights to acquire Siemens Shares, particularly under and in connection with convertible bonds and warrant bonds.

e) Stock-Based Compensation Programs and Employee Participation Programs

In order to promote the equity culture within the company and to grant the opportunity to members of corporate bodies and employees of the Siemens Group to participate as responsible shareholders in the long-term success of the company, Siemens AG and further Siemens Group Companies have enabled the managing board members and employees of Siemens AG as well as members of corporate bodies and employees of further Siemens Group Companies to participate in various stock-based compensation programs or employee participation programs.

In order to fulfill delivery obligations under these programs, authorized capital 2016, which has not been used so far, authorized capital 2019, which has likewise not been used so far, as well as the option to acquire and use treasury shares pursuant to Section 71 (1) no. 8 AktG based on the resolution of the annual shareholders' meeting of Siemens AG of 5 February 2020 are available (*cf.* Chapter II.2.d)).

f) Shareholder Structure and Trading on the Stock Exchange

The following statements can be made about the shareholder structure of Siemens AG (the shareholders of Siemens AG hereinafter also referred to as the "**Siemens Shareholders**") based on the voting rights notifications (*Stimmrechtsmitteilung*) within the meaning of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "**WpHG**") received by Siemens AG on the basis of the existing capital stock of EUR 2,550 million: On 30 January 2019, BlackRock Inc., Wilmington, United States, informed Siemens AG in accordance with the provisions of the WpHG that, on 25 January 2019, its portion of the voting rights (*Stimmrechtsanteil*) in Siemens AG, was 5.13 % – directly or indirectly. On 10 May 2012, the State of Qatar, acting by and through DIC Company Limited, George Town, Grand Cayman, Cayman Islands, notified Siemens AG that, on 7 May 2012, its portion of the voting rights in Siemens AG was 3.04 % – directly or indirectly. On 21 January 2008, Werner Siemens-Stiftung, Zug, Switzerland, informed Siemens AG that, on 2 January 2008, its portion of the voting rights was 3.03 % – directly or indirectly. The remaining capital stock of Siemens AG is held in free float by German and foreign institutional and private investors. Approximately 67 % of the capital stock is held by institutional investors, approximately 21 % by private investors, approximately 6 % by the Siemens family and approximately 6 % by investors that cannot be identified.

The shares of Siemens AG are admitted to trading on the Regulated Market (*Regulierter Markt*) of the Frankfurt Stock Exchange and, additionally, in the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard). They are traded under the International Securities Identification Number (ISIN) DE0007236101. In addition, the shares of Siemens AG are listed in the United States of America in the form of American Depository Receipts. In economic terms, the value of two Siemens American Depository Receipts equals the value of one Siemens Share.

Siemens AG currently holds 50,690,288 treasury shares, which equals approx. 5,96 % of the capital stock.

g) Managing Board

Pursuant to § 8 (1) of the articles of association of Siemens AG, the managing board consists of several individuals. Moreover, the number of members of the managing board is determined by the supervisory board.

The managing board of Siemens AG currently consists of the following five members:

- Joe Kaeser, chairman of the managing board,
- Dr. Roland Busch,

- Klaus Helmrich,
- Cedrik Neike and
- Prof. Dr. Ralf P. Thomas.

Pursuant to § 8 (3) of the articles of association, Siemens AG is legally represented by two members of the managing board or by one member of the managing board acting jointly with an authorized representative (*Prokurist*). Otherwise, Siemens AG is represented by authorized representatives or other duly authorized signatories to the extent authorized by the managing board.

h) Supervisory Board

The supervisory board of Siemens AG has 20 members. It is equally co-determined, with ten members representing the shareholders and ten the employees, in accordance with the provisions of the German Co-determination Act (*Gesetz über die Mitbestimmung der Arbeitnehmer*, "**MitbestG**") of 4 May 1976.

The ten members of the supervisory board representing the shareholders are currently:

- Jim Hagemann Snabe, chairman of the supervisory board,
- Werner Wenning, 2nd deputy chairman,
- Dr. Werner Brandt,
- Michael Diekmann,
- Dr. Nicola Leibinger-Kammüller,
- Benoît Potier,
- Dr.-Ing. Dr.-Ing. E. h. Norbert Reithofer,
- Dame Nemat Shafik,
- Dr. Nathalie von Siemens and
- Matthias Zachert.

Seven of the ten members of the supervisory board representing the shareholders were elected at the annual shareholders' meeting of Siemens AG on 31 January 2018 for a term of office expiring at the close of the shareholders' meeting that resolves to ratify the acts of the supervisory board for the fourth fiscal year after the beginning of their term of office. In this respect, the fiscal year during

which the term of office begins is not counted. The other three supervisory board members representing the shareholders (Dr. Nicola Leibinger-Kammüller, Jim Hagemann Snabe and Werner Wenning) were already elected earlier by way of a resolution adopted by the annual shareholders' meeting on 26 January 2016 for a term of office expiring at the close of the shareholders' meeting that resolves to ratify the acts of the supervisory board for fiscal year 2020.

The ten members of the supervisory board representing the employees are currently:

- Birgit Steinborn, 1st deputy chairwoman,
- Dr. Andrea Fehrmann,
- Bettina Haller,
- Robert Kensbock,
- Harald Kern,
- Jürgen Kerner,
- Hagen Reimer,
- Michael Sigmund,
- Dorothea Simon and
- Gunnar Zukunft.

The ten members of the supervisory board representing the employees were elected on 5 October 2017 in accordance with the provisions of the MitbestG with effect as of the close of the annual shareholders' meeting held on 31 January 2018 and ending at the close of the shareholders' meeting that resolves to ratify the acts of the supervisory board for the fourth fiscal year after the beginning of the term of office. In this respect, the fiscal year during which the term of office begins is not counted.

3. Business Activities of the Siemens Group

a) Overview

In the fiscal year ended 30 September 2019, the business activities of the Siemens Group were reorganized and have since then comprised the following six industrial businesses as reportable segments: Digital Industries ("**Digital Industries**"), Smart Infrastructure ("**Smart Infrastructure**"), Gas and Power ("**Gas and Power**"), Mobility ("**Mobility**"), Siemens

Healthineers ("**Siemens Healthineers**") and Siemens Gamesa Renewable Energy, which corresponds to the SGRE Business. The industrial businesses are supported by the three service businesses SFS, Siemens Real Estate and Global Business Services, whereby services are not only provided for Siemens units but to some extent also for external customers. SFS also constitutes a separate reportable segment. Conversely, Siemens Real Estate and Global Business Services are not separately reportable. Moreover, Siemens Group reports in Portfolio Companies businesses that are managed separately.

In the Half-Year Financial Report as of 31 March 2020, on account of the envisaged Spin-off, the Siemens Gas and Power Business and the SGRE Business are reported as assets held for disposal and discontinued operations.

The overall operations of the Siemens Group can be described using the following key data:

Key figures (in millions of EUR)	**First half of fiscal year 2020, as reported in the Half-year Financial Report 2020**	**Fiscal year 2019, as reported in the Annual Report 2019**
Revenue	28,336	86,849
Income from continuing operations	2,232	5,646
Income from discontinued operations	- 447	3
Net income	1,786	5,648
Employees (continuing and discontinued operations as of the period-end date)	386,000	385,000

b) Digital Industries

Digital Industries offers a comprehensive product portfolio and system solutions for automation used in discrete manufacturing and process industries. These include automation systems and software for factories, numerical control systems, motors, drive systems and inverters as well as integrated automation systems for machine tools and production machines. Digital Industries also offers process control systems, machine-to-machine communication products, sensors (including sensors measuring pressure, temperature, level, flow rate, distance or shape) as well as radio frequency identification systems. Furthermore, Digital Industries offers product and production lifecycle software, and software for simulation and testing of mechatronic systems. The product range is complemented by the electronic design automation software portfolio of Mentor Graphics (Mentor) and the open, cloud-based industrial Internet-of-Things (IoT) operating system

MindSphere, which connects machines and physical infrastructure to the digital world. To increase growth and accelerate sales of MindSphere, Digital Industries acquired Mendix group (Mendix) at the beginning of fiscal year 2019.

Digital Industries also provides customers with lifecycle and data-driven services. Taken together, the product range enables customers to optimize their entire value chains – from product design and development to production and post-sale service. In particular with its advanced software solutions, Digital Industries supports customers in discrete manufacturing, hybrid and process industries in their evolution towards a "Digital Enterprise". which will increase flexibility and efficiency of production processes and will speed up the market launch of new products. Among its most important customer segments are the automotive industry, the machine building industry, the pharmaceutical and chemical industry, the food and beverage industry as well as the electronics and semiconductor industry. Digital Industries serves its customers through a regional sales organization, spanning all its businesses, using various sales channels depending on the type of customer and industry. Changes in customer demand, especially for standard products, are strongly driven by macroeconomic cycles, and can lead to significant short-term fluctuation in Digital Industries' profitability. Digital Industries' competitors can be divided into two groups: multinational companies which have a relatively broad product portfolio and companies which are active only in certain regional or product related markets.

The following overview shows the key figures of Digital Industries in the fiscal year 2019 and in the first half of the current fiscal year (1 October 2019 to 31 March 2020):

Key figures (in millions of EUR)	**First half of fiscal year 2020, as reported in the Half-year Financial Report 2020**	**Fiscal year 2019, as reported in the Annual Report 2019**
Orders	8,399	15,944
Revenue	7,446	16,087
Adjusted EBITA	1,126	2,880

c) Smart Infrastructure

Smart Infrastructure offers and intelligently combines energy systems and building technologies, to improve efficiency and sustainability and support its customers to address technological shifts. Smart Infrastructure brings together energy supply – from intelligent control of the grid and low- and medium-voltage electrification to control products – with building technology: from building automation to fire safety and security to energy efficiency. The "Grid Edge", which means the edge of the supply grid, provides for high growth markets. These include energy storage, distributed

energy systems and prosumption (simultaneous production and consumption of electricity), as well as electric vehicle infrastructure and locally separated small grid systems (micro grids). Smart Infrastructure serves its customers through a broad variety of channels, including its global product and systems sales organization, distributors, switchboard manufacturers, original equipment manufacturers, value added resellers and installers, as well as by worldwide direct sales through the branch offices of its regional solutions and services units. Smart Infrastructure's customer base is diverse. It encompasses infrastructure developers and construction companies, owners, operators and tenants of both public and commercial buildings (including hospitals, educational institutions, airports and data centers), utilities and power distribution network operators, companies active in heavy industries such as oil and gas, mining and chemicals as well as discrete manufacturing industries such as automotive and machine building. Smart Infrastructure's principal competitors consist mainly of large multinational companies together with smaller manufacturers in emerging countries. Its solutions and services business also competes with local players such as system integrators and with facility management firms. The degree to which Smart Infrastructure's businesses are impacted by changes in the overall economic environment differs in each customer segment. While customer demand in discrete manufacturing industries changes quickly and strongly with macroeconomic cycles, demand in infrastructure, construction, heavy industries and the utilities sector reacts more slowly. Overall, the regional and vertical diversification, the mix of products, systems, solutions and services businesses, and its participation in both long- and short-cycle markets, all provide a balanced and resilient business mix.

With effect from the beginning of the fiscal year 2020, the distribution transformers business was allocated to the Siemens Gas and Power Business (see in detail Chapter III.2.b)).

The following overview shows the key figures of Smart Infrastructure in the fiscal year 2019 and in the first half of the current fiscal year (1 October 2019 to 31 March 2020):

Key figures (in millions of EUR)	First half of fiscal year 2020, as reported in the Half-year Financial Report 2020	Fiscal year 2019, as reported in the Annual Report 2019
Orders	7,552	16,244
Revenue	7,046	15,225
Adjusted EBITA	466	1,500

d) Mobility

Mobility combines all Siemens Group's businesses in the area of passenger and freight transportation, including rail vehicles, rail automation systems, rail electrification systems, road traffic technology, digital solutions and related services. Mobility also provides its customers with consulting, planning, financing, construction, service and operation of turnkey mobility systems. Integrated mobility solutions for networking of different types of traffic systems complete the product range. Mobility sells its products, systems and solutions through its worldwide network of sales units. The principal customers of Mobility are public and state-owned companies in the transportation and logistics sectors. Therefore, the markets served by Mobility are driven primarily by public spending. Customers usually have multi-year planning and implementation horizons, and their contract tenders therefore tend to be independent of short-term economic trends. Mobility's principal competitors are multinational companies. Consolidation among Mobility's competitors is continuing which will probably further increase competitive pressure for all rail transport businesses, including Mobility.

The following overview shows the key figures of Mobility in the fiscal year 2019 and in the first half of the current fiscal year (1 October 2019 to 31 March 2020):

Key figures (in millions of EUR)	First half of fiscal year 2020, as reported in the Half-year Financial Report 2020	Fiscal year 2019, as reported in the Annual Report 2019
Orders	4,049	12,894
Revenue	4,443	8,916
Adjusted EBITA	428	983

e) Siemens Healthineers

In the context of an Initial Public Offering on 16 March 2018, Siemens AG put 15 % of its shares in Siemens Healthineers AG on the Frankfurt Stock Exchange and has since been holding 85 % of the shares. Siemens Healthineers is a global leader in providing technology to the healthcare industry, including diagnostic imaging and laboratory diagnostics. It provides medical technology and software solutions as well as clinical consulting services, supported by an extensive set of training and service offerings. In its imaging business, the most important products are equipment for magnetic resonance, computed tomography, X-ray systems, molecular imaging and ultrasound. Its diagnostics business offers in-vitro diagnostic products and services to healthcare providers in laboratory, molecular and point-of-care diagnostics. The products in its advanced therapies business facilitate image-guided minimally invasive treatments, in areas such as cardiology, interventional radiology, surgery and radiation oncology. This comprehensive portfolio supports customers along the care continuum, from prevention and early detection to diagnosis, treatment and follow-up care. Customers range from public and private healthcare providers to pharmaceutical companies and clinical research institutes. Competition in the imaging and advanced therapies businesses consists mainly of a small number of large multinational companies, while the diagnostics market is fragmented with a variety of global players that compete internationally across market segments, but that also face competition from several regional players and companies specialized in niche technologies. The business activities of Siemens Healthineers are to a certain extent resilient to short-term economic trends as large portions of its revenue stem from recurring business. They are, however, directly and indirectly dependent on global trends in healthcare markets and on developments in health policy, including health care reimbursement systems, and on political developments, including regulatory developments.

The following overview shows the key figures of Siemens Healthineers in the fiscal year 2019 and in the first half of the current fiscal year (1 October 2019 to 31 March 2020):

Key figures (in millions of EUR)	First half of fiscal year 2020, as reported in the Half-year Financial Report 2020	Fiscal year 2019, as reported in the Annual Report 2019
Orders	7,941	15,853
Revenue	7,272	14,517
Adjusted EBITA	1,104	2,461

f) The Siemens Gas and Power Business and the SGRE Business

aa) The Operating Company Gas and Power

As reported in the Annual Report 2019, the operating company Gas and Power offers a broad spectrum of products and solutions for generating electricity, for production, transport and downstream operations involving oil and gas, and for installing and operating transmission grids. In addition, it offers a comprehensive set of services related to these products and solutions such as performance enhancements, maintenance and consulting services as well as customer training. Finally, the Siemens Gas and Power Business offers comprehensive turnkey solutions that integrate the aforementioned products and systems.

In the power generation and oil & gas businesses, the portfolio includes gas turbines, steam turbines, generators to be used in gas or steam power plants, turbo and reciprocating compressor trains, reciprocating engines, modular power supply and integrated power plant solutions, and instrumentation and control systems for power generation. Customers include public utilities and independent power producers as well as companies which carry out the engineering, procurement and construction ("**EPC**") of power plants for public utilities and power producers, also sovereign and multinational oil and gas companies, midstream operators, independent oil and gas, petrochemical and chemical companies, and industrial customers that generate power and heat for their own consumption (prosumers). The competitors of the Siemens Gas and Power Business in this area consist mainly of two groups: a relatively small number of original equipment manufacturers (OEM) on the one hand and a large number of EPC companies on the other hand.

In the transmission business, the portfolio includes products, systems and solutions that enable reciprocal flow of energy and information between equipment of different providers. These offerings are key building blocks of modern energy grids, which must integrate renewable sources with their fluctuating levels of power generation and also allow efficient electrical storage and sophisticated load management. The portfolio also includes power transformers, high voltage switchgear and related components, high-voltage direct current (HVDC) products and HVDC and grid access solutions as well as relevant transmission services. The transmission business serves a

broad range of customers including power utilities, transmission and distribution system operators, and industrial companies and infrastructure developers in industries such as oil and gas, chemicals, mining, data centers, airports, and rail companies. Competitors in the transmission business consist mainly of a small number of large international companies, increasingly joined by smaller, fast-growing competitors in emerging countries including China, India and South Korea.

The following overview shows the key figures of the operating company Gas and Power as reported in the Annual Report 2019:

Key Figures (in millions of EUR)	**Fiscal year 2019, as reported in the Annual Report 2019**
Orders	19,975
Revenue	17,663
Adjusted EBITA	679

With effect from the beginning of the fiscal year 2020, several business activities were allocated to the Siemens Gas and Power Business. These are business activities that were previously included in Smart Infrastructure, Portfolio Companies and the central unit Corporate Technology (hydrogen-based technologies) (see in detail Chapter III.2.b)). In addition, certain former business activities of the operating company Gas and Power as reported in the fiscal year 2019 - as described in Chapter III.2.c) - were allocated to Portfolio Companies. Therefore, as of 31 March 2020, the structure of the Siemens Gas and Power Business, which is shown in the Half-year Financial Report 2020 of Siemens AG as a distribution group in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" (see Chapter II.3.f)cc)), is not congruent with the operating company Gas and Power as reported in the fiscal year 2019.

Please refer to Chapters III.2.b) and III.2.c) regarding the specific structure of the Siemens Gas and Power Business to be legally separated as compared to the operating company Gas and Power as reported in the fiscal year 2019.

bb) The SGRE Business

Siemens Group holds approximately 67 % of the shares in the listed company SGRE S.A. SGRE is active in the field of renewable energies. SGRE designs, develops, manufactures and installs especially wind turbines for various wind conditions, both onshore and offshore. Furthermore, the company develops, constructs and sells wind farms in selected markets. In addition, SGRE provides services for the management, operation and maintenance of wind farms. Its principal customers are

large power utilities, independent power producers and project developers in the wind energy sector. The competitive situation in wind power differs in the two major market segments: In the markets for onshore wind farms, there is a variety of suppliers without any company holding a dominant market position. In contrast, markets for offshore wind farms are served by a few experienced players of which SGRE is the market leader in this segment. Consolidation is moving forward in the area of wind energy generation. Key drivers of consolidation are size, technological and market access challenges as well as changes in the awarding of contracts (auction proceedings). SGRE S.A. is actively participating in the consolidation process and has recently acquired parts of the Senvion Group for this purpose (with a focus on service business).

The following overview shows the key figures of the SGRE Business as reported in the Annual Report 2019:

Key Figures (in millions of EUR)	**Fiscal year 2019, as reported in the Annual Report 2019**
Orders	12,749
Revenue	10,227
Adjusted EBITA	482

cc) The Siemens Gas and Power Business and the SGRE Business being Classified as Assets Held for Disposal and Discontinued Operations as of 31 March 2020

The Siemens Gas and Power Business which emerged - as described above under aa) and bb) - from the operating company Gas and Power as reported in the fiscal year 2019 and the SGRE Business were classified as assets held for disposal and discontinued operations in the first half of the fiscal year 2020 (see Chapter VIII.1.a)cc)). For a description of the Siemens Energy Business, reference is also made to Chapter X.1.

The item "Income/loss from discontinued operations, net of income taxes" in the Siemens Half-year Financial Report as of 31 March 2020 includes a loss of EUR 457 million from the Siemens Energy Business in which revenue of EUR 12,865 million took effect (see in detail Chapter IX.2.b)).

g) Financial Services

SFS supports its customers' investments with leasing solutions, structured finance as well as financing of equipment and projects by providing debt and equity finance. SFS provides financial solutions for Siemens customers as well as other companies which profit from SFS' comprehensive financing know-how and specialist technology expertise in the areas of Siemens businesses.

Earnings before taxes amounted to EUR 632 million in fiscal year 2019 and to EUR 305 million in the first half of fiscal year 2020. Total assets amounted to EUR 29,901 million as of 30 September 2019 and to EUR 30,124 million as of 31 March 2020.

h) Portfolio Companies

Portfolio Companies includes a broad range of businesses, which at the end of fiscal year 2019 mainly consisted of the following fully consolidated units: specific systems solutions (solutions for the process industry), electric motors, converters and generators (large drive applications), gear units and couplings (mechanical drives) and sorting technology and solutions for mail, parcel, baggage and cargo handling (Siemens Logistics). These are supplemented by the investments (accounted for using the equity method) in Valeo Siemens eAutomotive GmbH, Primetals Technologies Limited, Ethos Energy Group Limited and Voith Hydro Holding GmbH & Co. KG.

With effect from the beginning of fiscal year 2020, the equity investments in Ethos Energy Group Limited and Voith Hydro Holding GmbH & Co. KG, the subsea system business, and the majority of the process solutions business were allocated to the Siemens Gas and Power Business. The stake in Primetals Technologies Limited was sold in the first half of fiscal year 2020.

Furthermore, in the course of reporting the Siemens Gas and Power Business as discontinued operations, certain earlier business activities of the operating company Gas and Power, as reported in the fiscal year 2019, that – as described in Chapter III.2.c) – have not been transferred to the Future Siemens Energy Group have been allocated to Portfolio Companies.

The following overview shows the key figures of Portfolio Companies in the fiscal year 2019 and in the first half of the current fiscal year (1 October 2019 to 31 March 2020) as reported in the Annual Report 2019 and in the Half-year Financial Report as of 31 March 2020, respectively:

Key figures (in millions of EUR)	**First half of fiscal year 2020, as reported in the Half-year Financial Report 2020**	**Fiscal year 2019, as reported in the Annual Report 2019**
Orders	2,771	5,806
Revenue	2,695	5,526
Adjusted EBITA	11	-71

4. Sustainability Strategy within the Siemens Group

Sustainability is a guiding principle of the Siemens Group and at the same time a key guiding principle within the business strategy. Every year, the Siemens Group publishes "sustainability

information" including detailed information regarding strategy, organization, initiatives, management systems, measures and goals of sustainable management.

All sustainability activities of the Siemens Group are led by the Chief Sustainability Officer ("**CSO**"), who is also a member of Siemens AG's managing board. He chairs the Siemens Sustainability Board ("**SSB**"), which consists of representatives of the managing board, regional entities, operating companies and corporate functions. The SSB is the central steering committee for sustainability within the Siemens Group.

As part of the United Nations' (UN) 2030 Agenda, 17 Sustainable Development Goals ("**SDGs**") were adopted to support sustainable development around the world. The Siemens Group's activities contribute to achieving all 17 SDGs, while the Siemens Group's impact is greatest on Good Health and Well-being (SDG 3), Affordable and Clean Energy (SDG 7), Industry, Innovation and Infrastructure (SDG 9), Sustainable Cities and Communities (SDG 11), and Climate Action (SDG 13).

5. Siemens Energy AG as the Receiving Entity

The receiving entity in the Spin-off of Siemens AG's Siemens Energy Business bundled in Siemens Energy KG is Siemens Energy AG. Upon the Spin-off taking effect, the company will become the parent company of the then legally and economically independent Future Siemens Energy Group.

a) General Information

Siemens Energy AG is a stock corporation under German law with its registered office in Munich and registered with the register of companies at the district court of Munich under registration number HRB 252581. The fiscal year of Siemens Energy AG begins on 1 October of each year and ends on 30 September of the subsequent year.

b) Historical Information

The present Siemens Energy AG was established with articles of association dated 27 July 2016 by Blitzstart Holding AG, with its registered office in Munich and registered with the register of companies at the district court of Munich under registration number HRB 128986, as a German limited liability company (*Gesellschaft mit beschränkter Haftung*) under the corporate name of "Blitz 16-806 GmbH" with registered office in Munich and registered with the register of companies at the district court of Munich on 5 August 2016 under registration number HRB 227428.

By share purchase and assignment agreement dated 9 August 2016, Atecs Mannesmann GmbH, with its registered office in Erlangen and registered with the register of companies at the district

court of Fürth under registration number HRB 12827, acquired all shares in Blitz 16-806 GmbH held by Blitzstart Holding AG. At the shareholders' meeting on 9 August 2016, the company's articles of association were changed and the corporate name was changed to Kyros 52 GmbH. This change was registered with the register of companies on 16 August 2016. By share purchase and assignment agreement dated 27 September 2016, SBI GmbH acquired all shares in Kyros 52 GmbH held by Atecs Mannesmann GmbH.

On 6 March 2017, Kyros 52 GmbH, as the controlled company, concluded a domination and profit and loss transfer agreement with its sole shareholder, SBI GmbH, as the controlling company, which was approved by the company's shareholders' meeting on 3 April 2017 as recorded by the notary Jens Kirchner in Munich by notarial deed (register of deeds number K 603/2017). The domination and profit and loss transfer agreement was cancelled by mutual cancellation agreement dated 26 September 2019 with effect as of the expiry of 30 September 2019.

By resolution of the shareholders' meeting of 16 May 2017, the share capital of Kyros 52 GmbH was increased by EUR 68,000 from EUR 25,000 to a total of EUR 93,000 and, at the same time, its registered office was relocated to Hanover. On 15 June 2017, the previously mentioned amendments to the articles of association were registered with the register of companies at the district court of Hanover, where Kyros 52 GmbH was registered under registration number HRB 215360.

By notarial deed dated 9 August 2019 (register of deeds number K 1735/2019 of the notary Jens Kirchner in Munich), the share capital was increased by EUR 7,000 from EUR 93,000 to EUR 100,000 by permitting SBI GmbH to subscribe for all new shares, the change of the legal form into a German stock corporation named Kyros 52 Aktiengesellschaft was resolved, and, as part of the transformation resolution, the articles of association of the stock corporation were established. For each of the subscribed 7,000 shares representing EUR 1.00, SBI GmbH as the sole shareholder has paid in full the amount of EUR 1.00, i.e., EUR 7,000 in total, in cash to the company.

By resolution of the shareholders' meeting of 29 October 2019, the registered office of Kyros 52 Aktiengesellschaft was relocated to Munich. On 6 November 2019, this amendment to the articles of association was registered with the register of companies at the district court of Munich, where the company has since been registered under registration number HRB 252581.

By share purchase and assignment agreement dated 18 February 2020, Siemens AG acquired all shares in Kyros 52 Aktiengesellschaft held by SBI GmbH.

As of 1 April 2020, Kyros 52 Aktiengesellschaft was activated as shareholder by Siemens AG (a so-called economic incorporation (*wirtschaftliche Neugründung*)). By resolution of the shareholders' meeting dated 1 April 2020, the corporate name was changed to "Siemens Energy

AG" and the object of the company restated taking into account its future position as the parent company of the Siemens Energy Group (regarding the current object of the company, *cf.* Chapter II.5.c)). On 3 April 2020, this change of the articles of association was registered with the register of companies at the district court of Munich.

Until its economic incorporation on 1 April 2020, Siemens Energy AG has not been operative. To date, the company does not have any employees.

c) Current Object of the Company

The current corporate object of Siemens Energy AG is as follows:

1) The object of the company is to manufacture, supply, operate, distribute and trade in products, systems, facilities and solutions and to render maintenance, repair and other services, as well as research and development, in the areas of energy production, transfer, distribution and storage, in the areas of oil and gas across all areas of production, in the areas of decarbonization, sector coupling, hydrogen solutions and other renewable and non-renewable energy sources as well as the adjacent fields of activity such as electrical engineering, automation, electronics, precision mechanics and mechanical engineering. The company can operate in the context of these activities in all information technology fields (including electronic data processing and transfer, software, platforms and self-learning systems) and render related services. Moreover, the company, in particular through its consolidated subsidiaries, can operate in the financial sector and participate directly or indirectly in enterprises and companies of any type, also in managing its own assets. Finally, the company may engage in business of any kind and take any and all measures related to, or which seem to be directly or indirectly useful in promoting, the above activities.

2) The company may realize its object itself or through consolidated subsidiaries or associated companies (including joint ventures). It can confine itself to some of the activities specified in subsection 1. The company can set up associated companies, acquire participating interests and change them structurally, bring them under uniform control or may limit itself to managing the participating interest, sell participating interests and also conclude enterprise and cooperation agreements of any kind.

d) Capital Stock and Shares; Shareholder Structure

The company's capital stock currently amounts to EUR 100,000 and is divided into 100,000 registered shares of no-par value. All of the Siemens Energy Shares are currently held by Siemens AG.

Pursuant to § 4 (4) of Siemens Energy AG's articles of association, the claim of its shareholders for certification of the shares is excluded to the extent legally permissible. The company is authorized to issue global certificates. Exercising this authority, Siemens Energy AG's managing board has issued a global certificate representing all of the Siemens Energy Shares. Currently, the Siemens Energy Shares are not listed.

e) Managing Board

Pursuant to § 5 (1) of Siemens Energy AG's articles of association, the managing board consists of one or several members. Moreover, pursuant to § 5 (1) sentence 2 of Siemens Energy AG's articles of association, the supervisory board determines the number of managing board members. The managing board of Siemens Energy AG currently consists of the following four members, who are simultaneously managing directors of General Partner GmbH (see Chapter IV.2.):

- Dr.-Ing. Christian Bruch,
- Dr.-Ing. Jochen Eickholt,
- Maria Ferraro and
- Tim Oliver Holt.

If only one managing board member is appointed, pursuant to § 6 (2) of the current articles of association, Siemens Energy AG is represented by that managing board member acting alone. If the managing board consists of several members, the company is legally represented by two managing board members or by one managing board member acting jointly with an authorized representative (*Prokurist*). Otherwise, Siemens Energy AG is represented by authorized representatives or other duly authorized signatories to the extent authorized by the managing board.

f) Supervisory Board

Pursuant to § 7 (1) of Siemens Energy AG's articles of association, the supervisory board of Siemens Energy AG currently consists of three members. The supervisory board is currently not subject to employee co-determination.

Since the change of the legal form, the supervisory board of Siemens Energy AG consists of the following members, who are employees of the Siemens Group:

- Peter Kastenmeier,
- Steffen Großberger and

- Christian Schmid.

g) Auditor

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, has been appointed as auditor of Siemens Energy AG, at the time still operating under the corporate name of Kyros 52 GmbH, for the fiscal years ended on 30 September 2017, 2018 and 2019. In addition, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, has been appointed as auditor for the financial statements and for the consolidated financial statements for the fiscal year 2020 and as auditors for any possible audit review of the interim financial report for the first quarter of the fiscal year 2021.

h) Business Activities and Assets

Until its economic incorporation on 1 April 2020, the company has not been operative and continues to employ no employees. Siemens Energy AG's assets as per statements of financial position as of 31 March 2020 exclusively consist of liquid funds, totaling EUR 175,746.41.

III. Decision to Legally Separate the Siemens Energy Business by Way of Spin-off and Contribution

When the transfer of the Siemens Energy Business, bundled in Siemens Energy KG, to Siemens Energy AG takes effect, the Future Siemens Group with its remaining activities and the Future Siemens Energy Group – with the Siemens Energy Business allocated to it that, thus far, belonged to the Siemens Group – will be two autonomous groups that are independent of one another.

However, upon the Spin-off taking effect, Siemens AG will maintain a (direct and indirect) share in Siemens Energy AG's capital stock of initially 45 %. The remaining 55 % in Siemens Energy AG's capital stock will be allocated to the shareholders holding shares in Siemens AG at the time of the Spin-off taking effect in proportion to their shareholdings in Siemens AG.

The decision of Siemens AG's managing board to submit the Spin-off and Transfer Agreement to the company's extraordinary shareholders' meeting for approval was preceded by a comprehensive analysis of the current business activities and structures of the Siemens Group and the Siemens Energy Business as well as, based thereon, by an assessment of the strategic options for action. In the view of the managing board of Siemens AG, considering all circumstances, it is in the best interest of Siemens AG and its shareholders to legally separate the Siemens Energy Business under the umbrella of a German stock corporation, the shares of which are to be listed on the Frankfurt Stock Exchange. The determinative reasons which, in the view of the managing board of Siemens AG, support the legal separation in the context of the further strategic development of the Siemens Group and Siemens Energy AG and which therefore argue against the Siemens Energy Business remaining part of the Siemens Group are discussed below. To the extent that business activities have been allocated differently from the allocation thus far as reportable segments, this is explained below. Furthermore, the reasons for the decision of the managing board of Siemens AG in favor of a spin-off under the UmwG are given. Finally, the main reasons are presented that formed the basis of the decision of Siemens AG's managing board to not completely separate itself from the Siemens Energy Business in connection with the Spin-off and instead to continue to hold as anchor shareholder (after transfer of shares amounting to 9.9 % of the capital stock of Siemens Energy AG to SPT e.V.) a participation in Siemens Energy AG, which will be listed in the future. The main considerations that convinced Siemens Energy AG's managing board to decide in favor of the Spin-off are also presented.

1. Reasons for the Decision to Legally Separate the Siemens Energy Business

Against the background of the changing market environment, the operational requirements for the Siemens Energy Business are changing accordingly. In the view of the managing boards of Siemens AG and Siemens Energy AG, the separation of the Siemens Energy Business from the Siemens Group will give the Future Siemens Energy Group the required entrepreneurial flexibility to directly and continuously adjust the strategic focus and business model to the changing market

conditions. Furthermore, the direct access to the capital market will provide the Siemens Energy Business with the benefit of additional sources of financing. The managing boards base their decision in particular on the following aspects:

a) Changing Market Environment

The global energy markets are currently experiencing fundamental changes. As a result of climate change, in the various markets where the Siemens Group is active with its Siemens Energy Business, the need arises to systematically shift power generation towards low-carbon energy sources in order to decrease CO_2 intensity of the entire energy system. At the same time, the demand for energy and specifically for power generation is increasing globally. On the one hand, this is based on a growing world population, increasing globalization and urbanization. On the other hand, the increasing electrification in the areas of commercial trade and industry, buildings and traffic contributes to this further. Accordingly, the energy markets are facing major technological challenges: The growing demand for energy must be met in a sustainable, reliable and affordable manner across all sectors.

The transition towards less carbon-intensive energy sources, specifically electricity generating units that use renewable energy sources, is accompanied by various changes:

- Instead of central, conventional power generation in adjustable large power plants, power generation capacities are moving towards a complex system of centralized and decentralized power generation with both large power plants and small power plants that are mainly based on fluctuating renewable energies.

- Due to significant state funding, regulation and the related massive technological progress, the competitiveness of renewable energies has increased significantly. Concurrent with the increasing competitiveness of renewable energies, new production capacities from renewable energies are being created constantly. This has partly resulted in a disruptive change in the energy sector such that conventional large power plants are being increasingly replaced by systems for generating electricity from renewable energy sources.

- The shift from centralized large power plants to a system consisting of a mix of power plants of various sizes into which energy is fed from different sources presents new challenges to existing power transmission grids. The trend is moving away from unidirectional power transmission and distribution from large power plants to the end-consumer towards a system of complex electricity flows where end consumers are partly also acting as producers and feed into the public grid. This means in particular new challenges for grid stabilization.

- This process is supported by the displacement of conventional large power plants, specifically those fueled by lignite and hard coal, and the shift to decentralized plants as well as the reduction of CO_2 emissions in the power generation and oil and gas industries based on the reorientation in the general public, in politics, corporate entities and investors who, in view of climate change and air pollution, demand the quickest possible reduction of harmful emissions.

For the construction and maintenance of conventional power generation plants this means in particular:

- On the one hand, the number of new large coal and gas power plants needed is decreasing because additional demand for electricity is met primarily by wind energy and photovoltaics, whose electricity production costs generally decrease. On the other hand, the requirements for new power plants are changing because they are often not needed to cover the base load but for peak balancing. In this regard, they are competing with storage solutions (mainly batteries) where currently significant decreases in prices can be observed.

- Furthermore, utilization rates of existing coal and gas power plants could decrease through the primary energy feed-in from renewable sources, thereby reducing required maintenance for turbines, unless this effect is compensated by an increase in the start-ups and shut-downs of the power plants that are actually designed for continuous operation.

At the same time – despite a growing percentage of renewables – the large amount of energy assets is only changing slowly. Given the volatility of renewable energies, conventional power plants will, for the time being, be needed to safeguard security of supply and in that context are able to supply an assured base load. This is why, in the medium term, fossil energy sources will remain core elements of the energy system and will require further extraction in new areas as well.

The extraction of fossil fuels in the oil and gas industry is also undergoing a transformation process towards a reduction of CO_2 emissions. In line with global climate protection targets and operator initiatives, the importance of gas is increasing compared to other fossil fuels (such as oil) due to its lower emissions. In addition, efficiency improvements in plant operation lead to cost reductions and a further reduction in greenhouse gas emissions.

As for the field of power generation from renewable energies, generally speaking, further market growth is to be expected. The pressure to further increase commercial efficiency of generation facilities will continue. At the same time, the sales performance of facilities for generating power from renewable energies so far depends heavily on government regulation and state subsidization in the individual markets. Sudden changes in regulations or a phasing-out of subsidy schemes may have a briefly major impact on the marketable number of new facilities. Currently, in many jurisdictions, a strong trend can be observed towards the use of auctions for renewable energy

capacities, away from for instance guaranteed feed-in tariffs. The operators of plants for power generation from renewable energies will have to find new business models that enable profitability even without state subsidies and incentives.

For the construction and operation of power transmission grids, the increasing shift towards energy supply based on an increasing proportion of fluctuating renewable energy sources means that, in years to come, significant investments on the part of the energy grid providers will be necessary. At the same time, the producers of transmission and distribution grids will have to invest in research and development of new technologies.

- The need for new transmission grids follows on the one hand from the fact that power is often generated at a great distance from the place where it is actually consumed and that, accordingly, new transmission grids have to be established. As far as offshore wind power plants are concerned, this is due to their location on the high seas; in all other respects, the economic centers with a high energy demand are often not located in those regions or climates that enable optimal generation of energy using wind power or photovoltaics.

- Moreover, the number of feed points into distribution grids significantly increases the grid complexity. Besides investments in equipment (e.g. transformers, high-performance electronics), digital technologies will play an important part in creating a balance between variable consumption and fluctuating production.

- For the operation and maintenance of power plants and electricity grids, digitalization will become more and more important. By continuously monitoring and analyzing large quantities of data, downtimes can be minimized, operability optimized, and customized maintenance contracts concluded.

At the same time, new business fields, especially in the field of long-term storage of energy from renewable resources, may evolve. For example, using high-performance storage solutions, energy reserves could be built during the production-intensive summer months for use in low production winter months. Battery storage solutions can be largely ignored due to the technical restrictions of long-term storage periods. Therefore hydrogen or Power-to-X technologies may take on a more important role (using Power-to-X technologies, electricity from renewable energies can be used for the production of low-CO_2 synthetic energy sources (power fuels) and basic chemical materials). Hydrogen, which can be generated ("greenly") without any emissions, will be used alongside energy storage also in industrial applications (such as in steel production or the chemical industry), if these are also further decarbonized.

The rapidly changing market environment described above requires constant decision-making on the strategic orientation of the Siemens Energy Business and on the distribution and allocation of capital for research, development and the establishment of new product lines and production sites.

As an autonomous and independent group, the Future Siemens Energy Group will be able to react on short-term market and industry trends in a more flexible, quicker and more resolute way.

b) Better Framework Conditions for Implementing Each Company's Own Strategy

The legal separation of the Siemens Energy Business improves the framework conditions for both the Future Siemens Group and the Future Siemens Energy Group individually to implement their own strategy. Each enterprise may develop and pursue its own independent strategy, diversify its respective business activities independently in terms of customers, technologies, risks and markets, and adjust necessary processes to the changing market conditions in an even more agile and more targeted manner.

- The Future Siemens Group may further concentrate the Siemens Group portfolio on the business fields in the industrial, infrastructure, mobility solutions and healthcare sectors. The company seeks to thereby further expand its leading position in the growth markets of automation, industrial digitization and intelligent infrastructure.

- Siemens Energy AG, too, may pursue a strategy of its own. There will no longer be any need for coordination or even a competitive situation with the business fields of the Future Siemens Group regarding capital allocation, acquisition strategy or investment budget. This increases corporate agility and facilitates implementing attractive investment opportunities, including the entering into partnerships or the potential acquisitions of companies.

- Siemens Energy AG will be able to use its newly gained independence to more effectively react to the dynamics in the energy industry and the changing challenges of the energy market with simplified and more efficient decision-making and reporting processes, independently of the requirements of the business remaining in the Future Siemens Group. This independence will allow Siemens Energy AG to focus exclusively on its own markets and address even more directly the needs of customers in a changing market environment and in line with the product cycles of the energy market. This will enable Siemens Energy AG to secure and strengthen its position in the energy market with greater entrepreneurial freedom.

c) Avoiding Internal Competition for Financing Sources

After the legal separation of the Future Siemens Energy Group, both groups will have their own access to the capital market. Efforts are being made that the Future Siemens Energy Group will meet the qualification for a rating in the investment grade range.

The Future Siemens Group will be able to better allocate the capital available to it in accordance with the focused strategic orientation in order to strengthen and expand the Siemens Group's competitive position in the identified core activities.

The Future Siemens Energy Group will independently procure financing via the capital market and will be able to decide about using the financing without taking into account the additional approval requirements that must otherwise be taken into account in a broad-based corporate group such as the present Siemens Group. As part of the Siemens Group, the Siemens Energy Business has only very limited possibilities to obtain external capital independently and requires the allocation of funding within the corporate group. This allocation depends on a large number of factors, such as growth, profitability, the potential for synergies with other activities of the Siemens Group and the strategic importance of the financed part of the corporate group for the entire Siemens Group.

d) Better Transparency and Strengthening of Internal and External Identity

The Future Siemens Group and the Future Siemens Energy Group will each be able to establish a more focused profile.

Its own regular reporting and investor relations work that a listing entails will allow Siemens Energy AG to better define its corporate profile and its perception in the greater public and present Siemens Energy AG's position in the market in a transparent and detailed manner during this important phase of change in the global energy markets.

Moreover, a listing allows for the introduction of stock-based compensation programs and employee participation programs, which will be directly linked to Siemens Energy AG's business success. Thus, Siemens Energy AG can foster employee participation in the business and broaden its options for keeping and attracting further highly qualified personnel.

e) Freedom of Decision for Shareholders and Conglomerate Discount

The focus on the identified core fields of business strengthens the investment and risk profile for the Siemens Share and the Siemens Energy Share. Because both future groups pursue their strategies independently, the former Siemens Shareholders will be able to decide freely and separately on their participations in both companies, Siemens AG and Siemens Energy AG, with their clearly defined separate investment and risk profiles. Depending on their own risk preferences and investment strategies, they will be able to invest specifically in one or both of the future groups in the future. The new correlation between opportunities and risks of the Future Siemens Energy Group could also attract new investors that thus far have not held Siemens Shares.

In the opinion of Siemens AG's managing board, the legal separation of the Siemens Energy Business offers the advantage that the current conglomerate discount on the Siemens Share could

decrease. The reason for this is that Siemens AG is perceived on the capital market as a conglomerate because of the different markets it serves and the diversified risk profiles of individual business areas resulting from that. Pure players, i.e., companies that, in contrast, only operate in a more strongly focused business area, have been favored for some time now by the capital market from a transparency, efficiency and portfolio perspective. This means that the shares of companies serving various very diverse business areas – such as Siemens AG – in the opinion of Siemens AG's managing board are traded on the stock exchange at a conglomerate discount. Siemens AG's managing board is confident that a possible conglomerate discount on the Siemens Share will be at least reduced following the legal separation of the Siemens Energy Business.

f) Disadvantages and Risks

The legal separation of the Siemens Energy Business also entails disadvantages and risks for Siemens AG, Siemens Energy AG and their respective shareholders.

- The legal separation of the Siemens Energy Business reduces the degree of diversification, and individual risk positions may carry proportionally greater weight after the legal separation. While the risk profiles of business areas of the Future Siemens Group and of the Future Siemens Energy Group differ and thus reduced the overall risk through diversification, the risk profiles of the two independent groups will have to be evaluated separately in the future. The respective risk profiles can develop negatively in particular if both the industrial market concerned and the capital market come under pressure simultaneously. The focused business model of the Future Siemens Energy Group after the Spin-off taking effect may, in the perception of the capital markets, be more susceptible to negative developments in the markets of the energy business, for example, if they result from customers' refinancing difficulties on the financial and capital markets. In the view of Siemens AG's managing board, the changed risk profile of both groups is a necessary effect of the creation of two more strongly focused groups that needs to be accepted. From an investor perspective, this effect can be reduced or eliminated independently by diversification effects from a sufficiently large portfolio. Significant risks for the two companies or their shareholders could arise if both companies were lacking solid capitalization and funding. The managing board of Siemens AG and the managing board of Siemens Energy AG believe that, after implementation of the Spin-off in the manner specifically set out, the Future Siemens Energy Group will be solidly capitalized and will have a solid funding base; in the opinion of Siemens AG's managing board, this also applies to the Future Siemens Group.

- Moreover, there is the risk that synergies and economies of scale will be diminished or eliminated. With the Future Siemens Energy Group becoming legally separate, current synergy effects and economies of scale may be partially lost in certain areas, specifically

in the support and service units that until now have been used jointly, for instance in procurement, which may also result in increased internal and external current costs. As regards the IT environment, particularly for Siemens Energy AG, along with its infrastructure, systems, applications and the associated support and development functions, additional costs will also arise, at least in the short term. The managing boards of Siemens AG and Siemens Energy AG are convinced, however, that the positive effects anticipated from the division into two smaller, more dynamic and more focused companies will outweigh the loss in synergies and economies of scale. Moreover, in areas such as procurement, it will also be possible – though under more stringent requirements – for the Future Siemens Group and the Future Siemens Energy Group to cooperate.

- Since Siemens AG and Siemens Energy AG will continue to use the same umbrella brand "Siemens", a mutual reputational risk arises, even though the graphic design of the "Energy" element in the "Siemens Energy" brand will elicit a certain differentiation. For more details on the advantages and disadvantages of the Siemens Energy Business using the "Siemens" brand, see in detail Chapter III.2.d).

- Moreover, there is the risk that the advantages anticipated from the Spin-off will be realized only in part or later than expected. Possible reasons for this include, among others, the necessity for each company to establish separate functions and processes, including a new IT environment for the Future Siemens Energy Group. This will result in increased costs for the separate Future Siemens Energy Group, at least in the short term. In addition, a greater vulnerability to market fluctuations, an at least initial reluctance of customers, the loss of business opportunities and less appreciation on the labor market for the Future Siemens Energy Group as a new partner might have an adverse effect on the operations of the Future Siemens Energy Group. The legal separation of the Siemens Energy Business will also be implemented within a very short period of time considering the complexity of the process. It cannot be ruled out that individual functions and processes of the Future Siemens Energy Group will not be fully functional at the time the Spin-off takes effect. The managing boards of Siemens AG and Siemens Energy AG believe, however, that the aforementioned risks can be minimized through thorough preparation and planning of the functions and processes and through open communication with external partners such that the risks will no longer be significant as compared to the advantages of a legal separation.

- A further potential disadvantage of the legal separation of the Siemens Energy Business is that, due to the financial separation of the Siemens Energy Business and its departure from the Siemens Group, the Future Siemens Energy Group could face difficulties in meeting certain financing and capital requirements and in fulfilling certain services and functions that in the past were performed by the Siemens Group in an independent structure, for instance, by the Future Siemens Energy Group discharging the financing heretofore drawn

via the Siemens Group and refinancing itself externally, possibly even at less favorable conditions. Less favorable refinancing conditions will also arise from, *inter alia*, a rating of the Future Siemens Energy Group inferior to that of the Siemens Group because of an overall lower debt sustainability. The same applies to securities that thus far had been provided by Siemens AG and individual Future Siemens Group Companies to third parties on behalf of the Future Siemens Energy Group Companies directly and indirectly via banks and insurances. Upon the Spin-off taking effect, these will in principle have to be replaced by security provided (directly or indirectly) by the Future Siemens Energy Group as well. Business partners of the Future Siemens Energy Group might also more firmly insist on the provision of bank guarantees instead of group guarantees. Because of individual ESG principles (environmental, social and governance), banks might act more restrictively in providing their guarantees depending on the project. Financial performance is also a criterion in connection with plant construction and maintenance contracts and their terms. The Future Siemens Energy Group will have to obtain guarantees and security required for its operative business, in particular, on its own and independently of the Future Siemens Group. Furthermore, no later than the Spin-off taking effect, the hedging transactions on currency, interest rates and commodity pricing entered into by the individual Future Siemens Energy Group Companies with the Future Siemens Group are also to be terminated or novated (see Chapter V.3.c)). Less favorable terms and conditions may be achieved by the Future Siemens Energy Group for the new hedging transactions on currency, interest rates and commodity pricing to be entered into with the banks. The managing board of Siemens AG and the managing board of Siemens Energy AG believe that, due to the solid capital structure of the Future Siemens Energy Group, an independent financing will be achieved.

- If repayment of existing guarantees and security issued or provided (directly or indirectly) by Siemens AG and the Future Siemens Group is not successful, the Future Siemens Group faces the risk that it will continue to be liable for obligations of the Siemens Energy Business for many years to come until such guarantees and security expire. However, in the internal relationship, indemnification has been provided for the benefit of the Future Siemens Group.

- In addition to the possibly increased running costs mentioned above, one-time costs will also be incurred in connection with the legal separation of the Future Siemens Energy Group (for more detail, *cf.* Chapter V.14 and Chapter VI.17). The costs of the legal separation basically comprise the costs for establishing two separate groups, including costs for the division and establishment of IT systems and applications as well as tax burdens. The costs caused by the Spin-off relate primarily to costs for external consulting (e.g. by investment banks and lawyers), audit costs (auditors), notarization costs, costs of shareholders' meetings, costs for the filings with the registers of companies and the costs

of the planned admission to stock exchange trading ("**Transaction Costs**"). The managing boards of Siemens AG and of Siemens Energy AG are of the opinion that the previously mentioned advantages of the legal separation will outweigh the costs and tax burden caused thereby.

2. Rationale for the Specific Structure of the Future Siemens Group and of the Future Siemens Energy Group and for the Use of the Brand

When selecting the business areas to be separated, Siemens AG's managing board has been guided by the concept that the Future Siemens Group will focus more strongly on its core competencies. Therefore, those business areas that are connected to the energy sector were to be combined in a separate group under Siemens Energy AG, while the Future Siemens Group will concentrate on the business areas primarily in the fields of digital industries and smart infrastructure, supplemented by mobility and healthcare. At the same time, the Future Siemens Energy Group should receive all major business activities and fields that are necessary for the further development of its business in the energy sector.

a) General Allocation of Business Activities

Accordingly, the operating business Gas and Power – as it has generally been reported since 1 April 2019 and as it existed at the time of the decision to separate the Siemens Energy Business in May 2019 – has formed the basis for determining the business activities to be transferred.

It was further decided that the majority participation in SGRE S.A. would belong to the Future Siemens Energy Group because, as a provider of comprehensive solutions in the energy sector, Siemens Energy AG (as a "pure-play" energy company) shall be positioned with a comprehensive performance commitment in both the conventional and renewable energies sectors. Wind energy plays an important role in mastering the global energy transition and is therefore a significant component in completing the energy value chain from fossil to renewable energies and forward-looking technologies such as hydrogen or synthetic fuels. For the business areas remaining with Siemens AG, the participation in SGRE S.A. would not have the same strategic value, and would generally even conflict with the further concentration of the Future Siemens Group.

b) Allocation of Further Business Activities to the Siemens Energy Business

Based on the aforesaid general allocations to the Siemens Energy Business on the one hand and the business remaining with the Future Siemens Group on the other, adjustments were made to the portfolio structure in order to position both future groups optimally in view of their respective needs:

- The hydrogen solutions business was allocated to the Siemens Energy Business. Hydrogen is a potential future substitute for fossil hydrocarbons as an energy carrier. This is a rapidly developing business for the production of hydrogen and carbon monoxide for application in fuels and chemical energy carriers. Hydrogen solutions offers important, highly innovative solutions for the future energy portfolio of the Siemens Energy Business, which covers the Power-to-X value chain by its own value creation and collaborations with partners. The hydrogen solutions operations were originally part of the central operating unit Corporate Technology. With a view to the future Power-to-X technologies for the energy sector, this is, however, a business that is strategically better placed in the Future Siemens Energy Group than in the Future Siemens Group.

- The Distribution Transformers operations ("**DT**") have also been allocated to the Siemens Energy Business. This business was formerly reported by Smart Infrastructure. The distribution transformers manufactured by DT are needed both in switchgear facilities of Smart Infrastructure and in Gas and Power's distribution grid business. Nine out of 13 facilities where distribution transformers are manufactured have been used jointly by Smart Infrastructure and the operating company Gas and Power as reported in the fiscal year 2019. If DT had remained in Smart Infrastructure, the facilities would have had to be legally separated. This would have caused DT and Siemens Energy Business to be less competitive. Another argument for the allocation of DT to the Siemens Energy Business was that development synergies could be secured in this way: Technological innovations in the field of transformers are often first developed for power transformers that are part of the original Siemens Energy Business, and are thereafter implemented for distribution transformers.

- Finally, the Siemens Energy Business was enhanced by the solutions business for oil & gas, previously reported in the Portfolio Companies. The Future Siemens Energy Group thereby gains better control over the distribution channel for oil & gas products to the extent that these are sold via the solutions business for oil & gas, and avoids potential competition in the fringe areas of the respective portfolios. The subsea business was also transferred in this context.

- The interests in Ethos Energy Group Limited and Voith Hydro Holding GmbH & Co. KG, both previously reported in the Portfolio Companies, have also been allocated to the Siemens Energy Business. With its portfolio of components for various hydro-electric power plants as well as the adjoining service business, the joint venture Voith Hydro Holding GmbH & Co. KG is active in the area of energy generation and as such complements the activities of the Future Siemens Energy Group. The Voith Hydro Holding GmbH & Co. KG joint venture provides for a worldwide infinite non-competition obligation in the field of electricity generation by way of hydropower. The Ethos Energy

Group Limited joint venture sources a number of services from the business activities of the Siemens Energy Business, and it uses intellectual property and tool licenses for its business which belong to the Siemens Energy Business. Moreover, significant overlaps of the supply chains of Ethos Energy Group Limited and the Siemens Energy Business exist, which ultimately also gave an argument for allocating the joint venture to the Siemens Energy Business.

c) Activities not allocated to the Siemens Energy Business

Due to legal restrictions or based on commercial considerations, certain business activities of the operating company Gas and Power, as reported in the fiscal year 2019, located for the most part in non-European jurisdictions have not been or have not fully been transferred directly or indirectly to Siemens Energy KG:

aa) Siemens Ltd., Mumbai/India

With the exception of an entity in India, which had originally been part of the Dresser Rand business taken over by the Siemens Group, the Indian Gas and Power business was not separated:

- Like the major part of Siemens Group's other business in India, the local Gas and Power business in India (most notably in the Digital Industries and Smart Infrastructure divisions) is mainly operated via Siemens Ltd., Mumbai/India ("**Siemens Ltd., India**"). Siemens Ltd., India, is a local listed company in which the Siemens Group holds a participation of just slightly below 75 % of the shares. Based on a so-called agency agreement, Siemens Ltd., India, acts as exclusive agent for the Siemens Group in India and also as reseller, contract developer and contract manufacturer. In the fiscal year ending on 30 September 2019, Siemens Ltd., India, generated revenues with the local Gas and Power business of approximately EUR 538 million and an EBITA of approximately EUR 81 million.

- A separation of the Indian Gas and Power business from publicly traded Siemens Ltd., India, would have led to significant financing being required for the acquisition of the local Gas and Power business from the Indian company, associated with high tax charges. Instead, the Future Siemens Energy Group will acquire a minority participation in Siemens Ltd., India, in the form of a 24 % shareholding, and the Future Siemens Group will retain a majority participation of approximately 51 % of the shares. The Future Siemens Group will continue to exercise operational control over Siemens Ltd., India. However, the Future Siemens Energy Group will, through its participation in Siemens Ltd., India, also participate in the profits of the Indian business via distributions; in this regard, its profit participation (equivalent to 24 %) will not be limited to the Indian Gas and Power business, but will also include the other activities of Siemens Ltd., India.

- Siemens AG and Siemens Ltd., India, have already entered into an exclusive agency agreement that designates Siemens Ltd., India, as exclusive agent of the Siemens product portfolio for India, Sri Lanka, Nepal, Bhutan and the Maldives. The Future Siemens Energy Group will continue this relationship with regard to the Siemens Gas and Power Business for which a corresponding agency agreement between the Siemens Energy KG and Siemens Ltd., India has been concluded.

- In addition, Siemens AG and Siemens Energy KG have concluded a shareholders' agreement with regard to Siemens Ltd., India. Under this agreement, the Future Siemens Group and the Future Siemens Energy Group will coordinate their actions with respect to the exercise of their shareholder rights, while Siemens AG will retain management and control of all major decisions. In this framework, Siemens AG and Siemens Energy KG have also agreed that Future Siemens Energy Group will enter into a minimum purchase commitment *vis-à-vis* Siemens Ltd, India, with respect to certain products and services of Siemens Ltd, India. In the event of a termination of the shareholders' agreement, an obligation exists to separate the Indian Gas and Power business from Siemens Ltd., India, and to unbundle the business activities in India between the Future Siemens Energy Group and the Future Siemens Group.

bb) Agency Countries without Corporate Participation of the Future Siemens Energy Group

In several countries, the local Gas and Power business was not transferred to separate legal entities for various reasons. Instead, the Future Siemens Group Companies, in addition to their other businesses, continue to operate the local Gas and Power business on their own account on the basis of a so-called agency and distributorship agreement. Only in the event of a termination of the agency and distributorship agreement, it is intended that the Future Siemens Energy Group will have to acquire the respective local Gas and Power business from the respective local Future Siemens Group Company at fair market value. In detail, this applies to the following countries:

- In Indonesia, for the time being, no transfer of the local Gas and Power business (revenue of approximately EUR 148 million in the fiscal year 2019) to a new legal entity was implemented because a local business license would be required as a prerequisite and currently such a license would only be available if a local minority shareholder with a capital share of at least 33 % was admitted to the new entity.

- Likewise, in Algeria, no legal separation (revenue of the local Gas and Power business in the fiscal year 2019: approximately EUR 52 million) was implemented because, as a prerequisite, a local majority shareholder would have to be admitted to the new legal entity.

- In Pakistan (revenue of the local Gas and Power business in Pakistan in the fiscal year 2019: approximately EUR 53 million), a transfer of the local Gas and Power business to a new non-listed legal entity would have triggered prohibitive taxation of the project business in that country so that, for the time being, it was decided to abstain from a separation.

- In Greece (revenue of the local Gas and Power business in Greece in the fiscal year 2019: approximately EUR 13 million), no legal separation was implemented, as the expected business volume does not justify a separate company.

cc) Further Countries without Carve-out

In several countries, the costs of establishing independent local companies for the Siemens Gas and Power Business would, in view of the minimal economic significance of the local Gas and Power business and the expected costs, be disproportionate in terms of the economic effect. This applies to Costa Rica, Tunisia, Guatemala and El Salvador. Instead, distribution in these countries will be done via contractual agreements with local companies of the Future Siemens Group and the local Siemens Energy Business will be liquidated. The projects still in progress are being completed by the companies of the Future Siemens Group according to schedule. The future contracts with customers will then be concluded by other entities of the Future Siemens Energy Group outside these countries.

d) Use of the "Siemens" Brand

The managing board of Siemens AG and the managing board of Siemens Energy AG are in agreement that it is advantageous in particular for the conduct and further development of the Siemens Energy Business if the Siemens Gas and Power Business continues to be conducted under the name and brand "Siemens Energy" and if the SGRE Business continues to be conducted under the "Siemens Gamesa" name and brand. As an alternative to continuing the "Siemens" name and brand with the added element "Energy" and "Gamesa," respectively, it was considered to create an independent, new name and brand for the Siemens Energy Business without using the "Siemens" name. The following considerations ultimately led to the decision to continue operating the Siemens Energy Business under the "Siemens Energy" and "Siemens Gamesa" names and brands:

- Having been used for many years and built and developed with continuous effort by the Siemens Group, the "Siemens" name and brand have gained an exceptionally high immaterial value that is also reflected in their quality as a considerable asset. The "Siemens" name and brand are associated with such attributes as quality, value, uniqueness, innovative strength, technological excellence, trust, reliability and integrity. They are linked with the excellent products and the exceptional know-how of the Siemens Group. This acquired renown and this value can continue to be used by the Future Siemens Energy

Group in its intended use of the "Siemens Energy" and "Siemens Gamesa" names and brands.

- The "Siemens" name and brand are already very well established in the energy sector and "Siemens Energy" gives a clear indication of the company's sphere of activity.

- The "Siemens Energy" name and brand were examined in a special process with regard to availability, cultural acceptance, differentiation from the competition and linguistic connotation. The results were positive regarding every aspect. The continued use of the "Siemens" component also met customer expectations, which were also evaluated. The name and brand "Siemens Energy" and "Siemens Gamesa" therefore purposefully form a fundamental component of the Siemens Energy Business' strategy.

- The ecosystem of the brands "Siemens", "Siemens Healthineers", "Siemens Energy" and "Siemens Gamesa Renewable Energy" is based on a strong mutual understanding of the brands within the group of users, which is repeatedly monitored and adjusted by so-called "branding committees". This ensures the protection, maintenance and refinement of the heart of the "Siemens" brand.

- The managing board of Siemens AG is confident that the expanded use of the "Siemens" name and brand not only entails an increase in brand awareness, but also a simultaneous increase in their market value.

The use of the "Siemens Energy" and "Siemens Gamesa" names and brands is provided for in brand licensing agreements that Siemens AG has entered into with Siemens Energy KG and SGRE. The details of these agreements are presented in Chapters XI.3.a) and XI.3.b).

In its considerations to allow the Siemens Energy Business to be conducted under the "Siemens Energy" and "Siemens Gamesa" names and brands, the managing board of Siemens AG and the management of the Siemens Energy Business also took pertinent disadvantages into account. In particular, the individual obligations assumed in the brand licensing agreements as well as termination and other rights of the relevant other contractual party may be disadvantageous. The brand licensing agreements do not grant exclusivity in favor of the Future Siemens Energy Group; even within the defined scope of the license, a potential competitive situation may arise therefore in the future between the Future Siemens Group and the Future Siemens Energy Group under the same umbrella brand. At the same time, reciprocal reputational risks caused by the use of the same umbrella brand cannot be ruled out. In particular, it cannot be ruled out that, after the Spin-off takes effect and Siemens AG loses control over the Siemens Energy Business, Siemens AG will also be associated with the commercial activities, individual orders or individual occurrences at companies of the Future Siemens Energy Group that will be criticized by the public in light of decarbonization and ESG efforts (environmental, social and governance).

In conclusion, however, the managing board of Siemens AG and the managing board of Siemens Energy AG expect the strength of the "Siemens" name and brand and the advantages of the Future Siemens Energy Group using the "Siemens Energy" and "Siemens Gamesa" names and brands to outweigh the associated potential disadvantages.

3. Reasons for the Spin-off Decision

After a careful examination, the managing board of Siemens AG resolved, with the approval of the supervisory board, to carry out a spin-off under the UmwG. The managing board of Siemens AG has thoroughly reviewed and carefully considered each of the options available for implementing the legal separation of the Siemens Energy Business. Aside from a spin-off under the UmwG, a legal separation of the Siemens Energy Business could also be implemented by a sale of a business segment by way of a public offer of shares (an Initial Public Offering ("**IPO**")) or an M&A transaction. A distribution of a dividend in kind to the Siemens Shareholders could also be considered.

a) Reasons for the Spin-off

In the view of the managing board of Siemens AG, compared to alternative transactions, the Spin-off is in the best interest of Siemens AG and its shareholders. Especially the following reasons are decisive for this:

- The successful implementation of the Spin-off does not depend to the same degree on a positive environment in the capital market as it would have been the case with a public offering of the shares by way of an IPO; it therefore provides a high degree of transaction certainty. Assuming the approval of the shareholders' meeting of Siemens AG, the listing of Siemens Energy AG in the context of the Spin-off will follow a clearly defined path that gives both Siemens AG and Siemens Energy AG a reliable basis for planning.

- In a spin-off, the share in Siemens Energy AG to be held by Siemens AG can be reliably and exactly determined in advance. In the case of an IPO, the number of the Siemens Energy Shares (indirectly) remaining with Siemens AG would depend on how the market will accept the shares at the relevant time. With a spin-off and the conclusion of a deconsolidation agreement, certainty regarding the future shareholding structure and the management of the Future Siemens Energy Group can be achieved at an early stage. Uncertainties as to a continuing control of Siemens Energy AG by Siemens AG and the full consolidation of the Siemens Energy Business in the consolidated financial statements of Siemens AG are avoided. The Spin-off secures the intended purpose of giving up the entrepreneurial leadership of Siemens Energy Business by Siemens AG.

- In the case of a spin-off, any necessary discount on the value of the Siemens Energy Shares for the placement under an IPO can be avoided which will directly be to the benefit of the Siemens Shareholders. In order to be able to place 55 % of the shares of Siemens Energy AG in the case of an IPO with sufficient certainty, presumably a significant discount on the value of the shares would become necessary because, otherwise, investors would not be prepared to subscribe shares given a generally volatile capital market environment. In the event of a subsequent recovery, only the newly investing shareholders would have profited from such a discount, at the expense of the existing Siemens Shareholders. In the case of a spin-off, however, the Siemens Shareholders may decide for themselves whether they wish to realize the value of Siemens Energy AG reflected on the stock exchange.

- Under a spin-off scenario, the new Siemens Energy Shares will be directly distributed to the Siemens Shareholders. This gives Siemens Shareholders the possibility to decide separately on their participations in both companies with their respective clearly defined investment profiles (*cf.* Chapter III.1.e) above).

Disadvantages are also inherent for Siemens AG under the Spin-off which have been taken into account when making the decision in favor of the Spin-off.

- Contrary to an IPO or a non-public sale of Siemens Energy AG to investors, Siemens AG will not realize any direct liquid funds under the Spin-off in the form of proceeds from the sale or placement.

- The Spin-off constitutes a payout of equity by the transferring entity to its shareholders. Therefore, the Spin-off will result in a direct reduction in Siemens AG's equity under the German Commercial Code (*Handelsgesetzbuch*, "**HGB**") in the amount of the book value of the spun-off participation, and in a reduction of the dividend reserve. Similarly, the equity reported in the consolidated statements of financial position of Siemens AG under International Financial Reporting Standards ("**IFRS**") will also be lower.

- Once the Spin-off and the resulting deconsolidation of the Future Siemens Energy Group (by Siemens AG waiving a controlling influence in the Future Siemens Energy Group, ensured by a deconsolidation agreement) take effect, the remaining participation in Siemens Energy AG will be reported in the consolidated statements of financial position of Siemens AG as a participation accounted for using the equity method. The initial valuation will be the fair value (*beizulegender Zeitwert*) of the Future Siemens Energy Group in accordance with IFRS. This fair value is not yet known so that for the purposes of this Spin-off Report the *pro rata* book value of the disposal group (*Abgangsgruppe*) is used. If, at the time the Spin-off becomes effective, the fair value were below the *pro rata* book value of the disposal group, this would lead to a lower disposal result (*Abgangsergebnis*) in the consolidated financial statements of Siemens AG. The remaining

shareholding in Siemens Energy AG is subject to risks in terms of change in value, *i.e.*, a decline of the fair value below the carrying amount of the interest (*Beteiligungsansatz*) would lead to an impairment in the consolidated financial statements of Siemens AG. In this regard, there may be a further significant reduction of the consolidated equity (more detailed information on the accounting effects of the Spin-off are set out in in detail Chapter VIII.1). There are also tax disadvantages in the Spin-off, primarily involving the loss of a portion of the losses that can be set off and remaining tax loss carryforwards of Siemens AG that are not available for crediting against profits (cf., in this regard, Chapter VIII.2).

- Furthermore, the structure of the entire transaction in a spin-off under the UmwG and the other measures discussed in this Report are in part more complex than would have been the case if other approaches to the transaction, for example an IPO, had been chosen. This relates primarily to the target structure and the steps necessary to achieve the structure, such as to ensure the number of shares entitled for allocation (*cf.* Chapter VI.13.a)), the approval of Siemens AG's shareholders' meeting required under the UmwG, the preparation of a spin-off report, the examinations by court appointed auditors required for implementation (on this point, *cf.* Chapter VI.8) and the adjustment of stock-based compensation programs and employee participation programs (on this point, *cf.* Chapter XIII.1.k)).

- It can also be assumed that in the case of a spin-off under which all Siemens Shareholders receive shares in Siemens Energy AG, a not insignificant part of investors (for example particular index funds) will sell the shares allocated to them. This can influence the stock exchange price of Siemens Energy Shares.

- Furthermore, under the provisions of the UmwG, Siemens Energy AG is jointly and severally liable for the satisfaction of all liabilities established prior to the Spin-off taking effect by Siemens AG as the transferring entity. In specific circumstances, transformation law entitles creditors to require securities from Siemens AG or Siemens Energy AG. In this context, it is necessary, among other things, to provide *prima facie* evidence that the fulfilment of the claim is prejudiced by the Spin-off. In the opinion of the managing boards of Siemens AG and of Siemens Energy AG, the requirements for a security will not be fulfilled upon completion of the Spin-off due to the capital and financial resources available to both companies.

- Furthermore, as a result of the Spin-off and the creation of two independent listed companies, the costs for administration and the costs for corporate bodies will increase. Finally, the Spin-off will give rise to Transaction Costs and taxes (for further detail, *cf.* Chapter VI.17 below).

In the view of the managing board of Siemens AG, however, these disadvantages of the Spin-off do not support any different decision. The managing board of Siemens AG is instead convinced that the previously described benefits of the Spin-off by far outweigh the disadvantages caused.

b) Reasons against an IPO

The managing board of Siemens AG has carefully examined a sale of the Siemens Energy Business by way of an IPO as an alternative to the Spin-off. In the view of the managing board, such a transaction cannot be implemented currently, or in the foreseeable future, in a manner which lies in the interest of Siemens AG and its shareholders, especially due to the following reasons:

- In the opinion of Siemens AG's managing board, an argument against an IPO of Siemens Energy AG by way of a public offer of the Siemens Energy AG shares is that, from today's perspective, an IPO does not provide the necessary transaction certainty given the current and anticipated capital market environment over the short term. It would not be possible to predict with certainty whether a public offer of the shares would be possible in the context of an IPO at all or in the amount required for the intended purposes, and, in particular, whether there would be sufficient demand for the issued shares at an acceptable price. Therefore, in case of an IPO, there is the risk that this cannot be implemented during the desired time period on attractive terms.

- In the case of an IPO, the determination of a clearly defined share of Siemens AG after the transaction would not be possible in the same degree, as it is not possible to assess the receptiveness of the market for the intended placement volume.

- Although Siemens AG would have realized proceeds from a sale in the case of an IPO, Siemens AG does not require proceeds of this kind in light of the currently very solid liquidity at Siemens AG and instead can allow the value of the Siemens Energy Business to directly benefit the Siemens Shareholders.

- Under an IPO, it would not be possible to split up the Siemens Group fully and in a timely manner to the same extent as under a spin-off pursuant to the UmwG. In the case of an IPO, it is usually only possible to place a minority participation at an appropriate price. If a larger block of shares is placed, price discounts cannot be ruled out. Any remaining participation of Siemens AG could only have been reduced in the course of further offerings with due regard to the market and only in the medium term. The advantages envisaged by the Spin-off could not have been achieved in a timely manner and in the same way as in the case of the Spin-off.

c) Reasons against an M&A Transaction

The managing board of Siemens AG examined the possibility of a complete or partial divestment of the Siemens Energy Business by way of a company sale ("**M&A Transaction**") and decided against it after careful examination.

In the view of the managing board of Siemens AG, the goals pursued by separating the Siemens Energy Business could not have been achieved to the same degree under an M&A Transaction. Whereas, in the view of the managing board of Siemens AG and the managing board of Siemens Energy AG, this separation by way of a spin-off corresponds best to the future focus of the Siemens Energy Business and the responsibility owed to the Siemens Energy Business. In the case of a partial sale of the Siemens Energy Business, the goals of transferring the entire entrepreneurial responsibility for the Siemens Energy Business from Siemens AG to Siemens Energy AG, which are being pursued by the legal separation, could not have been achieved. Finally, a sale to a strategic investor, at least if the investor comes from the classic energy business, would likely have to overcome substantial hurdles under antitrust law due to the necessary size of such an investor and the concentration in the energy market.

d) Reasons against Issuing the Siemens Energy Shares in the Form of a Dividend in Kind

Siemens AG's managing board also decided against a legal separation from the Siemens Energy Business by way of a distribution as a dividend in kind. The issuance of Siemens Energy Shares in the form of a dividend in kind would not have had any material benefits compared to a Spin-off in the planned structure. However, there would have been both serious reasons under corporate law as well as disadvantages under tax law compared to the Spin-off:

- Initially, a dividend in kind would not have been an appropriate alternative under tax aspects because the shareholders of Siemens AG would have had to pay tax on this dividend in kind, just as it is the case with any other dividend. As consequence, especially German small-scale shareholders would not have the option, contrary to the situation under the Spin-off, to substitute the received shares for the previously held shares on a *pro rata* basis for tax purposes subject to certain preconditions (see on this point, the description in Chapter VIII.2.d)bb)(2)).

- A transaction certainty comparable to that in a spin-off would also not have existed because, unlike in a spin-off, German stock corporation law does not provide for the possibility for a clearance procedure in the case of complaints against the resolution of the shareholders' meeting on the distribution in kind. Even an unfounded action to set aside the resolution about the distribution in kind initiated by a shareholder holding only one share could delay the measure becoming effective for years.

4. Decision in Favor of the Remaining Participation in Siemens Energy AG as non-controlling Anchor Shareholder

Siemens AG intends to not completely separate itself from the Siemens Energy Business in connection with the Spin-off. Siemens AG will initially remain a non-controlling anchor shareholder in Siemens Energy AG with a 35.1 % shareholding directly and indirectly via SBI GmbH. Additionally, the SPT e.V. will hold a 9.9 % stake in Siemens Energy AG. In addition to a portion of the participation of Siemens AG in SBI GmbH, the direct participation of SBI GmbH in Siemens Energy AG is also subject to a seven-year blocking period under tax law, i.e., it could be sold only subject to presumably major income taxes being triggered in this respect. With the strategic and operational development of Siemens Energy AG and Siemens AG, Siemens AG intends to reduce its stake in Siemens Energy AG significantly in a timeframe of twelve to 18 months after the Spin-off taking effect.

Siemens AG does not intend to exert controlling influence over Siemens Energy AG either by a majority of the votes in the shareholders' meeting or in any other way. In order to ensure this, Siemens AG, Siemens Energy AG and SBI GmbH additionally entered into a deconsolidation agreement on restricting the exercise of the voting rights by Siemens AG and SBI GmbH at the shareholders' meeting of Siemens Energy AG, which is described in more detail in Chapter XIII.3. below. Upon the Spin-off taking effect, the direct and indirect participation of Siemens AG in Siemens Energy AG will not be fully consolidated but will be included *at equity* in the consolidated financial statements of the Future Siemens Group (see in this regard Chapter VIII.1.d)bb)) below).

The set amount of the portion of 35.1 % of the capital stock in Siemens Energy AG remaining with Siemens AG directly and indirectly via SBI GmbH (after transfer of a share of 9.9 % to SPT e.V.) in combination with the Deconsolidation Agreement is a clear signal to the effect that Siemens Energy AG, as a listed company, will in the future act separately and independently of Siemens AG and that Siemens AG does not claim any entrepreneurial leadership.

This is, at the same time, a sign of confidence placed in the potential and the future development of Siemens Energy AG and enables a participation in a possible value increase. Siemens AG directly and indirectly retains a participation in the equity that enables it to assume the position of a stable, non-controlling anchor shareholder for Siemens Energy AG, and that also reflects the significant interconnection remaining between the two companies, in particular in view of remaining guarantees (*cf.* Chapter V.3.d)) and the joint umbrella brand.

On the other hand, the portion of 55 % of the shares in Siemens Energy AG issued to the shareholders of Siemens AG in the course of the Spin-off will ensure sufficient liquidity of the Siemens Energy Share on the stock exchange.

In the view of the managing board of Siemens AG, the waiver of Siemens AG to exert a controlling influence as anchor shareholder – which is further secured by way of the Deconsolidation Agreement – is in Siemens AG's best interest. This assessment is based, in particular, on the following reasons:

- The Siemens Energy Business is to be conducted by Siemens Energy AG autonomously and independently of Siemens AG. As a consequence, Siemens Energy AG will be able to develop autonomously and independently, a fact which the managing boards of Siemens AG and Siemens Energy AG believe should also have a positive effect on the market assessment of the Siemens Shares and the Siemens Energy Shares. Siemens Energy AG is deliberately placed on the capital market separately and independently of Siemens AG, which may make the Siemens Energy Shares more attractive for certain investors.

- The managing board of Siemens AG is confident that the deconsolidation effected by the waiver of the controlling influence will improve the financial performance indicators and may thus have a positive effect on how Siemens AG is perceived in the market and on the pricing of the Siemens Energy Shares.

- Moreover, in the view of Siemens AG's managing board, the remaining participation as non-controlling anchor shareholder offers the advantage that the existing conglomerate discount on the Siemens Share could decrease (as regards the reduction of the conglomerate discount, see Chapter III.1.e) above).

The conclusion of the Deconsolidation Agreement also results in certain disadvantages for Siemens AG, which Siemens AG's managing board took into account when it decided in favor of the conclusion of the Deconsolidation Agreement.

- One disadvantage resulting under the Deconsolidation Agreement is that Siemens AG can only be represented with fewer representatives (no more than three) of the shareholder representatives on the supervisory board of Siemens Energy AG. As a result of the reduced influence in the supervisory board, Siemens AG may no longer have the power to procure a certain optimal composition of the managing board or to prevent transactions that Siemens AG considers disadvantageous for Siemens Energy AG and that require the approval of the supervisory board.

- In this context, Siemens AG's managing board also took into consideration that Siemens AG and other Future Siemens Group Companies are liable for a considerable amount for obligations of the Future Siemens Energy Group on account of the fact that the Siemens Gas and Power Business previously was conducted by the Siemens Group and because of outstanding guarantees and other collateral provided by the Siemens Group for the Siemens Energy Business.

- The loss of control of Siemens AG over the Future Siemens Energy Group Companies that occurs as a result of the Spin-off and the conclusion of the Deconsolidation Agreement may trigger termination rights, purchasing rights or other rights of the relevant contractual partner of joint venture agreements or other continuing obligations based on change of control clauses.

- In addition, the loss of a controlling influence results in the loss of statutory group privileges, in particular under antitrust law and under the German Banking Act (*Kreditwesengesetz* – "**KWG**"). Furthermore, it is generally recognized that an independent company has the right to provide to the controlling company a broad range of information, including trade and business secrets and other confidential information that is subject to the strict corporate confidentiality duty of the managing board pursuant to Section 93 (1) sentence 3 AktG. This privilege also ceases to apply.

Having carefully weighted all advantages and disadvantages, the managing board of Siemens AG is convinced that the above-described advantages of the abandonment of a controlling position clearly outweigh the disadvantages resulting therefrom.

5. Decision for the Spin-off by Absorption

The managing board of Siemens AG decided in favor of the Spin-off by absorption under Section 123 (2) no. 1 UmwG and, thus, against the spin-off by way of establishing a new company (Section 123 (2) no. 2 UmwG). The spin-off by absorption is differentiated from establishing new companies by the fact that the receiving entity (in this case, Siemens Energy AG) already exists prior to the spin-off. This is the basic prerequisite for the intended goal of a (direct and indirect) minority participation of Siemens AG in Siemens Energy AG which will be created by Siemens AG contributing anapproximately 32.98 % participation in Siemens Energy KG and by SBI GmbH contributing its approximately 12.02 % participation in Siemens Energy KG in exchange for the granting of shares in Siemens Energy AG (see on this point, the detailed description in Chapter VI.3.). This would not have been easily possible if Siemens Energy AG first had to be newly established under the Spin-off.

Furthermore, the shareholders' meeting of Siemens Energy AG will still be able to take measures to prepare Siemens Energy AG for the capital market prior to the Spin-off taking effect, for example granting the authorization to acquire treasury shares after the Spin-off takes effect as well as by resolving authorized and conditional capital.

Since a spin-off audit is required by law in the case of a spin-off by absorption contrary to the spin-off by way of newly establishing a company while preserving the proportionate shareholdings (*cf.* in this regard, Chapter VI.8.), additional costs are incurred compared to the spin-off by establishing a new company while preserving the proportionate shareholdings. However, these costs are not

material compared to the described benefits, also taking into account the overall costs related to the Spin-off.

IV. Spin-off Assets

The legally defined Spin-off Assets are (i) a partial partnership interest (*Kommanditanteil*) in Siemens Energy KG and (ii) shares in the General Partner GmbH ("**Spin-off Assets**"). The Siemens Energy Business is bundled in the Siemens Energy KG and is managed operationally by it. Due to the Spin-off, the Siemens Shareholders will hold a majority stake in the Siemens Energy Business through Siemens Energy AG.

1. Siemens Energy KG

Siemens Energy KG, formed through the partnership agreement dated 9 August 2019 by Siemens AG and the General Partner GmbH, has its registered office in Munich and is registered with the register of companies of the district court of Munich under registration number HRA 111200. The General Partner GmbH is the sole personally liable shareholder (general partner (*Komplementärin*)) without an interest in the fixed capital. At the time of its formation, the fixed capital of Siemens Energy KG was EUR 1,000. It was raised and held entirely by Siemens AG as sole limited partner (*Kommanditistin*). In connection with the Carve-out, the fixed capital of Siemens Energy KG was raised several times to now EUR 174,908,333 and SBI GmbH took on interest in Siemens Energy KG (see in this regard Chapter V., in particular Chapter V.1.d)).

Following completion of the Carve-out, the ownership structure is as follows: SBI GmbH currently holds a partnership interest representing a *pro rata* amount of the fixed capital of Siemens Energy KG of EUR 21,015,601 (corresponding to approximately 12.02 % of the total fixed capital) and Siemens AG currently holds a partnership interest representing a *pro rata* amount of the fixed capital of Siemens Energy KG of EUR 153,892,732 (corresponding to approximately 87.98 % of the total fixed capital).

By amendment of the partnership agreement, the name of "Siemens Gas and Power GmbH & Co. KG" shall in the future be changed to "Siemens Energy Global GmbH & Co. KG".

Under the partnership agreement, the object of Siemens Energy KG is to manufacture, supply, operate, distribute and trade in products, systems, facilities and solutions and to render maintenance, repair and other services, as well as research and development, in the areas of energy production, transfer, distribution and storage, in the areas of oil and gas across all areas of production, in the areas of decarbonization, sector coupling, hydrogen solutions and other renewable and non-renewable energy sources as well as the adjacent fields of activity such as electrical engineering, automation, electronics, precision mechanics and mechanical engineering. Siemens Energy KG can operate in the context of these activities in all information technology fields (including electronic data processing and transfer, software, platforms and self-learning systems) and render related services. Moreover, Siemens Energy KG, in particular through its consolidated subsidiaries, can operate in the financial sector and participate directly or indirectly in

enterprises and companies of any type, also in managing its own assets. Finally, Siemens Energy KG may engage in business of any kind and take any and all measures related to, or which seem to be directly or indirectly useful in promoting, the above activities. Siemens Energy KG may realize its object itself or through consolidated subsidiaries or associated companies (including joint ventures). It can confine itself to some of the activities mentioned above. Siemens Energy KG can set up associated companies, acquire participating interests and change them structurally, bring them under uniform control or may limit itself to managing the participating interest, sell participating interests and also conclude enterprise and cooperation agreements of any kind.

Due to the legal and organizational bundling of the Siemens Energy Business in Siemens Energy KG, Siemens Energy KG from now on will operate the Siemens Energy Business both directly and indirectly (see Chapter V.1.).

2. General Partner GmbH

The General Partner GmbH, with its registered office in Munich, was formed as a shell company by Blitzstart Holding AG on 24 May 2018 under the name Blitz 18-677 GmbH and was registered on 4 June 2018 with the register of companies of the district court of Munich under the registration number HRB 241345. Its share capital consists of EUR 25,000, split into 25,000 shares, each with a nominal value of EUR 1.00, with the consecutive numbers 1 through 25,000. By means of a share purchase and transfer agreement dated 12 June 2018, Siemens AG acquired from Blitzstart Holding AG all shares of the company which today operates as the General Partner GmbH. At the same time, the company changed its name to Kyros 57 GmbH.

On 9 August 2019, today's General Partner GmbH signed a partnership agreement with Siemens AG for the formation of Siemens Energy KG, by which the General Partner GmbH became commercially active for the first time. At this time, the company again changed its name from Kyros 57 GmbH to Siemens Gas and Power Management GmbH and the business purpose was amended accordingly. Since then, the company has been the general partner of Siemens Energy KG and manages its business.

SBI GmbH acquired all shares in the General Partner GmbH from Siemens AG through the contribution agreement dated 31 March 2020. On 30 March 2020, Siemens AG then acquired from SBI GmbH 21,996 shares (corresponding to approximately 87.98 % of the share capital of the General Partner GmbH).

Under the articles of association, the object of the General Partner GmbH is to manage its own assets as well as to participate in other companies as a personally liable managing partner, in particular with respect to Siemens Energy KG. The company may engage in business of any kind and take any and all measures related to, or which seem to be directly or indirectly useful in

promoting, the company's object. In particular, the company can form, acquire, integrate or invest in other domestic or foreign companies, it can form branch offices and conclude enterprise agreements and enter into interest groups.

The directors of the General Partner GmbH are currently: Tim Oliver Holt, who was appointed on 23 October 2019 with effect as of 1 November 2019 until 31 October 2024; Dr. Ing Jochen Eickholt, who was appointed on 23 December 2019 with effect as of 1 January 2020 until 31 October 2024; Dr.-Ing. Christian Bruch, who was appointed on 20 April 2020 with effect as of 1 May 2020 until 30 April 2025, and Maria Ferraro, who was appointed on 20 April 2020 with effect as of 1 May 2020 until 30 April 2023. The General Partner GmbH has a supervisory board established in accordance with the requirements of the MitbestG which consists of 20 members. At the moment, the following employees of the Siemens Group are appointed as representatives of the shareholders:

- Dr. Andreas C. Hoffmann, chairman of the supervisory board,
- Alia Al Refai,
- Veronika Bienert
- Nina Günther,
- Prof. Dr. Christian Kaeser,
- Peter Kastenmeier,
- Dr. Peter Rathgeb,
- Sabine Reichel,
- Karl-Heinz Seibert and
- Dr. Jürgen Wagner.

The employee representatives on the supervisory board are:

- Robert Kensbock, deputy chairman of the supervisory board,
- Günter Augustat,
- Manfred Bäreis,
- Dr. Andrea Fehrmann

- Dr. Andreas Feldmüller
- Nadine Florian,
- Rüdiger Groß,
- Jürgen Kerner,
- Dieter Kupferschmidt, and
- Hagen Reimer.

V. Carve-out of the Siemens Energy Business in Preparation of the Spin-off

In preparation for the Spin-off, the Siemens Energy Business was legally and organizationally consolidated under the umbrella of Siemens Energy KG as described in detail below (for a detailed description of Siemens Energy KG, see Chapter IV.1 above).

1. Bundling of the Siemens Energy Business in Siemens Energy KG

a) General Approach to Separating the Assets and Legal Relationships

The organizational work of legally and organizationally separating the Siemens Energy Business within the Siemens Group began directly following the announcement of the planned legal separation of the Siemens Energy Business in May 2019.

As a first step, the assets and legal relationships allocated to the Siemens Energy Business and therefore to be bundled in or under Siemens Energy KG were identified and determined in accordance with the basic structure of the Future Siemens Energy Group (in this regard, see Chapter III.2). For the central functions (for example, legal, accounting, tax), the respective central departments and units of Siemens AG mostly were organizationally divided into new business divisions in preparation for the legal separation and the employees were allocated either to the departments and units that were to remain with Siemens AG or to the corresponding new departments and units created for the Future Siemens Energy Group. In total, approximately 1,400 employees in central functions were allocated to the newly created business operations and business divisions.

For each country in which a separation of the local business activities from the rest of the business of the Siemens Group was necessary (each a "**Local Carve-out**"), taking into account tax, operational and strategic aspects, a concept was developed to ensure a separation of the employment relationships, assets, contracts, liabilities and investments that belong to the respective Siemens Energy Business of a country ("**Local Siemens Energy Business**") that provides legal certainty. The precise scope of the Local Siemens Energy Business was determined based on the guidelines for the structure of the Siemens Energy Business (in this regard, see Chapter III.2).

The business divisions were separated not solely by way of allocating employees to respective divisions, but also based on organizational, spatial and functional considerations. In addition, the relevant accounting areas (*Buchungskreise*) of the various business divisions were separated.

To the extent that a Local Carve-out was not necessary because the Local Siemens Energy Business was already operated by an independent company, the existing companies were transferred directly or indirectly to Siemens Energy KG without any further preparatory measures.

With regard to the local Gas and Power business that is not or not shortly to be transferred to the Future Siemens Energy Group, in connection with the Carve-out, see Chapter III.2.c).

b) Transfer of the German Siemens Energy Business Operations from Siemens AG to Siemens Energy KG

Effective as of 1 January 2020, Siemens AG transferred to Siemens Energy KG the German Siemens Gas and Power Business, which was held directly by Siemens AG, as well as other domestic and foreign investments, assets and legal relationships directly attributable to the Siemens Energy Business, including the shares in SGRE S.A. which, at the time, were directly held by Siemens AG (in the amount of approximately 30 % of SGRE S.A.'s issued shares) as well as the newly created central departments for the Future Siemens Energy Group (subject to special cases as set forth in Chapter V.4) (together the "**German Siemens Energy Business Operations**") (with regard to the contribution of the additional shares in SGRE S.A., originally held by SBI GmbH, amounting to approximately 29 % of the issued shares, as well as the contribution of the additional shares in SGRE S.A., acquired by Siemens AG in the meantime, amounting to approximately 8 % of the issued shares, see Chapter V.1.d) below). In this context, Siemens AG contributed the German Siemens Energy Business Operations to Siemens Energy KG at book value by means of a notarial contribution agreement dated 20 December 2019 with effect as of 1 January 2020, 0.00 hours. In exchange, the interest held by Siemens AG in the fixed capital of Siemens Energy KG was increased by EUR 19,999,000, from EUR 1,000 to EUR 20,000,000.

The following assets in particular have been transferred from Siemens AG to Siemens Energy KG as part of the German Siemens Energy Business Operations:

- Movable assets of the German Siemens Energy Business Operations: all moveable property, especially machinery, equipment, tools, vehicles, IT hardware, inventory, spare parts, office material, as well as records, bills and invoices, books and other documents which were attributable to the German Siemens Energy Business Operations.

- Intellectual property: The assets to be transferred also include the patents that belonged to Siemens AG as of 31 December 2019 and that had largely been financed internally by the Siemens Gas and Power Business; furthermore, the trademark and name rights that are exclusively used and were financed by the Siemens Gas and Power Business and that do not contain any Siemens designation; and the know-how that is mostly used by the Siemens Gas and Power Business as well as the software mainly used or financed by it. In the transferred intellectual property, Siemens AG received a back license for use within the existing business areas of the Future Siemens Group (with regard to the Future Siemens Group in more detail, see Chapter IX.1). Siemens AG issued *vice versa* to Siemens Energy KG a license for patents, know-how and software owned by Siemens AG and used by the Siemens Gas and Power Business but not transferred to Siemens Energy KG, for further

use within the existing business areas of the Siemens Gas and Power Business. The mutual licenses are valid worldwide and are indefinite, irrevocable, free of charge, under certain conditions transferable and sub-licensable, and of non-exclusive nature. Intellectual property contained in the products or services which form the portfolio of the business remaining in the Future Siemens Group and which have been acquired against payment by the Siemens Gas and Power Business prior to the Carve-out is neither licensed nor transferred to the Future Siemens Energy Group. The Future Siemens Energy Group may continue to acquire such products or services from the Future Siemens Group. The transfer of individual license agreements regarding intellectual property of third parties is usually subject to the consent of third parties. In particular, the complete transfer of the so-called Intellectual Property Agreement concluded between Siemens AG and Rolls-Royce plc. is subject to the involvement of Rolls-Royce plc. Under the Intellectual Property Agreement, Rolls-Royce plc. has granted the Siemens Group extensive licenses to use technology relevant to the aeroderivative gas turbine business acquired by the Siemens Group in 2014. Siemens AG and Siemens Energy KG are currently formalizing the transfer of the Intellectual Property Agreement and are currently in negotiations with Rolls-Royce plc. regarding the transfer of the right of Siemens AG to acquire future significant technological developments from Rolls-Royce plc. or its subsidiaries. The Intellectual Property Agreement also contains protective clauses in favor of Rolls-Royce plc. in the event that a competitor of Rolls-Royce plc. acquires at least 30 % of the outstanding shares of the licensee. With the transfer of the Intellectual Property Agreement these provisions will then apply to Siemens Energy KG.

- Lease agreements: Siemens Energy KG is continuing to use the production, manufacturing, storage, office and other business spaces that are attributable to the German Siemens Energy Business Operations. For this purpose, Siemens AG has transferred to Siemens Energy KG the lease agreements which are either exclusively or mostly attributable to the German Siemens Energy Business Operations, and Siemens Energy KG has entered into new leases with landlords or principal tenants with respect to the production, manufacturing, storage, office and other business spaces that are used by the German Siemens Energy Business Operations. In cases where the owner, landlord or principal tenant had not consented to a transfer of the lease from Siemens AG to Siemens Energy KG, Siemens Energy KG entered into new sublease agreements with Siemens AG.

- Real property: The ownership of the real property in Germany that is attributable to the Siemens Energy Business was not subject to the transfer of the German Siemens Energy Business Operations. Instead, this real property was previously bundled in Siemens Gas and Power Real Estate GmbH & Co. KG. Siemens AG sold a share amounting to 89 % of the fixed capital of Siemens Gas and Power Real Estate GmbH & Co. KG as well as all of the shares in its personally liable partner to Kyros 60 GmbH, a wholly owned subsidiary

of Siemens Energy KG, by means of a notarial sale and transfer agreement dated 27 March 2020. With respect to the remaining share amounting to 11 % of the fixed capital of Siemens Gas and Power Real Estate GmbH & Co. KG, mutual option agreements were entered into under the same notarial sale and transfer agreement. First, Siemens AG may exercise a sale option until 21 April 2022 for the 11 % share in the fixed capital of Siemens Gas and Power Real Estate GmbH & Co. KG; if Siemens AG chooses not to exercise this option, Kyros 60 GmbH, beginning on 21 April 2023, is in turn entitled to exercise a purchase option that is unlimited in time. If the option is exercised, the purchase price – which is intended to correspond to the market value of the share to be transferred – is to be determined by a neutral expert on the basis of predetermined valuation criteria.

- Shares: Siemens AG has transferred to Siemens Energy KG the shares in domestic and foreign subsidiaries and holding companies directly held by Siemens AG and exclusively attributable to the German Siemens Energy Business Operations. These shares included, in particular, approximately 30 % of the shares held directly by Siemens AG in SGRE S.A. at that time as well as shares in subsidiaries and joint ventures. The Future Siemens Energy Group thus assumes all rights and obligations arising from the shares and related agreements, including possible non-competition clauses in joint ventures; in general, in isolated cases the Future Siemens Group may still be bound by post-contractual competition restraints for a temporary period with regard to transferred interests in joint ventures.

- Contracts: The contracts exclusively attributable to the German Siemens Energy Business Operations, in particular the customer and supply agreements of Siemens AG, have been transferred to Siemens Energy KG. Insofar as certain agreements could not (yet) be transferred to Siemens Energy KG as a result of legal requirements – for example due to the lack of the required consent by third parties – Siemens AG and Siemens Energy KG have agreed to place each other in the same economic position as if the respective agreements had already been transferred to Siemens Energy KG.

- Liabilities: The liabilities that are exclusively attributable to the German Siemens Energy Business Operations have also been transferred to Siemens Energy KG. This includes the liability for collateral provided by Siemens AG and certain Future Siemens Group Companies (partially also banks and insurance companies) in favor of the German and worldwide Siemens Energy Business. Insofar as an external transfer was not possible due to the lack of a required third party consent, the economic effect of such liabilities has been transferred by way of Siemens AG and Siemens Energy KG agreeing in the internal relationship to place each other in the same economic position as if the respective liabilities had been transferred.

- Indemnification OL 3: Internally between Siemens AG and Siemens Energy KG, the contract with the customer for the construction of the new reactor block 3 in the nuclear power plant Olkiluoto, Finland, as well as the associated consortium agreement with Areva NP S.A.S. and Areva GmbH were also transferred, *i.e.* Siemens AG continues to be liable for all obligations externally, while Siemens Energy KG is responsible for the project realization internally and thus basically bears the opportunities and risks of project implementation. This applies in particular to risks in the event of delayed commissioning or failure to commission the reactor unit. With regard to certain liability risks, however, Siemens AG and Siemens Energy KG have, in deviation from the fundamental transfer of all risks associated with the Siemens Energy Business to Siemens Energy KG, agreed that Siemens Energy KG will be indemnified by Siemens AG starting at a threshold value of EUR 83 million.

- All other transferable legal rights and obligations of Siemens AG that were exclusively attributable to the German Siemens Energy Business Operations, for example, transferable public law permits (see also Chapter V.12), have been transferred to Siemens Energy KG.

The transfer of the German Siemens Energy Business Operations did not include existing financing by SFS or Siemens AG for the benefit of customers and partners of the Siemens Energy Business. Rather, these financings are part of the business of SFS and, therefore, remain in the Future Siemens Group.

As of 31 December 2019, approximately 26,000 employees were working in the German Siemens Energy Business Operations (including central functions), whose employment contracts were transferred to Siemens Energy KG pursuant to Section 613a German Civil Code (*Bürgerliches Gesetzbuch*, "**BGB**"). With regard to the transfer of further employees, see Chapter V.4 below.

In view of the transfer of the German Siemens Energy Business Operations from Siemens AG to Siemens Energy KG, a collective agreement (*Tarifvertrag*) has been concluded on 7 November 2019 between the locally responsible employers' associations of the metal and electrical industry (represented by vbm, Verband der Bayerischen Metall- und Elektro-Industrie e.V.) and IG Metall "for the temporary continuation of the special collective agreement (*Tarifvertragliche Sondervereinbarung* (TvSV)) dated 29 September 2014 at Siemens Gas and Power GmbH & Co. KG" ("**Collective Agreement on Continued Application**"). Accordingly, the special collective agreement dated 29 September 2014 ("**Special Collective Agreement**") including the list of collective agreements of the Bavarian metal and electrical industry referred to in the Special Collective Agreement (including the newly incorporated collective agreements TV T-ZUG, TV MobA and TV Lanzeitkonto) as well as the collective umbrella agreement (*Gemeinsamer Manteltarifvertrag*) for employees within the scope of the Special Collective Agreement in its version from 15 June 2018, the collective umbrella wage agreement (*Gemeinsamer Entgeltrahmentarifvertrag*) for employees within the scope of the Special

Collective Agreement and the collective wage agreement (*Gemeinsamer Entgelttarifvertrag*) dated 7 May 2018, each in its version valid at the time and with each current legal status valid until 30 September 2020. After 30 September 2020, the aforementioned collective agreements are to be replaced by the respective areal collective agreements (*Flächentarifverträge*) in the metal and electrical industry and employees are to be transferred into the scope of a regional areal collective agreement. The transfer is executed in accordance with the transitional rules pursuant to § 5 of the Special Collective Agreement. The parties may, by mutual consent, shorten the period of temporary continuation of the Special Collective Agreement and agree that the Special Collective Agreement shall cease to apply before 30 September 2020. The introduction of the areal collective agreements can therefore be moved up on the timeline. The geographical / functional scope of the Collective Agreement on Continued Application includes all organizational units of the Siemens Gas and Power Business of Siemens AG or of Siemens Energy KG which were based in the branches of Siemens AG prior to the works constitutional spin-off and merger or integration of the operations as well as such organizational units which derive from Siemens Real Estate Restaurant Services and Personnel Services at the locations of Siemens Energy KG as a result of the transfer of these organizational units from Siemens AG to Siemens Energy KG. The personal scope of the Collective Agreement on Continued Application includes those employees who were under the scope of the Special Collective Agreement at Siemens AG.

c) Carve-out of the Local Siemens Energy Business

In all other countries in which the respective Local Siemens Energy Business was not conducted in a separate legal entity and to the extent that a transfer to the Future Siemens Energy Group has not been refrained from until further notice (see Chapter III.2.c) for the Siemens Energy Business not transferred), the relevant Local Siemens Energy Business was separated from the other Siemens business in general as of 31 March 2020.

The separations were largely implemented through the formation of new local legal entities to which the Local Siemens Energy Business was transferred either through corporate or transformation law measures under local law (e.g. through spin-offs) or based on purchase agreements (classic carve-outs). In some countries (for example the Netherlands, Philippines and Sweden), the Local Siemens Energy Business was transferred into an already existing local legal entity that was attributable to the Future Siemens Energy Group. The result of classic carve-outs is generally that the local Future Siemens Group Company can be held liable for obligations or that it is affected by other consequences from former activities that are attributable to the Local Siemens Energy Business. It has therefore been agreed in each case that the respective Future Siemens Energy Group Company will indemnify the respective Future Siemens Group Company from any such liability. However, disadvantages may nevertheless arise in the future for the respective local Future Siemens Group Company to the extent that an indemnification is not possible (e.g. exclusion

from public procurement procedures due to previous violations of law from the sphere of the Siemens Energy Business).

In other countries (for example in Brazil, Norway and Israel), the separation has been implemented by means of a so-called reverse carve-out. In such cases, the existing local Siemens Group Companies transferred the employment agreements, assets, contracts, liabilities and shareholdings pertaining to the other local Siemens Business ("**Local Remaining Siemens Business**") to newly formed Future Siemens Group Companies, either by means of corporate or transformation law measures or on the basis of a purchase contract (all of the local separation agreements which were made in the course of a Local Carve-out, whether in the classic or reverse form, are hereinafter referred to as Local Asset Transfer Agreements, or "**LATAs**"). The previously existing local Siemens Company (as Future Siemens Energy Group Company) should only retain the respective Local Siemens Energy Business. Consequently, the respective Future Siemens Energy Group Company may be held liable for obligations, or may be affected by other consequences from earlier activities that are attributable to the Local Remaining Siemens Business. Therefore, it has been agreed in each case that the respective Future Siemens Group Company will indemnify the respective Future Siemens Energy Group Company from such liability. Similar indemnifications have been agreed in cases where the Local Remaining Siemens Business is not carved out of the Future Siemens Energy Group Company, but is instead wound up by the Future Siemens Energy Group Company. Despite the indemnification, there is the possibility that disadvantages arise for the respective local Future Siemens Energy Group Company in the future. In the case of Siemens Ltda, Brazil, a Future Siemens Energy Group Company in Brazil, it cannot be excluded that in the course of legal disputes/proceedings in connection with its previous activities, attributable to the Local Remaining Siemens Business, Siemens Ltda, Brazil may be barred from public procurement procedures or even be prohibited from carrying on its business.

Following the abovementioned measures, the shares in the local Future Siemens Energy Group Companies, which, following the execution of the LATAs, then basically only hold the respective Local Siemens Energy Business, were generally transferred to Siemens Gas and Power Holding B.V. (a Future Siemens Energy Group Company under the laws of the Netherlands; see below, Chapter V.1.d, regarding the contribution of Siemens Gas and Power Holding B.V. into Siemens Energy KG). The transfer was then effected by selling the shares in the local Future Siemens Energy Group Company on the basis of purchase agreements (so-called Local Share Transfer Agreements, "**LSTAs**"). In some cases, the respective local Future Siemens Energy Group Company was already formed and funded for the acquisition of the respective Local Siemens Energy Business by Siemens Gas and Power Holding B.V. Siemens AG provided the purchase price agreed upon in the respective LSTA or LATA to Siemens Gas and Power Holding B.V., or Siemens Energy KG, as the case may be, (if applicable, indirectly via intermediary holding companies) in the form of a shareholder contribution by 31 March 2020.

In other cases, certain Local Siemens Energy Businesses, especially the Local Siemens Energy Business in the United States, were not separated by way of a Local Carve-out and bundled into Siemens Gas and Power Holding B.V.; instead the shares in the already existing local Future Siemens Energy Group Companies were contributed into or transferred to Siemens Energy KG or Siemens Gas and Power Holding B.V. (in this regard, see also Chapter V.1.d)).

The local Future Siemens Energy Group Company in France was transferred to Siemens Gas and Power Holding B.V. by means of a contribution. In exchange, the contributing French legal entity, Siemens France Holding S.A.S., which remains a company of the Future Siemens Group, received a participation in Siemens Gas and Power Holding B.V. at the time of the contribution in the amount of 1.7 %. This participation in Siemens Gas and Power Holding B.V. will likely continue until at least June 2022. Thereafter, the share can be sold to Siemens Energy KG. A shareholder agreement has been entered into for this purpose which provides for a put option in favor of Siemens France Holding S.A.S.

d) Further Bundling of the Siemens Energy Business into Siemens Energy KG

Following the transfer of the German Siemens Energy Business Operations to Siemens Energy KG as well as the implementation of the respective Local Carve-outs in the individual countries, the following further steps have been implemented in order to bundle all of the companies attributable to the Future Siemens Energy Group under the umbrella of Siemens Energy KG and to create the existing ownership structures in Siemens Energy KG:

- Based on a contribution agreement dated 31 January 2020, Siemens AG transferred to SBI GmbH at book value its entire partnership interest in Siemens Energy KG, which also represented the entire fixed capital of Siemens Energy KG in the amount of EUR 20,000,000 existing at the time, including all shares in the General Partner GmbH, in exchange for the granting of new shares in SBI GmbH. On the same day, SBI GmbH contributed to Kyros 63 GmbH at book value, a wholly owned subsidiary of SBI GmbH, its shares in SGRE S.A. in the amount of approximately 29 % of all issued shares of SGRE S.A.

- Based on a joinder agreement dated 13 March 2020, Siemens AG joined Siemens Energy KG as additional limited partner in exchange for payment of a cash contribution. For this purpose, Siemens Energy KG increased its fixed capital by EUR 457,000 from EUR 20,000,000 to EUR 20,457,000, with Siemens AG acquiring a partnership interest in the full amount of the increase.

- On 30 March 2020, Kyros 63 GmbH contributed to Siemens Energy KG at book value its shares in SGRE S.A. in the amount of approximately 29 % of all issued shares of SGRE S.A. in exchange for a new partnership interest in the amount of EUR 19,937,880. For this

purpose, Siemens Energy KG increased its fixed capital from previously EUR 20,457,000 to EUR 40,394,880. Kyros 63 GmbH then, also on 30 March 2020, sold its newly acquired partnership interest to Siemens AG.

- Based on an agreement dated 30 March 2020 and with effect as of 31 March 2020, Siemens AG contributed to Siemens Energy KG in exchange for an increase in Siemens AG's partnership interest in Siemens Energy KG by EUR 133,497,852, from previously EUR 20,394,880 to EUR 153,892,732, all of Siemens AG's shares in (i) Siemens Gas and Power Holding B.V., in which a large part of the Future Siemens Energy Group Companies has been bundled (*cf.* Chapter V.1.c)), (ii) Siemens Energy Inc., in which the Local Siemens Energy Business in the United States has been bundled, and (iii) Siemens Gas and Power, S.A., in which the Local Siemens Energy Business in Spain is bundled, as well as shares in SGRE S.A. in the amount of approximately 8 % of all issued shares of SGRE S.A., which Siemens AG had in the meantime acquired from the Iberdrola Group. At the same time, Siemens AG provided to Siemens Energy KG liquid assets in the amount of approximately EUR 6.2 billion for the purpose of achieving the envisaged capitalization of the Future Siemens Energy Group; from this figure, an amount of approximately EUR 4.1 billion will be needed in order to discharge existing liabilities and satisfy the purchase price obligations to Future Siemens Group Companies for further future asset transfers (in this regard, see Chapter V.1.e); from this figure, a further sum in the amount of EUR 393 million is planned for the implementation of a share buy-back program of Siemens Energy AG upon admission of Siemens Energy AG's shares to the stock exchange in the near future (a period of presumably six months is envisaged for the share buy-back) (the shares bought back under the program will be used for the execution of a stock-based compensation program within the Future Siemens Energy Group). Under the same agreement, SBI GmbH contributed all of its shares in further companies (Dresser Rand do Brazil, Ltda., Sao Paulo, Brazil; Trench Germany GmbH, Bamberg; Siemens Power Control GmbH, Langen (Hessen)) to Siemens Energy KG in exchange for increasing SBI GmbH's interest in the fixed capital in Siemens Energy KG by EUR 1,015,601 from previously EUR 20,000,000 to EUR 21,015,601.

By the close of 31 March 2020, the ownership structure in Siemens Energy KG is as follows: The entire fixed capital of Siemens Energy KG amounts to EUR 174,908,333. Siemens AG holds a partnership interest representing an amount of the fixed capital of EUR 153,892,732, corresponding to approximately 87.98 % of the fixed capital, and SBI GmbH holds a partnership interest representing an amount of the fixed capital of EUR 21,015,601, corresponding to approximately 12.02 % of the fixed capital. The General Partner GmbH is the sole personally liable partner without any interest in the fixed capital.

e) Transfers after 31 March 2020

In several countries, the Local Carve-out and/or the transfer of the respective local Future Siemens Energy Group Company to Siemens Gas and Power Holding B.V. or Siemens Energy KG, as the case may be, could not be completed prior to 1 April 2020 for operational reasons, due to local legal restrictions or for other reasons. While the relevant agreements were each entered into prior to 1 April 2020, they could not be executed prior to that date (although in the United Kingdom, in South Africa, in Poland (all classic carve-outs) and in Thailand (reverse carve-out) the execution did become effective on 1 April 2020 and the Local Carve-outs in these countries are therefore not further mentioned in this Chapter V.1.e)). For these cases, Siemens AG provided to Siemens Energy KG or another Future Siemens Energy Group Company – by the expiry of 31 March 2020 – an amount by way of a shareholder contribution that corresponds to the anticipated purchase prices according to the respective LATAs and/or LSTAs (see above in Chapter V.1.c)). In addition, in some countries the establishment of branches / representations of the Future Siemens Energy Group is delayed beyond 1 April 2020 (for lack of economic relevance, no further details are provided here).

aa) Classic Carve-out Cases

Binding contractual agreements were entered into in the form of LATAs (and, if additionally required, LSTAs) with respect to the transfer of the Local Siemens Energy Business prior to 31 March 2020, but have not been executed yet. This was particularly the case in China (with the exception of participations in certain joint ventures, with regard to joint ventures see Chapter V.1.f)), Japan and Saudi-Arabia; with regard to Qatar, a framework agreement was concluded. The relevant LATAs generally provide for the economic and legal transfer of the Local Siemens Energy Business to Future Siemens Energy Group Companies at a point in time after 31 March 2020. In the cases of Qatar and Saudi Arabia, the purchase prices set forth in the agreements are preliminary and will be adjusted to the relevant conditions prevailing on the actual transfer effective date in accordance with an adjustment methodology agreed in advance. Purchase prices for Japan and China are fixed.

The following applies for the individual countries mentioned above:

- The Local Siemens Energy Business in China fully held by the Siemens Group (revenue in fiscal year 2019: EUR 315 million) was not transferred until 31 March 2020 but only before 22 May 2020. Further, the transfer of several subsidiaries not fully held by the Siemens Group as well as joint ventures in China is delayed until June 2020 for technical reasons. With regard to the joint venture *Shanghai Electric Power Generation Equipment Co. LTD.*, Shanghai, see Chapter V.1.f).

- The Local Siemens Energy Business affected in Japan generated revenues of approximately EUR 26 million in the fiscal year 2019. Execution of the transfer is currently expected to occur in early June 2020.

- In Saudi Arabia, the Local Siemens Energy Business is conducted with the involvement of external third parties. It generated revenues of approximately EUR 248 million in the fiscal year 2019. Execution of the transfer is currently expected to occur in early June 2020.

- In Qatar, the Local Siemens Energy Business also is conducted with the involvement of external third parties. It generated revenues of approximately EUR 214 million in the fiscal year 2019. The execution of the Local Carve-out was delayed owing to lengthy processes in connection with establishing a local Future Siemens Energy Group Company. Accordingly, an agreement between Future Siemens Group Companies and Future Siemens Energy Group Companies has been concluded at a higher corporate level to further implement the Carve-out. A further implementation and execution of the Local Carve-out in Qatar is currently expected for early July 2020.

bb) Reverse Carve-out Cases

In the countries Argentina, Egypt, Bangladesh, Kuwait, Oman and the United Arab Emirates, it has been possible to enter into binding contractual agreements in the form of LATAs on the transfer of the relevant Local Remaining Siemens Business to a Future Siemens Group Company, and in the form of LSTAs on the transfer of the shares in former Siemens regional companies (as Future Siemens Energy Group Companies) to Future Siemens Energy Group Companies (also referred to as reverse carve-out cases). However, the agreements could not (or at least not entirely) be executed by 31 March 2020. All the purchase prices specified in the LATAs (except for Argentina) are preliminary in nature and will still be adjusted to the relevant conditions prevailing on the actual transfer effective date in accordance with a valuation methodology agreed in advance. Accordingly, the purchase prices in the relevant LSTAs will be adjusted to the final valuation as well. In detail, the following applies:

- The Local Siemens Energy Business in Argentina generated revenues in the amount of approximately EUR 137 million in the fiscal year 2019. The business will be separated by reorganization (including measures under transformation law), which means that a classic purchase price payment will no longer be necessary. The relevant agreements were executed in early May 2020.

- In Egypt, the Local Siemens Energy Business is conducted with the involvement of external third parties. It generated revenues of approximately EUR 114 million in the fiscal year 2019. Execution of the transfer is currently expected to occur in early June 2020.

- The Local Siemens Energy Business affected in Bangladesh generated revenues of approximately EUR 14 million in the fiscal year 2019. Execution of the transfer is currently expected to occur in December 2020 and, thus, presumably not until after the Spin-off takes effect. The delay is owing to lengthy local registration procedures.

- In Kuwait, the Local Siemens Energy Business is conducted with the involvement of external third parties. It generated revenues of approximately EUR 47 million in the fiscal year 2019. Execution of the transfer is currently expected to occur in early June 2020.

- In Oman, the Local Siemens Energy Business is conducted with the involvement of external third parties. It generated revenues of approximately EUR 23 million in the fiscal year 2019. The Local Remaining Siemens Business in Oman was transferred economically (but not legally) to a newly formed company of the Future Siemens Group already as of 1 January 2020, as the necessary licenses for a legal separation were not yet available. Since then, the local Future Siemens Energy Group Company has been conducting the Local Remaining Siemens Business for the account of the newly formed company of the Future Siemens Group. Execution of the transfer *in rem* of the shares in the former regional company (and Future Siemens Energy Group Company) to a Future Siemens Energy Group Company is expected to occur end of June 2020.

- In the United Arab Emirates, the Local Siemens Energy Business is conducted with the involvement of external third parties. It generated revenues of approximately EUR 397 million in the fiscal year 2019. The transfer was executed in May 2020.

cc) Participation in Siemens Ltd., India

The transfer of the minority share of 24 % in S Ltd, India, which among other things operates the local Siemens gas and power business in India (as described in more detail in Chapter III.2.c)) (for more information regarding the planned minority shareholding of the Future Siemens Energy Group in Siemens Ltd, India, see Chapter III.2.c)) could only be effected after 31 March 2020, but before 22 May 2020.

The transfer of the shares in Siemens Ltd, India, was processed via an Indian stock exchange. Siemens AG and a future Siemens Energy Group company had concluded a binding framework agreement on March 30, 2020. For the acquisition of the shares in Siemens Ltd, India, Siemens AG had already paid a purchase price determined on the basis of the value of the shares in Siemens Ltd, India, prior to the conclusion of the framework agreement with Siemens Energy KG (see Chapter V.1.d)) and has also made a promise of contribution together with SBI GmbH to the effect that any additional purchase price will be paid into Siemens Energy KG at a later date. Based on

the executed sale and transfer, the amount for the contribution of the additional purchase price is approximately EUR 50 million.

dd) Economic Effects of a Delay in the Transfers

The managing boards of Siemens AG and Siemens Energy AG believe that the delayed transfers as described above under aa) and bb) will only have limited economic relevance for the Future Siemens Energy Group and the Future Siemens Group; *cf.* with regard to India under cc). In determining the respective fixed or preliminary purchase prices for the respective carve-outs (as described above under aa) and bb)), the expected changes in value (in particular expected profits and losses) for the period between 1 April 2020 and the expected execution date of the Local Carve-out were taken into account by determining the value of the business (value of equity) on the expected execution date of the respective Local Carve-out (LATA and /or LSTA). Siemens AG has made a corresponding purchase price contribution to Siemens Energy KG (with regard to capitalization, see Section V.1.d)). In the case of purchase prices with adjustment mechanism, however, minor changes may occur if the forecasted preliminary purchase price and the actual purchase price after execution of the respective Local Carve-out differ.

In some countries, (slightly) different concepts have been agreed upon. In Oman, in which a reverse carve-out takes place, the local entity permanently attributable to the Future Siemens Energy Group reimburses a company of the Future Siemens Group for profits that the local entity has earned with the Local Remaining Siemens Business between 1 January and the execution of the reverse carve-out. In Bangladesh, where the execution of the reverse carve-out is only expected in December 2020, the purchase price for the shares in the local entity is determined as of the local closing date in accordance with the requirements of local law on the basis of an external enterprise valuation.

According to the current planning, the cases of delay as described in this Chapter V.1.e) – except for Bangladesh – could be completed prior to the Spin-off taking effect.

Countries in which the transfer of the Local Siemens Energy Business to Future Siemens Energy Group Companies is not to be effected in the longer term are described in Chapter III.2.c); on joint ventures see also Chapter V.1.f).

f) Joint Ventures

In the past, Siemens AG and its subsidiaries have established joint ventures with several partners, which are conducting business activities related to the Siemens Energy Business. Pursuant to some of the agreements concluded with the joint venture partners, any legal and/or economic transfer of the participations in the joint venture is subject to the consent of the relevant partner. In most of the cases, Siemens AG or the relevant companies of the Siemens Group have obtained the consent of the respective partner to a permanent transfer of the participation of the Siemens Group in the joint

ventures to the Future Siemens Energy Group beyond the point in time when the Spin-off takes effect. This does not apply in the following cases:

- *RWG (Repair&Overhauls) Limited*, Aberdeen, United Kingdom: The Siemens Group holds a participation of 50 % in the joint venture which is consolidated *at equity*. The necessary information for the legal transfer consent of the co-shareholder has not yet been obtained; as long as this is not granted, the Future Siemens Group will continue to hold the participation economically for and on behalf of the Future Siemens Energy Group. If no agreement is reached with the joint venture partner on the legal transfer of the participation to the Future Siemens Energy Group, economic ownership may be transferred back to the Future Siemens Group. Such retransfer would take place at fair market value.

- *Maschinenfabrik Reinhausen GmbH*, Regensburg, Germany: The Siemens Group holds a participation of 20 % in this company; the participation is consolidated *at equity*. The consent of the shareholders' meeting required for the legal transfer was not granted yet; as long as this consent is not granted, for the time being, the Future Siemens Group will hold the participation economically on behalf and for the account of the Future Siemens Energy Group.

- *Infineon Technologies Bipolar GmbH & Co. KG*, Warstein, Germany: The Siemens Group holds a participation of 40 % in this company; the participation is consolidated *at equity*. The legal and economic transfer to Future Siemens Energy Group Companies has occurred. However, prior to the Spin-off taking effect a further consent of the joint venture partner is required. If this further consent is not granted, there can be an obligation to transfer the participation back legally and economically to the Future Siemens Group. This transfer from the Future Siemens Energy Group to the Future Siemens Group would take place at fair market value.

- *Shanghai Electric Power Generation Equipment Co. LTD.*, Shanghai, China: The Siemens Group holds a participation of 40% in the joint venture; the joint venture is consolidated *at equity*. Siemens AG and a Future Siemens Energy Group Company have agreed that the Future Siemens Energy Group shall acquire the participation in the fiscal year 2021 (subject to the consent of the joint venture partner). The transfer depends on the consent of the joint venture partner that shall be requested after the Spin-off has taken effect. According to the existing shareholder agreement, the joint venture partner is entitled to a preemptive purchase right, which means that the transfer of the participation in the joint venture to the Future Siemens Energy Group is not secured. The expected purchase price for the participation was contributed in advance to the future Siemens Energy Group in cash. Should the joint venture partner exercise its preemptive purchase right, the Future Siemens Energy Group would retain the contribution already made by Siemens AG up to

the amount of the purchase price to be paid by the joint venture partner; the purchase price itself would accrue to the Future Siemens Group for reasons of local law.

2. Further Strengthening of Equity

On 28 April 2020, Siemens AG and SBI GmbH agreed to make a further contribution of EUR 141 million *pro rata* to their interest in the fixed capital of Siemens Energy KG to further strengthen the equity and liquidity of the Future Siemens Energy Group. The fixed capital was not increased in this connection; the amounts paid were booked into the joint specific-purpose reserve account (*gesamthänderisch gebundenes Rücklagenkonto*). At the same time, Siemens AG and SBI GmbH have committed further cash for the acquisition of a part of an operation (*Betriebsteil*) in the area of operative project logistics towards Siemens Energy KG in accordance with their participation in the fixed capital (see Chapter V.4). The amount committed is equal to the purchase price for that part of operation, provided the amount is positive. It is expected that these additional cash funds will not significantly exceed an amount in the single-digit million Euro range.

3. Financing / Treasury

With the exception of SGRE, the Future Siemens Energy Group Companies will generally participate indirectly or directly in group financing of the Siemens Group up until the Spin-off taking effect. However, in the course of the Carve-out, a central treasury department has been established for the Future Siemens Energy Group Companies at the Siemens Energy KG level. To the extent permitted by law and with the exception of SGRE, the Future Siemens Energy Group Companies shall directly or indirectly have access to the internal financing and guarantee lines of the Siemens Group through Siemens Energy KG until the Spin-off takes effect. Positive and negative financing balances of the individual Future Siemens Energy Group Companies are consolidated at the level of Siemens Energy KG. The resulting total balance will be financed or invested by Siemens Energy KG within the general group financing of Siemens Group. This will ease the future separation of the group financing of the Future Siemens Energy Group Companies from that of the Future Siemens Group upon the Spin-off taking effect.

a) Financing

To the extent legally permitted and with the exception of SGRE, currently the Future Siemens Energy Group Companies are generally still indirectly connected to the financing of the Siemens Group through the clearing accounts of Siemens Energy KG with Siemens AG and through mostly short term loans and investments.

The existing financial liabilities *vis-à-vis* the Future Siemens Group Companies (as regards guarantees and securities see Chapter V.3.d) below) will be settled by the Future Siemens Energy Group Companies and, if necessary, replaced through external financing in connection with the

completion of the Spin-off. The existing financial claims *vis-à-vis* Future Siemens Group Companies will be mostly settled in connection with the Spin-off taking effect.

Even prior to the Spin-off taking effect, a syndicated credit agreement shall be concluded with an international banking syndicate. A consortium consisting of several banks committed to this in a commitment letter to Siemens Energy KG in May 2020. The bank consortium is expected to place credit tranches with further banks before the Spin-off takes effect (syndication). The credit agreement will include a revolving credit line of EUR 3 billion which can also be drawn in US dollars and British pounds. The credit line will have a term of at least three years and will be used for general corporate financing needs, *i.e.* in particular for financing the operating business. Standard market conditions have been agreed on. It is the purpose of determining the amount and term of credit lines to ensure that the Future Siemens Energy Group has sufficient funds and flexibility in the medium term in line with its business planning.

In addition, SGRE will continue to finance itself through independent credit arrangements.

b) Cash Management

The participation of Siemens Energy KG, and through this the indirect participation of the Future Siemens Energy Group, in the cash management (including any participation in cash pooling) of the Siemens Group will terminate in connection with the Spin-off taking effect and be essentially replaced through internal programs of the Future Siemens Energy Group. In preparation for this, a distinct cash management system with internal clearing accounts with the Future Siemens Energy Group Companies (with the exception of SGRE) is introduced at the level of Siemens Energy KG, through which, *inter alia*, trade receivables and trade payables as well as cash management transactions within the Future Siemens Energy Group can be settled (a so-called "clearing star" (*Verrechnungsstern)*). As of 1 January 2020, Siemens Energy KG has been joined to the clearing star of the Siemens Group, while its subsidiaries form a clearing star exclusively with Siemens Energy KG.

Siemens Energy KG itself will initially continue to participate in the central clearing star of the Future Siemens Group. This participation will terminate in connection with the Spin-off taking effect. Independently, the Future Siemens Energy Group Companies are also still directly using certain other aspects of the cash management system of the Siemens Group. This will also cease in connection with the Spin-off taking effect.

The clearing process established between SGRE S.A. and Siemens AG for monthly invoicing and settlement of trade receivables and trade payables between the Siemens Group and SGRE S.A. will also be terminated in connection with the spin-off taking effect and the balances will be settled in accordance with the underlying agreement.

c) Currency, Interest Rate and Commodity Price Hedging Derivatives

Furthermore, to the extent permitted by law, Future Siemens Energy Group Companies have entered into and continue to enter into currency, interest and commodity price hedging transactions with Future Siemens Group Companies.

The currency, interest and commodity price hedging transactions which the Future Siemens Energy Group Companies have entered into with Future Siemens Group Companies shall be terminated or novated in connection with the Spin-off taking effect. In the case of termination, the calculated market value of the derivate will be paid from the respective Future Siemens Group Company to the respective Future Siemens Energy Group Company, or *vice versa*. Alternatively, the market value transfer payment can also occur centrally between Siemens AG and Siemens Energy KG and may be passed on by them to their respective subsidiaries. In the alternative of novating a derivate, an existing hedging transaction between a Future Siemens Group Company and a Future Siemens Energy Group Company is (i) transferred to an external trading partner in connection with the compensation of the market value of the derivate and the Future Siemens Group Company is replaced by such trading partner, or (ii) one or more external trading partners are intermediated between a Future Siemens Energy Group Company and a Future Siemens Group Company. In this case, no market value compensation is necessary. In both cases, the Future Siemens Energy Group Company possibly has to accept inferior terms and conditions.

The Future Siemens Energy Group Companies and the Future Siemens Group Companies may enter into agreements deviating from the above procedure. In particular, it may be agreed that certain currency transactions that expire in the period up to twelve months after the Spin-off takes effect will not be terminated or novated.

The Future Siemens Energy Group will enter into framework agreements with banks, in which currency, interest and commodity price hedging transactions can be newly executed. However, this will possibly not happen with regard to all currency pairs and durations. The Future Siemens Energy Group will enter into currency, interest, and commodity price hedging arrangements with the banks, which are potentially on less favorable terms than those, which were previously available with or for the Siemens Group Companies.

To the extent that Future Siemens Energy Group Companies have so far directly entered into currency, interest and commodity price hedging arrangements with banks, these arrangements will continue with the respective banks.

The currency, interest and commodity price hedging agreements concluded between SGRE and Siemens AG will also be terminated or novated at the latest when the Spin-off takes effect, unless contractual agreements deviating from the above procedure are made. In particular, it could be

agreed that certain currency transactions that expire in the period up to twelve months after the effective date of the Spin-off at the latest will not be terminated or novated (see Chapter XI.6.i)).

d) Securities as well as Bank and Group Guarantees

The issuance of guarantees, sureties and other securities for the obligations of Future Siemens Energy Group Companies will continue to occur until the Spin-off taking effect, principally through Siemens AG and certain other of the Future Siemens Group Companies as well as through guarantee lines of Siemens AG, other Future Siemens Group Companies or Future Siemens Energy Group Companies with banks and insurance companies. At the same time, however, Siemens Energy KG is liable in its internal relationship with Siemens AG for contractual obligations of Future Siemens Energy Group Companies to which the above-mentioned guarantees, sureties and other securities refer, jointly and severally with the respective Future Siemens Energy Group Company. This applies to the following guarantees, sureties and other securities:

- Siemens AG has issued patronages and other guarantees for local credit lines, currency, interest and commodity price hedging transactions and guarantee lines of Future Siemens Energy Group Companies (with the exception of SGRE) for the benefit of banks, insurance companies and other financial institutions. As of 31 March 2020, there were credit and guarantee lines as well as currency, interest and commodity price hedging transactions in the amount of approximately EUR 5.5 billion that were secured through the patronage and other securities by Siemens AG. Not included in this amount are securities and currency, interest and commodity price hedging activities, which were requested by Future Siemens Energy Group Companies through Future Siemens Group Companies. In individual cases, the provision of securities occurs through other Future Siemens Group Companies.

- Moreover, Future Siemens Group Companies, or their commissioned banks and insurance companies, have issued or commissioned in some cases long-term worldwide guarantees, sureties and other securities to suppliers, customers and business partners of the Future Siemens Energy Group Companies to the effect that the Future Siemens Energy Group Companies will fulfill their contractual obligations. These were for the benefit of Future Siemens Energy Group Companies (with the exception of SGRE) and, as of 31 March 2020 in the amount of approximately EUR 24.8 billion. This volume was calculated on the assumption that as liability amount in the case of ancillary parent company guarantees (guarantees by Siemens AG or another Future Siemens Group company to secure the performance obligations of Future Siemens Energy Group companies under supply or service contracts, in short "**PCG**"), to the extent that these do not include a maximum liability amount, in general the value of the secured delivery or service agreement is recognized for the duration of the agreement. After the Spin-off takes effect, when determining the liability amount of a PCG, the original value of the secured delivery or

service agreement will be reduced linearly over the planned term of the delivery or service agreement and the calculation of the fees due for the provision of the PCG will be based on this reduction, unless there are reasons for a different risk assessment and an increased liability amount ("**Risk-adequate Liability Amount**").

- Even after completion of the Carve-out of the Siemens Energy Business, the Future Siemens Group Companies will be generally available for the issuance and commissioning of guarantees, sureties and other securities in connection with the Siemens Energy Business until the Spin-off taking effect.

The above-mentioned guarantees, sureties and other securities shall be replaced by own guarantees, sureties and other securities of the Future Siemens Energy Group Companies when the Spin-off takes effect. Until such time as the guarantees, sureties and securities have been replaced, Siemens Energy KG shall (for the first time six months after the spin-off takes effect) report quarterly to Siemens AG on the steps taken to achieve such replacement of the guarantees and securities. The following measures are planned to achieve the replacement:

- Future Siemens Energy Group Companies will agree with banks and insurance companies on their own lines for the provision of guarantees, sureties or other securities. These are initially secured by a patronage or other security provided by Siemens AG or other Future Siemens Group Companies; after the Spin-off takes effect, these will be replaced by a patronage or other securities of Siemens Energy AG.

- Furthermore, it is planned to transfer at a later date the guarantees, sureties or other securities issued for the Siemens Energy Business on the lines of the Future Siemens Group Companies at banks and insurance companies to the lines of the Future Siemens Energy Companies at banks and insurance companies.

- To the extent Future Siemens Group Companies have provided or will provide guarantees, sureties or other securities, they will try to agree with the beneficiaries, that the beneficiaries will, at a later time and under certain conditions, accept a replacement security from Siemens Energy AG or other Future Siemens Energy Group Companies and will discharge the Future Siemens Group Companies from liability.

- Furthermore, the Future Siemens Energy Group Companies are generally obligated to seek the replacement of guarantees, warranties and other securities provided by Future Siemens Group Companies.

Since the discharge of guarantees, sureties and other securities usually requires the consent of the respective beneficiary, it can be assumed that a large part of the portfolio will continue to exist after the Spin-off takes effect until the end of the term of the secured liabilities.

To the extent that Future Siemens Energy Group Companies have issued guarantees, sureties or other securities for the benefit of the remaining Siemens business (this is the case for the reverse carve-out; in this regard, see Chapter V.1c)), it is planned that Siemens AG or other Future Siemens Group Companies will discharge these securities and guarantees or will issue replacement securities. This discharge also normally requires the consent of the beneficiaries.

Moreover, Future Siemens Group Companies have concluded agency agreements with SGRE for the provision of direct and indirect guarantees, sureties and other securities. The volume of these securities amounted to approximately EUR 20.2 billion as of 31 March 2020 (please see above regarding the calculation for the PCG). For these SGRE still pays guarantee commissions to the Future Siemens Group Companies and is liable for all expenses, costs and in particular for the fulfillment of payment obligations under the issued instruments. As part of the Carve-out, Siemens Energy KG has assumed the obligation in the internal relationship with Siemens AG for guarantees, sureties and other securities in favor of SGRE to seek for a discharge. At the same time, Siemens Energy KG has assumed joint and several liability and is, therefore, liable to Siemens AG in this respect for SGRE's payment obligations, in particular for payment of the guarantee fees due, expenses and other costs.

e) Forfaiting, Factoring

Certain Future Siemens Energy Group Companies have sold in the past and still sell trade and other receivables with the corresponding *del credere* risk (*Delkredererisiko*) to Future Siemens Group Companies, whereby the Future Siemens Energy Group Companies possibly remain responsible for the administration, and especially for the payment of the receivables. The sale of receivables serves as a preliminary financing of the Future Siemens Energy Group Companies. This kind of preliminary financing shall either continue or otherwise cease following the completion of the Spin-off on a case-by-case basis and as legally permitted.

f) Supply Chain Finance

In the past, certain Future Siemens Energy Group Companies and some of their suppliers have participated in programs for the financing of the supplier chain (Supply Chain Finance Program – "**SCFP**"). These SCFP are offered and operated by third party providers. With respect to the SCFP, Siemens AG and other Future Siemens Group Companies have assumed joint and several liability *vis-à-vis* the Future Siemens Energy Group Companies' obligations to the third party providers. It is planned to terminate the participation of the Future Siemens Energy Group in the SCFP secured by Siemens before the Spin-off takes effect and to replace it by a separate Energy SCFP (without liability of Future Siemens Group Companies).

g) Financial Leasing

Certain Future Siemens Energy Group Companies have in the past entered into and continue to enter into financial leasing agreements (as well as operating lease agreements) with Future Siemens Group Companies. The financial leasing agreements assist in the financing of Future Siemens Energy Group Companies, which act as lessees. The subject of the finance lease agreements are movable assets, in particular various logistics, production and office equipment. The leasing agreements will continue until their contractual end date.

4. Transfer of Employees

The transfer of employees to the Future Siemens Energy Group Companies is occurring in several steps. The employment relationships of the individual employees as well as their rights and entitlements and vested interests will in principle be transferred unchanged to the respective Future Siemens Energy Group Company.

- The vast majority of the employees responsible for the Siemens Gas and Power Business have transferred to the respective Future Siemens Energy Group Companies as part of the various Local Carve-outs. In Germany, approximately 26,000 employees have transferred from Siemens AG to Siemens Energy KG with effect as of 1 January 2020 through a transfer of business (*Betriebsübergang*) pursuant to Section 613a BGB (in this regard, see also Chapter V.1.b). In other jurisdictions, the employee transfers have occurred according to and in compliance with the local employment laws and frameworks.

- Employees in central functions of the Siemens Group, who were initially indispensable to Siemens AG for certain activities and projects, have not already transferred to Siemens Energy KG with the Carve-out having taken place in Germany as of 1 January 2020, but will only be transferred to Siemens Energy KG as of 1 August 2020. This applies in particular to the units Siemens Operations IT as well as Controlling and Finance - Accounting, Reporting and Controlling. Furthermore, as of 1 August 2020 an operating unit (*Betriebsteil*) from the operating company Digital Industries was transferred to Siemens Energy KG. The transfers are mainly made on the basis of (further) transfers of business in accordance with Section 613a BGB. The agreements on which the transfers are based have already been concluded between Siemens AG and Siemens Energy KG. Transferring employees who are not part of the transferring business units above will be transferred through individual agreements. In total, as of 1 August 2020, approximately another 170 employees will be transferred to the Future Siemens Energy Group.

- In addition, an operating unit in the area of operational project logistics with approximately 60 employees, who have initially been transferred to Siemens Energy KG as part of the Carve-out, is expected to be transferred back to Siemens AG as of 1 August 2020 on the

basis of a transfer of business pursuant to Section 613a BGB and operational project logistics will in future be provided as a service to the Future Siemens Energy Group. The contractual agreement underlying this transfer has already been concluded between Siemens AG and Siemens Energy KG.

- Finally, several Future Siemens Energy Group Companies have undertaken to take over a certain number of employees from Future Siemens Group Companies upon termination of certain service agreements. The relevant service agreements will, to a certain extent, only be terminated after several years in time. About 100 jobs on group level will be affected, of which approximately 30 are in Germany. It is not yet clear which specific employees will transfer and whether the transfer will be made by means of individual agreement or by transfer of business in accordance with Section 613a BGB.

5. Pensions

Siemens AG and various Future Siemens Group Companies have made pension commitments to employees in the past, in particular to current and former employees of the Future Siemens Energy Group ("**Energy Employees**"). These commitments result in pension obligations that were allocated to either the Future Siemens Energy Group or the Future Siemens Group as part of the Carve-out. Pension assets are generally allocated in the amount of the relevant IFRS funding ratio of the related pension obligation in the Siemens Group in accordance with local provisions. The following paragraphs provide details on the countries (Germany, United States, Canada and United Kingdom) with the most significant pension obligations.

The pension obligations *vis-à-vis* active Energy Employees in Germany were transferred to Siemens Energy KG in accordance with Section 613a BGB as part of the transfer of the German Siemens Energy Business Operations. In connection with the transfer of the pension obligations, Siemens AG has transferred (by means of a so-called *Contractual Trust Arrangement*) assets in the amount of EUR 1,015 million (as of 1 January 2020) to the new pension trustee of the Future Siemens Energy Group Companies in Germany. Pension obligations *vis-à-vis* Energy Employees who had already left before 1 January 2020 have remained at Siemens AG.

In addition, other Future Siemens Group Companies in the United States, Canada and the United Kingdom have also made pension entitlements to Energy Employees by means of defined benefit and defined contribution plans ("**Pension Plans**"). To the extent that the Pension Plans exclusively affect current or former Energy Employees, they have been or will be transferred to the responsibility of the Future Siemens Energy Group. Apart from that, Pension Plans that do not exclusively concern active or former Energy Employees, will be divided; assets for pension claims of Energy Employees will be transferred to the new Pension Plans for Energy Employees in accordance with the respective legal provisions. In the United Kingdom, by contrast, a division of the Siemens Benefit Schemes (*leistungsorientierter Pensionsplan*) will not occur; the existing

pension obligations *vis-à-vis* Energy Employees and related pension plan assets will remain in the Future Siemens Group.

In total, the Future Siemens Energy Group has taken over pension obligations in the gross amount of EUR 3,151 million as of 31 March 2020 (evaluation under IFRS). After netting with pension plan assets, accruals for pensions and other obligations for EUR 1,037 million remain as of 31 March 2020.

6. Insurance

The Future Siemens Energy Group Companies (except SGRE) will continue to participate in the global insurance programs of the Future Siemens Group (especially Construction, Property, Liability, Marine and Cyber Insurance) until 30 September 2021. Only the directors' and officers' liability insurance (so-called D&O Insurance) and the other financial lines programs (Employment Practice Liability, Crime Insurance and Criminal Legal Defense Cost Insurance) will, in contrast, be replaced by independent Siemens Energy policies when the Spin-off takes effect at the latest.

7. Service Agreements

Currently, various Future Siemens Group Companies provide services for the Siemens Energy Business *vis-à-vis* certain Future Siemens Energy Group Companies. These internal service agreements will end at the latest upon a loss of control by Siemens AG over the relevant Future Siemens Energy Group Companies (cf. Chapter VI.12 and Chapter XIII.3) ("**Loss of Control**") and will be partially replaced by service agreements for a transitional period. Under the service agreements concluded for a transitional period, various Future Siemens Group Companies will provide certain services to Future Siemens Energy Group Companies for a period of usually twelve months to 36 months from the Loss of Control. There will also be longer-term service agreements between various Future Siemens Group Companies and Future Siemens Energy Group Companies.

For details regarding these service agreements, see Chapter XI.4.

8. Designation "Siemens"

The rights relating to the umbrella trademark "Siemens" and other trademarks with the component "Siemens" are held by Siemens Trademark GmbH & Co. KG. Siemens AG is entitled to administer and to further license the use of the trademark (also in combination with other trademark components). The rights relating to the name "Siemens" are held directly by Siemens AG.

On 1 January 2020, Siemens AG and Siemens Energy KG entered into an intra-group trademark licensing agreement under which Siemens Energy KG and its affiliates are entitled to use the name and trademark "Siemens" for as long as they remain members of the Siemens Group. In the event

of a Loss of Control, this trademark licensing agreement will be replaced by a new trademark licensing agreement, which will be explained in more detail in Chapter XI.3.

9. Taxes

In the course of bundling the Siemens Energy Business under Siemens Energy KG, assets of Siemens AG and SBI GmbH were contributed to Siemens Energy KG. Some of these contributions are to be made at book value for tax purposes. To this extent, Siemens Energy KG and Siemens Energy AG have undertaken to submit the corresponding applications for the carryover of the book values. Moreover, the participation in Siemens Energy KG has been contributed to SBI GmbH with book values carried over, which resulted in taxable holding periods (*steuerliche Haltefristen*) (so-called shares subject to a blocking period (*sperrfristbehaftete Anteile*)); in the event that these holding periods are violated, this may result in indemnification and compensation claims in the relationship between Siemens AG and Siemens Energy AG under the Group Separation Agreement, which is attached to the Spin-off and Transfer Agreement as Annex 20 (see also Chapter VIII.2.g)).

Siemens AG and Siemens Energy KG have agreed on a comprehensive cooperation in tax matters concerning also the period prior to and after the bundling of the Siemens Energy Business under Siemens Energy KG.

10. Joint Contracts with Third Parties

Prior to the implementation of the Carve-out, there were joint contracts between Future Siemens Group Companies and Future Siemens Energy Group Companies with third parties, particularly in the areas of procurement and logistics (including the areas direct materials (*e.g.* semi-finished products (*Halbzeuge*)) and indirect materials (*e.g.* logistic, IT)).

Insofar as only parts of these contracts with third parties relate to the Siemens Energy Business and have therefore not been transferred to Siemens Energy KG as part of the Carve-out of the Siemens Energy Business, they will be divided into separate contracts between the Future Siemens Group and the Future Siemens Energy Group as far as possible until the Spin-off takes effect. In case contracts cannot be divided, for example because the division requires the consent of a third party, the respective group companies will, to the extent permitted by law, act internally as if the contract had been divided. Partly, it is intended not to divide contracts with third parties into separate contracts. This concerns in particular such framework supply agreements, under which Future Siemens Energy Group Companies are entitled to place delivery orders also after the Spin-off takes effect. In these cases, the respective group companies will also act internally as if the division of the contract had occurred.

Procurement contracts were mostly kept in companies of the Future Siemens Group, however, Future Siemens Energy Group Companies were included into the scope of the contracts so that they can continue to use the contracts.

In some cases, it has been agreed to transfer contracts as a whole to the respective Future Siemens Energy Group Company. In this case, the respective group companies act internally as if the part of the contract that does not concern the Siemens Energy Business would have been transferred to the Future Siemens Group Company.

11. IT

The IT infrastructure of the Siemens Energy Business has been part of the IT infrastructure of the Siemens Group prior to the decision to legally separate the Siemens Energy Business. Applications and an IT infrastructure that until now have been obtained under the roof of the Siemens Group will be re-built within the Future Siemens Energy Group independently from the Future Siemens Group. This process is expected to be completed by 2023 and will be supported by services of the Future Siemens Group under Transitional Service Agreements (*cf.* Chapter XI.4).

In the past, the Siemens Energy Business has used software (*e.g.* SAP, Microsoft, Oracle) mainly under the scope of group framework agreements of the Siemens Group. The individual software licenses under the group framework agreements, which were exclusively allocated to the Siemens Energy Business until the Carve-out, were transferred to the respective Future Siemens Energy Group Company when the respective Local Carve-out became effective. Siemens AG and Siemens Energy KG have agreed that the respective Future Siemens Energy Group Companies shall seek the approval of the respective licensor for the transfer until the Spin-off takes effect and, if necessary, conclude their own license and / or maintenance agreements with the respective providers under possibly modified terms and conditions.

It is planned that the Future Siemens Energy Group Companies will, in the future, conclude their own licensing and maintenance agreements with the software suppliers to the extent possible and build procurement alliances with the Future Siemens Group where possible and reasonable.

12. Public-law Permits

The public-law permits required for the operation of the Siemens Energy Business have been transferred to the Future Siemens Energy Group Companies, as far as legally permissible, or were re-applied for as part of the Carve-out. In Germany, purely land related approvals (*Sachgenehmigungen*) such as building permits (*Baugenehmigungen*) or facility-related permits (*anlagenbezogene Genehmigungen*) under the Federal Immission Control Act (*Bundes-Immissionsschutzgesetz*, BImSchG) have been transferred to Siemens Energy KG to the extent that Siemens Energy KG became the facility operator (*Anlagenbetreiber*) within the statutory meaning after the Carve-out. Apart from that, re-approvals or transfer permits respectively have been or will

be applied for. The Future Siemens Energy Group Companies will also independently re-apply for export licenses and customs permits as well as non-transferrable permits or permits other than those concerning only the Siemens Energy Business, if they have not already done so. Overall, it has been ensured for every Future Siemens Energy Group Company as part of the Carve-out that any permits that are absolutely necessary for the operation of the business are available before the execution of each legal separation or that an alternative solution that is economically feasible exists. In individual cases, however, certain acceptable restrictions or impediments to the business activities of the Siemens Energy Business may still temporarily arise due to the lack of public law permits.

13. State Aid

Siemens AG and Siemens Energy KG have agreed on a mutual indemnification, if one of the two companies or one if its affiliated companies is ordered in a non-appealable manner to repay state aid granted prior to the Spin-off taking effect as a result of an act or omission of the respective other company or one of its affiliated companies.

14. Costs of the Carve-out

The costs of the Carve-out and its execution consist of external one-time costs and taxes. Only part of these costs have already been incurred by 31 March 2020 and are in this respect only partly included in the financial figures as of 31 March 2020. The total cost of the Carve-out is currently expected to be in the mid three-digit million Euro range. It is expected that the vast majority of this amount will be attributable to the Future Siemens Group Companies.

In the agreements on which the Carve-out is based, it has been regularly agreed that the party obliged to bear the tax is the party who is liable to pay the tax in question under the applicable tax law. In the case of transfer taxes (*Verkehrssteuern*), where under applicable law both parties are liable to pay tax, the respective transferor typically bears the taxes incurred. With regard to other costs, such as the costs of notarization of an agreement, it is generally agreed that the involved company of the Future Siemens Group will bear these costs.

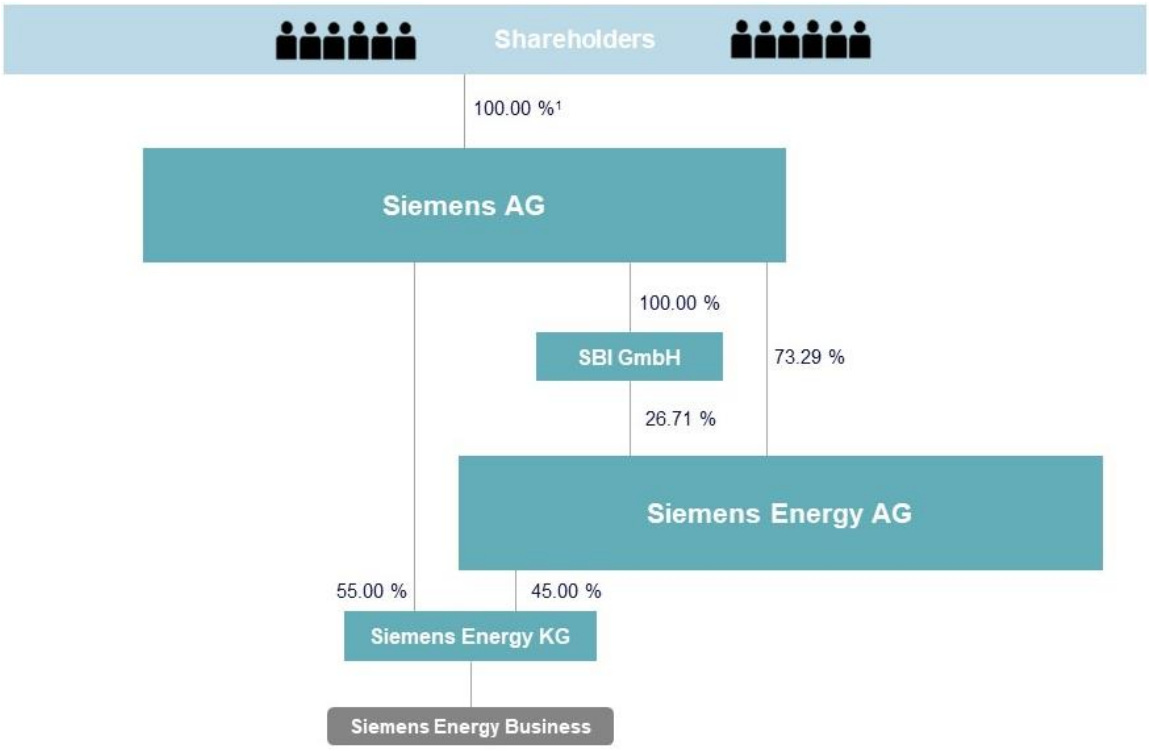
VI. Legal Implementation of the Spin-off

1. Overview

Siemens AG intends to not completely dispose of its participation in Siemens Energy AG. It will initially remain a non-controlling anchor shareholder in Siemens Energy AG with a 35.1 % shareholding directly and indirectly via SBI GmbH. Additionally, the Siemens Pension Trust e.V. will hold a 9.9 % stake in Siemens Energy AG. With the strategic and operational development of Siemens Energy AG and Siemens AG, Siemens AG intends to reduce its stake in Siemens Energy AG significantly in a timeframe of twelve to 18 months after the Spin-off taking effect.

The transfer of the Siemens Energy Business that has been bundled in and under Siemens Energy KG will be implemented in two steps. The first step serves to create Siemens AG's and SBI GmbH's participation in Siemens Energy AG, which will remain after the Spin-off takes effect. With the Spin-off implemented in a second step, the Siemens Shareholders will be granted a participation in Siemens Energy AG.

First, the participation held by SBI GmbH in Siemens Energy KG and a portion of the participation held by Siemens AG in Siemens Energy KG as well as corresponding participations held in the General Partner GmbH will be contributed to Siemens Energy AG by way of Capital Increases in Kind. SBI GmbH and Siemens AG will each receive shares in Siemens Energy AG created by way of the capital increase in return, ensuring value congruence between the shares being issued and the contribution. A resolution to this effect will be adopted by the shareholders' meeting of Siemens Energy AG in May 2020. After registration of the implementation of the Capital Increases in Kind, Siemens AG will temporarily hold a participation of 73.30 % in Siemens Energy AG; the remaining approximately 26.70 % will be held by SBI GmbH. The ownership structure following the entering of the Capital Increases in Kind into the register of companies are visualized by the following chart (the chart does not depict the General Partner GmbH):



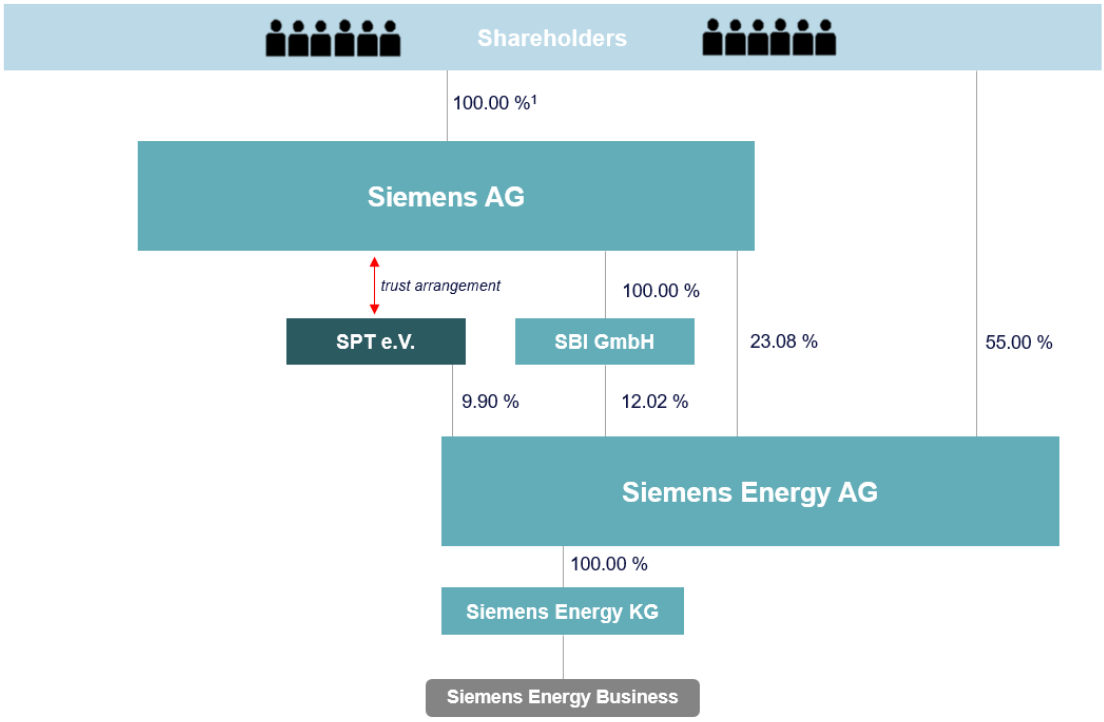
[1] This chart does not depict the treasury shares in Siemens AG.

In a second step, Siemens AG will spin off its remaining limited partnership interest in Siemens Energy KG and its remaining shares in the General Partner GmbH to Siemens Energy AG by way of a spin-off for absorption under the UmwG.

As consideration for the Spin-off of the Spin-off Assets, the Siemens Shareholders will receive Siemens Energy shares pursuant to Section 123 (2) UmwG corresponding to their participation in Siemens AG. The shares required for this purpose will be created by an additional capital increase in exchange for a contribution in kind of Siemens Energy AG. A corresponding resolution will be adopted by the shareholders' meeting of Siemens Energy AG in May 2020. After the implementation of the Spin-off, the Future Siemens Group will hold 45 % and the Siemens Shareholders will hold 55 % of the shares in Siemens Energy AG.

Moreover, Siemens AG will transfer shares in Siemens Energy AG amounting to 9.9 % of the capital stock to SPT e.V. in connection with the Spin-off.

The result of the Spin-off is shown in the following chart (which also takes into account the transfer of shares to SPT e.V.; the chart does not depict the General Partner GmbH):



[1] This chart does not depict the treasury shares in Siemens AG.

2. The Transferring and Receiving Entities

The entities involved in the Spin-off are Siemens AG as the transferring entity and Siemens Energy AG as the receiving entity.

3. Capital Increases in Kind in Order to create the Participation in Siemens Energy AG that remains with the Future Siemens Group

In order to create the participation in Siemens Energy AG that will remain with Siemens AG and SBI GmbH upon the Spin-off taking effect, Siemens AG will contribute a partial limited partnership interest, representing a *pro rata* amount in the fixed capital of Siemens Energy KG of EUR 57,693,148.85, as well as 8,246 shares in the General Partner GmbH, each corresponding to approximately 32.98 % of the fixed capital and the share capital, respectively, to Siemens Energy AG with economic effect as of 1 April 2020, 0.00 hours ("**Contribution Effective Date**"). SBI GmbH will likewise contribute its limited partnership interest, representing a *pro rata* amount of the fixed capital of Siemens Energy KG of EUR 21,015,601 as well as 3,004 shares in the General Partner GmbH, each corresponding to approximately 12.02 % of the fixed capital and the share capital, respectively, to Siemens Energy AG with economic effect as of the Contribution Effective Date, whereby value congruence between the shares being issued and the contribution is ensured.

In case the execution of the respective contributions in accordance with the contribution agreement, which shall occur in connection with the Spin-off becoming effective, is not completed until the end of 31 October 2020, the Contribution Effective Dates shall be deemed to be 1 October 2020, 0.00 hours. In case the respective contributions do not become effective until 31 October of a following year, the respective Contribution Effective Date is further postponed by another year to 1 October, 0.00 hours of that following year.

On 22 May 2020, Siemens AG and SBI GmbH on one side and Siemens Energy AG on the other side entered into a notarized contribution agreement (Annex 0.5.3 to the Spin-Off and Transfer Agreement attached hereto as Annex; details on this agreement are set out in Chapter XIII.2.). The contribution agreement provides that Siemens AG will receive, in exchange for its contribution, shares in Siemens Energy AG and a cash payment in the amount of EUR 175,746.41 (plus interest credited to bank accounts and intragroup clearing accounts of Siemens Energy AG from 1 April 2020 up to and including the date of disbursement or minus interest debited during this period) (referred to as a mixed contribution in kind (*gemischte Sacheinlage*)). The distribution of cash by Siemens Energy AG serves to achieve value congruence between the assets of Siemens Energy AG and the Spin-off Assets (in this regard, see Chapter VII.). SBI GmbH will receive, in exchange for its contribution, shares in Siemens Energy AG (without any additional cash payment).

The shares to be issued as consideration will in each case be created by way of a capital increase in kind. The shareholders' meeting of Siemens Energy AG will adopt the corresponding resolutions still in May 2020. According to that resolutions, Siemens Energy AG will increase its capital stock from EUR 100,000 by EUR 326,860,337 to EUR 326,990,337 by issuing 321,890,337 no-par value shares (registered shares) each representing a *pro rata* amount of the capital stock and an issue price of EUR 1.00 each, i.e., a total issue price of EUR 326,890,337. 239,582,401 of these shares will be issued to Siemens AG and 87,307,936 of these shares will be issued to SBI GmbH. The new shares will be subscribed by Siemens AG and SBI GmbH, respectively, and will be entitled to participate in the profit starting on 1 October 2019 (subject to adjustment due to a deferral of the Contribution Effective Date as contractually provided for). They will be issued at the lowest issue price (*geringster Ausgabebetrag*) of EUR 1.00 per share, i.e., without a premium (*agio*).

As regards the capital increases in kind, a court-appointed auditor has to audit whether the value of the respective contribution in kind reaches the lowest issue price for the shares plus the cash payment granted in exchange for the contribution. Since Siemens Energy AG was commercially active for the first time less than two years prior to the intended implementation of the capital increases in kind (also referred to as an economic incorporation (*wirtschaftliche Neugründung*)), the provisions about post-formation acquisition under Section 52 AktG must also be complied with analogously. In particular, a court-appointed auditor has to audit whether the value of the respective contribution in kind reaches the lowest issue price for the shares plus the cash payment granted for the contribution. Under a court order of the district court of Munich dated 4 March 2020, Ernst &

Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed as the single auditor for the contribution in kind and the post-formation acquisition. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, makes an audit report on the post-formation acquisition, as well as one audit report on the contribution in kind for each capital increase in kind and confirms the required value. Prior to this the supervisory board of Siemens Energy AG will submit a post-formation acquisition report in *mutatis mutandis* application of Sections 52 (3), 32 (2) and (3) AktG. Subsequently, the shareholders' meeting of Siemens Energy AG will approve the contribution agreement as post-formation agreement.

The registrations with the register of companies of Siemens Energy AG required for the implementation of the capital increases in kind will be effected prior to the Spin-off taking effect.

4. Spin-off Assets

The assets to be transferred by Siemens AG to Siemens Energy AG by way of the Spin-off consist of (i) a partial limited partnership interest representing a *pro rata* amount of the fixed capital of Siemens Energy KG in the amount of EUR 96,199,583.15 (corresponding to 55 % of the fixed capital of Siemens Energy KG) and (ii) 13,750 shares held by Siemens AG in the General Partner GmbH with serial numbers 1 through 13,750 (representing a *pro rata* amount of the share capital of the General Partner GmbH of 55 %).

5. Spin-Off under Section 123 (2) No. 1 UmwG (Spin-Off by Absorption)

From a legal perspective, the Spin-off will be effected by way of a spin-off by absorption (*Abspaltung zur Aufnahme*) pursuant to Section 123 (3) no. 1 UmwG. Pursuant to that provision, Siemens AG, as the transferring entity, transfers parts of its assets in their entirety to Siemens Energy AG as the receiving entity by absorption. As consideration for the transfer of the Spin-off Assets, Siemens Energy AG as the receiving entity grants to the shareholders of Siemens AG newly created Siemens Energy Shares. One Siemens Energy Share will be granted in exchange for two Siemens Shares. In total, 399,654,856 no-par value registered Siemens Energy Shares will be granted. Under the Spin-off, the shareholders of Siemens AG will thus receive 55 % of the capital stock of Siemens Energy AG as it exists after the completion of the Spin-off.

6. Spin-off and Transfer Agreement

On 22 May 2020, Siemens AG and Siemens Energy AG entered into a notarized Spin-off and Transfer Agreement, which is to be presented for approval to the shareholders' meeting of Siemens AG on 9 July 2020 and previously to the shareholders' meeting of Siemens Energy AG. The agreement contains the mandatory information required for the Spin-off pursuant to Section 126 UmwG. This information includes, *inter alia*, provisions on determining the Spin-off Assets and the details about the transfer of the Spin-off Assets and the consideration to be granted

in exchange therefor. The Spin-off and Transfer Agreement together with its Annexes is explained in Chapter XIII.1.

The Spin-off and Transfer Agreement will be submitted to the group works council (*Konzernbetriebsrat*) and to the general works council (*Gesamtbetriebsrat*) existing at Siemens AG (Section 126 (3) UmwG). Siemens Energy AG does not have a works council, which means that no such submission is required.

7. Spin-Off Effective Date, Fiscal Transfer Effective Date and Postponement of the Effective Dates

For the purposes of the commercial statements of financial position the transfer of the Spin-off Assets will take place in the relationship between Siemens AG and Siemens Energy AG with economic effect as of 1 April 2020, 0.00 hours (the "**Spin-off Effective Date**"). Starting as of this point in time, the transactions relating to the Spin-off Assets are to be executed – for the purposes of the commercial statements of financial position – for the account of Siemens Energy AG in the relationship between Siemens AG and Siemens Energy AG.

The Spin-off Effective Date is to be distinguished from the legal effective date of the transfer of business units to Siemens Energy KG and its subsidiaries in connection with the global Carve-out on the one hand and the date on which the transfers and the other agreements concluded with Siemens Energy KG and its subsidiaries take economic effect on the other hand. As regards these transfers and agreements, the relevant effective dates are in some cases different from the Spin-off Effective Date (in this regard, see the details set out in Chapter V.).

The fiscal transfer effective date for the Spin-off is 31 March 2020, 24.00 hours (the "**Fiscal Transfer Effective Date**"; *cf.* for more information, Chapter VIII.2.a)).

If the Spin-off is not registered with the registers of companies of Siemens AG by the end of 31 October 2020, the Spin-off Effective Date will be postponed to 1 October 2020, 0.00 hours and the Fiscal Transfer Effective Date will be postponed to 30 September 2020, 24.00 hours. In the case of a further delay of the registration beyond 31 October of the following year, the relevant effective date will be postponed in each case by another year.

The undertaking of Siemens AG to ensure that no withdrawal of profits and assets from Siemens Energy KG is made following the execution of the Spin-off and Transfer Agreement remains effective irrespective of a potential postponement of the Spin-off Effective Date.

8. Spin-Off Audit and Spin-Off Audit Report

The Spin-off stipulated in the Spin-off and Transfer Agreement must be audited pursuant to Section 125 sentence 1 in conjunction with Section 9 UmwG by an expert spin-off auditor selected and appointed by a court. Upon joint request of the managing board of Siemens AG and the managing board of Siemens Energy AG, which at the time was still named Kyros 52 Aktiengesellschaft, the regional court (*Landgericht*) Munich I selected and appointed Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the joint expert spin-off auditor by decision of 22 January 2020 pursuant to Section 125 sentence 1 in conjunction with Section 10 (1) UmwG. The spin-off auditor will prepare a written report about the result of the audit in accordance with Section 125 sentence 1 in conjunction with Section 12 UmwG, which, like this Spin-off Report, will be publicly available from the date of publication of the notice calling the extraordinary shareholders' meeting of Siemens AG on 9 July 2020.

9. Shareholders' Meetings of Siemens AG and Siemens Energy AG

The Spin-off and Transfer Agreement will take effect only if it is approved by the shareholders' meetings of Siemens AG and Siemens Energy AG, in each case, with the majority of at least three quarters of the capital stock represented when adopting the resolution (Section 125 sentence 1 in conjunction with Sections 13 (1), 65 (1) UmwG). The Spin-off and Transfer Agreement will be submitted for approval to the extraordinary shareholders' meeting of Siemens AG on 9 July 2020.

Siemens AG, acting as the sole shareholder of Siemens Energy AG, will grant its consent to the Spin-off and Transfer Agreement at the shareholders' meeting of Siemens Energy AG in May 2020.

10. Spin-off Capital Increase for Implementation of the Spin-Off; Audit of the Post-Formation Acquisition and of the Contributions in Kind

In order to implement the Spin-off, Siemens Energy AG will increase its capital stock – after the Capital Increases in Kind (see Chapter VI.3.) – from EUR 326,990,377 by EUR 399,654,856 to EUR 726,645,193 by issuing 399,654,856 shares of no-par value (registered shares) (see § 10.3 of the Spin-off and Transfer Agreement). To the extent that the book value under commercial law (*handelsrechtlicher Buchwert*) of the Spin-off Assets as of the Spin-off Effective Date exceeds the amount of EUR 399,654,856, i.e., the amount of the increase in the capital stock of Siemens Energy AG, the excess amount will be booked to the capital reserve of Siemens Energy AG pursuant to Section 272 (2) no. 1 HGB (see § 10.4 of the Spin-off and Transfer Agreement). The corresponding resolution on the capital increase will be adopted at the shareholders' meeting of Siemens Energy AG together with the resolution approving the Spin-off and Transfer Agreement. The Spin-off cannot be registered until the implementation of the spin-off capital increase has been registered with the register of companies of Siemens Energy AG.

In the context of the spin-off capital increase, an audit of the contributions in kind will be conducted, specifically to determine whether the value of the contribution in kind reaches the lowest issue price for the shares granted in exchange therefor. Furthermore, an additional post-formation acquisition audit will be conducted owing to the fact that the Spin-off and Transfer Agreement is being concluded between Siemens Energy AG and its shareholder, namely Siemens AG, and two years have not yet passed since Siemens Energy AG started its commercial activities (also referred to as economic incorporation). On 4 March 2020, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed by the district court of Munich as the single auditor for the post-formation acquisition and the contribution in kind (see, with regard to the post-formation acquisition audit, Section 125 sentence 1 in conjunction with Section 67 UmwG in conjunction with Sections 52 (4), 33 (3) to (5), 34 *et seqq.* AktG and, with regard to the contributions in kind, Section 125 sentence 1 in conjunction with Sections 142 (1), 69 (1) sentence 1 UmwG in conjunction with Sections 183 (3), 33 (3) to (5), 34 *et seqq.* AktG). The auditor of the post-formation acquisition and contribution in kind will prepare a report on the post-formation acquisition audit and a report on the impairment test of the contribution in kind. In addition, the supervisory board of Siemens Energy AG will prepare a post-formation acquisition report. The auditor's report about the audit of the contribution in kind will be submitted to and deposited with the register of companies of Siemens Energy AG at the district court of Munich (Section 142 (2) UmwG). The shareholders' meeting of Siemens Energy AG must approve the Spin-off and Transfer Agreement as post-formation acquisition agreement. This approving resolution will be adopted together with the resolution of the shareholders' meeting of Siemens Energy AG on the approval of the Spin-off and Transfer Agreement pursuant to the UmwG. The spin-off capital increase and the Spin-off cannot be registered until the approval of the post-formation acquisition has been registered with the register of companies of Siemens Energy AG.

11. Filings and Registrations of the Spin-Off with the Register of Companies

After the shareholders' meetings of Siemens AG and Siemens Energy AG have approved the Spin-off, the managing board of Siemens AG and the managing board of Siemens Energy AG must file for registration of the Spin-off with the registers of companies (Sections 129, 125 sentence 1 in conjunction with Section 16 (1) UmwG). In addition, the managing board of Siemens Energy AG must apply for registration of the Capital Increases in Kind with the register of companies of Siemens Energy AG for the purpose of implementing the contribution agreement (in this regard, see Chapter XIII.2). The registrations of both Capital Increases in Kind with the register of companies of Siemens Energy AG must be effected prior to the Spin-off taking effect.

The filing of the Spin-off with the registers of companies of Siemens AG must include statements of financial position of Siemens AG as closing statements of financial position (Section 125 sentence 1 in conjunction with Section 17 (2) UmwG). The closing statements of financial position are the interim statements of financial position of Siemens AG prepared as of 31 March 2020,

24.00 hours, in accordance with the provisions on the annual statements of financial position and the audit thereof. They were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, which was appointed in accordance with the legal requirements by resolution of the annual shareholders' meeting of Siemens AG on 5 February 2020 as auditor for the closing statements of financial position required in connection with the Spin-off under the UmwG.

The Spin-off will not take effect until its registration with the registers of companies of Siemens AG at the district court of Charlottenburg and the district court of Munich, with the later of the two registration dates being determinative. Previously, the Spin-off must have been registered with the register of companies of Siemens Energy AG at the district court of Munich. According to the provisions of the UmwG, the Spin-off can only be registered after the implementation of the Spin-off Capital Increase has been registered with the register of companies of Siemens Energy AG (Sections 125 sentence 1, 66, 130 (1) sentence 1 UmwG). Upon the later of the registrations with the register of companies of Siemens AG at the district court of Charlottenburg or the district court of Munich, the Spin-off Assets will transfer to Siemens Energy AG in their entirety by force of law and by way of a partial universal succession in accordance with the scope set forth in the Spin-off and Transfer Agreement. Pursuant to Section 10 HGB, the register courts will publish, in each case, the entry of the Spin-off into the register of companies as effected by them in the electronic information and communications system determined by the respective state justice administration (*Landesjustizverwaltung*) (www.registerbekanntmachungen.de).

Assuming that no complaint is filed, or that no complaint is filed in a timely manner, against the validity of the approving resolution of the shareholders' meeting of Siemens AG regarding the Spin-off and Transfer Agreement, it is intended that the registration of the Spin-off will take place in September 2020 and that the Spin-off will then become effective prior to the end of Siemens AG's fiscal year. Immediately thereafter, admission of the Siemens Energy Shares to trading on the Regulated Market of the Frankfurt Stock Exchange and in the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard) is to be applied for.

If a complaint against the validity of the resolution on the Spin-off is filed in a timely manner, it will hinder, as a general rule and without regard to its prospects for success, the registration of the Spin-off with the register of companies and, thus, the coming into effect of the Spin-off, which means that a delay would occur. The reason for this is that the managing boards of Siemens AG and Siemens Energy AG must each declare in the filing pursuant to Section 125 sentence 1 in conjunction with Section 16 (2) sentence 1 UmwG that a complaint against the validity of the resolution on the Spin-off has not been filed or has not been filed in a timely manner or that such a complaint has been dismissed by final judgment or withdrawn (also referred to as a negative declaration (*Negativerklärung*)), which they would not be able to do if a complaint had been filed in a timely manner. As regards the approving resolution of Siemens Energy AG, Siemens AG, as

the sole shareholder, will waive the filing of a complaint in the shareholders' meeting. As regards the approving resolution of the shareholders' meeting of Siemens AG, however, the possibility cannot be ruled out that one or more shareholders challenge the resolution. However, even in the event that actions to set aside a resolution for legal defects (*Beschlussmängelklagen*) have been filed in a timely manner against the spin-off resolution of the shareholders' meeting of Siemens AG and, accordingly, no negative declaration can be provided, the Spin-off can nonetheless be registered provided that the court of appeals (*Oberlandesgericht*) having jurisdiction pursuant to Section 125 sentence 1 in conjunction with Section 16 (3) sentence 7 UmwG has determined by a decision pursuant to Section 125 sentence 1 in conjunction with Section 16 (3) sentence 1 UmwG that the filing of the complaint does not prevent the registration (also referred to as clearance decision (*Freigabeentscheidung*)). The decision is incontestable under Section 125 sentence 1 in conjunction with Section 16 (3) sentence 9 UmwG. Pursuant to Section 125 sentence 1 in conjunction with Section 16 (3) sentence 3 UmwG, the decision will be issued if (i) the complaint is inadmissible or obviously without merit, or (ii) the complainant has not proven within one week after service of the request by means of documents that the complainant holds a *pro rata* amount of at least EUR 1,000 in the capital stock of Siemens AG since the date of publication of the notice calling the meeting, or (iii) the immediate coming into effect of the Spin-off appears to take priority because the material harm demonstrated by Siemens AG for the entities involved in the Spin-off and their shareholders outweighs the harm for the complaining shareholder in the free discretion of the court, unless there has been a particularly severe violation of law.

The managing board of Siemens AG is of the opinion that a delayed coming into effect of the Spin-off would be harmful to Siemens AG and Siemens Energy AG and would be contrary to the interests of the Siemens Shareholders because it would delay the realization of the benefits expected by a separate development of the two companies and it would also cause additional costs.

12. Effects of the Registrations with the Register of Companies

The Spin-off becomes effective upon the last registration with the registers of companies of the involved entities. Thereupon, the Spin-off Assets pass to Siemens Energy AG by force of law by way of partial universal succession. At the same time, the shareholders of Siemens AG will become shareholders of Siemens Energy AG by force of law in accordance with the relevant share allocation ratio set forth in § 10.1 of the Spin-off and Transfer Agreement, i.e., they will be granted one Siemens Energy Share for each two Siemens Shares. Any possible defects in the notarization of the Spin-off and Transfer Agreement will be cured by the registration with the register of companies.

13. Allocation of the Shares; Fractional Rights; Admission to and Trading on the Stock Exchange; ADR Program

a) Allocation of the Shares of Siemens Energy AG issued to the Shareholders of Siemens AG in Connection with the Spin-off

The Spin-off will be effected in exchange for the granting of 399,654,856 Siemens Energy Shares of no-par value (registered shares) at the time the Spin-off takes effect. Upon the Spin-off taking effect, the shareholders of Siemens AG will receive one Siemens Energy Share for every two Siemens Shares in accordance with the share allocation ratio of 2:1 (preserving the proportionate shareholdings) set forth in § 10.1 of the Spin-off and Transfer Agreement (with regard to the share allocation ratio, *cf.* Chapter VII.). The shares to be granted will be created through the Spin-Off Capital Increase described in Chapter VI.10.

Treasury shares of Siemens AG will not be considered in the allotment of Siemens Energy Shares.

The custodian banks will determine who is a Siemens Shareholder for purposes of the allocation on the evening of the day on which the Spin-off takes effect as a result of the latest of the registrations with the registers of companies of Siemens AG ("**Allocation Effective Date**") on the basis of the respective holdings of Siemens Shares on securities accounts on the evening of the Allocation Effective Date, taking into account any stock exchange transactions still outstanding.

A total of 399,654,856 shares in Siemens Energy AG will be issued to the shareholders of Siemens AG. Siemens AG will ensure by way of acquisitions and sales of treasury shares that 799,309,712 shares will be entitled to allocation at the time when the Spin-off is registered.

b) Entitlement to Participate in Profits

All of the Siemens Energy Shares granted as consideration for the transfer of the Spin-off Assets are entitled to participate in profits for the fiscal years from 1 October 2019 onwards. If the Spin-off Effective Date is postponed to 1 October 2020 (*cf.* Chapter VI.7.), the date as of which the shares to be granted will be entitled to participate in profits will be postponed accordingly to 1 October 2020. If the Spin-off Effective Date is postponed further, the date as of which the shares to be granted will be entitled to participate in profits will be postponed accordingly, in each case, by one year.

c) Processing

Siemens AG has commissioned Deutsche Bank AG, Frankfurt am Main, with the processing of the share allocation. Deutsche Bank AG, Frankfurt am Main, has also been appointed by Siemens AG to act as trustee pursuant to Section 125 sentence 1 in conjunction with Section 71 (1) UmwG and,

in that capacity, to accept delivery of the shares in Siemens Energy AG to be granted and to issue them to the entitled shareholders. The trustee will take possession of the Siemens Energy Shares to be issued to the shareholders of Siemens AG prior to the Spin-off taking effect and will provide these shares to the shareholders of Siemens AG in a timely manner after the Spin-off takes effect in accordance with the share allocation ratio of 2:1 set forth in § 10.1 of the Spin-off and Transfer Agreement. The Siemens Energy Shares will be allocated to the entitled shareholders of Siemens AG through Clearstream Banking AG, Frankfurt am Main, ("**Clearstream**") by their respective custodian banks crediting the shares to their respective securities accounts in the ratio of 2:1. The allocation of shares is free of commissions and fees for the Siemens Shareholders who are entitled to an allocation and who hold their Siemens Shares in securities accounts in Germany. Commissions and fees might be incurred by Siemens Shareholders who hold their Siemens Shares in securities accounts in other countries based on the existing agreements with the relevant custodian bank. Details regarding the processing of the allocation will be notified separately to the shareholders of Siemens AG without undue delay after the registration of the Spin-off with the registers of companies of Siemens Energy AG and Siemens AG (the "**Share Allocation Notification**"). The Share Allocation Notification will be published by Siemens AG in Germany in the Federal Gazette (*Bundesanzeiger*).

Since all shares in Siemens AG are represented by global certificates deposited with Clearstream, the Siemens Shareholders do not need to take any action with regard to the allocation of the Siemens Energy Shares, except in the event of a settlement of any fractional amounts (fractional shares (*Aktienteilrechte*)). The relevant custodian banks will normally credit the Siemens Energy Shares to the securities account of the relevant Siemens Shareholder even prior to the start of trading on the first stock exchange trading day following the Allocation Effective Date provided that these are not based on fractional shares for the account of the shareholders (see below Chapter VI.13.d)). The entitlement of the shareholders of Siemens Energy AG to certification of their shares is excluded pursuant to the articles of association of Siemens Energy AG. The shares of no-par value of Siemens Energy AG will be represented by global share certificates along with respective bearer global dividend coupons (*Inhaber-Globalgewinnanteilschein*) and deposited with Clearstream; the shareholders of Siemens Energy AG will participate as co-owners of the global certificates and the bearer global dividend coupons in accordance with their respective shareholdings.

d) Fractional Rights

Due to the above stated share allocation ratio of 2:1, there will be fractional shares (fractional rights (*Teilrechte*)) if the holdings of Siemens Shares on securities accounts cannot be evenly divided by 2. The relevant shareholders of Siemens AG will then receive fractional rights to one share in Siemens Energy AG. Since shareholder rights can generally not be asserted on the basis of fractional rights (see Section 213 (2) AktG), Deutsche Bank AG, as the central settlement agent, together with the custodian banks will use its best efforts to achieve compensation between the

holders of the fractional rights so that these holders are able to sell fractional rights or acquire corresponding fractional rights in order to top up to full rights. Any acquisition of further fractional rights to top up to full rights (referred to as the settlement of fractions (*Spitzenregulierung*)) requires a corresponding purchase or sales order. It is to be expected that banks, especially in other countries, will not cooperate in any settlement of fractions or will not accept corresponding orders in particular cases.

To the extent that orders for acquiring further fractional rights in order to top up to full rights are not issued, or any acquisition of further fractional rights to top up to full rights is not possible on the basis of the issued orders, at a point in time still to be determined, Deutsche Bank AG, which has been appointed by Siemens AG as the trustee, will combine the fractional rights to Siemens Energy Shares that have been allocated to Siemens Shares and have not yet been combined to full rights (shares) of Siemens Energy AG and will sell them via the stock exchange. The sales proceeds will then be credited to the relevant holders of fractional rights *pro rata* according to their respective fractional rights. The settlement of fractional rights is effected free of commissions and fees for the entitled persons who hold their Siemens Shares in securities accounts in Germany. Commissions and fees might be incurred by Siemens Shareholders who hold their Siemens Shares in securities accounts in other countries based on the existing agreements with the relevant custodian bank.

e) Admission to and Trading on the Stock Exchange

It is planned that all the shares of Siemens Energy AG will be admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and also in the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard) on the Allocation Effective Date. The shares of Siemens Energy AG are to be traded for the first time on the morning of the subsequent stock exchange trading day. The listing of the shares of Siemens AG "ex Spin-Off" is planned for the same day. On the Allocation Effective Date, trading of shares in Siemens Energy AG will not yet be possible, and the Siemens AG Shares will still be traded "cum Energy".

f) Procedure regarding ADR Program

In the United States, shares in Siemens AG are traded off-exchange in the form of American Depositary Receipts (ADRs). The deposit agreement existing in this context between Siemens AG and Deutsche Bank Trust Company Americas as depositary provides that, in the event of distributions of Siemens AG on deposited securities (i.e. the Siemens Shares on which the ADRs are based) made other than in cash, subscription rights or additional Siemens Shares, the depositary will be entitled, under certain circumstances and after consultation with Siemens AG, to distribute to the holders of the ADRs the net proceeds from the sale of the securities to be deposited (i.e. the Siemens Energy Shares) in lieu of the securities. The depositary is entitled to do so if, in

coordination with Siemens AG, the depositary considers a distribution of securities to be illegal, unfair or not practicable. Against this background, a delegate of the depositary will sell the Siemens Energy Shares attributable to the ADRs after commencement of the stock exchange trading and distribute the proceeds *pro rata* and net of costs to the holders of the ADRs.

14. Shareholder Structure of the Transferring Entity and the Receiving Entity after Completion of the Spin-off

Upon the Spin-off taking effect, Siemens AG will directly hold a participation of approximately 32.98 % in the capital stock of Siemens Energy AG (subject to the transfer of shares to SPT e.V.). SBI GmbH will hold a participation of approximately 12.02 % in the capital stock of Siemens Energy AG.

Upon the Spin-off taking effect, all other Siemens Energy Shares, i.e. a total of 55 % of the capital stock, will be held by the Siemens Shareholders. The notional share of each shareholder in the capital stock of Siemens Energy AG issued in the course of the Spin-Off Capital Increase will be equivalent to such shareholder's notional share in the capital stock of Siemens AG, provided that treasury shares of Siemens AG will not be taken into account (referred to as a spin-off retaining the existing shareholding (*verhältniswahrende Abspaltung*)).

Siemens Energy AG will, in turn, hold 100 % of the fixed capital of Siemens Energy KG as well as all shares in the General Partner GmbH, which acts as the general partner of Siemens Energy KG. For further information about the legal structure of the Future Siemens Energy Group after the Spin-off, see Chapter X.4.

In the context of the Spin-off, Siemens AG will transfer Siemens Energy Shares to SPT e.V. in an amount equivalent to 9.9 % of the capital stock.

The Spin-off will not cause changes in the ownership structure of Siemens AG as transferring entity.

15. Deconsolidation Agreement

As regards the future participation of the Future Siemens Group in Siemens Energy AG, Siemens AG, SBI GmbH and Siemens Energy AG have entered into a Deconsolidation Agreement in the context of the conclusion of the Spin-off and Transfer Agreement. The Siemens Energy Business is to be conducted by Siemens Energy AG autonomously and independently of Siemens AG (*cf.* Chapter III.1. and Chapter III.4.). Siemens AG does not intend to exert, directly or indirectly, controlling influence on Siemens Energy AG. After the Spin-off taking effect, the Siemens Energy Business will no longer be fully consolidated in Siemens AG's consolidated financial statements. Given the fact that Siemens AG does not have a majority holding, it is not presumed pursuant to

Section 17 (2) AktG that, after the Spin-off taking effect, Siemens Energy AG will still be depending on Siemens AG. In the event, which cannot be completely ruled out, that, at future shareholders' meetings of Siemens Energy AG, Siemens AG directly and indirectly, especially via the shares held by SBI GmbH, will hold the majority of the voting shares represented at the relevant shareholders' meeting, Siemens AG and SBI GmbH have ensured by means of the Deconsolidation Agreement attached to the Spin-Off and Transfer Agreement as Annex 19 that, after the Spin-Off taking effect, the Future Siemens Group will no longer be able to exert controlling influence on the Siemens Energy Business and on Siemens Energy AG.

The provisions of the Deconsolidation Agreement are set out in Chapter XIII.3.

The Deconsolidation Agreement does not affect the fact that Siemens AG and the Future Siemens Group Companies will most likely be classified as related persons of Siemens Energy AG within the meaning of Section 111a (1) sentence 2 AktG (in this regard, see Chapter VIII.3.h)).

16. Group Separation Agreement

As regards the group separation of the Future Siemens Energy Group from the Siemens Group, resulting upon the closing of the Spin-Off and Transfer Agreement, Siemens AG and Siemens Energy AG entered into a group separation agreement ("**Group Separation Agreement**"). This Group Separation Agreement is annexed to the Spin-off and Transfer Agreement and forms a part thereof. It contains in particular provisions governing the legal relationship between the parties and their respective group companies after completion of the Spin-off with regard to their former joint association with the Siemens Group. The provisions of the Group Separation Agreement are set out in Chapter XIII.4.

17. Costs and Taxes associated with the Spin-off

The costs of the Spin-off and its implementation consist of external one-time costs and taxes.

The external one-time costs amount to around EUR 20 million as of 31 March 2020. Additional external costs of the Spin-off are expected to arise in the amount of approximately EUR 90 million by the time the Spin-off takes effect so that the total external one-time costs of the Spin-off and its implementation will be in a range of around EUR 110 million (with regard to the additionally arising costs for the Carve-out, see Chapter V.14). The external one-time costs relate primarily to costs for external consulting (especially by investment banks, legal advisors and other advisors), audit costs (auditors), notarization costs, costs of shareholders' meetings, costs for the filings with the registers of companies and costs for the planned admission to stock exchange trading. These costs will mainly be borne by Siemens AG. In addition, external one-time costs directly related to the Siemens Energy Business (in particular additional legal costs, additional advice by auditing and

consulting firms or advice in connection with establishing the stand-alone business plan for the Siemens Energy Business) will partly also be borne by Siemens Energy KG.

Taxes arising in connection with the Spin-off and its implementation are estimated to be approximately EUR 10 million. These taxes include in particular expenses from the depreciation of deferred tax assets and the transaction taxes (including real estate transfer tax) arising from the implementation of the Spin-Off. The transaction taxes will be borne by Siemens AG to the extent they relate to Siemens Energy AG.

There is the risk that the reduction of the shareholding in the Future Siemens Energy Group Companies upon effectiveness of the Spin-off may trigger additional taxes on a local level, in particular in the form of so-called "degrouping charges". Should this risk materialize, it is expected that the resulting amount will not exceed the mid double-digit million Euro range.

VII. Explanation and Reasons for the Share Allocation Ratio in Connection with the Spin-off

The Spin-off of the Spin-off Assets is taking place in exchange for granting Siemens Energy Shares to the Siemens Shareholders. The allocation ratio for the granting of the shares must be set forth in the Spin-off and Transfer Agreement (Section 126 (1) no. 3 UmwG). Pursuant to § 10.1 of the Spin-off and Transfer Agreement, this ratio is established in the present case at 2:1, which means each Siemens Shareholder receives one Siemens Energy Share for each two Siemens Shares. Additional cash payments are not granted.

The allocation ratio was mainly determined by the future capital stock of Siemens Energy AG, its number of shares and by the fact that the Spin-off relates to a 55 % participation. In the opinion of the legal entities involved, the amount of the future capital stock is in a reasonable proportion to the equity and the expected market capitalization of Siemens Energy AG and reasonably reflects the relative sizes of the transferring entity and the receiving entity. When determining the capital stock and the number of shares, it was considered that from today's point of view the future stock price of Siemens Energy AG should lie within an attractive range for private and institutional investors.

The lowest possible portion of EUR 1.00 per share was chosen when setting the proportionate amount of the shares in the capital stock of Siemens Energy AG in order to create a number of shares as high as possible with the chosen capital stock of EUR 726,645,193. The resulting allocation ratio takes into account that the number of fractional rights (*Teilrechte*) is held as low as possible so that as many shareholders as possible become shareholders in Siemens Energy AG in a manner corresponding to their participations in Siemens AG. An allocation ratio of 2:1 enables to allocate one or multiple shares in Siemens Energy AG to a large portion of the shareholdings and to Siemens Shareholders without creating fractional rights. If a shareholder holds less than two Siemens Shares or a number of Siemens Shares which is not divisible by two, the contemplated regulation of the fractional rights permits the acquisition of fractional rights for most likely limited amounts of money in order to ensure the allocation of one Siemens Energy Share (more details on the regulation on fractional rights are described comprehensively in Chapter VI.13.d)). The only alternative to exclude fractional rights would have been an exchange ratio of one to one.

A lower allocation ratio would have required a higher capital stock and thereby missed the above mentioned goal of having an attractive stock exchange price for the Siemens Energy Share, because the enterprise value would have been distributed over an increasing number of shares in the case of increasing capital stock anda proportionately increasing number of shares required for a lower allocation ratio.

In order to realize an allocation ratio of 2:1, Siemens AG will ensure that the number of shares entitled to an allocation as of the Closing Date in accordance with Section 131 (1) no. 3 sentence 1 UmwG will be 799,309,712. This allows a clear division with the chosen allocation ratio. Siemens

AG has undertaken in the Spin-off and Transfer Agreement to ensure that on the Closing Date, the number of the total issued shares of Siemens AG minus the treasury shares which are not entitled to an allocation under Section 131 (1) no. 3 sentence 1 UmwG will be exactly 799,309,712 (see Chapter XIII.1.j)).

For the determination of the allocation ratio, a comparative enterprise valuation under which, on the one hand, the Spin-off Assets and, on the other hand, the receiving entity would have been valued and these values would have been compared to each other, was not required.

The Spin-off Assets only consist of a fractional partnership limited interest in Siemens Energy KG in the amount of 55 % of the fixed capital and of shares in the General Partner GmbH, which correspond to exactly 55 % of the total share capital. This is set against the assets of Siemens Energy AG, which consist of limited partnership interests with a share of 45 % of the fixed capital of Siemens Energy KG to be contributed to Siemens Energy AG by Siemens AG and SBI GmbH under the Capital Increases in Kind and shares in the General Partner GmbH representing exactly 45 % of the total share capital. At the time of the Spin-off taking effect Siemens Energy AG will not have any other assets in economic terms and will not report any liabilities (see Chapter II.5.h)), so that from an economic perspective the valuation objects are identical.

The fixed capital in Siemens Energy KG and the shares in the General Partner GmbH held by Siemens AG or Siemens Energy AG, respectively, are in a ratio of 55:45. Accordingly, the participation ratios of the Siemens Shareholders on the one hand and Siemens AG and SBI GmbH on the other hand are supposed to correspond when the Spin-off takes effect. The 399,654,856 new Siemens Energy Shares to be issued in order to implement the Spin-off will be 55 % of the capital stock of Siemens Energy AG existing when the Spin-off takes effect, and the Siemens Energy Shares held by Siemens AG and SBI GmbH after the Capital Increases in Kind takes effect will be 45 %. The result is that the number of the shares to be issued in order to implement the Spin-off ensures that the value relation between the Spin-off Assets and the receiving entity is exactly reflected in the shareholders structure.

The granting of shares as consideration for the transfer of the Spin-off Assets to the Siemens Shareholders will take place in a manner preserving the proportionate participations, which means in accordance with the level of their participation in Siemens AG. The mathematical participations in Siemens Energy AG will not correspond to the mathematical participations in Siemens AG due to the remaining (direct and indirect) participation of Siemens AG in Siemens Energy AG when the Spin-off takes effect. From an economic point of view, however, the Siemens Shareholders own 100 % of Siemens Energy AG, thereby maintaining existing ownership ratios, namely, 55 % directly and 45 % through their participation in Siemens AG and partly further passed on through Siemens AG's wholly owned subsidiary SBI GmbH. Thus, the Siemens Shareholders are not deprived of any assets. Therefore, a comparative enterprise valuation is not necessary.

The Spin-off and Transfer Agreement must be audited by a spin-off auditor pursuant to Section 125 sentence 1 in conjunction with Section 9 UmwG. The expert spin-off auditor chosen and appointed by the court, Baker Tilly GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Düsseldorf, will issue a separate written report about the result of the audit in accordance with Section 125 sentence 1 in conjunction with Section 12 (1), (2) UmwG. The spin-off auditor will also declare in the report whether the proposed allocation ratio is reasonable.

VIII. Financial Position, Tax and Other Effects of the Spin-off

This Chapter discusses the financial position, tax and other effects of the Spin-off and measures relating thereto.

1. Effects on the Financial Position of the Capital Increases in Kind and the Spin-off

a) Overview and Introduction

aa) Transaction-related Measures reflected in the Statements of Financial Position

This section deals with the effects on the financial position of the Spin-off and the Capital Increases in Kind, i.e. the following steps described in detail in Chapter VI:

- The taking effect of the contributions of a partial limited partnership interest or a partnership interest, respectively, in the total amount of 45 % of the fixed capital of Siemens Energy KG by Siemens AG and SBI GmbH to Siemens Energy AG as well as of shares in a German limited liability company (GmbH) corresponding to an aggregate participation of 45 % in General Partner GmbH, in the course of Capital Increases in Kind with economic effect as of 1 April 2020 (a detailed description of these measures is set out in Chapter VI.3.).

- The taking effect of the Spin-off of the then remaining limited partnership interest held by Siemens AG in Siemens Energy KG as well as the remaining shares held by Siemens AG in General Partner GmbH to Siemens Energy AG against the issuance of shares in Siemens Energy AG to the Siemens Shareholders with economic effect as of 1 April 2020, including the Deconsolidation Agreement entered into as an annex to the Spin-off and Transfer Agreement (a detailed description of these measures is set out in Chapter VI.).

bb) Relevant Statements of Financial Position

The description and explanation of the effects on the financial position will be illustrated based on the following statements of financial position:

- Individual statements of financial position of Siemens AG as of 31 March 2020 (HGB) (derived from the closing statements of financial position within the meaning of § 3.1 of the Spin-off and Transfer Agreement and Section 17 (2), Section 125 UmwG)

- Consolidated statements of financial position of the Siemens Group as of 31 March 2020 (IFRS)

- Individual statements of financial position of Siemens Energy AG as of 31 March 2020 (HGB). Since Siemens Energy AG was economically incorporated only as of 1 April 2020 and previously has not carried out any business activity or held any participations, and, in particular, has not formed a group of companies within the meaning of Section 290 *et seqq.* HGB with the Future Siemens Energy Group Companies, there are no consolidated statements of financial position of Siemens Energy AG as of 31 March 2020 available.

- Pro forma individual statements of financial position of Siemens AG as of 1 April 2020 (HGB)

- Pro forma consolidated statements of financial position of the Siemens Group as of 1 April 2020 (IFRS)

- Pro forma individual statements of financial position of Siemens Energy AG as of 1 April 2020 (HGB)

- Pro forma combined statements of financial position of the Future Siemens Energy Group as of 1 April 2020 (IFRS) in which the Future Siemens Energy Group Companies are presented in a combined manner.

cc) Situation reflected in the Statements of Financial Position as of 31 March 2020

The individual statements of financial position and the consolidated statements of financial position of the Siemens Group, each as of 31 March 2020, reflect the situation prior to the Capital Increases in Kind and the Spin-off taking effect. The individual statements of financial position of Siemens AG include the contribution of the Siemens Energy Business, which previously has been directly conducted by Siemens AG, to Siemens Energy KG as of 1 January 2020. The consolidated statements of financial position of the Siemens Group as of 31 March 2020 reflect the Siemens Energy Business as a disposal group pursuant to IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations". This does not include the 24 % participation in Siemens Ltd., India allocated to the Siemens Energy Business, as the Future Siemens Group will continue to fully consolidate the remaining 51 % participation.

dd) Assumptions underlying the Pro Forma Statements of Financial Position

The pro forma statements of financial position as of 1 April 2020 reflect the assets of the legal entity or group as of the relevant reporting date taking into account the following pro forma assumptions:

- The Spin-off has taken effect in fiscal year 2020. The Spin-off will be implemented with effect as of the Spin-off Effective Date, i.e., 1 April 2020, 0.00 hours. Siemens AG will

reflect the Spin-off Assets at book values in its individual financial statements (HGB). The Spin-off Effective Date is the point in time as of which the actions of Siemens AG relating to the Spin-off Assets are deemed to have been made for the account of Siemens Energy AG (Section 126 (1) no. 6 UmwG). This means that the Spin-off and, thus, the transfer of the Spin-off Assets will be deemed to take economic effect retroactively as of 1 April 2020, 0.00 hours. By preparing the pro forma statements of financial position as of 1 April 2020, 0.00 hours, the material direct effects of the Spin-off on the statement of financial position are anticipated based on the values set out in the statements of financial position as of 31 March 2020, 24.00 hours.

- In the pro forma statements of financial position, the two Capital Increases in Kind by way of which Siemens AG and SBI GmbH contribute limited partnership interests in Siemens Energy KG and participations in General Partner GmbH (see Chapter VI.3 above) to Siemens Energy AG are assumed (to have been completed) with retroactive economic effect as of 1 April 2020. The contribution agreement, which constitutes the basis for the Capital Increases in Kind, does not provide that Siemens Energy AG recognizes the contributed participations at book values in its individual financial statements (HGB). The new Siemens Energy Shares granted as consideration will be issued at the nominal amount of EUR 1.00 per share; an additional premium is not owed. For the purpose of describing the effects on the statement of financial position in this Chapter it is assumed that Siemens Energy AG recognizes the issue price as acquisition costs of the newly created shares in its individual financial statements (HGB).

- Taking into account the Deconsolidation Agreement, which was entered into at the same time as the Spin-off and Transfer Agreement and which comes into effect upon the Spin-off taking effect (for details *cf.* Chapter XIII.3.), the Spin-off will result in Siemens AG no longer controlling Siemens Energy AG within the meaning of IFRS 10 upon the Spin-off taking effect, with the effect that the Siemens Energy Business will no longer be fully consolidated in the consolidated financial statements of Siemens AG. This effect of the deconsolidation has also been accounted for in the pro forma consolidated statements of financial position as of 1 April 2020.

- Moreover, the pro forma statements of financial position have been prepared based on the general assumption (subject to the restrictions set out below) that steps to be taken for the Carve-out of the Siemens Energy Business that were not yet completed by 31 March 2020 (*cf.* Chapter V.1.e)) became economically effective as of 1 April 2020. The pro forma statements of financial position therefore account for the separation of the Local Siemens Energy Business from the Local Remaining Siemens Business and the (indirect) transfer of the Local Siemens Energy Business to Siemens Energy KG and, thus, to the Future Siemens Energy Group, irrespective of the – possibly later – date as of which the

underlying measures will take effect. To the extent that the Future Siemens Energy Group directly or indirectly acquires Future Siemens Energy Group Companies against payment of a purchase price, payment of the expected purchase price is deemed to have been effected as of 1 April 2020. The above-mentioned pro forma assumption also applies to assets the transfer of which is still subject to the consent of third parties or with respect to which a change of control occurring upon the Spin-off taking effect might potentially trigger termination rights of contractual partners, retransfer obligations or other third party rights affecting the assets of the Future Siemens Energy Group; this is conceivable for example with regard to the various participations in joint ventures attributable to the Siemens Energy Business (for more details on joint ventures, see Chapter V.1.f)).

- If and to the extent that the agreements regarding the transfer of shares in Local Siemens Energy Group Companies that have been entered into in the context of the Carve-out provide for base purchase prices or variable purchase prices, as the case may be, it is assumed that the relevant preliminary purchase price or base purchase price agreed therein is the final purchase price (for more details see Chapter V.1.e)). This applies in particular to the transfer of a 24 % participation in Siemens Ltd., India, anticipated in the pro forma statements of financial position (cf. Chapter V.1.e).cc)).

- If the relevant pending steps are ultimately not implemented, the future statements of financial position may deviate from the pro forma statements of financial position.

Of the steps required for the Carve-out of the Siemens Energy Business, the pro forma statements of financial position as of 1 April 2020 do not anticipate the transfer of the 40 % participation in Shanghai Electric Power Generation Equipment Co. LTD. held by a company of the Future Siemens Group to the Future Siemens Energy Group because that transfer is not intended to be effected until fiscal year 2021 (see, in this context, Chapter V.1.f)). The Future Siemens Energy Group will acquire the participation in the company currently held by a company of the Future Siemens Group against payment of a purchase price. The expected purchase price has already been taken into account in the financial and capital structure of the Future Siemens Energy Group. In the pro forma statements of financial position of the Future Siemens Group as of 1 April 2020, the 40 % participation in Shanghai Electric Power Generation Equipment Co. LTD is shown under the item "assets classified as held for disposal".

Moreover, the pro forma statements of financial position as of 1 April 2020 do not take into account changes in the assets and liabilities resulting from the business activities of the companies of the Future Siemens Energy Group and of the Future Siemens Group performed in the period from 1 April 2020 to the effective date of the Spin-off. This also applies to business transactions between the two groups. Transactions after 1 April 2020 are also not taken into account in the pro forma statements of financial position if they have a close connection to the Spin-off. For example, the granting of equivalent rights to beneficiaries in the context of stock-based compensation programs

and employee participation programs or any Transaction Costs arising in connection with the Spin-off are not taken into account to the extent that they are attributable to the period as of 1 April 2020. Transaction Costs allocable to the period up to and including 31 March 2020, however, are already reflected in the corresponding statements of financial position as of 31 March 2020 (with regard to the Transactions Costs incurred in the context of the Carve-out and the Spin-off, see also Chapters V.14. and V.17.).

In the context of the legal separation of the Siemens Energy Business, certain lease, license, service and other agreements will be entered into between and implemented by the Future Siemens Energy Group Companies conducting the Local Siemens Energy Business and the Future Siemens Group Companies. In the event that these agreements affect the statements of financial position on or before the day the Spin-off takes effect, these effects have not been accounted for in the pro forma statements of financial position as of 1 April 2020 either. The above applies except for the license fee for using the "Siemens Energy" trademark, which has been charged since the beginning of fiscal year 2020 (see, in this regard, also Chapter XI.3.).

Financial effects due to deferred taxes resulting from the Carve-out of the Siemens Energy Business which will be transferred after 31 March 2020 (*cf.* Chapter V.1.e)) are not anticipated in the pro forma consolidated statements of financial position of the Future Siemens Energy Group as of 1 April 2020. Furthermore, while the transfer of real estate property and buildings of the Local Siemens Energy Business which will be transferred after 31 March 2020 (cf. Chapter V.1.e)) are anticipated in the pro forma statements of financial position of the Future Siemens Group as of 1 April 2020, they are not included in the pro forma statements of financial position of the Future Siemens Energy Group as of 1 April 2020 for practical reasons and for lack of materiality.

With a view to the Spin-off, Siemens AG will recognize, upon its shareholders' meeting approving the Spin-off and Transfer Agreement and pursuant to IFRIC 17, "Distributions of Non-cash Assets to Owners", a Spin-off liability in the consolidated statements of financial position with a fair value (*beizulegender Zeitwert*) equivalent to 55 % of the value of the Future Siemens Energy Group, thereby reducing equity (at the expense of retained earnings). In the event of a delay in the Spin-off taking effect, the Spin-off liability would have to be recognized at the relevant fair value as of subsequent accounting dates until the Spin-off taking effect; the equity would have to be adjusted accordingly. Upon the Spin-off and the Deconsolidation Agreement taking effect, Siemens will reflect the derecognition of this Spin-off liability and the book value of the assets and liabilities classified as held for disposal, and the recognition of the 45 % participation in Siemens Energy AG, which is to be included upon receipt at fair value; any difference must be reflected in the profit and loss as the result of the Spin-off (Spin-off profit/loss). These effects have not been anticipated in the pro forma consolidated statements of financial position of Siemens AG as of 1 April 2020.

Siemens AG intends to transfer, in connection with the Spin-off, a percentage of 9.9% of the shares in Siemens Energy AG to SPT e.V. in the form of an addition of funds (*Dotierung*) (in this regard,

see already Chapter I.). This transfer has not been reflected in the pro forma consolidated statements of financial position of the Future Siemens Group as of 1 April 2020.

On 28 April 2020, Siemens AG and SBI GmbH further strengthened the equity of Siemens Energy KG by way of an agreement on the additional payment to the jointly held reserve account (*gesamthänderisch gebundenes Rücklagenkonto*) in the fixed amount of EUR 141 million and a conditional minor additional equity contribution (see in this regard also Chapter V.3a).). The financial effects of this subsequent strengthening of the equity are not reflected in the pro forma statements of financial position.

The companies of the Future Siemens Energy Group are currently still directly or indirectly financed through Siemens AG. These receivables and liabilities are still reflected in the individual statements of financial position and the pro forma individual and consolidated statements of financial position. To the extent necessary, Siemens Energy AG intends to replace this financing of the Future Siemens Energy Group by Siemens AG by way of external debt financing obtained from an international banking consortium (see Chapter V.3.a)). This is not reflected in the pro forma individual and consolidated statements of financial position as of 1 April 2020.

The taking effect of the Spin-off in conjunction with the taking effect of the Deconsolidation Agreement at the same time (in this regard, see Chapter XIII.3.) results in the termination of control of Siemens AG over the Future Siemens Energy Group Companies, which continues to exist up until that point in time. This change of control might trigger certain rights of contractual partners under existing agreements which may result in payment obligations or may have an impact on the statements of financial position for the relevant group companies. No such – currently unknown – financial effects have been recognized in the pro forma statements of financial position as of 1 April 2020.

The actual statements of financial position as of the point in time when the Spin-off takes effect may, in particular in view of the aforementioned effects that have not been anticipated, deviate considerably from the pro forma statements of financial position.

ee) Preparation, Determination and Audit of the relevant Statements of Financial Position

The individual statements of financial position were prepared in each case in accordance with the accounting principles under HGB and the consolidated statements of financial position of Siemens AG as of 31 March 2020 were prepared in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the European Union (EU). The pro forma statements of financial position are based on corresponding accounting principles under HGB for the pro forma individual statements of financial position and in accordance with IFRS for the pro forma consolidated and combined financial statements, for which – as will be described in more

detail below – the statements of financial position as of 31 March 2020 served as a basis. Any deviations and particularities, in particular as compared to the pro forma statements of financial position, are pointed out in the text or footnotes. For the purpose of describing the effects of the Spin-off and of the preparatory and associated measures on the assets of Siemens AG and the Siemens Group as of 31 March 2020, the pro forma statements of financial position as of 1 April 2020 are based on the same accounting standards as the corresponding statements of financial position as of 31 March 2020 and as of 30 September 2019, as they are included in the audited individual and consolidated financial statements of Siemens AG as of 30 September 2019. However, changes in the accounting standards applicable as of 1 October 2019, in particular IFRS 16, have been accounted for in the application rules.

The pro forma statements of financial position constitute pro forma illustrations prepared exclusively for the purpose of this joint Spin-off Report. They have not been audited or reviewed by the statutory auditor.

The individual statements of financial position of Siemens AG as of 31 March 2020 have been derived from the closing statements of financial position. The closing statements of financial position pursuant to Section 125 sentence 1 in conjunction with Section 17 (2) UmwG have been audited by the statutory auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, and issued with an unqualified audit opinion and they were approved by the supervisory board of Siemens AG on 8 May 2020.

The consolidated statements of financial position of Siemens AG as of 31 March 2020 were reviewed as part of the half-year financial report of Siemens AG as of 31 March 2020 by Siemens AG's statutory auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer* (IDW)) and in supplementary compliance with International Standard on Review Engagements 2410: "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The individual statements of financial position of Siemens Energy AG as of 31 March 2020 have not been audited.

Due to rounding, it is possible that individual numbers in the statements of financial position and the pro forma statements of financial position will not exactly add up to the stated totals.

b) Statements of Financial Position and Pro Forma Statements of Financial Position of Siemens AG (HGB)

aa) Overview of the relevant Statements of Financial Position

Column A ("31 March 2020") in the following overview constitutes the individual statements of financial position of Siemens AG. These individual statements of financial position have been derived from the closing statements of financial position of Siemens AG as of 31 March 2020, 24.00 hours, within the meaning of § 3.1 of the Spin-off and Transfer Agreement and Sections 17 (2), 125 UmwG. It shows the situation prior to the Spin-off taking effect. Column B contains the effects of the pro-forma adjustments explained under Chapter VIII.1.a)dd). It leads to column C ("1 April 2020 (Pro Forma)"), which contains the pro forma statements of financial position of Siemens AG as of 1 April 2020, 0.00 hours. It shows the situation after the Spin-off takes effect, based on the pro forma assumptions explained in Chapter VIII.1.a)dd) above.

	A	B	C
in millions of EUR	**31 March 2020**	**Pro Forma Adjustments**	**1 April 2020 (Pro Forma)**
Assets			
Intangible assets	244	—	244
Property, plant and equipment	916	—	916
Financial assets	90,296	(12,678)	77,618
Non-current assets	**91,456**	**(12,678)**	**78,778**
Inventories	2,058	—	2,058
Advance payments received	(1,086)	—	(1,086)
	(971)	**—**	**971**
Trade receivables	1,532	—	1,532
Receivables from affiliated companies	15,604	(712)	14,892
Receivables from long-term investees	115	712	827
Other assets	963	—	963
Receivables and other assets	**18,214**	**—**	**18,214**
Other securities	408	—	408
Cash and cash equivalents	2,992	—[1)]	2,992
Current assets	**22,586**	—	**22,586**
Prepaid expenses	111	—	111
Deferred tax assets	784	—	784
Active difference resulting from asset offsetting	60	—	60
Total assets	**114,998**	**12,678**	**102,320**
Shareholders´ equity and liabilities			
Subscribed capital	2,550	—	2,550
Treasury shares	139	—	139

	A	B	C
Issued capital	**2,411**	**—**	**2,411**
Capital reserve	8,145	—	8,145
Other retained earnings	16,004	12,678	3,326
Unappropriated net income	2,955	—	2,955
Shareholders´ equity	**29,515**	**12,678**	**16,837**
Special reserve with an equity portion	619	—	619
Provisions for pensions and similar commitments	11,504	—	11,504
Provisions for taxes	572	—	572
Other provisions	2,850	—	2,850
Provisions	**14,926**	—	**14,926**
Liabilities to banks	5	—	5
Trade payables	1,130	—	1,130
Liabilities to affiliated companies	67,419	6,400	61,019
Liabilities to long-term investees	1	6,400	6,401
Miscellaneous liabilities	1,049	—	1,049
Liabilities	**69,604**	—	**69,604**
Deferred income	334	—	334
Total shareholders´ equity and liabilities	**114,998**	**12,678**	**102,320**

[1)] The cash payment made in the context of the mixed capital increase in kind – in the course of which an amount in cash of EUR 176,000 is granted to Siemens AG in addition to new shares – is not discernible from the pro forma statements of financial position because of the rounding to full millions of Euros.

bb) Effects of the Spin-off shown in the Statements of Financial Position

The individual statements of financial position of Siemens AG as of 31 March 2020, 24.00 hours, contain under the item "financial assets" in particular the direct interest in Siemens Energy KG in the amount of EUR 20,281 million, corresponding to a percentage of approximately 87.98 % of the fixed capital of Siemens Energy KG, the 100 % participation in SBI GmbH, which in turn holds a approximately 12.02 % interest in the fixed capital of Siemens Energy KG, which corresponds to a carrying amount of the investment of EUR 192 million, as well as the 100 % participation in Siemens Energy AG in the amount of EUR 180 thousand. These statements of financial position already reflect the contribution to Siemens Energy KG of the Siemens Energy Business as of 1 January 2020, which had previously been conducted directly by Siemens AG. The resulting effect is that items of the non-current and current assets belonging to the Siemens Energy Business as well as liabilities that had still been reflected in the statements of financial position of Siemens AG as of 30 September 2019 were derecognized from the statements of financial position of Siemens AG and set off by a matching recognition under "financial assets" (participation in Siemens Energy KG). As a result of the contribution of the German Siemens Energy Business Operation, as of 31 March 2020, Siemens AG conducts the Siemens Energy Business no longer directly but exclusively indirectly via its subsidiaries. The Siemens Energy Business therefore exclusively

affects the "financial assets" item in the statements of financial position as of 31 March 2020, the "receivables from affiliated companies"/"liabilities to affiliated companies" items and tax items. The contribution of the part of the Siemens Energy Business previously conducted by subsidiaries in particular by way of the contribution of Siemens Energy B.V. and Siemens Energy Inc. to Siemens Energy KG is not discernible from the individual statements of financial position of Siemens AG as of 31 March 2020 because this transaction merely resulted in a shift of positions within the "financial assets" item of the statements of financial position.

The contributions underlying the Capital Increases in Kind and the Spin-off are each recognized in the pro forma statements of financial position of Siemens AG as of 1 April 2020, 0.00 hours, with economic effect as of 1 April 2020. However, the contribution of a (partial) limited partnership interest in Siemens Energy KG effected at book value against the granting of shares in Siemens Energy AG will merely result in a shift of positions within the "financial assets" item without resulting in any changes thereto. In the course of the Spin-off, Siemens AG will transfer, in addition to its remaining share in General Partner GmbH, its remaining interest in Siemens Energy KG to Siemens Energy AG. The portion of 55 % of the shares in Siemens Energy AG created by way of a capital increase of Siemens Energy AG as consideration for the above transfer will not be transferred to Siemens AG but to the shareholders. This results in a reduction in the financial assets of Siemens AG by EUR 12,678 million, corresponding to 62.51 % (55 % of approximately 87.98 % in the fixed capital of Siemens Energy KG) of the participation in Siemens Energy KG and the General Partner GmbH held by Siemens AG, which will not be offset by consideration; the Spin-off will result in a reduction of equity (retained earnings) of Siemens AG in a corresponding amount. Accordingly, the Spin-off results in a corresponding reduction of the statements of financial position by EUR 12,678 million.

As a result of the Spin-off, the companies of the Future Siemens Energy Group will no longer be considered subsidiaries of Siemens AG. As a consequence, in the pro forma statements of financial position as of 1 April 2020, the items "receivables from affiliated companies" and "liabilities to affiliated companies" will be reduced by EUR 712 million and EUR 6,400 million, respectively, and the items "receivables from long-term investees" and "liabilities to long-term investees" will be increased accordingly by EUR 712 million and EUR 6,400 million, respectively, in each case as compared to the statements of financial position as of 31 March 2020. The item "liabilities to long-term investees" as of 1 April 2020 relates in particular to financing funds (in the form of cash pool credit balances of the Future Siemens Energy Group Companies) in the amount of approximately EUR 6.2 billion. This item includes the amount of approximately EUR 4.1 billion, which will be repaid to the companies of the Future Siemens Group. It basically represents financing funds to repay existing liabilities of the Future Siemens Energy Group and to settle purchase price obligations to Future Siemens Energy Group Companies for additional asset transfers in the future (see in this regard especially Chapter V.1.e)).

Since the remaining participation held by Siemens AG in Siemens Energy AG in the future is valued at cost in the statements of financial position of Siemens AG, any future changes in value are not taken into account, except for any possible subsequent increase in the purchase price for the 24 % participation in Siemens Ltd., India (see immediately below), unless there is an impairment which would have to be reflected in the profit and loss.

The pro forma statements of financial position do not reflect the further strengthening of the equity of Siemens Energy KG implemented by Siemens AG and SBI GmbH on 28 April 2020 in the amount of EUR 141 million (see in this regard Chapter VIII.1a)dd) above).

As described above (see Chapter VIII.1a)dd) above), adjustments (if any) of the purchase prices are not anticipated The transfer of the 24 % participation in Siemens Ltd., India, to the Future Siemens Energy Group was concluded on 19 May 2020. As a result of an increase in the share price of Siemens Ltd., India, the purchase price was increased by approximately EUR 50 million. Based on the contractual obligation of Siemens AG (or SBI GmbH on a *pro rata* basis), additional cash contributions in the amount of the purchase price increase are provided to Siemens Energy KG. As the purchase price for the 24 % participation in Siemens Ltd., India, was paid by a Future Siemens Energy Group company to Siemens AG, the amount of cash and cash equivalents at Siemens AG (including SBI GmbH) remains unchanged, except for transaction costs (taxes, bank charges). The carrying amount of the minority interest recognized by Siemens AG for its investment in Siemens Energy AG is increased proportionally as a result of the subsequent cash contribution. Taking into account the subsequent increase in the purchase price, Siemens AG's equity is likewise increased in accordance with the remaining minority participation held in Siemens Energy AG.

c) Statements of Financial Position and Pro Forma Statements of Financial Position of Siemens Energy AG (HGB)

aa) Overview of the relevant Statements of Financial Position

Column A ("31 March 2020") in the following overview contains the individual statements of financial position of Siemens Energy AG as of 31 March 2020, 24.00 hours. These statements of financial position show the situation prior to the Spin-off taking effect. Column B contains the effects of the pro-forma adjustments explained under Chapter VIII.1.a)dd). It leads to column C ("1 April 2020 (Pro Forma)"), which contains the pro forma statements of financial position of Siemens Energy AG as of 1 April 2020, 0.00 hours. It shows the situation after the Spin-off takes effect, based on the pro forma assumptions explained in Chapter VIII.1.a)dd) above.

	A	B	C
in thousands of EUR	**31 March 2020**	**Pro Forma Adjustments**	**1 April 2020 (Pro Forma)**
Assets			
Financial assets	—	13,004,985	13,004,985

Non-current assets	**—**	**13,004,985**	**13,004,985**
Receivables from affiliated companies	76	- 76	—
Receivables and other assets	76	- 76	—
Cash and cash equivalents	100	- 100	—
Current assets	**176**	**- 176**	—
Total assets	**176**	**13,004,809**	**13,004,985**
Liabilities			
Equity	176	13,004,809	13,004,985
Total liabilities and equity	**176**	**13,004,809**	**13,004,985**

bb) Effects of the Transaction shown in the Statements of Financial Position

As of 31 March 2020, Siemens Energy AG was not economically active yet, as the economic incorporation took place only as of 1 April 2020. As of 31 March 2020, Siemens Energy AG had no operating business of its own and did not hold any participations in other companies, either. In particular, it did not hold any interest in Siemens Energy KG, which already conducted the German Siemens Energy Business Operation at that point in time. Accordingly, its individual statements of financial position as of 31 March 2020, 24.00 hours, only show the items "cash and cash equivalents" and "receivables from affiliated companies" in the amount of EUR 176 thousand within total assets and "equity" in the same amount.

The assets of the pro forma statements of financial position as of 1 April 2020, 0.00 hours, include the 100 % interest in Siemens Energy KG and participation in General Partner GmbH. In this context, it has been agreed in the Spin-off and Transfer Agreement with a view to the Spin-off Capital Increase that Siemens Energy AG will carry over book values in its individual financial statements (HGB), which results in an increase in the "financial assets" item in the amount of EUR 12,678 million.

On the other hand, the underlying contribution agreement provides with respect to the Capital Increases in Kind that the new shares are to be issued at a minimum issue price of EUR 1.00 per Siemens Energy Share. A carryover of the book value for individual financial statements purposes is not provided for in the contribution agreement. In the above pro forma statements of financial position of Siemens Energy AG as of 1 April 2020, the acquisition costs of the shares in Siemens Energy KG and its general partner that are contributed to Siemens Energy AG by way of the contribution agreement have been assumed to be equal to the issue price of the shares newly created for that contribution in the amount of EUR 327 million. As a result, the total sum of the "financial assets" item amounts to EUR 13,005 million. Recognition of the carrying amount or fair value of the shares contributed under the contribution agreement would have resulted in a higher amount for the item "Financial assets". Stating a lower carrying amount for Siemens Energy KG in the "Financial assets" item of Siemens Energy AG enables the latter to build up free reserves from withdrawals

out of its subsidiary Siemens Energy KG without thereby triggering any impairments of its Siemens Energy KG participation to be reflected in profit and loss. These free reserves would then be available to Siemens Energy AG for example to make dividend payments or to repurchase shares. Furthermore, the "current assets" stated in the pro forma statements of financial position with an amount of EUR 176 thousand are reduced to 0 because of the disbursement made in connection with the mixed capital increase in kind. Siemens Energy AG includes a recognition under equity in the pro forma statements of financial position that corresponds to the amount of the recognitions on the assets side (EUR 13,005 million). The increase in equity by EUR 13,005 million results from the contributions of (limitedpartnership) interests in Siemens Energy KG and General Partner GmbH in connection with the Capital Increases in Kind and from the Spin-off of the remaining participation in Siemens Energy KG and in General Partner GmbH.

The pro forma statements of financial position do not reflect the further strengthening of the equity of Siemens Energy KG implemented by Siemens AG and SBI GmbH on 28 April 2020 in the amount of EUR 141 million (see in this regard Chapter VIII.1.a)dd) above).

Furthermore, the increase in the carrying amount of the investment held by Siemens Energy AG in Siemens Energy KG resulting from the additional contribution in cash in the amount of approximately EUR 50 million by Siemens AG (or by SBI GmbH on a *pro rata* basis) and the resulting equity increase of Siemens Energy AG in connection with the conclusion of the transfer of the 24 % participation in Siemens Ltd., India, on 19 Mai 2020 has not been anticipated. This additional contribution in cash is the result of an increase in the share price of Siemens Ltd., India, and a consequently higher purchase price for the 24 % participation in Siemens Ltd., India.

d) Statements of Financial Position and Pro Forma Statements of Financial Position of the Future Siemens Group (IFRS)

aa) Overview of the relevant Statements of Financial Position

The following overview contains in column A ("31 March 2020") the statements of financial position of the Siemens Group as of 31 March 2020, 24.00 hours. It shows the situation prior to the Spin-off taking effect. In these statements of financial position, the Siemens Energy Business is shown as a distribution group (*Abgangsgruppe*) in accordance with IFRS 5, "non-current assets held for sale and discontinued operations" (see Chapter VIII.1.a)cc) above). Column B contains the effects of the pro-forma adjustments explained in Chapter VIII.1.a)dd). It leads to column C ("1 April 2020 (Pro Forma)"), which contains the pro forma statements of financial position of the Siemens Group as of 1 April 2020, 0.00 hours. It shows the situation after the Spin-off takes effect, based on the pro forma assumptions explained in Chapter VIII.1.a)dd) above. The pro forma statements of financial position of the Siemens Group is not identical with the consolidated

statements of financial position as they will be at the time the Spin-off takes effect upon registration in the register of companies (see immediately below).

	A	B	C
in millions of EUR	**31 March 2020**	**Pro Forma Adjustments**	**1 April 2020 (Pro Forma)**
Assets			
Cash and cash equivalents	7,832	—	7,832
Trade and other receivables	14,346	75	14,421
Other current financial assets	9,834	1,371	11,205
Contract assets	5,256	—	5,256
Inventories	8,475	—	8,475
Current income tax assets	1,681	—	1,681
Other current assets	1,414	—	1,414
Assets classified as held for disposal	41,557	- 41,222	335
Total current assets	**90,396**	**- 39,776**	**50,620**
Goodwill	21,334	—	21,334
Other intangible assets	5,311	—	5,311
Property, plant and equipment	10,313	—	10,313
Investments accounted for using the equity method	1,384	7,869	9,252
Other financial assets	21,064	460	21,524
Deferred tax assets	2,385	—	2,385
Other assets	1,987	—	1,987
Total non-current assets	**63,778**	**8,328**	**72,107**
Total assets	**154,174**	**- 31,448**	**122,727**
Liabilities and equity			
Short-term debt and current maturities of long-term debt	6,908	—	6,908
Trade payables	6,201	977	7,177
Other current financial liabilities	1,494	3,027	4,520
Contract liabilities	7,410	—	7,410
Current provisions	1,668	—	1,668

	A	B	C
Current income tax liabilities	1,964	—	1,964
Other current liabilities	5,477	—	5,477
Liabilities associated with assets classified as held for disposal	26,171	- 26,170	1
Total current liabilities	**57,292**	**- 22,167**	**35,125**
Long-term debt	36,827	—	36,827
Provisions for pensions and similar obligations	7,512	—	7,512
Deferred tax liabilities	879	—	879
Provisions	1,855	—	1,855
Other financial liabilities	1,030	227	1,257
Other liabilities	1,565	—	1,565
Total non-current liabilities	**49,668**	**227**	**49,895**
Total liabilities	**106,960**	**- 21,940**	**85,021**
Total equity [1)]	**47,214**	**- 9,508**	**37,706**
Total liabilities and equity	**154,174**	**- 31,448**	**122,727**

[1)] The above overview shows the equity in aggregated form as one single item and includes both the equity attributable to the shareholders of Siemens AG and "non-controlling interests". The transfer of a 24 % participation in Siemens Ltd., India, anticipated in the pro forma statements of financial position results in a corresponding reduction of the total equity attributable to the shareholders of Siemens AG and in an increase in "non-controlling interests".

Unlike in the Siemens Group's consolidated statements of financial position contained in the audited consolidated financial statements as of 30 September 2019, the Siemens Energy Business is reflected in the Siemens Group's consolidated statements of financial position as of 31 March 2020, 24.00 hours as a distribution group pursuant to IFRS 5, "non-current assets held for sale and discontinued operations", in anticipation of the Spin-off taking effect. The Future Siemens Energy Group Companies continue to be within the scope of consolidation. Inter-company receivables and liabilities are consolidated. As of 31 March 2020, the book values of the main groups of assets and liabilities which were recognized in the statements of financial position of the Siemens Group under the items "assets classified as held for disposal" and "liabilities associated with assets classified as held for disposal" were as follows:

in millions of EUR	**31 March 2020**
Assets	
Cash and cash equivalents	2,038

Trade and other receivables	3,935
Contract assets	4,939
Inventories	7,511
Goodwill	9,680
Other intangible assets	4,644
Property, plant and equipment	4,427
Deferred tax assets	1,262
Miscellaneous current assets	1,843
Miscellaneous non-current assets	1,160
Assets classified as held for disposal	**41,439**
Short-term debt and current maturities of long-term debt	606
Trade payables	4,300
Contract liabilities	9,918
Current provisions	1,786
Other current liabilities	2,774
Miscellaneous current liabilities	679
Long-term debt	1,430
Provisions for pensions and similar obligations	1,010
Deferred tax liabilities	1,242
Provisions	1,763
Miscellaneous non-current liabilities	662
Liabilities associated with assets classified as held for disposal	**26,170**

bb) Effects of the Transaction shown in the Statements of Financial Position

As the scope of consolidation for the consolidated financial statements of Siemens AG has not yet changed as a result of the Spin-off as of 31 March 2020, the transfer of assets and liabilities of Siemens AG pertaining to the German Siemens Energy Business Operations to Siemens Energy KG and the contribution of the international Siemens Energy Business conducted so far by subsidiaries to Siemens Energy KG are not discernible as such in the consolidated statements of financial position as of 31 March 2020.

As a result of the Spin-off, the majority of the shares in Siemens Energy AG will be disposed of and, taking also into account the Deconsolidation Agreement entered into in connection with the Spin-off, Siemens AG will no longer exercise control over Siemens Energy AG, is wholly owned subsidiary Siemens Energy KG and the Siemens Energy Business; therefore, Siemens AG will cease to fully consolidate the Siemens Energy Business in its consolidated financial statements. The Siemens Energy Business has been derecognized from the pro forma consolidated statements of financial position as of 1 April 2020, 0.00 hours. This results in a reduction of the item "assets classified as held for disposal" by EUR 41,222 million and of the item "liabilities associated with assets classified as held for disposal" by EUR 26,170 million. The 40 % participation in Shanghai

Electric Power Generation Equipment Co. LTD continues to be recognized under "assets classified as held for disposal" because the transfer is not intended to occur until fiscal year 2021 (see, in this regard, also Chapter V.1.f)).

The pro forma consolidated statements of financial position reflect transactions between companies of the Future Siemens Group and companies of the Future Siemens Energy Group which, previously, constituted group-internal transactions and were thus not shown in the consolidated half-year financial statements as of 31 March 2020 because of the consolidation. Therefore, receivables and liabilities held by the remaining Siemens Group with respect to the Future Siemens Energy Group after the Spin-off are recognized in the pro forma consolidated statements of financial position. This has in particular the following effects:

- The deconsolidation results in an increase in the items "other current financial assets" by EUR 1,084 million and "other current financial liabilities" by EUR 2,813 million. This is because, prior to the Spin-off taking effect, group-internal receivables and liabilities of companies of the Future Siemens Group against the Future Siemens Energy Group were eliminated by way of the consolidation and had, therefore, not been recognized under "other current financial assets" and "other current financial liabilities". The financing provided to the Future Siemens Energy Group in order to comply with purchase price obligations to Future Siemens Group Companies for additional asset transfers in the future (see, in particular, Chapter V.1.d)) has been recognized in the pro forma statements of financial position as a payment already effected and, in the context of the acquisition, as repayment received.

- Additionally, the deconsolidation will result in an increase in the items "other current financial assets" and "other financial assets" of a further EUR 287 million and EUR 460 million, respectively, and increase in the items "other current financial liabilities" and "other financial liabilities" of a further EUR 213 million and EUR 227 million, respectively, from formerly consolidated hedging agreements, in particular regarding foreign currency risks between the Future Siemens Group and the Future Siemens Energy Group.

- The asset and business relationships between companies of the Future Siemens Energy Group and companies of the Future Siemens Group will be recognized in the same manner in which the asset and business relationships between unaffiliated third parties would be recognized. Trade receivables and trade payables to companies of the Future Siemens Energy Group are included in the statements of financial position under the corresponding items "trade and other receivables" and "trade payables", respectively. Some of the customers of the companies of the Future Siemens Group have objected to the transfer of their customer contracts to companies of the Future Siemens Energy Group. As a consequence, invoices for these customers will continue to be issued by companies of the

Future Siemens Group and related proceeds will continue to be forwarded to companies of the Future Siemens Energy Group. The item "trade payables" includes positions resulting from this situation.

- Provisions for litigation that continue to exist for the Future Siemens Group but will, economically, be passed on to companies of the Future Siemens Energy Group result in a repayment claim in the amount of EUR 53 million against the Future Siemens Energy Group.

- In addition, the deconsolidation will result in the retroactive accrual of previously group-internal interim profits that had been eliminated by way of the consolidation prior to the Spin-off taking effect. This results in an increase in investments accounted for using the equity method by EUR 49 million.

According to IFRS, the remaining participation of 45% held by the Future Siemens Group in Siemens Energy AG is initially to be recognized under the item "investments accounted for using the equity method" at fair value (*beizulegender Zeitwert*). This fair value is to be determined at the time the Spin-off takes effect and, therefore, not yet known, which is why, for the purpose of these pro forma consolidated statements of financial position, the book value of the distribution group (*Abgangsgruppe*) is used. The relevant basis is the book value as stated in the statements of financial position of the Siemens Group as of 31 March 2020, taking into account the group-internal financing. This means that, in addition to the items "assets classified as held for disposal" (EUR 41,222 million) and "liabilities associated with assets classified as held for disposal" (EUR 26,170 million) recognized in the consolidated statements of financial position of the Siemens Group, the receivables and liabilities eliminated as a result of the debt consolidation, in particular those from the group-internal financing (the balance shows a net asset of EUR 2,325 million from the point of view of the Future Siemens Energy Group Companies) also have been taken into account in determining the book value of the distribution group. The net book value of the Future Siemens Energy Group Companies therefore amounts to EUR 17,377 million.

As a result of the initial recognition of the 45 % participation in Siemens Energy AG, the item "investments accounted for using the equity method" will increase by EUR 7,819 million. The "equity" item will be reduced in the amount of the book value of the Future Siemens Energy Group Companies disposed of This reduction will in part be compensated by the recognition of the remaining 45 % participation in Siemens Energy AG. As explained above, in lieu of the fair value, the participation will be valued for the purposes of the pro forma statements of financial position with a portion of the current book value of the Future Siemens Energy Group Companies, which means that the "equity" item will be reduced by a total of EUR 9,508 million. In the event that the fair value exceeds the book value, the equity reduction would be lower owing to the fact that the derecognized book value remains unchanged.

The pro forma statements of financial position do not reflect the further strengthening of the equity of Siemens Energy KG implemented by Siemens AG and SBI GmbH on 28 April 2020 in the amount of EUR 141 million (see in this regard Chapter VIII.1a)dd) above). This strengthening measure results in a reduction of the item"other current financial assets" and in an increase of the value of the investment accounted for using the equity method.

The transfer of the 24 % participation in Siemens Ltd., India, to the Future Siemens Energy Group was concluded on 19 May 2020. As a result of an increase in the share price of Siemens Ltd., India, the purchase price was increased by approximately EUR 50 million. Based on the contractual obligation of Siemens AG (or SBI GmbH on a *pro rata* basis), additional cash contributions in the amount of the purchase price increase are provided to Siemens Energy KG. As the purchase price for the 24 % participation in Siemens Ltd., India, is paid by a Future Siemens Energy Group company to Siemens AG, the amount of cash and cash equivalents at Siemens AG (including SBI GmbH) remains unchanged, except for transaction costs (taxes, bank charges).

As regards the effects of the Spin-off on the recoverability of the deferred tax assets, see Chapter VIII.2.

e) Pro Forma Statements of Financial Position of the Future Siemens Energy Group (IFRS)

aa) Overview of the relevant Statements of Financial Position

The pro forma statements of financial position of the Future Siemens Energy Group is not based on the Siemens Group's consolidated half-year financial statements as of 31 March 2020 and the Siemens Group's pro forma consolidated financial statements as of 1 April 2020 but on the voluntarily prepared combined financial information of the Future Siemens Energy Group as of 31 March 2020 ("**Combined Financial Information**") which were prepared by the managing board of Siemens AG.

The Combined Financial Information include enterprises and businesses that will directly or indirectly be controlled or held, as the case may be, by Siemens Energy AG after the Spin-off taking effect. The Combined Financial Information of the Future Siemens Energy Group were prepared applying the same accounting principles and valuations that were used for preparing the financial information for the Siemens Group's consolidated financial statements (*predecessor accounting*). The levels at which the goodwill has been reviewed for impairment are consistent with the levels used in this context for purposes of the consolidated financial statements of Siemens AG. As regards the Carve-out of the Siemens Energy Business, it has been assumed, as it also has been assumed in the pro forma statements of financial position, that the individual steps that were not completed by 31 March 2020 became economically effective already as of 31 March 2020 (see Chapter VIII.1.a)dd) above).

However, there were deviations from these accounting principles and valuations to the extent that this was necessary to show the Future Siemens Energy Group as a group of companies that is independent of the Future Siemens Group (see in this regard, also Chapter IX.2.). This applies especially to adjustments that were necessary in connection with Siemens Group's consolidated half-year financial statements, as the Future Siemens Energy Group Companies were recognized in these statements in accordance with IFRS 5 under "non-current assets held for sale and discontinued operations". These adjustments had not been necessary for the purposes of the Combined Financial Information of the Future Siemens Energy Group because, from the point of view of Siemens Energy AG as the future parent company of the Future Siemens Energy Group, IFRS 5 is not applicable to the Combined Financial Information. Furthermore, employee programs and leasing arrangements agreed with Siemens AG are recognized in accordance with the relevant accounting standards applicable to the Future Siemens Energy Group as an independent group of companies. In addition, transactions entered into with Siemens AG and subsidiaries of Siemens AG that have so far not been shown in the consolidated financial statements of Siemens AG due to the consolidation are not eliminated in the Combined Financial Information, but are classified as transactions with related parties.

For these reasons, the values of the assets and liabilities shown in the pro forma statements of financial position of the Future Siemens Energy Group deviate from the values of the assets and liabilities of the Future Siemens Energy Companies as shown in the statements of financial position of the Siemens Group as of 31 March 2020. Accordingly, the representation of the Future Siemens Energy Group in its pro forma statements of financial position is comparabletothe representation of the Future Siemens Energy Group Companies in the statements of financial position of the Siemens Group as of 31 March 2020 only to a limited extent.

The following overview contains the pro forma statements of financial position of the Future Siemens Energy Group after the Spin-off takes effect as of 1 April 2020, 0.00 hours, on the basis of the pro forma assumptions explained in Chapter VIII.1.a)dd) above.

in millions of EUR	**1 April 2020**
Assets	
Cash and cash equivalents	1,895
Trade receivables	4,042
Other current financial assets	695
Contract assets	4,938
Receivables from the Future Siemens Group	3,698
Inventories	7,507
Current income tax assets	436
Other current assets	1,065
Total current assets	**24,277**
Goodwill	9,680
Other intangible assets	4,644

Property, plant and equipment	4,658
Investments accounted for using the equity method	793
Other financial assets	552
Deferred tax assets	971
Other assets	210
Total non-current assets	**21,508**
Total assets	**45,784**
Liabilities and equity	
Short-term debt and current maturities of long-term debt	668
Trade payables	4,291
Other current financial liabilities	627
Payables to the Future Siemens Group	1,032
Contract liabilities	9,909
Current provisions	1,842
Current income taxes liabilities	412
Other current liabilities	2,868
Total current liabilities	**21,649**
Long-term debt	1,663
Provisions for pensions and similar obligations	1,037
Deferred tax liabilities	800
Provisions	2,020
Other financial liabilities	717
Other liabilities	609
Total non-current liabilities	**6,845**
Total liabilities	**28,495**
Total equity	**17,290**
Total liabilities and equity	**45,784**

bb) Effects of the Spin-off shown in the Pro Forma Statements of Financial Position

The pro forma statements of financial position of the Future Siemens Energy Group show the assets and liabilities allocated to the newly formed Future Siemens Energy Group (consisting of Siemens Energy AG and Siemens Energy KG as well as their respective direct and indirect subsidiaries) at the time the the Spin-off takes effect. Since no material financial effects of the Spin-off and the preparatory transactions on the financial situation of the Future Siemens Energy Group were identified, the pro forma statements of financial position generally correspond to the combined statements of financial position of the Future Siemens Energy Group as of 31 March 2020 (rounded to full EUR million amounts).

The asset and business relationships between companies of the Future Siemens Energy Group and companies of the Future Siemens Group will be recognized in the same manner in which the asset

and business relationships between unaffiliated third parties would be recognized. Trade receivables and trade payables to companies of the Future Siemens Group are included in the items "receivables from the Future Siemens Group" and "payables to the Future Siemens Group", respectively. Some of the customers of the companies of the Future Siemens Group have objected to the transfer of their customer contracts to companies of the Future Siemens Energy Group. As a consequence, invoices for these customers will continue to be issued by companies of the Future Siemens Group and related proceeds will continue to be forwarded to companies of the Future Siemens Energy Group. The item "receivables from the Future Siemens Group" includes positions resulting from this situation. The other receivables from and liabilities to companies of the Future Siemens Group will likewise be recognized under the items "receivables from the Future Siemens Group" and "payables to the Future Siemens Group", respectively.

The pro forma statements of financial position do not reflect the further strengthening of the equity of Siemens Energy KG implemented by Siemens AG and SBI GmbH on 28 April 2020 in the amount of EUR 141 million (see in this regard Chapter VIII.1a)dd) above).This strengthening measure results in a reduction of the item "payables to the Future Siemens Group" and an increase in the equity of the Future Siemens Energy Group by that amount.

The participation in Siemens Ltd., India will be reflected in the pro forma statements of financial position of the Future Siemens Energy Group as having been transferred at *pro rata* book values because a group-internal transaction occurred prior to the Spin-off taking effect. The subsequent increase in the purchase price in connection with the conclusion of the transfer of 24 % of the shares in Siemens Ltd., India, on 19 May 2020 is therefore not relevant to this report.

As regards the effects of the Spin-off on the recoverability of the deferred tax assets, see Chapter VIII.2.

2. Tax Effects of the Spin-off and of the Capital Increases in Kind

The following statements explain the material tax effects of the Spin-off (for more details on the Spin-off and Transfer Agreement see Chapter XIII.1.) for Siemens AG, Siemens Energy AG, Siemens Energy KG and the Siemens Shareholders as well as the material tax effects of the contributions (for more details on the contribution agreement see Chapter XIII.2.) for Siemens AG, SBI GmbH, Siemens Energy AG and Siemens Energy KG.

A comprehensive or full description of all conceivable tax aspects for each individual Siemens Shareholder is not possible because this depends on the shareholder's individual tax circumstances. The following description also cannot substitute individual tax advice for the individual shareholder. Therefore, shareholders should consult with their tax advisors about the individual tax effects of the Spin-off.

The following description is based on the currently applicable German tax law and its interpretation by the courts and administrative directives. Provisions on taxes can change at any timeeven retroactively. Moreover, it cannot be ruled out that the German tax authorities or courts may assess the situation differently than is described in this Chapter.

The tax effects under foreign legal systems as well as under potentially applicable treaties for the avoidance of double taxation, in particular the effects on events or transactions taxable under foreign tax laws, are not explained below.

a) Effects of the Spin-off for Siemens AG

The tax effects of the Spin-off for Siemens AG result from Section 15 and Section 19 of the German Transformation Tax Act (*Umwandlungssteuergesetz*, "**UmwStG**").

Fiscal Transfer Effective Date within the meaning of Section 2 (1) UmwStG is the day as of which the transferring entity must prepare the commercial closing financial statements (*handelsrechtliche Schlussbilanz*). This date is 31 March 2020, 24.00 hours, or, if there is a postponement, the date to be determined as described in Chapter XIII.1.d). For Siemens AG and Siemens Energy AG, income and assets are therefore to be determined – subject to a postponement – as if the transferred assets had been transferred to Siemens Energy AG with expiration of 31 March 2020.

In the tax closing financial statements (*steuerliche Schlussbilanz*), the transferred assets must be recognized at fair market value (Section 15 (1) sentence 1 in conjunction with Section 11 (1) sentence 1 UmwStG). As a result, any built-in gains included in the assets and liabilities transferred will be shown and will generally be subject to corporate income tax, plus solidarity surcharge, and trade tax (gain derived from the transfer, *Übertragungsgewinn*). To the extent that the gain derived from the transfer is allocable to Siemens Energy KG, the trade tax imposed thereon is payable by Siemens Energy KG and not by Siemens AG. To the extent that the gain derived from the transfer is allocable to shares in any other entity or association of whose payments form part of the recipient's income within the meaning of Section 20 (1) no. 1 or no. 2 EStG, only 5 % of the gain will effectively be subject to corporate income tax (plus solidarity surcharge) and trade tax, whereas any loss incurred from the transfer – to the extent allocable to such shares – will not be deductible for tax purposes; the same applies to such shares that belong to the jointly held assets of Siemens Energy KG.

By way of derogation from the above, Section 15 (1) sentence 2 in conjunction with Section 11 (2) UmwStG provides for the option – subject to certain conditions and upon application – to avoid showing built-in gains by carrying over the book values. However, Siemens AG does not intend to file such an application. A carryover of the book value is *inter alia* excluded if shares in Siemens AG and / or Siemens Energy AG are sold within five years after the Fiscal Transfer Effective Date and the value of these shares represents more than 20 % of the shares in Siemens AG existing prior

to the Spin-off taking effect. Compliance with this subsequent holding period (*Nachbehaltensfrist*) by listed companies, most of whose shares are in free float. cannot be planned with legal certainty. Moreover, the transferred assets should not include any material built-in gains that are subject to tax.

At the level of Siemens AG, any losses that can be set off, any remaining loss carryforwards, negative income not compensated, any shortfalls that can be carried forward within the meaning of Section 10a of the German Trade Tax Act (*Gewerbesteuergesetz*, "**GewStG**"), interest carryforwards within the meaning of Section 4h (1) sentence 5 EStG as well as any EBITDA carryforwards within the meaning of Section 4h (1) sentence 3 EStG will be reduced in the proportion in which the assets of Siemens AG are transferred to Siemens Energy AG based on the fair market value (Section 15 (3) and Section 19 (2) UmwStG). According to the tax authorities, the ratio is usually identical to the spin-off key (*Spaltungsverhätnis*) (margin no. 15.41 of the letter of the German Federal Ministry of Finance (*Bundesministerium der Finanzen* ("**BMF**") of 11 November 2011, Federal Tax Gazette (BStBl.) I 2011, 1314, referred to as "**Reorganization Tax Decree**"), which means the exchange ratio (*Umtauschverhältnis*) within the meaning of Section 126 (1) no. 3 UmwG. In the present case, the Siemens Shareholders receive one Siemens Energy Share for every two Siemens Shares, with this allotment ratio not necessarily having to reflect the actual value ratio. Therefore, the proportion of the reduced loss positions should also be determinable based on another allocation measure. The tax contribution account (*steuerliches Einlagekonto*) of Siemens AG will be divided between Siemens AG and Siemens Energy AG (Section 29 (3) of the German Corporation Tax Act (*Körperschaftsteuergesetz* "**KStG**"). The allocation will be made based on the proportion of the transferred portion of the assets to the entire assets existing at Siemens AG prior to the transfer. According to the tax authorities, the ratio is deduced from the exchange ratio in this case as well; however, the fair market values have to be determined separately if the exchange ratio does not reflect the proportion of the asset portions (margin no. K17 of the Reorganization Tax Decree).

b) Effects of the Spin-off for Siemens Energy AG

Siemens Energy AG will carry over the transferred assets at the values contained in the tax closing financial statements of Siemens AG (principle of using the same value (*Wertverknüpfung*)).

To that extent, Siemens Energy AG enters into the position of Siemens AG under tax law with respect to the transferred assets. Losses that can be set off, any remaining loss carryforwards, negative income not compensated, shortfalls that can be carried forward within the meaning of Section 10a GewStG, interest carryforwards within the meaning of Section 4h (1) sentence 5 EStG as well as any EBITDA carryforwards within the meaning of Section 4h (1) sentence 3 EStG of Siemens AG will not be transferred to Siemens Energy AG. The principles described above under

a) apply with regard to allocating the tax deposit account of Siemens AG to Siemens AG and Siemens Energy AG.

c) Effects of the Spin-off for Siemens Energy KG

To the extent that a gain is derived from the transfer that is allocable to assets and liabilities of Siemens Energy KG, any trade tax payable on that gain will be owed by Siemens Energy KG (Section 7 sentence 2 GewStG (see above letter a)). If trade tax deficits of Siemens Energy KG exist, as a result of the Spin-off such losses will be lost *pro rata* in accordance with the partial partnership interest transferred in the amount of 55 %.

To the extent that German subsidiaries of Siemens Energy KG have corporate income tax carryforwards and / or trade tax deficits, these carryforwards and deficits may be lost as a result of the Spin-off and its implementation pursuant to Section 8c KStG, unless the preconditions for the so-called corporate group clause (*Konzernklausel*) (Section 8c (1) sentence 4 KStG) or the so-called built-in gains clause (*Stille-Reserve-Klausel*) (Section 8c (1) sentence 5 KStG) are met.

d) Effects of the Spin-off for the Shareholders of Siemens AG

The tax effects of the Spin-off for Siemens Shareholders who are subject to unlimited tax liability in Germany arise from Section 15 (1) in conjunction with Section 13 UmwStG and Section 20 (4a) EStG.

aa) Shares held as Business Assets

(1) Generally, a Deemed Sale that is Subject to Tax

In the case of shares in Siemens AG held as business assets, the tax consequences for the shareholders arise from Section 15 (1) in conjunction with Section 13 UmwStG. The shares in the transferring entity (Siemens AG) are accordingly considered to have been sold on a *pro rata* basis at fair market value and the shares replacing them in the receiving company (Siemens Energy AG) are deemed to have been acquired at that (*pro rata*) value (Section 13 (1) UmwStG). The resulting profit or loss is the difference between the *pro rata* book value and the *pro rata* fair market value of the shares in Siemens AG at the time of registration of the Spin-off with the registers of companies of Siemens AG. To what extent built-in gains or hidden liabilities of the shares will be realized in this context has not conclusively been clarified; in this respect, presumably the same principles as for the allocation of the acquisition costs in the event of a tax-neutral carryover of the book value (see Chapter VIII.2.d)aa)(3)) will apply.

The above-mentioned statutory provisions create a fictitious (deemed) sale by the shareholder, which is subject to the general tax provisions on taxation of profits (or losses) from the sale of shares. In the case of a capital gain, the taxation depends on whether the shareholder is a corporation, an individual enterprise or a commercial partnership.

The Siemens Energy Shares to be granted to the Siemens Shareholders as consideration for the Spin-off are deemed to have been newly acquired for tax purposes. The tax characteristics of the Siemens Shares held by the individual shareholder (for example holding periods, deferred obligations to recover value etc.), therefore, do not pass to the newly granted shares in Siemens Energy AG (the so-called "footstep theory" (*Fußstapfentheorie*) does not apply).

(2) If applicable, Tax-Neutral Carryover of the Book Value

Subject to the conditions set forth in Section 15 (1) sentence 2 in conjunction with Section 13 (2) UmwStG, by way of derogation from the above principle, a shareholder may apply for a carryover of the book value, which means that no (taxable) capital gain will arise upon the Spin-off taking effect. In this context, the Siemens Energy Shares replace the Siemens Shares on a *pro rata* basis for tax purposes (so-called "footstep theory" (*Fußstapfentheorie*)) This means that certain tax characteristics of the shares and/or of the shareholding in Siemens AG will pass on to the Siemens Energy Shares and are thus continued.

For a carryover of the book value to be applied, Section 13 (2) UmwStG provides, *inter alia*, that both the Spin-off Assets and the assets remaining with Siemens AG qualify as partial operations (*Teilbetrieb*) within the meaning of Section 15 (1) sentence 2 UmwStG (also referred to as a double partial operations requirement). Siemens AG and Siemens Energy AG believe that the intended Spin-off of 55 % of the partial partnership interest meets the double partial operations requirement. Against this background, the managing boards of Siemens AG and Siemens Energy AG believe that – by way of derogation from the principle described above – the shareholders should be able, upon application, to recognize the Siemens Energy Shares with the *pro rata* book value of the Siemens Shares, provided that the other preconditions of Section 13 (2) UmwStG are met, i.e., in particular, if the law of the Federal Republic of Germany applicable to the taxation of a gain from the disposal of shares in Siemens Energy AG is not excluded or restricted.

The application for a carryover of the book values under Section 13 (2) UmwStG must be filed by the individual Siemens Shareholder with that shareholder's competent tax office. The application need not be filed in a specific form, it must not be linked to conditions and it is irrevocable. No specific deadline is prescribed for the application by law. There is no published statement by the tax administration on the subject of the time of the filing the

application. In the view of Siemens AG, those Siemens Shareholders who want to file an application for a carryover of the book value should file the application in a timely manner after the Spin-off takes effect. A taxable event would then only occur upon a subsequent sale of the shares in Siemens Energy AG (or other circumstances resulting in a realization of value).

(3) Allocation of the Acquisition Costs

If the respective shareholder files an application for a carryover of the book values with regard to the Spin-off, the current acquisition costs for tax purposes or, as the case may be, the current book values of the Siemens Shares will be split among the Siemens Shares on the one hand and the Siemens Energy Shares on the other after the Spin-off. This allocation is relevant for example when determining future profits or losses from the sale of Siemens Shares or Siemens Energy Shares. According to the tax authorities, the exchange ratio of the shares under the Spin-off and Transfer agreement may, as a general rule, be used as a basis for this allocation; if this is not possible, the allocation may be made based on the proportion that the fair market values of the transferred portions of the assets bear to the (entire) assets existing prior to the Spin-off (*cf.* margin no. 15.43 of the Reorganization Tax Decree). In the present case, the Siemens Shareholders receive one Siemens Energy Share in exchange for every two Siemens Shares, with this allotment ratio not necessarily having to reflect the actual value ratio. The current acquisition costs of the Siemens Shares would thus have to be allocated at a two-to-one ratio to the Siemens Shares and the Siemens Energy Shares. According to the view held in legal literature, however, the allocation must be based either on the ratio of the fair market value of the assets transferred to Siemens Energy AG to the fair market value of the entire assets of Siemens AG prior to the Spin-off, or on the fair market value of the shares in Siemens Energy AG and Siemens AG after the Spin-Off. An indication of the value ratios can insofar be derived from the stock exchange prices of Siemens Energy AG and Siemens AG after the Spin-Off. For legal reasons, it was not possible for either Siemens AG or Siemens Energy AG to settle the question of the correct basis under tax law for allocating the acquisition costs or book values of the individual shareholder in advance with the tax authorities competent for the respective shareholders in a binding manner.

Even if the relevant shareholder does not apply for a carryover of the book value, the relevant bank or credit institution acting as custodian will regularly not retain any withholding tax on capital gains with respect to the deemed sales transaction to be performed under tax law as a result of the Spin-off (Section 43 (2) sentence 3 EStG), possibly subject to the precondition of a declaration regarding the exemption from withholding tax deduction on capital gains (*cf.* BMF letters of 18 January 2016, Federal Tax Gazette (BStBl.) I 2016, 85). In the event that withholding tax on capital gains is

nonetheless retained and deducted, shareholders subject to taxation in Germany are generally entitled to claim a credit or refund of withholding tax on capital gains in the context of their individual tax assessment. Moreover, it cannot be ruled out that the tax authorities will subsequently claim payment of withholding tax on capital gains from the relevant shareholder. Therefore, the Siemens Shareholders should review whether the preconditions for the deduction of withholding tax on capital gains not being applied are met already prior to the Spin-off taking effect and should arrange for the corresponding notifications being made to the bank or credit institution acting as custodian (e.g. by making appropriate declarations to the custodian bank).

bb) Shares held as Private Assets

(1) Shareholders within the meaning of Section 17 EStG

The provision in Section 13 UmwStG and the corresponding explanations under Chapter aa) above also apply to shares held as private assets in the meaning of Section 17 EStG. Such shares exist if a shareholder or, in the case of a legal succession without consideration (*unentgeltliche Rechtsnachfolge*), any legal predecessors of such shareholder held, directly or indirectly, a participation of at least one (1) % in the capital of Siemens AG at any point in time during the last five years prior to the Spin-off (shareholder in the meaning of Section 17 EStG).

In this case, as above, a sale of the shares to Siemens AG is deemed to have occurred which is then subject to the general tax rules applicable to a disposal of shares. If the individual shareholder files a request for continuation of the shareholder's acquisition costs, in deviation from the above principle, the shares in Siemens AG will not be deemed to have been sold *pro rata* at fair market value. Therefore, no (taxable) capital gain will arise. In this case, the Siemens Energy Shares replace the Siemens Shares on a *pro rata* basis for tax purposes (so-called "footstep theory" (*Fußstapfentheorie*)).

Shareholders within the meaning of Section 17 EStG do not generally have the option to avoid the deduction of withholding tax on capital gains pursuant to Section 43 (2) sentence 3 EStG described above in Chapter aa). It cannot be ruled out that the custodian bank or credit institution will deduct and retain withholding tax on capital gains. These shareholders may be entitled, however, to assert a tax credit or a tax refund with respect to any withholding tax on capital gains paid in the course of the tax assessment procedure (*cf.* BMF letter of 16 December 2014, Federal Tax Gazette (BStBl.) I 2015, 24).

(2) Shareholders within the meaning of Section 20 EStG

To the extent that Siemens Shares are held as private assets and the shareholder does not meet the requirements under Section 17 EStG, the Spin-off is tax neutral, i.e., no taxable capital gains are realized, in particular, if the law of the Federal Republic of Germany applicable to the taxation of a gain from the disposal of Siemens Energy Shares is not excluded or restricted (Section 20 (4a) sentence 7 EStG). As a consequence, no withholding tax on capital gains is to be retained and paid.

No application for continuing the acquisition costs need be filed. According to the tax authorities (*cf.* margin no. 101 of the BMF letter of 18 January 2016, Federal Tax Gazette (BStBl.) I 2016, 85) the exchange ratio is, as a general rule, to be used as basis for allocating the acquisition costs to Siemens Shares and Siemens Energy Shares according to the Spin-off and Transfer agreement. In the present case, the Siemens Shareholders receive one Siemens Energy Share in exchange for every two Siemens Shares, with this allotment ratio not necessarily having to reflect the actual value ratio. Accordingly, the current acquisition costs of the Siemens Shares would have to be allocated at a two-to-one ratio to the Siemens Shares and the Siemens Energy Shares. If this allocation does not accurately reflect the value ratio of the share, the shareholders may suffer adverse tax consequences, for example in any subsequent sales transactions. As the paying agents, i.e. normally the custodian banks, are required to comply with the requirements imposed by the tax authorities, shareholders insisting on a deviating allocation ratio will presumably have to pursue this request in the individual tax assessment procedure. An indication of the value ratios can insofar be derived from the stock exchange prices of Siemens Energy AG and Siemens AG after the Spin-Off. For legal reasons, it was not possible for either Siemens AG or Siemens Energy AG to settle the question of the correct basis under tax law for allocating the acquisition costs or book values of the individual shareholder in advance with the tax authorities competent for the respective shareholders in a binding manner.

To the extent that the Siemens Shares were acquired prior to 1 January 2009 and, thus, in the meantime could be sold exempt from tax due to the expiration of the previously applicable "speculation period", this quality should pass to the Siemens Energy Shares granted upon the Spin-off based on a letter of the Federal Ministry of Finance of 18 January 2016 (margin no. 100); based on this letter (margin no. 100a), any peak balancing paid upon an exchange of shares for shares acquired prior to 1 January 2009 will also presumably not be classified as a taxable dividend under Section 20 (4a) sentence 2 EStG, provided that the shares were no longer subject to taxation (*steuerentstrickt*) because of the expiration of the one-year holding period. In the view of the managing boards of Siemens AG and Siemens Energy AG, this letter also applies to Section 20 (4a) sentence 7 EStG that is at issue here, which expands the scope of application of Section 20 (4a) sentence 1

EStG to spin-offs (*cf.* also margin no. 115 of the BMF letter of 18 January 2016, Federal Tax Gazette (BStBl.) I 2016, 85).

(3) Further Cases

To the extent that Siemens Shareholders are not domiciled in Germany for tax purposes (tax foreigners) and the shares are subject to taxation in Germany (for example if they belong to a German permanent establishment of the tax foreigner), the above principles described under Chapter VIII.2.d)aa) apply accordingly.

To the extent that shareholders in Siemens AG are allocated so-called partial rights to shares in Siemens Energy AG on the occasion of the Spin-off (on this point see Chapter VI.13.d)) and sell these partial rights, in view of Siemens AG and Siemens Energy AG this transaction will presumably be treated as a taxable sale of shares or, as the case may be, an acquisition of shares in Siemens Energy AG.

cc) Future Distributions of Profit of Siemens Energy AG

Pursuant to general taxation regulations, shareholders of Siemens Energy AG will be subject to taxation on any future distributions of profit received.

e) Effects of the capital increases in kind for Siemens AG and SBI GmbH

The tax consequences of the contributions on the basis of the contribution agreement, which is attached to the Spin-off and Transfer Agreement as Annex 0.5.3, which in turn is attached to this report (see also Chapter XIII.2.), for Siemens AG and SBI GmbH result from Sections 20 and 22 UmwStG.

Fiscal Transfer Effective Date (date of contribution) is 31 March 2020, 24.00 hours, or, if there is a postponement, the date to be determined as described in Chapter XIII.2.e) (Section 20 (5) sentence 1 in conjunction with (6) sentence 3 UmwStG). Thus, the Fiscal Transfer Effective Date of the contributions corresponds to the Fiscal Transfer Effective Date of the Spin-off (cf. Chapter XIII.2.e)). For Siemens AG, SBI GmbH and Siemens Energy AG, income and assets are therefore to be determined – subject to a postponement – as if the transferred assets had been transferred to Siemens Energy AG with expiration of 31 March 2020.

Generally, Siemens Energy AG as receiving company has to recognize the contributed business assets at fair market value (Section 20 (2) sentence 1 UmwStG). As a result, any built-in gains included in the assets transferred will be disclosed and will generally be subject to corporate income tax, plus solidarity surcharge and trade tax. To the extent that the gain derived from the transfer is allocable to Siemens Energy KG, the trade tax imposed thereon is payable by Siemens Energy KG

and not by Siemens AG and SBI GmbH. To the extent that the gain derived from the contribution is allocable to shares in any other corporate entity or association of individuals, whose payments form a part of the recipient's income within the meaning of Section 20 (1) no. 1 or no. 2 EStG, only 5 % of the gain will effectively be subject to corporate income (plus solidarity surcharge) and trade tax, whereas any loss incurred from the transfer, to the extent allocable to such shares, will not be deductible for tax purposes; the same applies to such shares that belong to the jointly held assets of Siemens Energy KG.

By way of derogation from the above, Section 20 (2) sentence 2 UmwStG provides for the option – subject to certain conditions and upon application – to avoid showing built-in gains by carrying over the book values. Siemens AG and SBI GmbH intend the contributions to be at book value. Accordingly, Siemens Energy AG is obliged to recognize the business assets received at book value for tax purposes and to submit the required book value-application (Section 20 (2) sentence 3 UmwStG) in due time.

Since Siemens AG and SBI GmbH (as transferring entities) contribute their interests in Siemens Energy KG to Siemens Energy AG at book value, the shares in Siemens Energy AG granted to Siemens AG and SBI GmbH as consideration for the contribution constitute so-called shares subject to a holding period within the meaning of Section 22 (1) UmwStG. Insofar as Siemens AG or SBI GmbH sell the shares subject to a holding period within seven years after the date of contribution or insofar as within this period the requirements of a substitute realization within the meaning of Section 22 (1) sentence 6 no. 1 to no. 6 UmwStG for the shares subject to a holding period are fulfilled within this period, the gain derived from the respective contribution must be taxed retroactively in the financial year of the contribution (contribution gain I, *Einbringungsgewinn I*). Corresponding corporate income tax (plus solidarity surcharge) would be incurred by Siemens AG or, as the case may be, SBI GmbH; the same applies for trade tax, as far as the gain derived from the contribution I is not allocable to Siemens Energy KG. Contribution gain I is the amount by which the fair market value of the contributed business assets on the date of contribution, after deduction of the costs for the asset transfer, exceeds the value at which the receiving company recognized these contributed business assets, reduced by one seventh for each year that has elapsed since the contribution date. The gain derived from contribution I is considered as subsequent acquisition costs of the shares received by Siemens AG or, as the case may be, SBI GmbH (cf. Section 22 (1) sentence 4 UmwStG).

f) Effects of the capital increases in kind for Siemens Energy AG and Siemens Energy KG

Siemens Energy AG is obliged to recognize the business assets received at book value for tax purposes and to submit the required book value-application in due time. In respect of the business assets received it assumes the legal status of Siemens AG and SBI GmbH for tax purposes; their

periods of possession shall be credited to it (Section 23 (1) in conjunction with Sections 4 (2) sentence 3, 12 (3) first half sentence UmwStG).

If Siemens Energy KG has trade tax deficits, these will be lost as a result of the contributions on a *pro rata* basis in accordance with the respective transferred partial partnership interest in the amount of 45 % in total.

As far as due to a subsequent sale of the shares subject to a holding period or the subsequent fulfillment of the requirements of a substitute realization there is a contribution gain I (*Einbringungsgewinn I*) (cf. above Chapter VIII.2.e.)), which is allocable to the assets of Siemens Energy KG, the trade tax imposed thereon is payable by Siemens Energy KG (Section 7 sentence 2 GewStG). Siemens Energy AG can recognize the contribution gain in the financial year of the sales transaction of the shares subject to a blocking period or of the fulfillment of the requirements of a substitute realization as an increase amount with no effect on tax, among others, as far as Siemens AG or, as the case may be, SBI GmbH has paid the tax due on the contribution gain and this has been proven by presentation of a certificate of the competent tax office (Section 23 (2) sentence 1 UmwStG).

g) Contractual Provisions on the Payment of Taxes

According to the provisions of the Spin-off and Transfer Agreement and of the contribution agreement, which is attached to the Spin-off and Transfer Agreement as Annex, Siemens AG shall bear the transfer taxes arising from the conclusion and implementation of the Spin-off and Transfer Agreement and of the contribution agreement on the level of Siemens Energy AG. The parties assume that no VAT arises from the conclusion and implementation of the Spin-off and Transfer Agreement and of the contribution agreement; should, contrary to the parties' assumption, VAT arise, Siemens Energy AG is only obliged to pay an additional amount to Siemens AG to the extent that it has a corresponding right to deduct of input VAT. To the extent that VAT is imposed on Siemens Energy AG and Siemens Energy AG is not entitled to deduct input VAT, Siemens AG shall indemnify Siemens Energy AG from and against VAT and any interest thereon. In all other respects, each legal entity from which a tax has arisen or will arise bears the tax itself. In particular, the Spin-off and Transfer Agreement (including the Group Separation Agreement) and the contribution agreement do not provide for general indemnification claims or compensation mechanisms between Siemens AG and Siemens Energy AG for the case that taxes are claimed subsequently. Thus, historic tax risks, in principle, remain with the companies, in which they have arisen.

Indemnification and compensation mechanisms are provided for only in certain exceptional cases, such as regards the direct or indirect participation in Siemens Energy AG remaining with Siemens AG or SBI GmbH. In the event that tax holding periods that exist for such participations (so-called shares subject to a holding period) are violated and as a result taxes are incurred at the

level of the Future Siemens Group and/or the Future Siemens Energy Group (also see Chapter VIII.2.e) and Chapter VIII.2.f)), the parties have agreed that these taxes generally will have to be borne by the party causing the violation of the holding period, provided that offsetting tax benefits from topping up the book value in the Future Siemens Energy Groupare to be set off or distributed.

Other than that, Siemens AG and Siemens Energy AG have agreed to cooperate comprehensively with regard to tax proceedings.

3. Other Effects of the Spin-off

a) Protection of Creditors and Holders of Special Rights

The consequences of the Spin-off taking effect on the liability of Siemens AG and Siemens Energy AG are as follows:

Pursuant to Section 133 (1) and (3) UmwG, Siemens AG is jointly and severally liable for the fulfilment of the liabilities transferred to Siemens Energy AG if these liabilities become due within five years from the publication of the registration of the Spin-off with the register of companies of Siemens AG and if related claims against Siemens AG are determined by a court or in any other way stipulated by Section 133 UmwG or if enforcement measures of a court or a government authority are implemented or applied for. However, the fact that no liabilities are being directly spun off must be taken into account. Pursuant to Section 133 (1) and (3) UmwG, Siemens Energy AG is – *vice versa* – jointly and severally liable for the satisfaction of liabilities remaining with Siemens AG that were created prior to the Spin-off taking effect, if such liabilities become due within five years from the publication of the registration of the Spin-off with the register of companies of Siemens AG and if related claims against Siemens Energy AG are determined by a court or in any other way stipulated by Section 133 UmwG or if enforcement measures of a court or a government authority are implemented or applied for. As regards pension obligations under the German Company Pension Act (*Betriebsrentengesetz*), a prolonged liability period of ten years from the publication of the registration of the Spin-off in the registers of companies of Siemens AG applies.

Furthermore, Siemens AG and Siemens Energy AG are jointly and severally liable for complying with the duty to grant rights of equal value pursuant to Section 125 in conjunction with Section 23 UmwG on obligations pursuant to Section 23 UmwG. As of now, no such rights against Siemens AG as transferring entity exist (see Chapter XIII.1.k) regarding special rights in general and the interpretation of Section 23 UmwG).

The provisions on the allocation of liability stipulated in the Spin-off and Transfer Agreement apply in the internal relationship between Siemens AG and Siemens Energy AG, i.e., in the event that

claims are asserted by third parties, the parties will indemnify each other from and against such claims (on this point see Chapter XIII.1.h)). The managing boards of Siemens AG and Siemens Energy AG believe that, in view of the capital and financial position of both companies, the indemnification claims are recoverable.

Pursuant to Sections 22, 125 sentence 1, 133 (1) sentence 2 UmwG, creditors of Siemens AG and Siemens Energy AG can demand security for their claims from the company against which their respective claims are directed within a period of six months from the publication of the registration of the Spin-off with the registers of companies of Siemens AG and Siemens Energy AG, respectively. The prerequisite is that the creditors cannot obtain any satisfaction at the respective point in time and that their claims are notified in writing both with regard to the basis and the amount and that plausible proof is provided that the Spin-off endangers the fulfillment of their claims. The managing boards of Siemens AG and Siemens Energy AG expect that no claims of creditors of Siemens AG or Siemens Energy AG will be jeopardized by the Spin-off taking effect and, accordingly, that no obligation to provide security will apply for Siemens AG or Siemens Energy AG under Sections 22, 125 sentence 1, 133 (1) sentence 2 UmwG. This applies with respect to Siemens Energy AG in particular in view of the fact that the company will not be an operating company up until the Spin-off takes effect and does not have any third-party creditors.

b) Effects of the Spin-off on the Shares of Siemens AG and Siemens Energy AG

The Spin-off will have no effect on the listing of the shares of Siemens AG on the stock exchange. After the Spin-off has taken effect, the shares of Siemens AG will continue to be admitted to trading in the Regulated Market of the Frankfurt Stock Exchange and in the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard). The shares of Siemens AG will be traded ex the Spin-Off on the first trading day of the shares of Siemens Energy AG.

The managing board of Siemens AG expects that the Siemens Shares will continue to qualify for inclusion in the DAX30 and will thus remain in the DAX30. The same applies for the EURO STOXX 50 and MSCI World indices. It is further assumed that, after the Spin-off takes effect, the Siemens Energy Share will be included in the MDAX as of the next possible date over the course of the years 2020 and 2021. Furthermore, an inclusion in the DAX30 or other indexes is possible in the future.

c) Effects of the Spin-off on the Dividend Policy of Siemens AG and Siemens Energy AG

The managing boards of Siemens AG and Siemens Energy AG have each examined for their companies how the Spin-off of the activities of the Siemens Energy Business will affect the amount of the net income available for distribution and their dividend policy for future fiscal years.

Siemens AG intends to propose a dividend policy for the following years with a distribution volume corresponding to 40 % to 60 % of the group profit after taxes attributable to the shareholders of Siemens AG. For this purpose the relevant group profit may be adjusted for extraordinary non-cash effects to take account of special circumstances.

Subject to a minimum dividend of 4 % of the share capital pursuant to Section 254 AktG in case a net profit is reported in the annual financial statements of Siemens Energy AG, Siemens Energy AG will not make a dividend payment for the fiscal year 2020. Otherwise, Siemens Energy AG intends to follow a dividend policy with a distribution volume corresponding to 40 % to 60 % of the group profit after taxes attributable to the shareholders of Siemens Energy AG. For this purpose, this group profit may be adjusted for extraordinary non-cash effects. Generally, it is intended to finance the dividend distribution out of the Free Cash Flow available to Siemens Energy AG taking into account dividend distributions received from SGRE S.A.

d) Effects of the Spin-off on the Shareholders of Siemens AG

All shareholders of Siemens AG will continue to hold a participation in Siemens AG in accordance with their present participation and will thus continue to participate in the remaining economic activities of the Future Siemens Group after the Spin-off takes effect. The number of shares issued by Siemens AG will not change as a result of the Spin-off. The rights of Siemens AG's shareholders will not be affected by the Spin-off, either. Likewise, the shareholder structure of Siemens AG will not directly be affected by the Spin-off.

All shareholders of Siemens AG will receive as consideration for the transfer of the Spin-off Assets Siemens Energy Shares based on the allotment ratio and preserving the proportionate shareholdings (*cf.* Chapter X.4.a) as regards the shareholder structure at Siemens Energy AG after the Spin-off). One (1) Siemens Energy Share will be granted in exchange for two (2) Siemens Shares. As a result, the Siemens Shareholders will directly hold a participation in the Siemens Energy Business. In relation to the entire capital stock of Siemens Energy AG, the participation ratio of each Siemens Shareholder in Siemens Energy AG will be 45 % lower than such shareholder's participation ratio in Siemens AG due to the (direct and indirect) participation of Siemens AG in Siemens Energy AG. As consequence, certain shareholder rights that shareholders were able to exercise at Siemens AG based on the participation ratio might no longer be exercisable at Siemens Energy AG because of the lower participation ratio.

The amount of future dividends depends on the relevant dividend policy (see Chapter VIII.3.c)).

e) Effects of the Spin-off on the External Financing

The legal separation of the Siemens Energy Business will not directly affect the existing external financing of Siemens AG. The Spin-off is taken into account when agreeing on the syndicated loan

for the Future Siemens Energy Group (*cf.* Chapter V.3.a)) and thus also has have no effects. Nor does the Spin-off have any effect on the existing external financing of SGRE S.A.

f) Effects on the Guarantees provided and on Cash Management

The Spin-off itself will generally have no direct effects on the existence of any guarantees, sureties and other securities provided to third parties. This applies in particular to guarantees, sureties and other securities provided by Future Siemens Group Companies for obligations of the Siemens Energy Business. Any letters of comfort and other collateral arrangements provided for the benefit of banks, insurances and other financial institutions for credit lines, foreign currency, interest rate and commodity price hedging derivatives as well as guarantee credit lines of Future Siemens Energy Group Companies are intended to be discharged by the Future Siemens Energy Group after the Spin-off takes effect by way of providing its own collateral instruments (see Chapter V.3.d)).

The Spin-off as such will automatically result in the termination of the cash management system existing between Siemens Energy KG and other Future Siemens Energy Group Companies included therein on the one hand and Future Siemens Group Companies on the other hand, for more details see Chapter V.3.a) and Chapter V.3.b) as well as Chapter V.3.c) for currency, interest and commodity price hedging derivatives.

g) Effect of the Spin-off on Compensation Programs and Employee Participation Programs

Siemens AG and further Siemens Group Companies have made, or will make on or before the effective date of the spin-off, various commitments to provide Siemens Shares to members of the managing board and employees of Siemens AG, as well as to members of corporate bodies and employees of Siemens Group Companies, including employees of the Future Siemens Energy Group, in the context of stock-based compensation programs or, as the case may be, employee participation programs.

Upon the Spin-off taking effect, the rights under these stock entitlements granted to members of corporate bodies and employees of the Future Siemens Energy Group who leave the Siemens Group upon the Spin-off taking effect will be compensated for in cash. The costs of the cash payments will generally be borne by the company of the Future Siemens Energy Group that is the obligor under the stock entitlements to the beneficiaries at the time the Spin-off takes effect. The amount of the respective cash payment is determined based on a number of variable factors, including the closing price of the Siemens Share in Xetra on the closing date of the Spin-off, which means that the amount of cash payments cannot be finally determined at this point in time. Assuming that the amount of stock entitlements remains unchanged as of 30 April 2020, that the closing price in Xetra of the Siemens Share will be EUR 90 and that the Spin-off takes effect on 25 September 2020, the cash payment amount would total approximately EUR 165 million. In addition, the costs for the

cash payments of any additional commitments made to employees after 30 April 2020 would have to be added.

Stock entitlements granted to other beneficiaries, members of corporate bodies or employees who do not leave the Siemens Group as consequence of the Spin-off will generally be adjusted. The adjustment is made by way of payment of a cash amount upon the relevant stock entitlement becoming due and shall preserve the economic value of the stock entitlements.

Details of these adjustments and/or the aforementioned cash payments are described in § 11 of the Spin-off and Transfer Agreement (reference is made to § 11 of the Spin-off and Transfer Agreement as well as to the corresponding Annexes, which are attached to this Spin-off Report as Annex, as well as to the comprehensive explanation in Chapter XIII.1.k)).

h) Applicability of the Provisions on Transactions between Related Companies

As regards the legal relationships between Siemens AG and Siemens Energy AG, the corporate rules generally applicable to transactions between a stock corporation and its shareholders (and their respective affiliated companies) apply. Section 57 (3) AktG, which only permits the distribution of the unappropriated net income to the shareholders prior to the liquidation of a stock corporation, is understood – beyond its mere wording – that also hidden profit distributions (*verdeckte Gewinnausschüttungen*) to shareholders are not permissible. Business relationships between a shareholder and a stock corporation on market terms (arm's length principle) are permissible; by contrast, not permissible are for example intended shifts of assets by way of transactions that are favorable for the shareholder and unfavorable for the stock corporation.

As a result of the Spin-off of the majority holding in Siemens Energy KG to Siemens Energy AG and the Deconsolidation Agreement entered into (see Chapter XIII.3.), the *de facto* group (*faktischer Konzern*) that existed up until that point in time between Siemens AG and Siemens Energy AG and that is subject to Sections 311 *et seqq* AktG is terminated upon the Spin-off taking effect. The managing boards of Siemens AG and Siemens Energy AG expect that, after the Spin-off takes effect, Siemens AG will no longer be able to exert a controlling influence within the meaning of Section 17 AktG on Siemens Energy AG.

It is to be expected, however, that Siemens AG and Siemens Energy AG will qualify as closely related companies for the purposes of international accounting standards and that the provisions on related party transactions will apply. According to IAS 24.9 and 28.3, such a close relationship is deemed to exist between a company and an associated company on which the company can exert material influence. A holding of 20 % or more of the voting rights (directly or indirectly) will indicate material influence unless it can be clearly demonstrated otherwise (IAS 28.5). In view of the participation of (directly and indirectly) 34,1 % held by Siemens AG in Siemens Energy AG (without the shares transferred to SPT e.V.) the managing boards of Siemens AG and Siemens

Energy AG assume, despite the Deconsolidation Agreement entered into, that such a material influence of Siemens AG cannot be refuted. Material influence establishes a close relationship in both directions. The subsidiaries and joint ventures of the Future Siemens Group are also deemed related companies of Siemens Energy AG (IAS 24.9). From the perspective of the Future Siemens Group, for the purpose of determining a close relationship, the term associated company includes Siemens Energy AG itself and its subsidiaries (IAS 24.12).

Besides special disclosure requirements in the individual and consolidated financial statements of Siemens AG and Siemens Energy AG (Section 285 no. 21 HGB and IAS 24.18), Sections 111a to c AktG also apply to both Siemens AG and Siemens Energy AG. Pursuant thereto, related party transactions that exceed the materiality thresholds defined in Section 111b AktG are to be presented to the supervisory board for approval pursuant to Section 111b (1) AktG and must also be published immediately pursuant to Section 111c AktG.

i) Other Effects of the Spin-off

Upon Siemens Energy AG and the Future Siemens Energy Group leaving the group of companies of Siemens AG at the time the Spin-off takes effect, the privileges under corporate group law as between the Future Siemens Energy Group and the Future Siemens Group will end as well. This affects in particular group privileges under the KWG and other regulations under supervisory law, as well as group privileges under antitrust law (as regards the loss of group privileges, see also Chapter III.4., as regards joint venture agreements, see also Chapter V.1.f)).

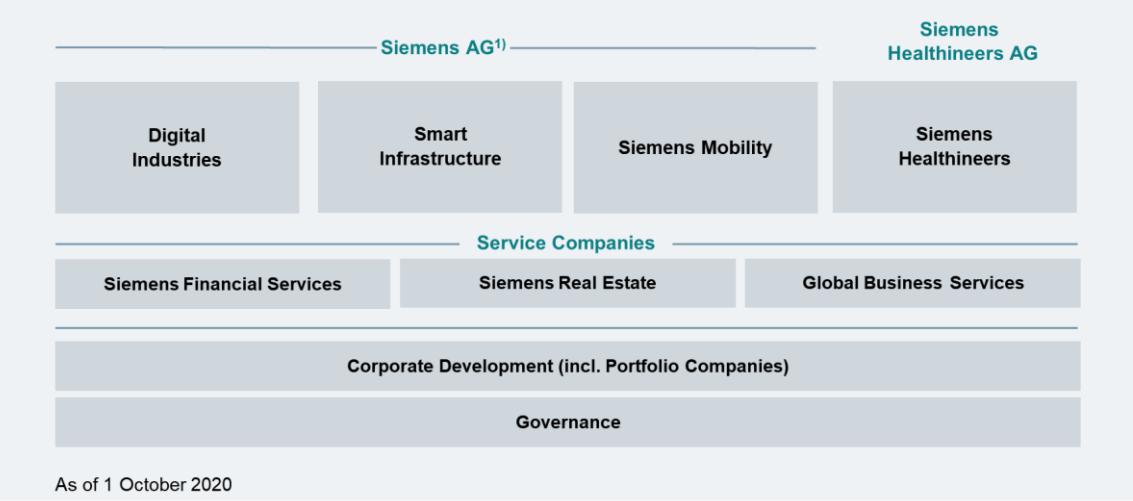
The loss of control of Siemens AG over the Future Siemens Energy Group Companies that occurs as a result of the Spin-off and the conclusion of the Deconsolidation Agreement may trigger termination rights, purchasing rights or other rights of the relevant contractual partner of joint venture agreements or other continuing obligations based on change of control clauses.

IX. The Future Siemens Group following the Spin-off

1. Business Activities of the Future Siemens Group following the Spin-off

With the Spin-off taking effect, the Siemens Gas and Power Business and the SGRE Business (which together form the Siemens Energy Business) which so far belong to the Siemens Group will cease to belong to the Siemens Group. Transfers between the segments in the context of the Carve-out were referenced in Chapter III.2. above. The Future Siemens Group will continue to include the industrial businesses Digital Industries, Smart Infrastructure, Mobility and Siemens Healthineers (via a majority shareholding in Siemens Healthineers AG) (with regard to these business activities, see Chapter II.3.). Furthermore, the additional activities within the service companies SFS, Global Business Services, Real Estate Services as well as the Portfolio Companies will remain within the Siemens Group. Moreover, the Future Siemens Group will hold a shareholding in Siemens Energy AG equal to 45 % of the capital stock of Siemens Energy AG (with regard to further intentions regarding this participation, see Chapter I). Following effectiveness of the Spin-off, previous relationships between the business activities of the Future Siemens Energy Group and the Future Siemens Group will continue as described in Chapter XI.

The organizational structure of the Future Siemens Group is therefore as follows:



1) Shareholder of Siemens Healthineers AG with a participation of 85 %

2. Asset Position, Financial Condition and Results of Operations of Siemens AG and the Future Siemens Group following the Spin-off

See Chapter VIII.1 for the consequences of the Spin-off on the net assets position of Siemens AG and the Future Siemens Group. See Chapter VIII.2 for tax consequences of the Spin-off.

a) Financial Condition and Results of Operations of Siemens AG (Individual Financial Statements)

Until 31 December 2019, a part of the Siemens Energy Business was conducted directly by Siemens AG. Effective as of 1 January 2020, this part, together with certain participations, in particular the shares in SGRE S.A. held at the time by Siemens AG, were contributed to Siemens Energy KG (see Chapter V.1.b)). Additional shares in SGRE S.A., which Siemens AG had acquired in the meantime, were contributed to Siemens Energy KG in the context of the separation of the Local Siemens Energy Businesses (see Chapter V.1.d)). Changes in the valuation of the contributed participations do not have an effect on the result of Siemens AG. In the ongoing fiscal year 2020 up until the effectiveness of the contribution of the German Siemens Energy Business Operations as of 1 January 2020, Siemens AG realized revenue of EUR 1.7 billion from the Siemens Energy Business. The transferred activities have no longer been taken into account for revenue and result of Siemens AG on an individual financial statements level as from the effectiveness of the contribution. Likewise, no dividend payments from the participations contributed to Siemens Energy KG, in particular from the participation in SGRE S.A. (in the fiscal year 2019 dividend payments equal to EUR 5.3 million from SGRE S.A. were received), have been taken into account based on the individual financial statements since that point in time.

Following the Spin-off taking effect, Siemens AG will no longer benefit in profits from withdrawals from Siemens Energy KG as the participation in Siemens Energy KG will transfer to Siemens Energy AG upon effectiveness of the Spin-off. Changes in the valuation of the interest in Siemens Energy KG will no longer directly impact the results of Siemens AG. Given that Siemens AG will, following effectiveness of the Spin-off, directly hold a share of approximately 32.98 % in Siemens Energy AG, Siemens AG will receive with effect on income potential dividend payments with an effect on the results in line with its participation as long as it directly holds shares in Siemens Energy AG. In addition, Siemens AG will participate indirectly in dividend payments of Siemens Energy AG via profit transfers from SBI GmbH equal to the participation of SBI GmbH in Siemens Energy AG. Reductions of the value of the shares in Siemens Energy AG retained by Siemens AG and SBI GmbH affect the results of both companies.

Furthermore, the results from business relationships between Siemens AG and the Future Siemens Energy Group will impact the results of operations of Siemens AG following the Spin-off taking effect. This refers in particular to profits from royalties for the use of the brand "Siemens Energy" and the results from mutual supply and services relationships, especially under service agreements to the extent concluded with Siemens AG. In addition, Siemens AG will receive fees from the Future Siemens Energy Group Companies for guarantees, sureties and other securities provided in favor of the Siemens Energy Business and its business partners. Details on these business relationships are described in Chapter XI.

b) Financial Condition and Results of Operation of Future Siemens Group (Group Accounts)

The following table contains financial data on the financial and earnings position of the Siemens Group for the first half-years of the fiscal years 2020 and 2019. These data are based on the half-year financial report of Siemens AG for the first half-year of the fiscal year 2020 (the "**Half-year Financial Report**"). The first half-year of 2019 is presented on a comparable basis. The Half-year Financial Report was prepared in accordance with the IFRS for interim reporting as ratified by IASB and as adopted by the European Union (EU) and was audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, based on the Guidelines of the Institute of Public Auditors in Germany (IDW) for an auditors‘ review of accounts and in supplementary compliance with the International Standard on Review Engagements 2410: "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

	Fiscal year	
	First half-year 2020	**First half-year 2019**
	(in millions of EUR and results per share in EUR)	
Revenue	28,336	27,870
Cost of sales	(18,208)	(17,573)
Gross profit	10,129	10,297
Research and development expenses	(2,298)	(2,229)
Selling and general administrative expenses	(5,535)	(5,153)
Other operating income	330	201
Other operating expenses	(165)	(203)
Income (loss) from investments accounting for using the equity method, net	42	144
Interest income	832	747
Interest expense	(454)	(478)
Other financial income (expenses), net	(69)	43
Income from continuing operations before income taxes	**2,811**	**3,370**
Income tax expenses	(579)	(646)
Income from continuing operations	**2,232**	**2,724**
Income (loss) from discontinued operations, net of income taxes	(447)	318
Net income	**1,786**	**3.041**
Basic earnings per share		
Income from continuing operations	2.58	3.17
Income (loss) from discontinued operations	(0.45)	0.33
Net income	**2.13**	**3.50**

Diluted earnings per share		
Income from continuing operations	2.55	3.13
Income (loss) from discontinued operations	(0.45)	0.32
Net income	**2.11**	**3.46**

First half-year 2020 in millions of EUR	Continuing operations	Discontinued operations	Continuing and discontinued operations
Free cash flow	740	(562)	**178**

Beginning with the first half-year 2020, the Siemens Energy Business is no longer included in the continuing operations but as part of the discontinued operations in the Half-year Financial Report of the Siemens Group. Therefore, the results of the Siemens Energy Business have no longer been taken into account in the results of the continuing operations of the Siemens Group. For the results of the discontinued operations in the Half-year Financial Report, the results of the Future Siemens Energy Group were taken into account as follows:

	Fiscal year	
	First half-year 2020	**First half-year 2019**
	(in millions of EUR)	
Revenue	12,865	13,182
Expenses	(13,140)	(12,755)
Spin-off costs	(35)	-
Income (loss) from discontinued operations before income taxes	(311)	427
Income taxes on ordinary activities	(23)	(110)
Other income taxes[1)]	(123)	3
Income (loss) from discontinued operations, net of income taxes	(457)	321

[1)] Mainly includes income taxes relating to the legal carve-out of the distribution group

The Future Siemens Energy Group is still part of the consolidation of Siemens Group in the first half-year of the fiscal year 2020. Intra-group earnings and expenses were consolidated; particularly because of this there is a deviation between the figures for earnings and expenses for discontinued operations of the Siemens Group and the financial figures describing the results of operations of the Future Siemens Energy Group (see Chapter X.3.). As a result, earnings and expenses from discontinued operations of the Siemens Group are only to a limited extent comparable with the earnings and expenses of the Future Siemens Energy Group.

Upon the Spin-off taking effect, no amounts of the Siemens Energy Business will be taken into account in the presented line items relating to discontinued operations in the group profit and loss

statements and the group cash flow statements of Siemens AG. The contribution from the Siemens Energy Business to the financial condition and results of operations of the Future Siemens Group in the same accounting period will cease. A remaining participation of Siemens AG in Siemens Energy AG will be accounted for as an at equity investment. Effects on the results of operations of the Future Siemens Group from such participation result from the *pro rata* accounting of profit and loss of Siemens Energy AG. If the market value of the participation in Siemens Energy AG were to fall permanently below the book value of the investment accounted for using the equity method, an impairment would have to be recognized in the consolidated statements of financial position of Siemens AG in excess of the recognition of the *pro rata* profit or loss of Siemens Energy AG.

Furthermore, the results from business relationships between Siemens AG and the Future Siemens Energy Group will impact the results of operations of Siemens AG upon effectiveness of the Spin-off. This refers in particular to profits from royalties for the use of the brand "Siemens Energy", the results from mutual supply and services relationships, especially under service agreements and fees for continuing guarantees, sureties and other securities provided by Future Siemens Group Companies in favor of the Siemens Energy Business and its business partners. Details on these relationships are described in Chapter XI.

c) Financing and Capital Structure of Siemens AG and the Future Siemens Group

Aside from the repayment of loans of Siemens AG by companies of the Future Siemens Energy Group as described in Chapters V.3.a) and XI.6.a), the managing board of Siemens AG does not anticipate any material effects of the Spin-off on the debt, the financing or the capital structure of Siemens AG or the Future Siemens Group.

Siemens AG currently has good ratings in the investment grade range, namely, "A1 / P-1 / outlook stable" at the rating agency Moody's Investors Service and "A+ / A-1+ / outlook stable" at the rating agency Standard & Poor's. The managing board of Siemens AG currently assumes that the Spin-off should not have any influence on the existing ratings of Siemens AG by these rating agencies.

3. Legal Structure of Siemens AG and the Future Siemens Group following the Spin-off

a) Shareholder Structure

The shareholder structure of Siemens AG will not directly change due to the Spin-off of the activities of the Siemens Energy Business.

b) Articles of Association of Siemens AG

The Spin-off does not require an amendment of the articles of association of Siemens AG. In particular, the capital stock of Siemens AG remains unchanged. A capital decrease is not required

for the execution of the Spin-off according to Section 145 UmwG in connection with Sections 229 *et seqq.* UmwG (please refer to Chapter VIII.1. for the accounting consequences of the Spin-off). Nor is an amendment of the statutory business purpose of Siemens AG required.

c) Composition of the Managing Board of Siemens AG

Currently, Siemens AG has a managing board with five members, consisting of Joe Kaeser, Dr. Roland Busch, Klaus Helmrich, Cedrik Neike and Prof. Dr. Ralf P. Thomas.

Joe Kaeser will cease to be a member of the managing board of Siemens AG upon conclusion of the ordinary annual general meeting on 3 February 2021 at the latest. Dr. Roland Busch will become the chairman of the managing board.

The following table provides a short summary of the areas of responsibility:

Name	Area of responsibility
Joe Kaeser	Chairman of the managing board, Siemens Energy
Dr. Roland Busch	Deputy Chairman, CTO and CHRO
Klaus Helmrich	CEO Digital Industries
Cedrik Neike	CEO Smart Infrastructure
Prof. Dr. Ralf P. Thomas	CFO / Financial Director

d) Composition of the Supervisory Board of Siemens AG

The MitbestG will remain to apply to the supervisory board of Siemens AG following the Spin-off. The supervisory board will consist of 20 members, at least 30 % out of whom will be women and at least out of whom 30 % will be men in accordance with Section 96 (2) AktG.

As a result of the separation of the Future Siemens Energy Group Companies from the Siemens Group, employees of the Future Siemens Energy Group Companies lose their eligibility for election to the supervisory board of Siemens AG and leave the supervisory Board of Siemens AG with the Spin-off taking effect. This concerns the member of the supervisory board of Siemens AG Robert Kensbock. It is intended to apply for the court appointment of a successor shortly after his exit (see also Chapter XII.3.).

e) Compensation Programs and Employee Participation Programs

Stock-based payment and employee participation programs for executives and employees who will continue to be employed in the Future Siemens Group after the Spin-off takes effect will be adjusted

due to the Spin-off. These adjustments are described in § 11 of the Spin-off and Transfer Agreement and its related Annexes which is attached to this report as an Annex (for more detail, see Chapter XIII.1.k)). Apart from that, no adjustments of the compensation and employee participation programs for executives and employees who will continue to be employed in the Future Siemens Group after the Spin-off becomes effective are planned in connection with the Spin-off.

X. The Future Siemens Energy Group after the Spin-off

1. Business Operations of the Future Siemens Energy Group after the Spin-off

a) Overview

Upon the Spin-off taking effect, the Future Siemens Energy Group will be a legally and economically independent corporate group with an extensive portfolio of products, systems, solutions and services in power transmission and generation as well as in the oil and gas industry.

Today and in the future, with its portfolio the Future Siemens Energy Group is and will be active along the entire energy value chain. Based on its global positioned business, the Future Siemens Energy Group is able to promptly react to customer needs on a local level. The trend-setting range of products, solutions and services of the Future Siemens Energy Group helps to meet increasing energy demands and at the same time reduce carbon dioxide pollution.

To support its customers the best way possible the Future Siemens Energy Group relies on innovative technologies as well as digital business and intelligent service models. The focus is always on the customer. In this respect, the corporate culture will promote agility, flexibility and adaptability of the Future Siemens Energy Group.

The Future Siemens Energy Group will be divided into two reporting segments: gas and power (in this Chapter X. the "**Segment Gas and Power**") as well as Siemens Gamesa Renewable Energy (in this Chapter X. the "**Segment SGRE**"). Within the Segment Gas and Power, operating activities will be divided into three divisions: transmission, generation, and oil & gas. In addition to these three divisions, the new energy business will play a key role.

Based on the status on 31 March 2020, approximately 91,000 employees worldwide will work in the Future Siemens Energy Group. Of these, approximately 67,000 employees will work in the Segment Gas and Power and approximately 25,000 employees will work in the Segment SGRE. The figures given may still increase slightly, particularly in connection with subsequent carve-outs (see Chapter V.1.e)).

b) Range of Services: Products, Solutions, Service

The following chapters summarize by way of an overview the products, systems, solutions and services of the Future Siemens Energy Group.

aa) The Segment Gas and Power

The Segment Gas and Power offers a wide spectrum of products, solutions and services in the fields of power transmission, conventional power generation, oil & gas as well as for industrial processes. The segment further develops and markets hydrogen based solutions.

(1) Transmission

The transmission division offers products, systems as well as corresponding solutions and services related to power transmission, primarily at the high-voltage and to a smaller extent at the medium voltage level.

The product portfolio in the field of power transmission mainly consists of high voltage switchgear, high-voltage components as well as transformers. In the fields of high voltage switchgear and high-voltage components besides air-insulated and conventional gas-insulated systems, the Future Siemens Energy Group also offers systems and products based on Clean Air (*Blue Line*) and vacuum technology. The transformer portfolio covers a wide range of applications, from power and distribution transformers, inductors, reactors, phase shifters and high-voltage transmission transformers to special transformers for industrial applications. To support plant digitization, all new transformers and switchgears can be equipped with sensors and a digital interface ("sensformer" or "sensgear"), which enable easy remote monitoring in real time.

The power transmission solutions of the Future Siemens Energy Group include turnkey substations in which switchgears, transformers and high-voltage components are installed and put into operation, modern solutions for power flow and reactive power management in the electricity grid in the form of flexible alternating current transmission systems ("**FACTS**"), high- and medium-voltage direct current transmission solutions and grid access solutions for connecting decentralized generation sources to the grid.

A global network of production facilities and experts, sales partners as well as service providers offers a comprehensive range of conventional as well as digital services covering the entire life cycle of power transmission products, systems and solutions with the aim of increasing the reliability and availability of transmission networks.

Customers of the transmission division are mainly transmission system and distribution system operators which ensure the transmission of power over different voltage levels, in particular over long distances, from the location of its production to the location of its consumption.

(2) Generation

The generation division offers a broad portfolio of products, solutions and services for centralized and decentralized power provision. The diverse product portfolio includes gas turbines, steam turbines, generators, diesel and gas engines as well as instrumentation and control technology and electrical systems. The Future Siemens Energy Group sells products individually or as part of solutions. A comprehensive range of services in the field of performance improvements, modernization, service, maintenance, customer training and professional consulting completes the product and solutions business along the value chain.

Gas turbines are designed for a wide range of applications and are suitable for generating electric energy in peak, intermediate or base load as well as for the combined provision of electrical and thermic energy in combined heat and power applications. The provision of electric and mechanic energy and the extraction of process steam are frequent industrial applications of small steam turbines. Examples for industrial applications can be found in sugar refineries, pulp and paper mills. Additionally, the Future Siemens Energy Group offers big steam turbines for central power generation.

The generation division's solutions business offers the integration of products into subsystems and turnkey facilities. The product range which is geared towards customer needs includes solutions for large power plants and smaller industrial power plants with and without heat extraction. There are also specific system and technology solutions for the optimization of energy facilities (e.g. solutions for heat recovery or innovative instrumentation and control technology) and for the development of new business areas (e.g. high-temperature heat pumps, energy storage solutions). The generation division plans, develops and implements worldwide solutions for power plants including engineering, procurement, execution, project management, project development and financing as well as after-sales service, including training of customer staff.

The service business is characterized by a high level of a long running order backlog, mainly based on long-term service contracts. The Future Siemens Energy Group's pool of installed gas and steam turbines and generators forms the basis of the service business, which also covers maintenance and modernization of third-party plants. The service business is enabled by global presence and in-depth industry expertise of the Future Siemens Energy Group. It includes the supply of spare parts, repair work, modernizations and upgrades, monitoring and diagnostics, lifetime extension and digital services, general maintenance including the operation of entire plants, as well as asset management.

Customers of the generation division include utilities, independent power producers, municipalities, companies in the EPC field and power producing industrial customers (including oil companies).

(3) Oil & Gas

The oil & gas division offers products, integrated systems, solutions and services for a variety of market segments along almost the entire value chain of the oil and gas industry and for a variety of process industries. Additionally, the service business covers services for the decentralized power generation.

The portfolio of the oil & gas division comprises "rotating equipment" (rotary machines, mainly compressors and gas turbines), integrated powertrain systems, electrification, automation and digitization solutions for deepwater power distribution for offshore oil and gas applications, solutions for water treatment and related services. At the heart of this division's product portfolio are compressors and gas turbines which are often offered and installed together. The product portfolio of the oil & gas division also serves as the basis for various integrated systems and solutions. Integrated systems are offered, among others, for unconventional oil and gas production, liquid gas systems, energy storage, power generation and combined heat and power systems, and expand the oil & gas offering.

In addition, the oil & gas division offers as system integrator electrification, automation and digitization solutions for the on- and offshore production of oil and gas, for the marine industry as well as for the paper and pulp industry.

The service offer of the oil & gas division includes conventional maintenance and spare parts services, long-term operation and maintenance services, modernizations and performance improvements (including the replacement of old equipment with new, more efficient ones), digital solutions, training and consulting services. The main focus of the service activities of the oil & gas division is to provide value-conserving, value-driving and value-adding services for the products, systems and solutions installed by the Future Siemens Energy Group in order to ensure maximum reliability, availability and efficiency.

In the oil & gas division, customer segments are distinguished between up-, mid- and downstream markets. Main customers in the upstream market are global, national and many independent oil and gas companies active in exploration, development and production. In midstream markets main customers include LNG (Liquefied Natural Gas), transport and storage companies. In the downstream market, main customers are active in refining and petrochemistry. Further, the oil & gas division services a wide spectrum of customers in industries such as shipping, chemicals industry, paper- and metal industry as well as global and regional EPC companies. Additionally, the customer base for services for decentralized energy production comprises customers from food and luxury food industries, minerals and metal industries as well as industrial parks and municipalities.

(4) New Energy Business

In a structure similar to start-ups, the New Energy Business offers innovative technologies for hydrogen and Power-to-x solutions through own value creation and cooperation with partners. The products and services can be integrated flexibly into energy value chains of other business fields of the Future Siemens Energy Group. These products and solutions will be complemented by a comprehensive service offering.

The New Energy Business is still in the process of being built. Therefore, as of yet customers mainly are operators of pilot installations. The future customer structure will depend on the future development of this new market.

bb) The Segment SGRE

With its majority stake of around 67 % in SGRE S.A. the Future Siemens Energy Group will be strongly positioned in the field of renewable energies, especially the wind energy sector. The activities of the Segment SGRE focus on onshore and offshore wind turbines and services along the life cycle of wind turbines. Beyond its core activity of wind energy, SGRE is also active in other complementary fields of renewable energy, such as hybrid and storage technologies.

The onshore products of the Segment SGRE focus on gear technology with a modular design and flexible performance values aimed at optimal adaptation and maximization of energy yield at different locations in any wind conditions. The offshore product range of the Segment SGRE focuses on direct drive technology (as opposed to gear technology for the onshore products), which is particularly suitable for demanding offshore conditions.

The Segment SGRE operates a comprehensive service business, ranging from performance guarantees to services for extending the service lifetime of new or refurbishing older wind turbines, the logistical support for the construction of offshore wind projects, services for rotor blades, to inspection diagnostics and maintenance service for its own and third-party wind turbines.

The customers of the Segment SGRE are mainly utility companies, independent energy producers and project developers with local activities, which develop the project to sell it. Additional customer groups are, among others, financial investors, self-consumers as well as companies using renewable energy to meet their environmental targets.

c) Value Chain

aa) Research and Development

The investments in research and development ("**R&D**") of the Future Siemens Energy Group are crucial for future growth. The R&D activities of the Segment Gas and Power and the Segment SGRE are organized independently. In the Segment Gas and Power, R&D activities are located at the divisional level. In addition, the new energy business manages its R&D activities independently.

Due to the increasing share of renewable energy, the transmission division focuses on the development of products and solutions that help to increase the stability of electrical grids while improving the overall transmission capacity, quality, reliability as well as availability of the transmission networks. The generation division focuses on the development of new products and the improvement of existing ones. In addition to further improving turbine efficiency values, the focus is on operating gas turbines with novel fuels – among others with hydrogen. The oil & gas division focuses on new development and enhancement of technologies contributing to decarbonization. For the fleet in service and other service activities, R&D activities focus on optimizing costs in the overall product lifetime and on measures to extend the lifetime of products.

The New Energy Business aims to support the transition to a decarbonized world with electrochemical solutions. In order to further strengthen the position of the Future Siemens Energy Group as a technology leader in the field of industrial hydrogen electrolyzer systems, it is planned to expand the existing portfolio to a higher output range.

R&D activities in the Segment SGRE in particular focus on the development of new wind turbine models and the related control software and integration systems, on optimizing the performance of components and on digitization along the entire value chain.

bb) Procurement

The procurement in the Future Siemens Energy Group is managed globally and is organized according to material areas within the goods management. The procurement activities for SGRE are controlled by the independent SGRE organization.

The main objectives of the Future Siemens Energy Group's procurement system are to introduce cutting-edge technologies from innovative suppliers into its portfolio, to secure competitive purchase prices and to support the profitable growth of its business.

A joint agreement was concluded with the Future Siemens Group on purchasing pooling and purchasing services for selected raw materials and for goods and service products.

cc) Manufacturing

The Future Siemens Energy Group continuously improves its productivity with innovative production processes and production plants, such as the use of additive manufacturing methods or the automation of manufacturing processes.

The Future Siemens Energy Group has several decades of experience with integrated production systems based on key elements such as Lean, Six Sigma and digitization in the value chain. In this area, the Future Siemens Energy Group constantly strives to increase productivity, optimize cost structures and reduce passage times. In addition, the production makes use of an established global manufacturing network that operates according to high standards in the area of environmental, health and safety and high quality standards.

To increase flexibility, a network of certified contract manufacturers is accessed in selected areas of production. At the same time, the qualification profile of the employees for more flexible deployment purposes is being further developed.

dd) Distribution & Marketing

The Future Siemens Energy Group is represented on all major energy markets by its subsidiaries, regional distribution centers and offices, and local business partners. In order to ensure customer proximity, the sales and marketing activities of the Future Siemens Energy Group are organized centrally in the divisions as well as at a regional level. The global presence of the Future Siemens Energy Group is supported by seven regional sales centers - North America, Latin America, Europe, Africa, Middle East, Asia-Pacific and China. In the countries India, Indonesia, Pakistan, Algeria and Greece Future Siemens Group Companies will we be used as representatives for the distribution of the product portfolio of the Future Siemens Energy Group for the time being (see Chapter III.2.c)).

In order to operate the diverse customer base of the Future Siemens Energy Group, different sales channels with market strategies focused on customers will be used to service individual needs. In addition, the Future Siemens Energy Group will support governments to develop their energy infrastructure.

The Segment SGRE markets its products through a global sales team in all major regions to ensure customer contact. The main sales offices are located in the United States, Mexico, Brazil, Spain, Denmark, Germany, India and China. In addition, SGRE is implementing specialized market strategies adapted to different types of customers. The three business units onshore, offshore and service are covered in the respective distribution regions with approximately 40 sales offices (as of March 2020) and teams worldwide.

The marketing activities focus on the marketing and positioning of the Future Siemens Energy Group as an integrated energy company, as a driving force behind decarbonization and as a partner in shaping the future energy landscape with the clear aim to create social value.

2. Sustainability Strategy of the Future Siemens Energy Group

Sustainability will be – as already in the Siemens Group (see Chapter II.4.) – a guiding principle of the Future Siemens Energy Group and at the same time a key guiding principle within the business strategy. Siemens Energy AG will yearly publish "sustainability information" including detailed information regarding strategy, organization, initiatives, management systems, measures and goals of sustainable management.

In the course of the Agenda 2030 of the United Nations (UN) 17 SDGs have been implemented in order to support a sustainable development worldwide. The operations of the Future Siemens Energy Group will further contribute to the achievement of all 17 development goals, whereas the influence is biggest in the areas of affordable and clean energy (SDG 7), humane work and sustainable economic growth (SDG 8), industry, innovation and infrastructure (SDG 9) as well as climate protection (SDG 13).

3. Asset Position, Financial Condition and Results of Operations of the Siemens Energy AG and the Future Siemens Energy Group after the Spin-off

Presented below are the asset position, financial condition and results of operations of Siemens Energy AG as well as the Future Siemens Energy Group upon the Spin-off taking effect. Before the Spin-off takes effect, the Future Siemens Energy Group does not yet exist and, therefore, does not yet constitute a group according to IFRS 10. Nevertheless but the Future Siemens Energy Group will be treated in this chapter for this period, as if it had already existed before the Spin-off took effect.

Chapter X.3.a) covers the asset position, financial condition and results of operations of the Siemens Energy AG. Chapter X.3.b) explains the asset position and financial condition of the Future Siemens Energy Group as of 31 March 2020. Chapter X.3.c) then discusses the development of the Future Siemens Energy Group's results of operations in fiscal years 2019 and 2018 and in the first half of fiscal years 2020 and 2019. Finally, the effects of the Spin-off on the results of operations of the Future Siemens Energy Group are presented (Chapter X.3.d)).

The impact of the Spin-off on the statement of financial position of Siemens Energy AG and the Future Siemens Energy Group is shown in Chapter VIII.1.

The following information on the asset position, financial condition and results of operations of the Future Siemens Energy Group for the half-years ending 31 March 2020 and 2019 is based on voluntarily prepared Combined Financial Information of Siemens Energy AG for the half-years

ending 31 March 2020 and 31 March 2019. For the fiscal years 2019 and 2018 ending 30 September, the information is based on information taken from combined financial statements ("**Combined Financial Statements**") for the fiscal years 2017, 2018 and 2019. The Combined Financial Statements have been prepared in accordance with the IFRS as adopted by the European Union (EU). The Combined Financial Statements for the fiscal years 2017, 2018 and 2019 ending on 30 September were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, and received an unqualified audit opinion.

Since the following statements are based on historical financial information, the the actual asset position, financial condition and results of operations of Siemens Energy AG and the Future Siemens Energy Group will differ from the following presentation. In particular, this could significantly be affected by a change in the situation of the overall economy and the industries in which the Future Siemens Energy Group operates, for example in case of a continuing Covid-19 pandemic. Furthermore, the following presentation does not take into account the development of the Siemens Energy Business after the end of the periods covered.

The Combined Financial Statements include enterprises and businesses that will directly or indirectly be controlled or held, as the case may be, by the Siemens Energy AG after the Spin-off taking effect. The Combined Financial Statements of the Future Siemens Energy Group were prepared applying the same accounting principles and valuations that were used for preparing the financial information for the Siemens consolidated financial statements (*predecessor accounting*). The levels at which the goodwill has been reviewed for impairment are consistent with the levels used in this context for purposes of the consolidated financial statements of Siemens AG. As regards the Carve-out of the Siemens Energy Business, it has been assumed, as it also has been assumed in the pro forma statements of financial position, that the individual steps that were not completed by 31 March 2020 became economically effective already as of 31 March 2020 (see Chapter VIII.1.a)dd) above).

However, there were deviations from these accounting principles and valuations to the extent that this was necessary to show the Future Siemens Energy Group as a group of companies that is independent of the Future Siemens Group (see in this regard, also Chapter IX.2.). This applies especially to adjustments that were necessary in connection with Siemens Group's consolidated half-year financial statements, as the Future Siemens Energy Group Companies were recognized in these statements in accordance with IFRS 5, "non-current assets held for sale and discontinued operations". These adjustments had not been necessary for the purposes of the Combined Financial Statements of the Future Siemens Energy Group because, from the point of view of Siemens Energy AG as the future parent company of the Future Siemens Energy Group, IFRS 5 is not applicable for the Combined Financial Statements. Furthermore, employee programs and leasing arrangements agreed with Siemens AG are shown in accordance with the relevant accounting standards applicable to the Future Siemens Energy Group as an independent group of companies.

In addition, transactions entered into with Siemens AG and subsidiaries of Siemens AG that have so far not been shown in the consolidated financial statements of Siemens AG due to the consolidation are not eliminated in the Combined Financial Statements and classified as transactions with related parties.

The effects on earnings of deferred taxes resulting from the deferred transfers in the Carve-out of the Siemens Energy Business after 31 March 2020 (see Chapter V.1.e)) are not anticipated in the Combined Financial Statements. Additionally, standard depreciation on buildings in the local Siemens Energy Business transferred after 31 March 2020 (see Chapter V.1.e)) are not shown in the Combined Financial Statements for materiality purposes.

Among others for the reasons outlined above, the financial figures reported to describe the results of operations of the Future Siemens Energy Group differ from the income and expenses from discontinued operations in the Siemens Group (see Chapter IX.2.). Accordingly, the income and expenses of the Future Siemens Energy Group are comparable with the income and expenses from discontinued operations in the Siemens Group only to a limited extent.

a) Asset Position, Financial Condition and Results of Operations of the Siemens Energy AG (Individual Financial Statements)

Apart from holding a minority interest in Siemens Energy KG and the General Partner GmbH after the execution of the contribution agreement (which is annexed to the Spin-off and Transfer Agreement as Annex 0.5.3), Siemens Energy AG neither exercised nor continues to exercise any active business activities until the Spin-off becomes effective. It has therefore not yet generated any income and will not generate any income until the Spin-off takes effect (apart from income from cost reimbursements by the Siemens AG). In the fiscal years 2019 and 2018, it incurred relevant expenses only from services such as accounting, IT and the audit of its annual financial statements. Until the end of the fiscal year 2019, these costs were offset, where they lead to a net loss for the year, by loss absorption under a profit and loss transfer agreement. The profit and loss transfer agreement was terminated at the end of the fiscal year on 30 September 2019. In a cost transfer agreement, Siemens AG has undertaken to assume the costs incurred by Siemens Energy AG (i) for the preparation and auditing of financial statements until the Spin-off becomes effective and (ii) more detailed costs incurring in preparing and executing the Spin-off. This is intended to ensure that the net asset position of Siemens Energy AG (apart from changes due to the capital increases in kind) does not change until the Spin-off becomes effective. Financial income from the withdrawal of profits of Siemens Energy KG is not expected to be generated even after the execution of the contribution agreement until the Spin-off becomes effective, since Siemens AG has undertaken in § 6.2 of the Spin-off and Transfer Agreement to ensure that no withdrawals from Siemens Energy KG are made until the Spin-off becomes effective.

Upon the Spin-off becoming effective, Siemens Energy AG will be the sole limited partner of Siemens Energy KG and will hold all shares in the General Partner GmbH as its sole general partner. Any withdrawals from Siemens Energy KG, which Siemens Energy AG receives, will lead to financial income for Siemens Energy AG in this structure. In addition, changes in the valuation of these participations may affect the asset position and results of operations of Siemens Energy AG. In the future, Siemens Energy AG will incur expenses for the remuneration of its managing board and supervisory board members, for tax payments, for financing drawn upon, and for its own holding organization. Furthermore, the future results of operations of Siemens Energy AG depend on the future development of the Future Siemens Energy Group's legal structure.

With regard to the net assets position and financial condition of Siemens Energy AG as of 31 March 2020, please refer to Chapter VIII.1.c).

b) Explanations on the Asset Position and Financial Condition of the Future Siemens Energy Group as of 31 March 2020

The impact of the Spin-off on the statement of financial position of the Future Siemens Energy Group is presented in Chapter VIII.1.

The statement of financial position of the Future Siemens Energy Group as of 31 March 2020 according to the voluntarily prepared Combined Financial Information for the half-years ending 31 March 2020 and 2019 is as follows:

In millions of EUR	31 March 2020
Assets	
Cash and cash equivalents	1,895
Trade and other receivables	4,042
Other current financial assets	695
Contract assets	4,938
Receivables from the Future Siemens Group	3,698
Inventories	7,507
Current income tax receivables	436
Other current assets	1,065
Total current assets	**24,277**
Goodwill	9,680
Other intangible assets	4,644
Property, plant and equipment	4,658
Investments accounted for using the equity method	793
Other financial assets	552
Deferred tax assets	971
Other assets	210
Total non-current assets	**21,508**

Total assets	**45, 784**
Liabilities and equity	
Short-term debt and current maturities of long-term debt	668
Trade payables	4,291
Other current financial liabilities	627
Payables to the Future Siemens Group	1,032
Contract liabilities	9,909
Current provisions	1,842
Current income tax liabilities	412
Other current liabilities	2,868
Total current liabilities	**21,649**
Long-term debt	1,663
Provisions for pensions and similar obligations	1,037
Deferred tax liabilities	800
Provisions	2,020
Other financial liabilities	717
Other liabilities	609
Total non-current liabilities	**6,845**
Total liabilities	**28,495**
Total equity	**17,290**
Total liabilities and equity	**45,784**

aa) Asset Structure

As of 31 March 2020, the total assets of the Future Siemens Energy Group amounted to EUR 45,784 million. Current assets amounted to EUR 24,277 million or 53.0 % of total assets. At EUR 7,507 million, inventories accounted for the largest share of current assets. Non-current assets amounted to EUR 21,508 million or 47.0 % of total assets. Of this, property, plant and equipment accounted for EUR 4,658 million. Goodwill and other intangible assets made up EUR 14,324 million or 31.3 % of total assets and 82.9 % of equity.

bb) Capital Structure and Debt-Equity Ratio

The equity of the Future Siemens Energy Group amounted to EUR 17,290 million as of 31 March 2020. Measured against the total assets, this corresponded to an equity ratio of 37.8 %.

As of 31 March 2020, total current liabilities and provisions of the Future Siemens Energy Group amounted to EUR 21,649 million or 47.3 % of total assets. Within the position of short-term debt and current maturities of long-term debt in the amount of EUR 668 million, EUR 258 million were attributable to liabilities arising from lease arrangement.

Total non-current liabilities and provisions amounted to EUR 6,845 million or 15.0 % of total assets. Of this amount, EUR 1,037 million were attributable to pensions and similar obligations. Within the position long-term debt amounting to EUR 1,663 million, EUR 917 million were attributable to liabilities arising from lease arrangements.

Thus, the total of liabilities and provisions as of 31 March 2020 amounted to EUR 28,495 million. Measured against the equity of the Future Siemens Energy Group, this corresponded to a debt ratio of 1.6.

After the Spin-off, the future financing possibilities and financing costs of Siemens Energy AG and the Future Siemens Energy Group will be based exclusively on their own creditworthiness. The managing boards of Siemens AG and Siemens Energy AG are striving to achieve a creditworthiness with the defined capital structure that will qualify the Future Siemens Energy Group for an investment grade rating. The managing boards of Siemens AG and Siemens Energy AG are of the opinion that the Future Siemens Energy Group will thus be equipped with a capital structure that will enable the Future Siemens Energy Group to operate successfully on the market from the beginning. In the opinion of both managing boards, the aforementioned capital structure will provide the Future Siemens Energy Group with sufficient capital and liquidity in line with its business planning after the Spin-off takes effect.

As of 31 March 2020, the net receivable of the Future Siemens Energy Group from financing activities vis-á-vis with the Future Siemens Group amounted to EUR 1,873 million. Furthermore, financial receivables and liabilities of the Future Siemens Energy Group are presented in the statement of financial position above. With regard to the financing of the Future Siemens Energy Group separating legally, please refer to Chapter V.3. and Chapter XI.6.

c) Explanation of the Results of Operations of the Future Siemens Energy Group in Fiscal Years 2019 and 2018 and in the First Half of Fiscal Years 2020 and 2019

aa) Future Siemens Energy Group in the Fiscal Year 2019 and 2018

	Fiscal Year	
	2019	**2018**
	(in millions of EUR)	
Orders	**33,734**	**31,046**
therein: Segment Gas and Power	**21,187**	**19,283**
therein: Segment SGRE	**12,749**	**11,875**
therein: Corporate Items and Reconciliation[(1)]	**- 202**	**- 112**
Revenue	**28,797**	**28,023**
therein: Segment Gas and Power	**18,709**	**18,982**

therein: Segment SGRE	**10,227**	**9,122**
therein: Corporate Items and Reconciliation[1]	**- 139**	**- 82**
Adjusted EBITA [2]	**1,025**	**864**
therein: Segment Gas and Power	**589**	**440**
therein: Segment SGRE	**481**	**478**
therein: Corporate Items and Reconciliation[1]	**- 44**	**- 54**
Net income [3]	**282**	**645**
Free Cash Flow	**876**	**80**
therein: Segment Gas and Power	**651**	**212**
therein: Segment SGRE	**407**	**373**
therein: Corporate Items and Reconciliation[1]	**- 182**	**- 504**

(1) The item "Central items and reconciliation" includes certain business activities and topics that are not directly related to the reportable segments. These are Real Estate Services, expenses and income from pension-related topics not allocated to the segments as well as eliminations, treasury and other central topics to which the definition of Adjusted EBITA applies
(2)Adjusted EBITA is the profit before the operating financial result, income taxes and amortization of intangible assets acquired in business combinations into which the financial result will be reintegrated.
(3) Also includes results from "non-controlling interests", in particular those in SGRE, in which Siemens Energy AG held 59 % in 2018 and 2019 and currently holds 67 %.

(1) Orders

In 2019, the Future Siemens Energy Group achieved order entries of EUR 33,734 million. This was EUR 2,688 million or nominal 8.7 % higher than the previous year's orders of EUR 31,046 million (2017: EUR 29,673 million). In the Segment Gas and Power orders increased from EUR 19,283 million in fiscal year 2018 (2017: EUR 21,029 million) by EUR 1,904 million or nominal 9.9 % to EUR 21,187 million. The new installations business of the divisions generation and oil & gas as well as the volume of large-scale orders increased compared with the previous year. The latter *inter alia* included an order for the generation division of about EUR 400 million for a gas and steam turbine power plant including servicing in France, for the transmission division an order of more than EUR 400 million for high-voltage direct-current transmission in Germany, an order of EUR 300 million for a major project regarding grid connection of offshore wind farms in the United Kingdom and an order for the generation division of EUR 300 million in the process solutions business in Brazil.

In the Segment SGRE orders increased from EUR 11,875 million in financial year 2018 (2017: EUR 8,768 million) by EUR 874 million or 7.4 % to EUR 12,749 million in 2019 as a consequence of an increased volume of large-scale orders in all businesses. This includes two major orders for offshore wind farms including servicing in Taiwan of EUR 2.3 billion in total. Several large-scale orders in the onshore business strengthened the order intake in the American region. By contrast, orders in the region of Europe, CIS, Africa and the Middle East decreased sharply, due to the fact that, for the previous year, an

order for an offshore wind farm (including servicing) in the United Kingdom in the amount of EUR 1.3 billion was included for that region.

(2) Revenue Development

In 2019, the Future Siemens Energy Group recognized revenue of EUR 28,797 million. This was EUR 774 million or nominal 2.8 % higher than the previous year's revenue. The increase was disproportionately highly driven by a significant increase in revenues in the Segment SGRE from EUR 9,122 million (2017: EUR 7,922 million) to EUR 10,227 million, with strong growth in the offshore and service businesses as well as clear growth in onshore business. By contrast, the revenue of the Segment Gas and Power declined slightly from EUR 18,982 million in financial year 2018 (2017: EUR 22,228 million) to EUR 18,709 million in financial year 2019. In particular, the new installations business of the divisions generation and oil & gas saw a decline compared with fiscal year 2018 as a result of the weak order intake in recent years. The transmission division's sales were slightly below the prior-year level, mainly due to the delayed award of major projects originally planned for fiscal year 2018 in the high-voltage direct-current transmission market.

(3) Adjusted EBITA

The adjusted EBITA in fiscal year 2019 was EUR 1,025 million and thus significantly higher than the previous year's EUR 846 million (2017: EUR 1,991 million). The EBITA margin (adjusted) was 3.6 % in fiscal year 2019 and 3.1 % in the previous year. The Segment Gas and Power reported an improved adjusted EBITA in the amount of EUR 589 million in contrast to the previous year's amount of EUR 440 million (2017: EUR 1,703 million) despite declining sales. Gross profit increased slightly as project results improved in both the generation division and the transmission division. Both gross profit and functional costs were negatively impacted in 2018 by capacity adjustments in connection with personnel restructuring in the generation division, which were not recurring to the same extent in 2019. In addition, a significant decrease in research and development expenses was caused by an adjustment of capacities to lower revenue expectations. Impairment losses on investments accounted for using the equity method in 2018 were approximately offset by gains from the sale of two businesses in the generation and oil & gas divisions in 2018. In sum, the profit of the Segment Gas and Power in the fiscal year 2019 was not as negatively impacted by expenses for personnel restructuring as it had been in the previous year. At the Segment SGRE, adjusted EBITA in the amount of EUR 481 million in fiscal year 2019 was approximately at the prior year level of EUR 478 million (2017: EUR 330 million), as positive effects from improved productivity and higher sales revenues were partly offset by price declines and higher expenses for integration and

capacity adjustments (including personnel restructuring). In total, the Siemens Energy Group's expenses for personnel restructuring amounted to EUR 280 million in 2019, EUR 452 million in 2018 and EUR 70 million in 2017.

(4) Net Income

The financial result and the depreciation and amortization remained at a stable level in the fiscal years 2018 and 2019. Nevertheless, despite the increase in adjusted EBITA, net income in fiscal year 2019 at EUR 282 million was clearly lower than in the previous year's profit of EUR 645 million (2017: EUR 960 million), mainly due to tax effects. In fiscal year 2018, the Future Siemens Energy Group recognized tax income in the amount of EUR 493 million. In addition to the tax rate differences in the various countries resulting mainly from the revaluation of tax items, especially from revaluation of deferred taxes in the course of the tax reform in the United States.

Tax expenses amount to EUR 35 million and net income to EUR 282 million.

(5) Free Cash Flow

Free cash flow increased by EUR 796 million to EUR 876 million in fiscal year 2019 (2018: EUR 80 million; 2017: EUR -121 million). This is disproportionately high due to a reduction in receivables especially in the solutions and services business of the generation and transmission divisions of the Segment Gas and Power. In the reconciliation to the consolidated financial statements tax-induced cash outflows had a smaller effect in fiscal year 2019 than in the previous year.

cc) Future Siemens Energy Group in the First Half of the Fiscal Years 2020 and 2019

	Fiscal year	
(unaudited)	**First half-year 2020**	**First half-year 2019**
	(in millions of EUR)	
Revenue	**13,152**	**13,373**
Net income	**(337)**	**202**

(1) Sales Revenues

In the first half of fiscal year 2020, the Future Siemens Energy Group recognized revenue of EUR 13,152 million. This was EUR 221 million or nominal 1.7 % lower than in the first half of fiscal year 2019 which was at EUR 13,373 million (all financial information is unaudited). The decrease was driven by a clear decrease in revenues in the Segment SGRE,

particularly because of a decrease in the offshore business and adverse effects of the Covid-19 pandemic. By contrast, revenues in the Segment Gas and Power moderately increased. The transmission division saw a moderate increase while the generation division remained nearly on the previous year's level and the sales revenue of the division oil & gas decreased moderately.

(2) Net income

The operative business of the Future Siemens Energy Group had a negative profit contribution in the first half-year of 2020. The decline in earnings was primarily due to the development in the Segment SGRE. In particular, the onshore business recorded substantial adverse effects in connection with project delays in Northern Europe and challenges on the Indian market. Both was further exacerbated by the effects of the Covid-19 pandemic. Besides, the profit contribution of the offshore business declined, mainly due to the lower sales revenues. The Segment Gas and Power also recorded a lower profit. The decisive factors were a less favorable mix of revenue and additional expenses in connection with the establishment as an independent company, e.g., royalties for the brand "Siemens Energy". There were also adverse effects of the Covid-19 pandemic. The previous year's result was also positively affected by a profit from the disposal of a participation. Furthermore, the development in the first half of fiscal year 2019 was influenced by positive effects from the progress of projects, which were not recorded in this amount in the first half of fiscal year 2020.

In the first half of fiscal year 2020, the sum of the financial income and amortisation improved substantially compared to the first half of fiscal year 2019. Additionally, the Future Siemens Energy Group recorded a total tax expense in the amount of EUR 2 million, whereby opposing tax effects in the Segment SGRE and the Segment Gas and Power nearly offset each other. Nevertheless, in the first half of fiscal year 2020 net income declined sharply to EUR -337 million in contrast to a net income in the amount of EUR 202 million in the first half of fiscal year 2019 (all financial information unaudited).

d) Effects of the Spin-off on Asset Position, Financial Condition and Results of Operations of the Future Siemens Energy Group

The impact of the Spin-off on the statement of financial position and financial conditions of the Future Siemens Energy Group is presented in Chapter VIII.1. Since the business activities of the Future Siemens Energy Group do not change substantially due to the Spin-off, no significant effect on the presented results of operations, with the exception of the effects discussed below, is expected.

Once the Spin-off becomes effective, the results of business relations between the Future Siemens Energy Group and the Future Siemens Group will have an impact on the results of operations of the Future Siemens Energy Group. This continues to include expenses for royalties for the use of the brand "Siemens Energy" and further the results of mutual supply and service relationships, in particular from service agreements, as well as fees for continuing guarantees, sureties and other securities issued by the Future Siemens Group in favor of the Siemens Energy Business and its business partners. Details of these business relationships are presented in Chapter XI.

With the Spin-off, the companies of the Future Siemens Energy Group will no longer participate in the internal liquidity management and financing system of the Future Siemens Group. This also applies to the participation of the Future Siemens Energy Group Companies in the currency exchange, interest rate and commodity price risk management system of the Siemens Group (see also Chapter V.3.c)). Thus, the future financing possibilities and costs of the Future Siemens Energy Group will be based exclusively on its own creditworthiness and the costs for currency, interest and commodity price hedging transactions will depend on its own activities. Depending on the situation in the respective markets, this will result in different costs than in the past as part of Siemens Group.

After the Spin-off, the board members and employees of the Future Siemens Energy Group will no longer be able to participate in the stock-based payment and employee participation programs of the Future Siemens Group. Employees leaving such programs will cause a one-time charge (not yet recognized expenses for "accelerated vesting") (see also Chapter XIII.1.k)), which will be recognized in the income statement of the Future Siemens Energy Group.

The Future Siemens Energy Group is currently planning to introduce its own stock-based or other incentive and employee participation programs (see Chapter X.3.j)) and in addition, the members of the managing board of Siemens Energy AG were promised various compensation programs (see Chapter X.4.d)); any expenses associated with this will have a negative impact on the Future Siemens Energy Group's results of operations after the Spin-off. At the same time, the expenses that the Future Siemens Energy Group has so far incurred in connection with the participation in stock-based payment and employee participation programs of the Future Siemens Group will no longer be relevant.

For information on the effects of the Spin-off on the recoverability of deferred tax assets, please refer to Chapter VIII.2. Furthermore, the recoverability of deferred tax assets will depend on the legal structure and future tax strategy of the Future Siemens Energy Group.

For the costs of the Spin-off, please refer to Chapter VI.17.

4. Legal Structure of Siemens Energy AG and the Future Siemens Energy Group Following the Spin-off

a) Shareholder Structure

Upon effectiveness of the Spin-off, Siemens AG (directly and indirectly and including Siemens Energy Shares held by SPT e.V.) will be Siemens Energy AG's major shareholder holding 45 % of the shares. Upon the Spin-Off taking effect, The remaining shares in Siemens Energy AG will be held by the shareholders of Siemens AG in the ratio of their shareholding in Siemens AG, however, without taking into account any treasury shares belonging to Siemens AG.

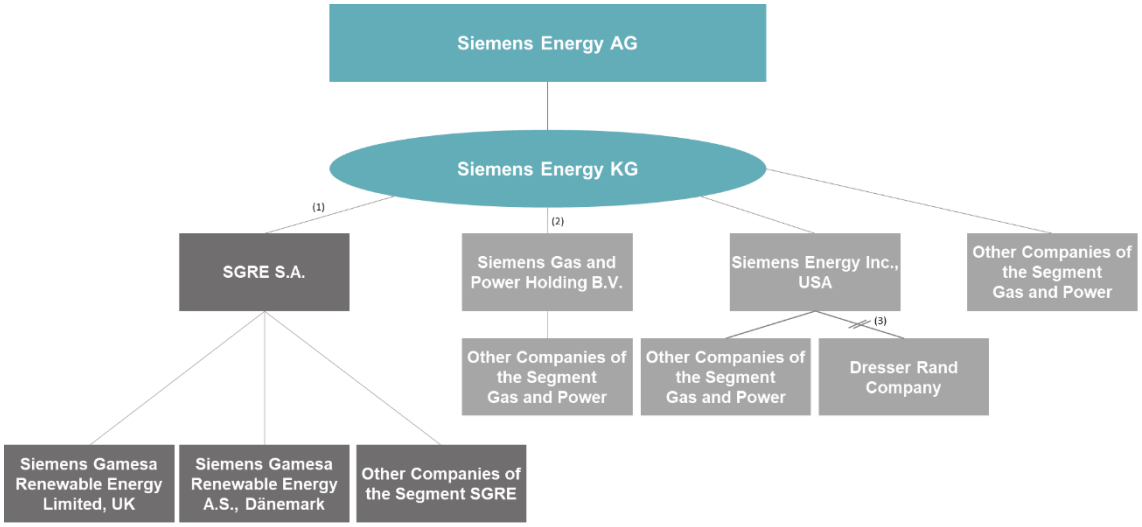
With regard to the entire capital stock of Siemens Energy AG, the participation of each Siemens Shareholder in Siemens Energy AG will be about 45 % lower compared to that respective shareholder's participation in Siemens AG due to the (direct and indirect) stake of Siemens AG. For example, a shareholder holding 10 % of the Siemens Shares will be granted 5.5 % of the Siemens Energy Shares. This may result in the effect that certain shareholder rights which due to the percentage of the participation held in Siemens AG could be exercised there cannot be exercised in Siemens Energy AG anymore (e.g., right to request the convocation of the shareholders' meeting or to request a supplement to the agenda (*Tagesordnungsergänzungsverlangen*), Section 122 (1) sentence 1 or (2) sentence 1 AktG, respectively, or the right to petition for the appointment of a special auditor (*Antrag auf Bestellung eines Sonderprüfers*), Section § 142 (2) sentence 1 AktG).

Taking into account the share allocation ratio of 2:1, based on the current WpHG voting rights notifications made towards Siemens AG and considering any attribution of voting rights to be made under the WpHG, it is expected that BlackRock Inc., Wilmington, United States will meet or exceed the threshold of 3 % of the voting rights in Siemens Energy AG upon the Spin-off taking effect – subject to any changes in the actual shareholding structure in the meantime, including any such changes not notifiable under the WpHG.

b) Group Structure

After the Spin-off takes effect, Siemens Energy AG will be the holding company of the Future Siemens Energy Group, which will comprise of all participations of the Siemens Energy Business (subject to the participations described under Chapter III.2.c), Chapter V.1.e) and Chapter V.1.f.)).

The following chart visualizes a simplified future structure and major participations of the Future Siemens Energy Group, which, in addition to holding companies, shows the main Future Siemens Energy Group Companies after the Spin-off takes effect:



(1) Participation in the amount of approx. 67 %
(2) For more details on the minority participation remaining in the Future Siemens Group, *cf.* Chapter V.1.c)
(3) Participation is held indirectly.

The following table shows the main Future Siemens Energy Group Companies. On the basis of the figures taken from the Siemens Group financial report or the internal accounting of the respective Future Siemens Energy Group Company as of 30 September 2019, the following respective Future Siemens Energy Group Companies respectively have a balance sheet total of at least 10 % of the balance sheet total of the Future Siemens Energy Group, or respectively generate an operating profit (EBIT) of at least 10 % of the total operating profit (EBIT) of the Future Siemens Energy Group.

Future Siemens Energy Group Company	**Country**	**Segment**
Siemens Energy KG	Germany	Gas and Power
Siemens Energy, Inc.	USA	Gas and Power
Dresser-Rand Company	USA	Gas and Power
Siemens Gamesa Renewable Energy Limited	Great Britain	SGRE
Siemens Gamesa Renewable Energy A/S	Denmark	SGRE

c) Articles of Association of Siemens Energy AG

The articles of association of Siemens Energy AG for the time following the Spin-off will include all customary provisions for a German public company. The complete wording of the future articles of association of Siemens Energy AG is attached as Annex 13.1 to the Spin-off and Transfer Agreement, which in turn is attached to this report. In detail:

aa) General Provisions

§§ 1 to 3 of the future articles of association include general provisions such as name ("Siemens Energy AG"), registered office ("Munich, Germany"), the object of the company (*Unternehmensgegenstand*), as well as rules of procedure regarding announcements and information transfer. As regards content, those are standard provisions.

The object of the company reads as follows:

The object of the company is to manufacture, supply, operate, distribute and trade in products, systems, facilities and solutions and to render maintenance, repair and other services, as well as research and development, in the areas of energy production, transfer, distribution and storage, in the areas of oil and gas across all areas of production, in the areas of decarbonization, sector coupling, hydrogen solutions and other renewable and non-renewable energy sources as well as the adjacent fields of activity such as electrical engineering, automation, electronics, precision mechanics and mechanical engineering. The company can operate in the context of these activities in all information technology fields (including electronic data processing and transfer, software, platforms and self-learning systems) and render related services. Moreover, the company, in particular through its consolidated subsidiaries, can operate in the financial sector and participate directly or indirectly in enterprises and companies of any type, also in managing its own assets. Finally, the company may engage in business of any kind and take any and all measures related to, or which seem to be directly or indirectly useful in promoting, the above activities.

The company may realize its object itself or through consolidated subsidiaries or associated companies (including joint ventures). It can confine itself to some of the activities specified in subsection 1. The company can set up associated companies, acquire participating interests and change them structurally, bring them under uniform control or may limit itself to managing the participating interest, sell participating interests and also conclude enterprise and cooperation agreements of any kind.

bb) Capital Stock and Shares

§ 4 of the future articles of association contains the provisions regarding the capital stock (*Grundkapital*), the shares and the share certificates (*Aktienurkunden*). Upon effectiveness of the Spin-off, the capital stock of the company amounts to EUR 726,645,193 and is divided into 726,645,193 registered no-par value shares (*auf den Namen lautende Stückaktien ohne Nennbetrag*).

Moreover, § 4 of the future articles of association contains the standard provision as to which the shareholders' right to physical share representation (*Anspruch des Aktionärs auf Verbriefung seiner Aktien*) is excluded. The company may issue collective share certificates (*Sammelurkunden*).

Lastly, § 4 of the future articles of association includes provisions regarding authorized capital (*genehmigtes Kapital*) and conditional capital (*bedingtes Kapital*). Both are described in more detail in Chapters X.4.g) and X.4.h).

cc) Managing Board

§§ 5 and 6 of the future articles of association are about the managing board of the company. § 5 (1) of the future articles of association of Siemens Energy AG states that the managing board consists of multiple persons. The supervisory board determines the number of persons in the managing board. The staffing of the managing board is described in more detail in Chapter X.4.d).

According to § 6 (2) of the future articles of association, Siemens Energy AG is jointly represented either by two members of the managing board or by one member of the managing board together with one authorized representative (*Prokurist*). The members of the managing board are exempt from the prohibition on multiple representation (*Verbot der Mehrfachvertretung*) pursuant to Section 181 2nd alternative BGB. Otherwise, the company is represented by authorized representatives or other authorized signatories, the details of such representation to be determined by the managing board.

The future articles of association do not include a catalogue of measures which the managing board may only take with the approval by the supervisory board. It is envisaged that the supervisory board determines such approval requirements in the rules of procedure (*Geschäftsordnung*) for the managing board or the supervisory board or by resolution.

dd) Supervisory Board

§§ 7 to 12 of the future articles of association contain provisions regarding the supervisory board of the company, which are to be considered standard for German public companies.

According to § 7 of the future articles of association, the supervisory board comprises of 20 members. Unless the shareholders' meeting determines a shorter term, such members are each elected for a period until the closing of the shareholders' meeting resolving on the discharge (*Entlastung*) for the fourth fiscal year following the beginning of their mandate. The fiscal year in which the term of office begins is not counted.

§ 12 of the future articles of association determines a remuneration for the members of the supervisory board. Each supervisory board member is entitled to a fixed payment of EUR 120,000 for each full fiscal year. Such base remuneration is increased by EUR 120,000 for the chairperson of the supervisory board as well as for the chairpersons of the executive committee (*Präsidium*) and of the audit committee (*Prüfungsausschuss*), and by EUR 60,000 for each deputy chairperson of the supervisory board for each full fiscal year. For all other executive committee members or

audit committee members the base remuneration is increased by EUR 60,000. For the chairperson of the Innovation and Finance Committee (*Innovations- und Finanzausschuss*) the base remuneration is also increased by EUR 70,000 and by EUR 40,000 for all members of the Innovation and Finance Committee. If a separate committee is formed on a permanent basis, which decides on the approval of transactions with related parties, the chairman of this committee receives an additional EUR 70,000, and each other member of this committee receives EUR 40,000 for each full fiscal year. In addition, the members of the supervisory board receive an attendance fee of EUR 1,500 for each meeting of the supervisory board and its committees in which they participate; in the case of several meetings held on one day, however, a maximum of EUR 3,000 per day.

ee) Shareholders' Meeting

§§ 13 to 17 of the future articles of association contain provisions regarding the shareholders' meeting of the company, which are to be considered standard for German public companies. In particular, § 13 of the future articles of association states that shareholders' meetings shall take place either in the city of the registered office (*Sitz*) of the company, the municipality of a German stock exchange, or in any other German city having more than 100,000 inhabitants. Moreover, § 15 contains standard provisions regarding the limitation of the right to questioning and speaking in the shareholders' meeting to a reasonable time.

ff) Financial Statements and Distribution of Profits

§§ 18 to 20 of the future articles of association contain provisions regarding the financial statements and the distribution of profits of the company. As regards content, those are standard provisions.

d) Managing Board of Siemens Energy AG

The managing board of Siemens Energy AG currently comprises of four members, i.e., Dr.-Ing. Christian Bruch, Dr.-Ing. Jochen Eickholt, Maria Ferraro and Tim Oliver Holt. The board members Dr.-Ing. Jochen Eickholt and Tim Oliver Holt have been appointed by the supervisory board of Siemens Energy AG on 1 April 2020 for the period until the end of 30 September 2023. Dr.-Ing. Christian Bruch has been appointed with effect as of 1 May 2020 for the period until the end of 30 April 2025, and Maria Ferraro has been appointed with effect as of 1 May 2020 for the period until the end of 30 September 2023. At the same time, Dr.-Ing. Christian Bruch was appointed as Chairman of the Managing Board and Chief Executive Officer. The following chart provides a short overview of the envisaged areas of responsibility:

Name	Envisaged Area of Responsibility
Dr.-Ing. Christian Bruch	Chairman, Siemens Energy

Dr.-Ing. Jochen Eickholt	Segment Manager Gas and Power
Maria Ferraro	Chief Financial Officer
Tim Oliver Holt	Segment Manager Gas and Power; Segment Manager Siemens Gamesa Renewable Energy

Each member of the managing board has entered into a service agreement with Siemens Energy AG. Each member of the managing board has also been appointed as managing director of the General Partner GmbH (see Chapter IV.2.) and receives remuneration from it. With a view to their positions at General Partner GmbH and the compensation granted therefor (regarding Tim Oliver Holt additionally also to his employment with Siemens Energy Inc.) and the compensation granted for it, no remuneration has been or will be paid by Siemens Energy AG under a contract of employment for managing board members until the Spin-off takes effect. For the period after the Spin-off takes effect, it is planned that the members of the managing board will receive compensation from Siemens Energy AG for their position as members of the managing board of Siemens Energy AG for the first time. It is intended that their work as managing directors of the General Partner GmbH shall be compensated by the managing board remuneration born by Siemens Energy AG from the Spin-off taking effect; as a consequence, the members of the managing board from this time on do not receive an additional remuneration for their work as managing directors of the General Partner GmbH.

The exact arrangement of this compensation system of the managing board members by Siemens Energy AG will comply with the recommendations of the German Corporate Governance Codex as published in the Federal Gazette on 20 March 2020 ("**DCGK**"). Subject to a resolution by the supervisory board of Siemens Energy AG, the compensation system shall be structured as follows:

The compensation for the members of the managing board is comprised of fixed and variable elements.

The fixed, non-performance-related compensation comprises a fixed basic salary, which is paid in 12 monthly instalments, as well as fringe benefits such as a company car, insurance allowances, and cost coverage for medical check-ups. In addition, the supervisory board decides on a yearly basis on a subsidy to the managing board members' pensions. Such subsidy may, at the sole discretion of the supervisory board, either be contributed towards a defined contribution pension plan (*beitragsorientierte Altersversorgung*) or be paid out in cash by way of a so-called "pension substitute". The value of such fringe benefits must not exceed a specific maximum as determined by the supervisory board in relation to the base salary. The basic compensation for the fiscal year 2021 amounts for Dr.-Ing. Christian Bruch to EUR 1,440,000 and for Dr.-Ing. Jochen Eickholt, Maria Ferraro and Tim Oliver Holt to EUR 720,000 respectively.

The variable, performance-related remuneration of the members of the managing board rewards performance and, with its short- and long-term components, supports the sustainable and value-creating development of the company. It consists of short-term variable remuneration in the form of a bonus and long-term variable remuneration in the form of stock awards.

- The short-term bonus honors the contribution to the operational implementation of the company's business strategy in a specific fiscal year. This contribution is measured by three equally weighted components: Return on capital employed, earnings margin (i.e. adjusted margin of the earnings before interest, taxes & amortization), and individual targets being of either financial or non-financial nature. For those individual targets, the supervisory board defines two to four focus criteria at the beginning of each fiscal year. The degree of target achievement may range from 0 % to 150 %. The degree of overall target achievement corresponds to the average of the degrees of target achievement of the three individual components. In the event of an overall target achievement of 100 %, the bonus to be granted in cash corresponds to the target amount. In the fiscal year 2021, this amounts for Dr.-Ing. Christian Bruch to EUR 1,440,000 and for Dr.-Ing. Jochen Eickholt, Maria Ferraro and Tim Oliver Holt to EUR 720,000 respectively.

- The long-term stock awards set incentives for the sustainable development of the business, by measuring the achievement of financial and non-financial targets over a four-year period. A specific target amount is set for each member of the managing board. The specific target amount for Dr.-Ing. Christian Bruch is EUR 1,920,000 and EUR 960,000 for Dr.-Ing. Jochen Eickholt, Maria Ferraro and Tim Oliver Holt, respectively. This target amount is multiplied in each case by a provisional maximum target achievement rate of 200 %. For this amount, each member of the managing board is yearly, for the first time in the fiscal year 2021, granted forfeitable stock awards, the specific number of which is calculated on the basis of the share price on the grant date, less discounted estimated dividends during the vesting period. After a vesting period of four years, each managing board member will be granted one Siemens Energy Share for each stock award, whereby the number of stock awards finally granted depends on the actual achievement of the following targets during the assessment period: Total shareholder return of Siemens Energy AG Shares plus paid dividends compared to competitors, i.e. change in the stock exchange price of the Siemens Energy shares in comparison to the change in value of comparative indices (40 %), earnings per share measured against previously set targets (40 %) and achievement of sustainability targets according to a specific Environmental, Social & Governance criteria (20 %). The degree of target achievement of the individual components may range from 0 % to 200 %. The overall target achievement corresponds to the weighted average target achievement of the individual components. If the actual degree of overall target achievement is less than 200 % after the four-year vesting period, a corresponding portion of the stock awards lapses without replacement and a smaller

number of shares is allocated. The Siemens Energy Shares allocated at the end of the vesting period are limited to 250 % of the target amount. Any excess stock awards will lapse without replacement. If commitments to receive shares in Siemens AG without an additional payment after the expiration of a vesting period (stock awards) have been or will be made to the members of the managing board of Siemens Energy AG for the fiscal year in which the spin-off takes effect, these commitments will expire without replacement upon the spin-off taking effect. If commitments to receive shares in Siemens Energy AG without an additional payment after the expiration of a vesting period (stock awards) have been or will be made to the members of the managing board of Siemens Energy AG for a fiscal year in which the spin-off will not yet take effect, such commitments will expire at the end of the fiscal year without replacement.

Both the bonus and the stock awards shall be subject to penalty (*malus*) and clawback provisions that allow variable remuneration which can be reduced or reclaimed under certain conditions, e.g. in the event of a determined compliance violation.

To ensure the long-term and sustainable focus of the compensation, the proportion of the long-term variable compensation significantly exceeds the share of the short-term variable compensation. If targets are achieved at 100 %, the share of basic compensation (i.e. fixed salary excluding fringe benefits and pension contributions) is approximately 30 %, short-term variable remuneration approximately 30 % and long-term variable remuneration 40 %. Each component is limited with regard to the maximum income. The maximum total remuneration of each member of the managing board is equal to the sum of the maximum amount of all compensation components for a respective fiscal year, the amount of which will be determined by the supervisory board on a yearly basis.

The members of the managing board of Siemens Energy AG were additionally promised a spin-off incentive by the General Partner GmbH. For details of this incentive, see Chapter XIII.1.l).

e) Supervisory Board of Siemens Energy AG

It is envisaged that the shareholders' meeting of Siemens Energy AG increases the size of the supervisory board to ten seats by way of change of the articles of association still before the Spin-off takes effect, and that, with effect as of the effectiveness of the Spin-off, the shareholders' meeting of Siemens Energy AG appoints the following persons as members of the supervisory board:

- Dr. Christine Bortenlänger,
- Sigmar Gabriel,
- Geisha Jimenez Williams,

- Joe Kaeser,
- Dr. Hubert Lienhard,
- Hildegard Müller,
- Laurence Mulliez,
- Matthias Rebellius,
- Prof. Dr. Ralf P. Thomas and
- Randy Zwirn.

Of the supervisory board members mentioned above, Joe Kaeser (CEO of Siemens AG), Prof. Dr. Ralf P. Thomas (CFO of Siemens AG) and Matthias Rebellius (COO Smart Infrastructure) are employed by the Siemens Group. It is planned to appoint Joe Kaeser as chairman of the supervisory board.

Upon the Spin-off taking effect, Siemens Energy AG as controlling entity of the Future Siemens Energy Group will constitute a supervisory board subject to parity co-determination pursuant to the provisions of the MitbestG. The managing board of Siemens Energy AG will initiate so-called status proceedings (*Statusverfahren*) pursuant to Sections 97 *et seqq.* AktG. Since Siemens Energy AG and the subordinated group companies, from the Spin-off taking effect, will generally employ more than 20,000 employees in German businesses pursuant to the provisions of the MitbestG, from this time onwards pursuant to Section 7 (1) sentence 1 no. 3 MitbestG, the supervisory board of Siemens Energy AG must be composed of ten supervisory board members each of the shareholders and the employees (pursuant to the provisions of the MitbestG, of the supervisory board members of the employees, seven will be employees of the company and three will be representatives of the unions represented in the Siemens Energy Group Companies).

Even before the Spin-off takes effect, the shareholders' meeting of Siemens Energy AG will resolve an amendment of the articles of association for the formation of a supervisory board pursuant to the provisions of the MitbestG. This amendment of the articles of association is only to be filed for registration with the register of companies upon the effective conclusion of the status proceedings (*Statusverfahren*). To ensure a seamless occupancy of the supervisory board in any case, already before the Spin-off taking effect, the shareholders' meeting of Siemens Energy AG will appoint ten shareholders' representatives of the co-determined supervisory board of Siemens Energy AG subject to the condition precedent of the registration of the amendment of the articles of association with the register of companies. These will be the same persons who were already elected as supervisory board members.

The employees' representatives shall be appointed by the court pursuant to Section 104 AktG as promptly as possible following the registration of the amendment of the articles of association with the register of companies.

It is envisaged that, upon the Spin-off taking effect, the supervisory board of Siemens Energy AG will issue rules of procedure taking into account, among other things, the recommendations of the DCGK.

The formation of committees exceeding the statutory minimum requirements is at the discretion of the future supervisory board. The members of the managing boards of both Siemens AG and Siemens Energy AG expect that the future supervisory board of Siemens Energy AG will not only take into account statutory requirements, but also the recommendations of the DCGK. According to current considerations, the following committees should be formed:

- Presumably, the supervisory board will elect from among its members an executive committee (*Aufsichtsratspräsidium*), which will also be assigned with the tasks of a personnel committee (*Personalausschuss*). The executive committee shall also be responsible for managing board matters and prepare supervisory board resolutions on the compensation of the managing board. The tasks of the executive committee will be defined by the rules of procedure of the supervisory board.

- Furthermore, an audit committee (*Prüfungsausschuss*) will be formed. Presumably, the tasks of the audit committee will predominantly be matters of accounting and audit, monitoring of governance functions (internal control system, risk management, internal audit and compliance) as well as the preparation of respective resolutions of the supervisory board.

- In addition, a nomination committee (*Nominierungsausschuss*) will be formed, which will be responsible for suggesting suitable candidates to the supervisory board for its election proposals to the shareholders' meeting for election to the supervisory board.

- Furthermore, an Innovation and Finance Committee (*Innovations- und Finanzausschuss*) is to be set up. In addition to discussing the company's innovation strategy, the Innovation and Finance Committee is expected to prepare the negotiations and resolutions of the supervisory board on the financial situation and resources of the company as well as on investments in property, plant and equipment and financial measures. In addition, it will presumably decide in place of the supervisory board on the approval of transactions and measures requiring approval below a certain threshold.

- Presumably, a separate committee will be formed for resolutions pursuant to Section 111b Paragraph 1 AktG (approval of related party transactions by the supervisory board).

- After termination of the status proceedings, the supervisory board of Siemens Energy AG will also form a conciliation committee within the meaning of Section 27 (3) MitbestG.

f) Statutory Auditor

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany was appointed as statutory auditor (*Abschlussprüfer*) and group auditor (*Konzernabschlussprüfer*) for the fiscal year 2020 and as auditor (*Prüfer*) for a potential audit review (*prüferische Durchsicht*) of the interim financial report (*Zwischenfinanzbericht*) for the first quarter of the fiscal year 2021.

g) Authorized Capital

It is intended that the future articles of association of Siemens Energy AG provide for an authorization of the managing board of Siemens Energy AG to increase the capital stock of the company, with the consent of the supervisory board, on one or more occasions until the end of 31 July 2025, by issuing new registered shares against contribution in cash or in kind up to a maximum amount of EUR 363,322,596 ("**Authorized Capital**" – *Genehmigtes Kapital*).

The authorized capital of Siemens Energy AG is intended to be resolved by the shareholders' meeting of Siemens Energy AG still prior to the Spin-off taking effect. The resolution shall only come into force when the Spin-Off Capital Increase becomes effective. The complete wording of the authorized capital is as part of the future articles of association of Siemens Energy AG attached to the Spin-off and Transfer Agreement as Annex 13.1. The Spin-off and Transfer Agreement is attached to this report. The provisions can be summarized as follows:

The new shares issued from authorized capital participate in profits from the beginning of the fiscal year in which they are issued. To the extent permitted by law, the managing board may, with the consent of the supervisory board, determine, with the exception of the provisions of Section 60 (2) AktG, that the new shares shall participate in profits from the beginning of a fiscal year which has already expired and for which, at the time of their issue, no resolution by the shareholders' meeting on the appropriation of the balance sheet profit has yet been adopted.

As a general rule, the shareholders of Siemens Energy AG are entitled to subscription rights under statutory law in case the proposed authorized capital is utilized. In addition to an issuing of the new shares directly to the shareholders, the authorized capital shall provide for the possibility to have the new shares assumed by credit institutions or by equivalent enterprises pursuant to Section 186 (5) sentence 1 AktG, subject to the obligation to offer the shares to the shareholders of Siemens Energy AG for subscription. The use of credit institutions or such equivalent enterprises pursuant to Section 186 (5) sentence 1 AktG as intermediaries merely serves the purpose of facilitating the technical processing of the share issue.

The authorization shall provide for the following exceptions from the subscription rights of the shareholders of Siemens Energy AG:

The managing board of Siemens Energy AG shall be authorized, subject to the consent of the supervisory board, to exclude the shareholders' subscription rights to grant employee shares (*Belegschaftsaktien*) to employees of the Siemens Energy AG and its affiliated companies. The new shares may also be issued through a credit institution or a company operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) KWG, which initially acquires these shares, which are ultimately to be offered exclusively to employees of Siemens Energy AG and its affiliated companies. To the extent permitted by law, the employee shares may also be issued in such a way that the contribution to be made to them is covered by that part of the net income for the year which the managing board and supervisory board could allocate to other revenue reserves in accordance with Section 58 (2) AktG. The issuing of employee shares to employees is an important instrument for employee retention and employee motivation. At the same time, the assumption of joint responsibility is encouraged.

The managing board of Siemens Energy AG is also to be authorized, with the approval of the supervisory board, to exclude the subscription right for the compensation of fractional amounts. This facilitates the utilization of the authorization by round amounts and simplifies the technical processing of the shareholders' subscription rights.

Furthermore, the managing board of Siemens Energy AG is to be authorized, with the approval of the supervisory board, to exclude the shareholders' subscription rights to offset dilutions of holders or creditors, respectively, of conversion rights (*Wandlungsrechte*) or options (*Optionsrechte)* regarding shares in the company or, as the case may be, conversion obligations (*Wandlungspflichten*) from bonds issued or guaranteed by the company or its subsidiaries by granting them subscription rights in the amount they would be entitled to after exercising those conversion obligations. This is envisaged to afford adequate and customary protection against dilution to the holders of such conversion rights or obligations. They are thus placed in the same position as if they were already shareholders. In order to be able to provide the bonds with such protection against dilution, the shareholders' subscription rights to these shares must be excluded.

In addition, the managing board of Siemens Energy AG is to be authorized, with the consent of the supervisory board, to exclude the subscription right pursuant to Section 186 (3) sentence 4 AktG in the event of a capital increase against cash contributions, in which the issue price of the new shares is not significantly lower than the market price of the company's shares already listed (so-called simplified exclusion of subscription rights - *erleichterter Bezugsrechtsausschluss*). With this authorization to exclude subscription rights in the case of capital increases in exchange for cash contributions, which is provided by statutory law, Siemens Energy AG will be enabled to quickly take advantage of favorable circumstances on the stock market and, thereby, to achieve an issue amount as high as possible as a result of the price determination close to the market – without a

discount for subscription rights – and thus to cover short-term capital requirements. This authorization to exclude subscription rights is limited to an amount that on aggregate must not exceed 10 % of the company's capital stock. The relevant value is the capital stock at the time this authorization takes effect or - if this value is lower - at the time this authorization is exercised. Since the Authorized Capital will only become effective with the effectiveness of the Spin-Off Capital Increase, the basis for the 10 % limit is the capital stock of Siemens Energy AG as increased by the Spin-Off Capital Increase in an amount of EUR 726,645,193, however limited, if this value should be lower, to 10 % of the capital stock existing at the time the authorization is exercised. Such shares are to be counted towards the 10 % limit which during the term of the authorized capital are otherwise issued or disposed of with an exclusion of subscription rights in application, directly or *mutatis mutandis*, of Section 186 (3) sentence 4 AktG. A corresponding crediting to the limit amount is conducted for shares which are or have to be issued or granted or for the fulfilment of convertible or warrant bonds which themselves were issued during the term of the authorized capital with an exclusion of the subscription right in application, *mutatis mutandis*, of Section 186 (3) sentence 4 AktG. Subscription rights may only be excluded if the issue price of the new shares is not significantly lower than the stock market price of the Siemens Energy Shares already listed. The managing board of Siemens Energy AG will make an effort to determine a possible discount on the stock market price as small as possible in accordance with the prevailing market conditions at the point in time of the placement. By the limitation of the number of shares to be issued and the obligation to determine the issue price of the new shares close to the stock price, the shareholders are sufficiently protected against a dilution of the value of their shares. At the same time, it is ensured that the cash flow to be received by the company is appropriate. Besides, shareholders wishing to maintain the proportion of their shareholding in the case of a capital increase with an exclusion of subscription rights generally have the opportunity to acquire the number of shares required therefor through the stock exchange.

Finally the managing board of Siemens Energy AG is to be authorized, with the consent of the supervisory board, to exclude the subscription right in case of a so-called stock dividend (*Aktiendividende*), in case of which the shareholders will be tendered to, as an alternative to a cash dividend, contribute their dividend right (in part or whole) into the company by way of contribution in kind against issuance of new shares from the authorized capital. The exclusion of subscription rights enables the stock dividend to be implemented under optimal conditions without impairing the equal opportunity to participate in the stock dividend.

The volume of shares that may be issued with the exclusion of subscription rights in accordance with all of the above circumstances is limited in such a way that the arithmetical portion of the capital stock attributable to such shares may not exceed a nominal amount of EUR 72,664,519. The capital stock attributable to such new shares, which are issued during the term of this authorization on the basis of another authorization or to be issued on the basis of conversion or option rights or conversion obligations from bonds, insofar as the Bonds have been issued during the term of this

authorization under exclusion of shareholders' subscription rights (for more information see Chapter X.4.h)), shall be counted towards this capital limit.

h) Authorization Pursuant to Section 221 AktG and Conditional Capital

Siemens AG has undertaken in § 13.3 of the Spin-off and Transfer Agreement to ensure that prior to the Spin-off taking effect the shareholders' meeting of Siemens Energy AG will authorize the managing board of Siemens Energy AG to issue convertible or warrant bonds pursuant to Section 221 AktG (*Wandel- oder Optionsschuldverschreibungen* – together "**Bonds**").

Accordingly, it is intended that the future articles of association of Siemens Energy AG provide for a conditional capital ("**Conditional Capital**" – *Bedingtes Kapital*) of up to a total of EUR 72,664,519. The application for registration of the conditional capital at the register of companies shall only be made after the Spin-Off Capital Increase has become effective and shall be valid until the end of 31 July 2025.

The exact wording of the intended authorization is attached to the Spin-off and Transfer Agreement as Annex 13.3, which in turn is attached to this Spin-off Report as Annex. The respective provisions can be summarized as follows:

Under the intended authorization the managing board of Siemens Energy AG may issue Bonds in the total value of up to EUR 4 billion and, in connection therewith, grant or impose, respectively, conversion or option rights and conversion obligations regarding registered no-par value shares in Siemens Energy AG with a *pro rata* amount of up to EUR 72,664,519 ("**Maximum Amount of Capital Stock**").

Alternatively, the Bonds may also be issued by a group company of Siemens Energy AG. In this case, the managing board of Siemens Energy AG may assume guarantees for bonds issued by group companies of Siemens Energy AG and grant or impose conversion or option rights and conversion obligations for Siemens Energy Shares on the holders or creditors of these bonds up to the Maximum Amount of Capital Stock. Additionally, the authorization provides for the possibility to, once or several times, issue subordinated or ordinary Bonds also simultaneously in different tranches.

Bonds may be issued for financing purposes (raise of debt or equity capital), but also for any other purpose, e.g., to optimize the capital structure of the company. They may be issued in return for cash and / or contributions in kind. In the case of warrant bonds, they can be issued against contributions in kind, provided the terms and conditions of the warrants provide for the option price per Siemens Energy share to be paid in full in cash when the warrants are exercised.

The holders or creditors, respectively, of convertible bonds shall, subject to the terms and conditions of the respective bond, have the right or obligation, respectively, to exchange their convertible bonds for shares in Siemens Energy AG. In case of warrant bonds, option rights are attached to each individual bond (*Anleihestück*), in particular in the form of one or several warrants (*Optionsscheine*) which entitle the holder or creditor, respectively, to receive Siemens Energy Shares, subject to the terms and conditions of the respective warrant bond. In each case, the conversion, exchange or allocation ratio, respectively, is calculated by dividing the nominal value, or, as the case may be, an issue price below the nominal value, of a warrant bond or, in case of the exercise of an warrant, of the payment owed under its respective terms, by the defined conversion or option price (*Wandlungs- oder Optionspreis*) for one Siemens Energy Share. The *pro rata* amount of the capital stock represented by the shares to be subscribed for each convertible bond or, in the event of a trade-in for a warrant bond, may not exceed the nominal value or, as the case may be, an issue price below the nominal value, of the Bonds.

The conversion/option price per share must not fall below 80 % of the price of a Siemens Energy Share in Xetra trading (or a comparable successor system), except in case of a conversion obligation. In the case of bonds with a conversion obligation, the conversion price can be at least either the aforementioned minimum price or the average volume-weighted price of the Siemens Energy Share on at least three stock exchange trading days in Xetra trading (or in a comparable successor system) immediately prior to the determination of the conversion price in accordance with the bond terms and conditions, even if this average price and the relevant conversion price derived from it is below the aforementioned minimum price (80 %). Section 9 (1) AktG and Section 199 (2) AktG remain unaffected.

The authorization shall also provide for the possibility to grant protection against dilution or to make amendments, subject to the terms and conditions of the respective Bond.

The conditions of issue and other terms and conditions of the bonds shall be determined by the managing board of Siemens Energy AG or, if applicable, in agreement with the respective issuing group company.

As a general rule, the shareholders of Siemens Energy AG are entitled to the statutory subscription right for Bonds carrying warrant or conversion rights or conversion obligations (Section 221 (4) and Section 186 (1) AktG). In order to facilitate the technical processing of the issue, it is intended to make use of the possibility to issue the Bonds to a financial institution or to institutions within the meaning of Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) Banking Act (Kreditwesengesetz), subject to the obligation to offer the Bonds to the shareholders in accordance with their subscription right (indirect subscription right pursuant to Section 186 (5) AktG).

The managing board of Siemens Energy AG is authorized, with the approval of the supervisory board, to exclude the subscription right of the shareholders in its entirety, if the Bonds are issued

against cash payment at an issue price which is not significantly lower than the market price of these Bonds as theoretically determined by generally accepted finance-mathematical methods. This awards Siemens Energy AG the opportunity to make use of favorable market opportunities at short notice and to obtain better conditions especially for the determination of the interest rate and the issue price of the Bonds by stipulating terms and conditions which are closer to the market environment. A stipulation of terms and conditions that are closely related to the market environment and a smooth placement would not be possible if the subscription right had to be observed. Section 186 (2) AktG allows for a publication of the issue price (and, thus, the terms and conditions of these Bonds) until the third last day of the subscription period. However, given the volatility of the equity markets that is often observable, there still exists a market risk for several days, leading to safety discounts when determining the conditions of the Bonds and hence resulting in in terms that are not close to market conditions. Furthermore, if the subscription rights are granted, a successful placement with third parties is made more difficult or entails additional efforts, given the uncertainty regarding the exercise of the subscription right (subscription behavior). Finally, if subscription rights were granted, Siemens Energy AG would be unable to react to favorable or unfavorable changes in market conditions on short notice because of the duration of the subscription period, but would be exposed to declining stock prices during the subscription period which may lead to Siemens Energy AG procuring capital on unfavorable terms.

Pursuant to Section 221 (4) sentence 2 AktG, the provision in Section 186 (3) sentence 4 AktG applies *mutatis mutandis* to this case of an exclusion of the subscription right in its entirety. According to the content of the resolution, the limit stipulated in this provision for the exclusion of the subscription right of up to 10 % of the capital stock has to be complied with. It is ensured by means of a respective stipulation in the authorization resolution that the limit of 10 % is neither exceeded in the case of a capital reduction, since it is expressly prohibited for the authorization to exclude the subscription right to exceed an amount of 10 % of the capital stock, both at the time of the becoming effective and – in the event that this value is lower – at the time of the utilization of the authorization. By means of the stipulation in the authorization resolution that the authorization is limited to 10 % of the capital stock at the time of the utilization of the authorization, it is ensured that the limit of 10 % is not exceeded in the case of a subsequent capital reduction, either. Such shares are to be counted towards the aforementioned 10 % limit which during the term of the authorization are issued or disposed of with an exclusion of subscription rights in application, directly or *mutatis mutandis*, of Section 186 (3) sentence 4 AktG. Also to be counted towards the aforementioned 10% limit are shares which have been or will be issued or granted, respectively, under a convertible or warrant bond which is issued during the term of this authorization and of which the terms and condition exclude the subscription right in *mutatis mutandis* application of Section 186 (3) sentence 4 AktG.

The other proposed cases in which the managing board may exclude the subscription right with the consent of the supervisory board serve only to simplify the issuing of Bonds. The exclusion of fractional amounts is reasonable and in line with market conditions in order to be able to establish

a practical subscription ratio. In addition, the potential dilution effect is generally very low due to the limitation to fractional amounts. The customary exclusion of the subscription right in favor of the holders or creditors of already issued bonds can be advantageous if the conversion or option price for the bonds already issued and regularly equipped with an anti-dilution mechanism does not need to be reduced.

In all the above-mentioned cases in which the issue of Bonds with an exclusion of subscription rights is permissible, there applies a uniform maximum volume based on the arithmetical proportion of the capital stock of the shares which are to be issued or granted on the basis of the Bonds issued with an exclusion of subscription rights. The calculated proportion of the capital stock of these shares may not exceed a nominal amount of EUR 72,664,519. The capital stock attributable to those new shares which are issued during the term of this authorization on the basis of other authorizations (such as the Authorized Capital described above under Chapter X.4.g)) with the exclusion of subscription rights or which are to be issued on the basis of conversion or option rights or conversion obligations from Bonds, shall be counted towards the aforementioned capital limit, provided that the Bonds were issued during the term of this authorization with the exclusion of shareholders' subscription rights.

i) Authorization to Acquire and Use Treasury Shares

In § 13.2 of the Spin-off and Transfer Agreement, Siemens AG undertook to ensure that, prior to the Spin-off taking effect, the shareholders' meeting of Siemens Energy AG authorizes the managing board of Siemens Energy AG pursuant to Section 71 (1) no. 8 AktG to, until the end of 31 July 2025, acquire treasury shares up to the amount equivalent to the lower of 10 % of the company's capital stock at the time of the authorization or at the time the authorization is utilized. The resolution of the shareholder's meeting of Siemens Energy AG is not to take effect until the implementation of the Spin-off Capital Increase takes effect, so that the aforementioned 10 % limit at the time the authorization takes effect must already be based on the increased capital stock of Siemens Energy AG.

As part of the corporate law bundling of the Siemens Energy Business under Siemens Energy KG, Siemens AG has provided Siemens Energy KG with liquid funds, which included an amount of EUR 393 million intended for the implementation of a share buyback program of Siemens Energy AG shortly (a period of presumably six months is envisaged) after the shares of Siemens Energy AG have been admitted to the stock exchange. The shares thus acquired shall be used for the implementation of stock-based payment programs of the Future Siemens Energy Group (for this see below; see Chapter V.1.d)) for details of the bundling of the Siemens Energy Business under Siemens Energy KG).

The exact wording of the envisaged authorization is attached as Annex 13.2 to the Spin-off and Transfer Agreement, which in turn is attached to this Spin-off Report as Annex. The provisions can be summarized as follows:

The sum of the treasury shares acquired under the authorization and any other treasury shares possibly acquired for any other reason which are held by, or which pursuant to Sections 71d and 71e AktG are to be attributed to, Siemens Energy AG shall together never exceed the equivalent of 10 % of the capital stock of Siemens Energy AG.

To ensure sufficient flexibility for Siemens Energy AG, the authorization shall provide for an acquisition via a stock exchange, by public purchase offering (*öffentliches Kaufangebot*) as well as by public exchange offering (*öffentliches Tauschangebot*). The managing board shall be able to determine the details of the respective acquisition rights or of potential tender rights (*Andienungsrechte*). In the event the number of Siemens Energy Shares offered for sale or exchange exceeds the intended acquisition volume, the tender right of the shareholders may be excluded in the manner that the company only acquires a portion of the shares offered or tendered, respectively, by a shareholder. Such portion shall be equivalent to the ratio of the shares offered or tendered, respectively, by all shareholders to the initially intended acquisition volume. In addition, provisions for a preferred consideration of low quantities up to 150 Siemens Energy Shares offered or tendered, respectively, per shareholder as well as rounding in accordance with standard commercial practice may be made.

The authorization shall provide for the use for any permissible purpose. This includes, *inter alia*, the disposal via stock exchanges or by public offering to all shareholders and the cancellation (*Einziehung*) of the shares – with our without reduction of capital.

In addition, the authorization provides for special uses in which the shareholders' subscription rights to acquired treasury shares are excluded:

The treasury shares acquired shall be usable under exclusion of subscription rights in connection with stock-based compensation programs or employee share programs of Siemens Energy AG or its affiliates and issued to persons who have or had an employment relationship with the company or an affiliate of the company as well as to members of executive bodies (*Organmitglieder*) thereof. In particular, they may be offered, pledged and transferred to such persons either against cash or for free, subject to the employment relationship or membership in the executive body, respectively, is still existing at the time of the offering, pledge or transfer.

The issue of shares to employees of Siemens Energy AG or its affiliated companies and to members of the executive bodies of companies affiliated with Siemens Energy AG is intended to strengthen the identification of the aforementioned persons with Siemens Energy. They should be bound to the company and participate as shareholders in its long-term development. In the interests of the

company and its shareholders, this is intended to strengthen understanding and the willingness to assume greater, above all economic, joint responsibility. The issue of shares also makes it possible to create structures with a long-term incentive effect, in which not only positive but also negative developments can be taken into account. For example, the granting of shares with a lock-up or blocking period or with holding incentives allows a *malus* effect in the event of negative developments in addition to the bonus. It is thus intended to provide an incentive to ensure a sustained increase in value for the company. For stock-based payment programs planned in the Future Siemens Energy Group, see Chapter X.4.j).

In addition, the resolution provides for an authorization of the supervisory board to use treasury shares under exclusion of the subscription right to service or to secure acquisition obligations or rights of members of the managing board that were agreed with them in the context of their remuneration arrangements and to offer, promise and transfer the shares to members of the managing board of Siemens Energy AG. This enables the implementation of stock-based remuneration components for members of the managing board. Stock-based remuneration components for members of the managing board are intended to link the amount of their remuneration to the success that shareholders of Siemens Energy AG achieve with their investment in the company. They are recommended by the DCGK. See the explanation in Chapter X.4.d) for the remuneration system envisaged for members of the managing of Siemens Energy AG.

Additionally, with the approval of the supervisory board, it is to be possible to sell acquired treasury shares against cash payment excluding subscription rights. The prerequisite for such a sale is that the selling price is not significantly lower than the stock market price of a Siemens Energy Share. The possibility of selling acquired treasury shares for cash, excluding shareholders' subscription rights, serves the company's interest in achieving the best possible price when selling treasury shares. The exclusion of subscription rights enables a placement close to the stock market price, so that the discount typical in subscription right issues is not applicable. Compared with a sale of the shares over a longer period of time on the stock exchange, this procedure leads to an immediate inflow of funds and avoids the uncertainties of future stock market developments for the total purchase price received. The company is put in a position to quickly, flexibly and cost-effectively take advantage of opportunities that arise within the circumstances of the respective stock market conditions. The arithmetical proportion of the capital stock attributable to the shares sold under such a simplified exclusion of subscription rights may not exceed a total of 10 % of the capital stock at the time of the authorization becoming effective (in the present case, this will be after the Spin-off Capital Increase becomes effective, so that the correspondingly increased capital stock must be taken as a basis) or - if this value is lower - at the time the authorization is exercised. Shares are counted towards the aforementioned 10 % limit, which are otherwise under the exclusion of subscription rights being issued during the term of the authorization in direct or analogous application of Section 186 (3) sentence 4 AktG. Additionally, shares have to be counted towards, which have been issued or granted or will be issued or granted because of a convertible bond or an

option bond which was issued during the term of this authorization under the exclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG. By basing the selling price on the stock exchange price, the idea of protection against dilution is taken into account and the shareholders' interests in assets and voting rights are adequately safeguarded. When determining the final selling price, the management will endeavor to keep any discount on the stock exchange price as low as possible - taking into account current market conditions. In principle, the shareholders have the opportunity to maintain their shareholding quota by purchasing Siemens Energy Shares on the stock exchange at comparable conditions, while the company is given further scope for action in the interests of the shareholders.

Also, under exclusion of subscription rights, the use of treasury shares to service or to secure acquisition obligations or acquisition rights with respect to Siemens Energy Shares, in particular out of and in connection with, convertible / warrant bonds (*Wandel- / Optionsschuldverschreibungen*) issued by the company or its affiliates shall be permitted. This is required to be able to use treasury shares also to comply with acquisition obligations or rights in connection with convertible / warrant bonds issued by the company or its affiliates. Furthermore, it should be possible to exclude the subscription right in order to grant subscription rights to the holders or, as the case may be, creditors of conversion or option rights for shares in the company or corresponding conversion obligations to compensate for dilution to the extent to which they would be entitled after already having exercised these rights or fulfilled these obligations, and to use treasury shares to cover such subscription rights. In this way, the holders or obligors of such option or conversion rights or conversion obligations are to be granted appropriate and customary protection against dilution. They are thus put in the same position as if they were already shareholders. In order to be able to provide the bonds with such dilution protection, the shareholders' subscription rights to these shares must be excluded.

The authorization is also intended to enable the managing board to use treasury shares for listing on foreign stock exchanges where the company's shares are not yet listed. The company faces intense competition on the international capital markets. The ability to raise equity capital on these markets at reasonable conditions at any time is of great importance for future business development. The possible introduction of the share on foreign stock exchanges serves this purpose, as it broadens the shareholder base abroad and increases the attractiveness of the share as an investment object. The proposed exclusion of subscription rights creates the possibility of such a listing on foreign stock exchanges. In order to protect the interests of the shareholders, the price at which these shares are introduced on foreign stock exchanges may not be more than 5 % below the arithmetic mean of the prices of the company's no-par-value shares in the closing auction in Xetra trading (or a corresponding successor system) on the Frankfurt stock exchange during the last three trading days prior to the date of introduction on the foreign stock exchange, not including incidental acquisition costs.

Finally, in the case of an offer to acquire treasury shares to all shareholders, the subscription right for fractional amounts can be excluded. This enables the use of the authorization with round amounts and facilitates the handling of the shareholders' subscription right.

j) Stock-Based Compensation Programs and Employee Participation Programs

To have the members of the managing board and other executives and employees of the Future Siemens Energy Group participate in the long-term and sustainable success of the business, and to carry on the ownership culture as lived at Siemens Group, stock-based compensation programs and employee participation programs shall be implemented in the Future Siemens Energy Group. In doing so, the Future Siemens Energy Group is continuing the long tradition of stock-based compensation programs and employee participation programs in the Siemens Group.

In particular, the introduction of a share matching program, the granting of stock awards and commitments to grant jubilee shares (*Jubiläumsaktien*) are planned and commitments to a one-time spin-off incentive have been granted or are planned.

Under the share-matching program, members of executives bodies (*Organmitglieder*) and employees of the Future Siemens Energy Group, with the exception of the managing board of Siemens Energy AG, may invest part of their income in Siemens Energy Shares, whereby they will receive – to the extend that they are employed as of certain predetermined effective dates by Siemens Energy AG or any other Future Siemens Energy Group company with registered office in Germany participating in the programs – in respect of an investment of EUR 100 for every acquired Siemens Energy Share, additionally two further shares (matching shares) and, in the case of a further investment of EUR 160 for every acquired Siemens Energy Share, additionally one further matching share; the acquired and the additional matching shares are not subject to any holding or vesting period. By this arrangement, an application of Section 3 no. 39 EStG regarding the tax exemption of benefits of employees within the scope of a current employment relationship from the gratuitous transfer of asset shares in the employer's company, provided that the total benefit does not exceed EUR 360 per calendar year shall be enabled. In respect of any investment beyond that and in respect of members of corporate bodies and employees who are employed on the relevant effective dates by any group company with registered office abroad participating in the programs, they will receive additionally one further matching share for every three Siemens Energy shares acquired; in this regard, both the acquired and the additional matching shares are subject to a vesting period of one year. The share-matching program is intended to strengthen the identification of the employees of the Future Siemens Energy Group with the interests of the Future Siemens Energy Group.

In addition to the share-matching program, in which the managing board of Siemens Energy AG does not participate, certain senior executives – like the managing board of Siemens Energy AG as well (regarding the remuneration program of the members of the managing board in the form of

stock awards refer to Chapter X.4.d) – are to receive a part of their remuneration as long-term stock-based compensation (stock awards), which will be subject to a four-year vesting period. The granting of stock awards strengthens the interest of the members of the managing board of Siemens Energy AG and other executives in a long-term increase in the value of the company. Furthermore, the identification of the beneficiaries with the interests of the capital owners and the ownership culture will be strengthened. When the stock awards are fulfilled, the company's development on the capital market in relation to its competitors, the financial development of Siemens Energy AG as well as the performance of the Siemens Energy AG regarding environmental, social and governance criteria shall be taken into account.

Also envisaged are the assignment of stock awards, whose fulfillment does not depend on the achievement of defined goals, as compensation component for the rest of the senior management and other selected members of executives bodies and employees as well as exceptional assignments for special achievements or projects, the latter of which may be assigned to any member of executives bodies and employee also more than once per fiscal year, except for the members of the managing board of Siemens Energy AG. Such stock awards are to be fulfilled one quarter each after the first year, the second year, the third year and the fourth year, respectively; one Siemens Energy Share per stock award is to be delivered (or, at the company's discretion, the corresponding amount is to be paid in cash instead).

For members of executive bodies and employees, who will be employed in a Siemens Energy Group Company with its registered office in Germany, a jubilee share program shall be launched under entitled employees shall receive jubilee shares at certain service anniversaries. The time of service in the Siemens Group is taken into account for such service anniversaries.

Subject to the condition of the successful, timely Spin-off and the IPO certain members of executive bodies and employees of the Future Siemens Energy Group, who have contributed significantly to the successful Spin-off, received a one-time spin-off incentive, which – unlike the spin-off incentive for the managing board of Siemens Energy AG – is structured as follows. The spin-off incentive consists of two elements: a short-term cash component (bonus), which will be paid after effectiveness of the Spin-off and which is equal to 25 % of the target amount and a long-term stock based component which is equal to 75 % of the target amount and due after a three-year vesting period after effectiveness of the Spin-off. The target amount equals a certain percentage of the beneficiary's basic remuneration. The long-term stock based component depends positively and negatively on the development of the share price of the Siemens Energy share in the three years following the IPO and is generally fulfilled in the form of Siemens Energy Shares. In case the share price doubles during this period, it can amount to a maximum total inflow from the spin-off incentive of 4.75 times the target amount. In general, the prerequisite is that the respective Beneficiary is employed by the Future Siemens Energy Group at the time of performance. In

relation to all Beneficiaries, this can presumably lead to a total inflow of a maximum of approximately EUR 100 million.

In addition, the Future Siemens Energy Group plans to grant commitments to other members of executive bodies and employees of the Future Siemens Energy Group to receive shares as part of a one-time spin-off incentive on the occasion of the initial listing. The target amount for this spin-off incentive equals 3 % of the gross annual income of the respective Beneficiary with 100 % target achievement. The number of shares to be granted is dependent on the development of the share price of the Siemens Energy share in the three years following the IPO. The maximum value of Siemens Energy shares granted is six times the target amount if the share price doubles. In general, the prerequisite for the granting of stocks is that the respective Beneficiary is employed by the Future Siemens Energy Group at the time of performance. In relation to all Beneficiaries, this can presumably lead to a total inflow of a maximum of approximately EUR 680 million.

In order to procure the shares required to service the stock-based payment programs and employee participation programs, the authorization to acquire and use treasury shares described in Chapter X.4.i) shall be exercised.

XI. Relationships between the Future Siemens-Group and the Future Siemens Energy-Group after the Spin-off

Certain legal and commercial relationships will exist between the Future Siemens-Group and the Future Siemens Energy-Group after the Spin-off takes effect. These relationships will be described in the following:

1. Relationships under Corporate Law and Deconsolidation Agreement

After the Spin-off taking effect Siemens AG will initially remain a non-controlling anchor shareholder in Siemens Energy AG with a 35.1 % shareholding directly and indirectly via SBI GmbH. Additionally, SPT e.V. will hold a 9.9 % stake in Siemens Energy AG. With the strategic and operational development of Siemens Energy AG and Siemens AG, Siemens AG intends to reduce its stake in Siemens Energy AG significantly in a timeframe of twelve to 18 months after the Spin-off taking effect. The Future Siemens-Group will thus in total be the largest individual shareholder of Siemens Energy AG. In the Deconsolidation Agreement entered into between Siemens AG, SBI GmbH and Siemens Energy AG, Siemens AG and SBI GmbH have undertaken not to exercise some of their voting rights arising from their participation in Siemens Energy AG (see Chapter XIII.3.).

Furthermore, there will be, at least temporarily, the following corporate interrelationships between the Future Siemens Energy Group and the Future Siemens Group:

- The Future Siemens Energy-Group will have a participation of 24 % in Siemens Ltd., India, and the Future Siemens Group of approximately 51 % (for further details see Chapter III.2.c)).
- In Siemens Gas and Power Holding B.V., in which the respective Local Siemens Energy Business of a large number of countries has been bundled, the Future Siemens Group will initially hold a minority participation of up to 1.7 % (for further details see Chapter V.1.c)).
- After the Spin-off takes effect, Siemens AG will still hold an interest in the amount of 11 % of the fixed capital of Siemens Gas and Power Real Estate GmbH & Co. KG, while the remaining majority interest in Siemens Gas and Power Real Estate GmbH & Co. KG will be held by the Future Siemens Energy Group (for further details see Chapter V.1.b)).

For those countries in which the Local Siemens Energy Business has not been legally separated from the other local business activities of the Siemens Group, agency agreements or comparable agreements will be concluded, which will continue to exist after the Spin-off takes effect (for further details Chapter III.2.c)).

2. Master Separation Agreement and Group Separation Agreement

On 31 March 2020, Siemens AG and Siemens Energy KG concluded a framework agreement (a so-called "**Master Separation Agreement**") to address certain consequences arising from the Carve-out of the Siemens Energy Business. Pursuant to the Master Separation Agreement, Siemens AG and Siemens Energy KG ensure the fulfillment of the obligations of their respective subsidiaries under the Carve-out related agreements and are each jointly and severally liable with their respective obligated subsidiaries. The framework agreement also contains indemnification commitments of Siemens AG and Siemens Energy KG with regard to the separation of the Siemens Energy Business from the other Siemens businesses. For the assertion of indemnification claims, a mechanism for pooling of claims was established at the level of the parties to the Master Separation Agreement.

The Master Separation Agreement also sets out the framework for the separation of the financing of the Future Siemens Energy Group from the Future Siemens Group and the handling of securities for the Siemens Energy Business (for further details see Chapters V.3. and XI.6.).

Furthermore, the Master Separation Agreement contains provisions regarding service agreements for a transitional period of generally twelve months following the Loss of Control, data separation and migration, real estate and rental agreements, stock-based participation programs, taxes, insurance, certain separation costs and future cooperation.

Moreover, at the same time as the Spin-off and Transfer Agreement is concluded, Siemens AG and Siemens Energy AG have entered into a certain Group Separation Agreement which governs the legal relations between Siemens AG and Siemens Energy AG for the period from the closing of the Spin-off and the resulting division of the Siemens Energy Business, including Siemens Energy AG, from the Siemens Group (for further details see Chapter XIII.4.).

3. Trademark License Agreements

a) Trademark License Agreement with Siemens Energy KG

A new trademark license agreement between Siemens AG and Siemens Energy KG will enter into force upon the Loss of Control ("**Trademark License Agreement**"). After the Spin-off has taken effect, the agreement may be transferred to Siemens Energy AG with the approval of Siemens AG, whereby Siemens AG may not withhold its approval without reasonable cause.

Under this Trademark License Agreement, Siemens AG grants Siemens Energy KG the exclusive right to use the combination "Siemens Energy" in the company name and as a company and product trademark for activities within the current Siemens Energy Business area as it was operated / fixed as of 1 October 2019 (including certain products and services that are the subject of research and

development activities ongoing at that time) and defined in the contribution agreement for the German Siemens Energy Business Operations (with the exception of the business area of SGRE) ("**Licensed Siemens Energy Business Area**").

Also outside of the Licensed Siemens Energy Business Area, Siemens AG will neither use nor otherwise license the "Siemens Energy" trademark. Subject to differing arrangements with third parties, the Trademark License Agreement does not, however, prevent Siemens AG from operating in the future under the trademark "Siemens" with or without further additions (with the exception of the addition "Energy") in the Licensed Siemens Energy Business Area or future business areas of Siemens Energy KG.

For the duration of the Trademark License Agreement, Siemens Energy KG is obliged to use the designation "Siemens Energy" as the company name and the trademark "Siemens Energy" in the Licensed Siemens Energy Business Area at all application levels (company and product trademark). Business conducted under third-party trademarks (e.g. "Guascor" or "Trench") at the time of the signing of the Trademark License Agreement shall continue to be managed separately. With respect to the business managed under "Dresser-Rand", Siemens Energy KG is free to either continue to manage this business separately or to convert it to "Siemens Energy". In the event that Siemens Energy KG, within the Licensed Siemens Energy Business Area, acquires a business from a third party or forms a joint venture over which it has control, then Siemens Energy KG may decide, at its own discretion, whether the newly acquired business shall use the "Siemens Energy" trademark under the conditions set forth above or whether the business shall be conducted within a separate company without the use of the designation "Siemens Energy". To the extent that Siemens Energy KG opens new business areas outside of the Licensed Siemens Energy Business Area, either through organic growth or acquisitions, the parties, upon the request of Siemens Energy KG, shall discuss an expansion in good faith. Siemens AG may not unreasonably withhold its consent, provided, however, that the Trademark License Agreement contains detailed provisions which set forth the conditions under which Siemens AG may provide its consent for the expansion of the business area. If Siemens AG does not approve the use of the trademark, Siemens Energy KG may only operate in the new business area through a separate company, which is not entitled to use the name and trademark "Siemens Energy".

Siemens Energy KG is entitled and – with the exception of the above-mentioned business conducted under third-party trademarks – obligated to grant a sublicense to affiliated companies, including Siemens Energy AG, for the use of the "Siemens Energy" trademark in accordance with the provisions of the Trademark License Agreement and to ensure that they are obligated to use the designation "Siemens Energy" in the Licensed Siemens Energy Business Area.

Siemens Energy KG pays margin-based royalties for the use of the "Siemens Energy" trademark. These royalties depend on the EBITA margin of the Future Siemens Energy Group (excluding SGRE), as adjusted for certain special items as set forth in the Trademark License Agreement, and

ranges between 0.3 % (if the adjusted EBITA margin is less than or equal to 6.5 %) and 1.2 % (if the adjusted EBITA margin is equal to or greater than 9 %) of sales revenues (excluding value added tax) generated with products and services under the "Siemens Energy" trademark or, until the transition to the "Siemens Energy" trademark, under the "Siemens" trademark. Based on a linear projection for the entire fiscal year 2020 of the semi-annual figures of the combined financial statements for the first half-year (ending on 31 March 2020), the license fee to be paid by Siemens Energy KG for fiscal year 2020 would be in the mid-double-digit million Euro range. The adequacy of the license fee shall be reviewed at regular intervals.

The Trademark License Agreement has a fixed initial term of ten years. If the Trademark License Agreement is not terminated in due time with a three-year notice period, the term is automatically extended by a further three years in each case.

Siemens AG may terminate the Trademark License Agreement with immediate effect, subject to a notice period of three months following the occurrence of a terminating event as set forth below. Thereafter, a three-year (or in the case of a termination under (ii) below, a two-year) transition period for the use of the trademark and name “Siemens Energy” shall commence. Such an extraordinary right of termination exists in particular, if:

- (i) Siemens AG (directly or indirectly) holds less than 25 % of the shares in Siemens Energy AG after the expiration of three years after the Trademark License Agreement has taken effect (whereby shares transferred to a trustee, e.g. in the case of the SPT e.V. for the coverage of pension obligations, shall not be taken into account);

- (ii) another shareholder who is in substantial competition with a business of the Future Siemens Group holds more than 15 % of the shares in Siemens Energy AG;

- (iii) a Sovereign Wealth Fund or a financial investor holds (directly or indirectly) more than 25 % of the shares in Siemens Energy AG;

- (iv) another shareholder holds (directly or indirectly) more than 25 % of the shares in Siemens Energy AG or has control over Siemens Energy AG; or

- (v) Siemens Energy KG is no longer an affiliated company of Siemens Energy AG or Siemens Energy AG no longer uses the designation "Siemens" in its company name.

In addition, Siemens AG may terminate the Trademark License Agreement with immediate effect for a material reason under application of contractually determined transition periods in the case of an objective unreasonableness of continuing the contract, if the Future Siemens Energy Group commits a material contractual breach by not complying with certain best industry practices as set forth in the Trademark License Agreement (such as the obligation to establish and maintain a

compliance system in line with industry standards) and such breach cannot be remedied as provided for in the Trademark License Agreement's escalation mechanism.

Moreover, either party may terminate the Trademark License Agreement with immediate effect and a contractually defined transition period based on the reason for termination in the case of an objective unreasonableness of continuing the contract, if the other party has committed a material breach, which upon the completion of the escalation process defined in the Trademark License Agreement could not be remedied. Furthermore, either party may terminate the Trademark License Agreement with immediate effect and a contractually defined transition period in the case of an objective unreasonableness of continuing the contract, if, in the view of the party, the reputation of the "Siemens" trademark is being materially harmed by the actions of the other party or a third party and the required crisis communication and escalation mechanism could not be successfully completed or the reputational risk could not be resolved. The contract also contains other industry standard termination rights, for example in the case of insolvency. The Trademark License Agreement between Siemens AG and Siemens Energy KG does not specify a termination right for the case that the Trademark License Agreement between Siemens AG and SGRE S.A. is terminated.

b) Trademark License Agreement with SGRE S.A.

Siemens AG and SGRE S.A. have entered into a separate trademark license agreement regarding the use of the trademark "Siemens Gamesa", which will replace the currently existing Trademark License Agreement upon the Loss of Control of Siemens AG over SGRE S.A. The new trademark license agreement contains largely similar conditions to those contained in the Siemens Energy trademark license agreement. As with the previously existing arrangement, SGRE S.A. is not obligated to pay a license fee.

Siemens AG grants SGRE S.A. further the exclusive right to use "Siemens Gamesa" in both company names and as company and product trademark and "SGRE" as the abbreviation of the company name. The scope of the trademark license partially extends beyond the existing trademark license agreement. SGRE S.A. is obligated to the same extent to use the designation "Siemens Gamesa" as company name and the trademark "Siemens Gamesa" at all levels of application (company brand and product trademark). The products and services of Gamesa Electric and Gamesa Gearbox continue to be excluded. Should SGRE S.A. open new business areas outside of the defined scope, Siemens AG, upon the request of SGRE S.A., shall decide in good faith whether to consent to a potential extension of the right to use to such business areas. To the extent that Siemens AG does not consent to trademark use for the new business areas, SGRE S.A. may only engage in the new business areas through separate companies, which do not use the name or trademark "Siemens Gamesa".

The trademark license agreement has a fixed initial term of ten years and is extended automatically by a further three years in each case unless terminated in due time with three years' notice. Siemens AG may terminate the trademark license agreement for the use of the name and trademark "Siemens Gamesa" with immediate effect, subject to a transition period of three years, within three months of the occurrence of the following reasons for termination:

- (i) the trademark license agreement between Siemens AG and Siemens Energy KG is terminated;
- (ii) SGRE S.A. is no longer directly or indirectly controlled by Siemens Energy AG; or
- (iii) SGRE S.A. no longer uses the designation "Siemens" in its company name.

In addition, as with the trademark license agreement with Siemens Energy KG, there are extraordinary termination rights for Siemens AG if certain best industry practices are not complied with, and for both parties in the case of reputational risks, whereby an effective termination always presumes that despite the execution of the escalation mechanism the respective breach could not be remedied and a continuation of the contract would be objectively unreasonable for the terminating party. In addition, SGRE S.A. can terminate the trademark license agreement with immediate effect and a transition period of three years if Siemens AG offers certain products or services under the trademark of "Siemens", which affect the defined core business area of SGRE S.A.

4. Service Agreements

After the Carve-out of the Siemens Energy Business and the Spin-off have taken effect, Siemens Energy KG and other companies of the Future Siemens Energy Group will continue to receive services from the Future Siemens Group for a transitional period until the Future Siemens Energy Group has successfully established its own departments and functions; certain services will probably be provided on a long-term basis to the Future Siemens Energy Group by means of outsourcing arrangements. In this regard, Siemens AG and various Future Siemens Group Companies have entered into service agreements with Future Siemens Energy Group Companies effective as of the Loss of Control. With some exceptions, these service agreements generally have terms of between twelve and 36 months. The respective Future Siemens Energy Group Companies have requested the conclusion of corresponding contracts depending on their needs. All contracts were concluded under standard market conditions.

In particular the following contracts were concluded before 31 March 2020.

- Transitional Services Agreements (*Übergangsdienstleistungsverträge*) essentially refer to services provided by the Siemens information technology departments. The terms are up to 36 months.

- Furthermore, there are long-term service agreements for various topics. These include *inter alia*:

  - A framework agreement with the Siemens "Global Business Services" unit for the provision of services in the areas of human resources and accounting, purchasing, sales & marketing support as well as project & transformation management. The framework agreement and the local adoption agreements (*lokale Ausführungsverträge*) concluded under it are designed for a term of at least 36 months following Loss of Control.

  - Human resources agreements focusing on human resources IT processes, health management and safety, as well as training over a period of up to 36 months.

  - Agreements with the Siemens "Communications" unit and agreements with the "Strategy, Transformation and Organization" unit over a period of 24 to 36 months.

  - Agreements with the Siemens "Security" unit over a period of 36 months

  - Agreements with the Siemens "Corporate Technology, CT" unit of Siemens AG concerning services in the area of research and development, cybersecurity and patent management with an expected term of 24 to 36 months.

  - Agreements on procurement pooling and procurement services over a term of 36 months.

  - A framework agreement with the Siemens "Siemens Advanta" unit in order to render services in the area of research, development and engineering. The framework agreement and the Local Adoption Agreements concluded thereunder are designed to run until at least 31 March 2024.

The total volume of Transitional Services Agreements and long-term service agreements over the entire term of the contracts amounts to a cumulative amount of approximately EUR 1 billion.

In some cases, it was agreed that the respective Future Siemens Energy Group Companies will have to assume employees of the service provider concerned when the respective service agreements expire (for information on the transfer of employees, see Chapter V.4.).

In addition, certain already existing service agreements between SGRE and the Future Siemens Group Companies shall continue to exist following the Spin-off taking effect. The service agreements were each entered into on standard market terms and conditions. This applies on the one hand to services during the transition period (transitional service agreements), in particular in the area of IT and human resources and, on the other hand, additional service agreements, in particular in the area of procurement.

5. Rental Agreements

Rental agreements for production, manufacturing, storage, office and other commercial space have been concluded between Future Siemens Group Companies (as landlords) and Future Siemens Energy Group Companies (as tenants) under standard market conditions and will continue to exist after the Spin-off takes effect. This applies to a total area of approximately 450,000 square meters in approximately 250 properties worldwide. The total rental expenses of the Future Siemens Energy Group including operating and ancillary costs as well as the related services in the fiscal year 2019 under rental agreements with Future Siemens Group Companies amounted to approximately EUR 90 million. It is expected that the figures for the fiscal year 2020 will be slightly higher due to additional space for transferred employees from central functions. The most important agreements relate to sites in Germany (in particular Berlin and Erlangen).

Furthermore, lease-back agreements have been concluded between Future Siemens Group Companies (as tenants) and Future Siemens Energy Group Companies (as landlords) for parts of the commercial properties transferred to Future Siemens Energy Group Companies under standard market conditions. These lease-back agreements will also remain in effect after the Spin-off becomes effective. This relates to a total area of approximately 100,000 square meters worldwide. The total rental expenses of the Future Siemens Group under these lease-back agreements amount to estimated EUR 20 million in the fiscal year 2020.

Moreover, there are some properties that are rented by Future Siemens Group Companies and sublet in whole or in part to Future Siemens Energy Group Companies. As long as a transfer of the main rental agreements to the respective Future Siemens Energy Group Company in the course of the Spin-off is not possible due to a lack of consent of the landlords, these subleases will be continued to the extent contractually permissible.

6. Financing / Treasury / Insurance

In connection with the Spin-off taking effect, the Future Siemens Energy Group will be separated from the currently existing financing structures of the Siemens Group (in this regard see Chapter V.3.). However, certain arrangements in the areas of financing, treasury and insurance will continue to exist between the Future Siemens Group and the Future Siemens Energy Group.

a) Financing

In connection with the Spin-off taking effect, the Future Siemens Energy Group will secure its financing independently. Existing financing by Siemens AG and the Future Siemens Group is to be replaced by the Future Siemens Energy Group (for the preparatory steps, see in detail Chapter V.3.a)). After the Spin-off taking effect and all existing financing arrangements involving the Future Siemens Group Companies have been replaced by the Future Siemens Energy Group

Companies, there will basically be no further financing arrangements between the Future Siemens Group and the Future Siemens Energy Group.

b) Cash Management and Cash Pooling

The system of intercompany clearing accounts and cash management (including cash pooling) between the Future Siemens Energy Group on the one hand and the Future Siemens Group on the other hand will be terminated in connection with the Spin-off taking effect. Therefore, the balances from the cash management system between Siemens AG and Siemens Energy KG existing at the time of termination are settled via external bank accounts. Siemens Energy KG will operate its own cash management system for the future Siemens Energy Group on the basis of the clearing star (*Verrechnungsstern*) already set up as part of the Carve-out (in this regard see in detail Chapter V.3.b)).

c) Currency, Interest Rate and Commodity Price Hedging Derivatives

At the latest when the Spin-off taking effect, the Future Siemens Energy Group will independently enter into its currency, interest rate and commodity price hedging derivatives (*Währung-, Zins- und Rohstoffpreissicherungsderivate*). The currency, interest rate and commodity price hedging transactions concluded by the individual Future Siemens Energy Group Companies with the Future Siemens Group Companies will be terminated or novated in connection with the Spin-off taking effect (in this regard see in detail Chapter V.3.c)).

The Future Siemens Energy Group Companies and the Future Siemens Group Companies may conclude agreements deviating from the approach above. In particular, it may be agreed that certain currency transactions, the term of which extends up to twelve months following the Spin-off taking effect, will neither be terminated nor novated.

d) Securities as well as Bank and Group Guarantees

The patronages and securities provided by Siemens AG in favor of banks, insurance companies and other financial institutions, which have granted loans or provided other financing services (derivatives, securities) to Future Siemens Energy Group Companies, will be replaced by Siemens Energy AG during the period after the Spin-off taking effect (see Chapter V.3.d)). Until such patronages are replaced, the Future Siemens Energy Group Companies are obliged to pay fees to Siemens AG for the provision of the patronages. The patronages provided by Siemens AG will expire on 30 April 2021 at the latest. The fees to be paid by the Future Siemens Energy Group, if there is no early replacement, amount to approximately EUR 1 million in fiscal year 2021.

The guarantees, sureties and other securities issued by the Future Siemens Group Companies in favor of the Siemens Energy Business and its business partners during the period up until the Spin-

off takes effect (see Chapter V.3.d) will essentially continue to exist after the Spin-off taking effect. Generally, no changes will be made that increase the risk for the Future Siemens Group Companies; in particular, they will basically not be increased or extended. Those of the Future Siemens Energy Group Companies that originally mandated the issuance of guarantees, sureties or other securities will pay the agreed fees until the respective guarantee, sureties or other security expires. The payment obligations towards Siemens AG and the Future Siemens Group are secured by Siemens Energy KG. The remuneration to be paid to Siemens AG or other Future Siemens Group Companies for the provision of guarantees, sureties and other securities for the fiscal year 2021 will likely amount to an estimated EUR 29 million (excluding remuneration for guarantees, sureties or other securities issued in favor of SGRE). For the following years, the remuneration is expected to decrease continuously as the provided guarantees, sureties and other securities increasingly expire.

e) Forfaiting / Factoring and Finance Leasing

After the Spin-off has taken effect, it is possible that Future Siemens Group Companies will purchase trade receivables against customers from Future Siemens Energy Group Companies, assuming the *del credere* risk (*Delkredererisiko*). This is done on the basis of case-by-case decisions with no legal purchase obligation for Future Siemens Group Companies and only to the extent legally permissible.

Finance and operating leasing agreements existing at the time of the Spin-off taking effect (see Chapter V.3.g)) will continue until their contractually agreed termination date. Besides, finance-leasing agreements will be continued or terminated after the Spin-off takes effect on the basis of case-by-case decisions and to the extent permitted by law.

f) Preferred Financing Agreement

A Preferred Financing Agreement ("**Preferred Financing Agreement**") has been concluded between Siemens Energy KG and Siemens AG for the period after Loss of Control. The agreement governs the cooperation, which is non-exclusive for both parties, in the areas of debt financing, commercial financing (especially leasing) and equity financing of customers of the Siemens Energy Business (without SGRE; regarding existing arrangements between Future Siemens Group Companies and SGRE, see below Chapter XI.6.i)) and their projects (including new power stations). Debt financing comprises the provision of debt capital via standard market debt financing structures. Standard finance leasing structures can also be the subject of cooperation. In general, no recourse to Future Siemens Energy Group Companies shall be made in connection with debt financing and finance leasing structures.

The following framework conditions were agreed for equity financing (especially for project companies):

- An investment volume of up to EUR 300 million per fiscal year has been committed by Siemens AG for equity financing for the first five years. For a further five years, it was agreed to reinvest any sales revenue from the equity portfolio under the Preferred Financing Agreement, but at least EUR 500 million. For equity financing, Siemens AG's individual investment decision follows a portfolio approach which takes into account new investments and existing investments.

- Moreover, in exceptional cases, equity financing can also be provided up to a total volume of EUR 210 million upon full recourse to Siemens Energy KG or Siemens Energy AG. In such cases, profits and losses resulting from the investments will be borne by Siemens Energy KG or Siemens Energy AG. Siemens AG bears the risk that recourse to Siemens Energy KG or Siemens Energy AG may fail (default risk (*Ausfallrisiko*)).

The Preferred Financing Agreement has a fixed term until 30 September 2030. However, each party may terminate the agreement with 36 months' notice, if: (i) the Future Siemens Group (excluding the shares held by SPT e.V.) holds less than 25 % of the voting rights or the capital stock of Siemens Energy AG or (ii) another shareholder of Siemens Energy AG holds 25 % or more of the capital stock or the voting rights in or exercises control over Siemens Energy AG. A termination in the first three years of the term of the Preferred Financing Agreement under (i), however, will result in the notice period of 36 months beginning only upon the third anniversary of the commencement of the term of the Preferred Financing Agreement.

g) Financing / Treasury Services

Siemens AG will, at least for a transitional period, provide treasury services against payment to the Future Siemens Energy Group, in particular software for payment processing, treasury and guarantee management on the basis of software as a service agreement.

h) Insurance

Until 30 September 2021, the Future Siemens Energy Group Companies (with the exception of SGRE) will continue to participate in the global insurance programs of the Future Siemens Group (in particular construction, property, liability, marine and cyber insurance). For this purpose, Siemens AG and Siemens Energy KG concluded a co-insurance agreement on 25 March 2020. The portion of the premiums and fees paid by Siemens AG for the group insurance programs that relates to the Siemens Energy Business will be reimbursed by Siemens Energy KG to Siemens AG or paid directly to the insurance companies by the Future Siemens Energy Group Companies. Only the D&O insurance and the other financial lines programs (employment practices liability, crime insurance and criminal legal defense cost insurance) will be replaced by policies directly for the Future Siemens Energy Group at the latest upon the Spin-off taking effect.

i) Existing Agreements with SGRE

The following agreements with SGRE involving Siemens AG and Future Siemens Group Companies will be either terminated or amended when the Spin-off takes effect:

- To facilitate the settlement of the exchange of goods and services between the Siemens Group and SGRE, clearing accounts were established at the level of Siemens AG and SGRE S.A. in various currencies. The respective balances on these clearing accounts must be settled on a monthly basis. This process will be terminated at the latest with the Spin-off taking effect. In the future, trade receivables and trade payables will be settled directly between the companies concerned.

- Siemens AG and other Future Siemens Group Companies have entered into contractual arrangements with SGRE for the provision of direct and indirect guarantees, sureties and other securities by Future Siemens Group Companies (see above Chapter V.3.d)). From the time the Spin-off taking effect, the previously agreed guarantee fees will be adjusted through a newly concluded agreement which will take into account that Siemens Energy KG has joined SGRE's obligations as joint and several debtor in this respect. The expected remuneration to be paid by SGRE to the Future Siemens Group for the provision of guarantees, sureties and other securities for the fiscal year 2021 will amount to an estimated EUR 15 million. Future Siemens Group Companies will not provide any new guarantees, sureties or other securities after the Loss of Control.

- Currency, interest rate and commodity price hedging derivatives exist between Siemens AG and other Future Siemens Group Companies on the one side, and into with SGRE on the other. These derivatives will be terminated or novated in connection with the Spin-off taking effect (see Chapter V.3.c) with respect to these variations). In this context, the accruing market values of the derivatives may need eventually to be settled on the relevant date. SGRE and the Future Siemens Group Companies may enter into contractual arrangements which differ from the approach above. In particular, the parties may agree that certain currency positions up until, at the latest, twelve months following the Spin-off taking effect will expire, not be terminated or not be novated. In the future, SGRE will enter into derivate positions with external trading partners, potentially on inferior terms.

- It is intended to continue the existing Preferred Financing Agreement with SGRE and to make a financing commitment for equity financing of projects of up to EUR 200 million per year for a period of five years until 30 September 2025 (with respect to the additionally existing new Preferred Financing Agreement for the Siemens Energy Business, see Chapter XI.6.f)).

7. Research Cooperation Agreement

On 31 March 2020, Siemens AG and Siemens Energy KG have concluded an agreement for further cooperation in the area of central research and development for so-called Company Core Technologies. This agreement shall take effect from the Loss of Control and shall have a minimum term until 31 May 2022. Thereafter, the agreement may be terminated at the end of the then current fiscal year by giving a one month's notice and in the following fiscal years by giving an eight months' notice to the end of the respective fiscal year; otherwise, the agreement is extended by a further fiscal year. Research and development projects can be defined unanimously between the parties by a steering committee composed of members of both companies. Regarding these defined projects, the parties undertake to perform certain research and development services at their own expense and to grant the respective other party under certain conditions a license to the brought in existing knowledge and the working results in the respective contractually defined business areas. An inappropriate allocation of costs and benefits may be compensated for in individual cases, whereby a possible compensation of costs will be examined for the first time at the earliest after expiry of the minimum contract term. Whether such compensation is paid will in that event be negotiated between Siemens AG and Siemens Energy KG.

8. Strategic Alliance Agreement

On 31 March 2020, Siemens AG and Siemens Energy KG entered into a framework agreement on the establishment of a strategic alliance ("**Strategic Alliance Agreement**"), according to which Siemens AG and Siemens Energy KG will work trustingly together, also in the future, and always in strict compliance with anti-trust and competition law. The Strategic Alliance Agreement takes effect upon the Loss of Control and has a fixed term until 30 September 2024. If it is not terminated duly with three months' notice, the agreement will extend for successive one-year terms.

The Strategic Alliance Agreement envisions a close cooperation between Siemens AG and Siemens Energy KG in various areas and includes the following, separately concluded, or still to be concluded, agreements:

- On 30 March 2020, Siemens AG, Siemens Schweiz AG and Siemens Energy KG entered into the Service Agreement for Market Development Board (MDB) Data Center & Telecommunications Key Account Management. Under this arrangement, Siemens Energy KG will receive services from Siemens AG and Siemens Schweiz AG in the area of key account management. These services are intended to strategically expand and care for the business relationships with especially important key customers. The fees to be paid by Siemens Energy KG are variable based on new orders from the key customers. The contract provides for fixed terms for the different areas until 31 May 2021 or 31 May 2022.

- The Agreement on Collaboration in the Field of Cybersecurity, which is still to be concluded, will provide for the cooperation between Siemens AG, Siemens Energy KG, SGRE S.A. and Siemens Healthineers AG in the area of cybersecurity as legally permitted. In compliance with relevant laws, the parties will form a common cyber security board with representatives from all parties in order to exchange and work together regarding questions of cybersecurity. The contract will be concluded with an indefinite term and each party may terminate upon the end of a fiscal year with three months' notice. The cooperation does not involve any monetary compensation.

- According to the Platform Cooperation Agreement, which was signed on 31 March 2020 between Siemens AG and Siemens Energy KG, Siemens Energy KG will present the cloud-based platform MindSphere, which was developed by Siemens AG, to its customers for their use and, upon interest on the part of customers, make the platform available. In addition, a common committee for platform cooperation will be formed, which shall investigate possibilities for combining the parties' products and services in order to open up new business areas. Regarding its term and termination provisions, the agreement refers to the Strategic Alliance Agreement. The cooperation does not involve monetary compensation.

- The Strategic Alliance Agreement also comprises the agreement signed 31 March 2020 between Siemens AG and Siemens Energy KG regarding further cooperation in the area of central research and development (the so-called R&D Cooperation Agreement regarding Research and Development Activities in the field of Company Core Technologies). Regarding the content of this agreement, please refer to Chapter XI.7.

Siemens AG and Siemens Energy KG also intend to continue their mutual supply relationships and to enter into new framework agreements (so-called Mutual Supply Agreements) for the areas in which they have until now mutually supplied each other with their respective portfolio products and services. The parties intend to confer upon each other preferred supplier status. The Strategic Alliance Agreement, independent of subsequent concretizing agreements, further provides that Siemens AG and Siemens Energy KG, in economically relevant cases, will mutually allow for the possibility with respect to up to 75 % of its purchasing volume for the other to first provide a competitive and market-based offer for invited supply and service tenders and, in the case of a better, third party offer, to potentially provide a revised proposal (a so-called last call).

9. Other Relationships / Other Cooperations

Even after the Spin-off taking effect, Future Siemens Energy Group Companies will continue to purchase goods and services, e.g. pre-products, raw materials and software licenses, from Future Siemens Energy Group Companies (and *vice versa*) as part of their daily business operations or to negotiate jointly. The exact scope of such ongoing business cannot be estimated in advance.

Legal relationships between Future Siemens Group Companies and Future Siemens Energy Group Companies also result from the Carve-out of the Siemens Energy Business in preparation for the Spin-off (see Chapter V.), which will continue to have effects, in some cases, long after the Spin-off taking effect.

XII. Consequences of the Spin-off for the Employees and their Representative Bodies

The following section describes the consequences of the Spin-off for the employees and their representative bodies. The Spin-off does not constitute a transfer of business (*Betriebsübergang*) or a change of the employer; however, it does have a certain impact on the employees and their representative bodies to the extent that, as a result of the Spin-off of the Spin-off Assets to Siemens Energy AG and taking into account the Deconsolidation Agreement concluded at the same time (see in detail Chapter XIII.3.), the Siemens Energy Business will cease to be part of the Siemens Group with Siemens AG as parent company. Siemens Energy AG will, as an independently listed stock corporation, be the parent company of the Future Siemens Energy Group.

1. Consequences for the Individual Rights of the Employees

The employment relationships of the employees of Siemens AG remain unaffected by the Spin-off.

Siemens Energy AG is to date not acting operationally and is not employing any employees of its own. Therefore, the Spin-off has no consequences for the employees of Siemens Energy AG.

The Spin-off also has – unless presented below – no consequences for the individual rights of the employees of the Future Siemens Energy Group, which will be created, when the Spin-off takes effect with Siemens Energy AG as the new parent company. The employees remain with their respective company at which they are employed; their employment relationships remain unaffected by the spin-off. This also applies to participation in the company pension plan and the pension commitments made by the relevant companies with which the employees are employed.

With regard to the Spin-off's consequences for claims of employees arising from stock-based compensation programs and employee participation programs, please refer to § 11 and § 16 of the Spin-off and Transfer Agreement attached to this report as Annex and the explanations in Chapter XIII.1.k).

Service agreements have been entered into between entities of the Future Siemens Group and the Future Siemens Energy Group in connection with the preparation of the transaction under which employees of the Future Siemens Group provide services for a certain (in general one years') transitional period. Such services are to be provided by employees of entities of the Future Siemens Energy Group. Therefore, it is currently envisaged that employees of the Future Siemens Group transfer to the Future Siemens Energy Group either by way of individual contractual basis or by virtue of a transfer of business.

The Spin-off will not result in personnel-related changes. However, the business operations, in particular the organization, the portfolio and the positioning of the Future Siemens Energy Group will be monitored on an ongoing basis. In the event that adjustments are to be made to German

establishments based on the relevant business plan approved at the time and on the further development of the business, the organizational and/or personnel-related changes as well as the consequences for the employees will be coordinated with the competent co-determination bodies in good time and negotiations pursuant to Sections 111 *et seqq.* of the German Works Constitution Act (*Betriebsverfassungsgesetz*, "**BetrVG**") will be started in due course.

There will be no other consequences for the employees other than the individual-law consequences of the Spin-off described above, and there are no other measures envisaged in this respect.

2. Consequences of the Spin-off for Representative Bodies of the Employees under Works Constitution Law, Shop Agreements and Collective Bargaining Agreements

a) Works Councils, Youth and Trainee Representative Bodies and Handicapped Representative Bodies

aa) Siemens AG and Future Siemens Group

The establishments of Siemens AG and the further establishments of the Future Siemens Group are not affected by the spin-off. The existence, composition and terms of office of the existing works councils (*Betriebsräte*) and general works councils (*Gesamtbetriebsräte*), the existing youth and trainee representative bodies and the general youth and trainee representative bodies as well as of the handicapped representative bodies and the general handicapped representative bodies remain unaffected.

The group works council (*Konzernbetriebsrat*), the group handicapped representative body and the group youth and trainee representative body in the Siemens Group will continue to exist after the Spin-off takes effect. However, the Future Siemens Energy Group Companies will leave the Siemens Group with the Spin-off taking effect, and Siemens Energy AG will form its own group together with its dependent companies. This will lead to personnel changes in the composition of the group works council and the group youth and trainee representative body at Siemens AG. Accordingly, those members of the group works council and the group youth and trainee representative body who are employees of the Future Siemens Energy Group will leave those bodies when the spin-off takes effect. This currently concerns five members of the group works council and five members of the group youth and trainee representative body. The vacant positions will be filled with employees of the Future Siemens Group in accordance with the applicable statutory provisions.

The European works council in the Siemens Group (Siemens Europe Committee) existing under the agreement in the version dated 24 March 2020 will also continue to exist after the spin-off takes effect. As a result of the departure of the establishments of the Future Siemens Energy Group from the Siemens Group when the spin-off takes effect, however, there will also be personnel changes

in the composition of that body. Accordingly, those members of the Siemens Europe Committee who are employees of the Future Siemens Energy Group will leave that body when the spin-off takes effect. This currently concerns seven members of the Siemens Europe Committee, who will be replaced by substitute members of the Future Siemens Group in accordance with the agreement in the version dated 24 March 2020.

bb) Siemens Energy AG and Future Siemens Energy Group

Since Siemens Energy AG is to date not operationally active and is not employing any employees of its own, it has neither a works council nor a youth and trainee representative body nor a handicapped representative body. The spin-off will not directly change this situation. After the spin-off takes effect, however, Siemens Energy AG will be the parent company of the Future Siemens Energy Group. Thus, the prerequisites for establishing a group works council will basically exist at Siemens Energy AG pursuant to Section 54 BetrVG. If such a group works council is established, the prerequisites for establishing a group handicapped representative body exist pursuant to Section 180 (2) of the German Code of Social Law Ninth Book (*Sozialgesetzbuch Neuntes Buch*, "**SGB IX**"). Furthermore, the prerequisites for establishing a group youth and trainee representative body will also exist in principle after the spin-off takes effect in accordance with Section 73a BetrVG.

In the event that a group works council (*Konzernbetriebsrat*) is established, group shop agreements (*Konzernbetriebsvereinbarungen*) existing in the Siemens Group at the time of the Spin-off will continue to apply as group shop agreements of the Future Siemens Energy Group or otherwise as general shop agreements (*Gesamtbetriebsvereinbarungen*) or as shop agreements (*Betriebsvereinbarung)* in the Future Siemens Energy Group Companies that are no longer part of the Siemens Group after the Spin-off.

In addition, the prerequisites for establishing a European works council in the Future Siemens Energy Group will, in principle, be met when the Spin-off takes effect.

The establishments of the Future Siemens Energy Group Companies remain unaffected by the Spin-off. The existence, composition and terms of office of these existing works councils and general works councils, youth and trainee representative bodies and general youth and trainee representative bodies as well as handicapped representative bodies and general handicapped representative bodies remain unaffected.

b) Group Committee, General Committee or Committee of Spokespersons of the Senior Executives

The existence, composition and terms of office of the committees of spokespersons (*Sprecherausschuss*) and the general committees of spokespersons of the senior executives

(*Gesamtsprecherausschüsse der leitenden Angestellten*) at Siemens AG remain unaffected by the Spin-off.

The group committee of spokespersons (*Konzernsprecherausschuss*) in the Siemens Group will also continue to exist after the Spin-off takes effect. However, Siemens Energy AG and the other Future Siemens Energy Group Companies will leave the Siemens Group when the Spin-off takes effect, and Siemens Energy AG will form its own group together with its controlled companies. This will lead to personnel changes in the composition of the group committee of spokespersons of Siemens AG. Accordingly, those members of the group committee of spokespersons who are employees of Siemens Energy AG or any of the other Future Siemens Energy Group Companies will leave that body when the Spin-off takes effect. This currently concerns two members of the group committee of spokespersons. They will be replaced by employees of the Future Siemens Group in accordance with the applicable statutory provisions.

Since Siemens Energy AG currently has no business operations, there is no committee of spokespersons of senior executives. The Spin-off will not directly change this situation either. However, after the Spin-off takes effect, the prerequisites for establishing a group committee of spokespersons in the Future Siemens Energy Group will in principle exist pursuant to Section 21 of the German Act on the Committees of Spokespersons of Senior Executives (Gesetz über Sprecherausschüsse der leitenden Angestellten – Sprecherausschussgesetz, "**SprAuG**").

The committees of spokespersons of the companies of the Future Siemens Energy Group remain unaffected by the Spin-off in terms of their existence and composition.

c) Economic Committees

The economic committees (*Wirtschaftsausschüsse*) existing at Siemens AG and in other Siemens Group Companies continue to exist unchanged after the Spin-off.

Since Siemens Energy AG is to date not operationally active and does not have employees, it has no economic committee. The Spin-off will not change this situation either.

The economic committees currently existing at the Future Siemens Energy Group Companies will continue to exist unchanged after the Spin-off.

d) Collective Bargaining Agreements

The Spin-off will not affect the applicability of collective bargaining agreements (*Tarifverträge*) to Future Siemens Group Companies or Future Siemens Energy Group Companies.

Siemens AG will continue to be a member of those employers' associations (*Arbeitgeberverbände*) of which it currently is a member.

Siemens Energy KG is member of the following employers' associations: Verband der Bayerischen Metall- und Elektro-Industrie e.V., Südwestmetall Verband der Metall- und Elektroindustrie Baden-Württemberg e.V., Verband der Metall- und Elektroindustrie in Berlin und Brandenburg e.V., Essener Unternehmensverband e. V., Unternehmerverband der Metallindustrie Ruhr-Niederrhein e.V., Hessenmetall - Verband der Metall- und Elektro-Unternehmen Hessen e. V., VSME Verband der Sächsischen Metall- und Elektroindustrie e.V., Nordmetall Verband der Metall- und Elektroindustrie e.V., VMET Verband der Metall- und Elektroindustrie in Thüringen e.V. Siemens Energy AG currently is not a member of any employers' association, but nor does does it currently have any employees.

e) Other Collective Labor Law Consequences

The Spin-off does not result in any other consequences for the employees or their representative bodies under collective labor law other than those described above, and there are no other measures envisaged in this respect.

3. Consequences of the Spin-off for Corporate Co-determination and the Supervisory Board

Siemens AG has an equally co-determined supervisory board in accordance with the provisions of the MitbestG. The Spin-off has no effect on the existence and the size of the supervisory board of Siemens AG as well as the terms of office of its members. Siemens AG will continue to be a company with an equally co-determined supervisory board with twenty members in accordance with the provisions of the MitbestG (ten supervisory board members representing the shareholders and ten supervisory board members representing the employees). The employee representatives on the supervisory board of Siemens AG are elected by the employees of all domestic companies / establishments of the Future Siemens Group located in Germany. Siemens Energy AG and the other Future Siemens Energy Group Companies will no longer be group companies of Siemens AG after the spin-off takes effect so that employees of Siemens Energy AG and the other domestic companies of the Future Siemens Energy Group will no longer be entitled to elect members and to be elected as a member of the supervisory board of Siemens AG and will leave the supervisory board of Siemens AG with the Spin-off taking effect, but and instead will be entitled to elect members and to be elected as a member of the supervisory board of Siemens Energy AG. Currently, one employee of the Future Siemens Energy Group is a member of the supervisory board of Siemens AG, who will no longer be eligible and will leave the supervisory board of Siemens AG. The vacant position will be filled with an employee of the Future Siemens Group in accordance with the applicable statutory provisions. It is intended to have a successor appointed by a court for the period after the vacancy begins until a successor is elected.

Since Siemens Energy AG does not have any employees to date, it currently has no supervisory board that is subject to statutory employee co-determination. After the Spin-off takes effect,

however, Siemens Energy AG will establish an equally co-determined supervisory board under the provisions of the MitbestG because it will be the controlling company of the Future Siemens Energy Group and, accordingly, will have more than 2,000 employees in Germany based on the provision on attributing employees pursuant to Section 5 (1) sentence 1 MitbestG. The managing board of Siemens Energy AG will conduct so-called status proceedings pursuant to Sections 97 et seq. AktG after the spin-off takes effect. The Parties believe that, under the provisions of the MitbestG, normally more than 20,000 employees will be deemed to be employees of Siemens Energy AG after the Spin-off takes effect and that, accordingly, the supervisory board will consist of twenty members pursuant to Section 7 (1) sentence 1 no. 3 MitbestG, of which ten members will represent the shareholders and ten members will represent the employees.

The ten supervisory board members representing the shareholders will be elected by the shareholders' meeting of Siemens Energy AG prior to the Spin-off taking effect but with effect no later than the Spin-off taking effect. They will be initially elected until the registration with the register of companies of the amendment of the articles of association in order to adjust the composition of the supervisory board so as to comply with the provisions under German co-determination law after completion of the status proceedings pursuant to Section 97 AktG. Simultaneously, the same supervisory board members representing the shareholders will be elected subject to the condition precedent of registration of this amendment of the articles of association with the register of companies for a term of office ending upon conclusion of the next following shareholders' meeting. This serves the purpose of facilitating a new election by the future shareholders of Siemens Energy AG of the supervisory board members representing the shareholders to be elected by the shareholders' meeting. The supervisory board members representing the employees will initially be appointed by a court for a period after the registration with the register of companies of the amendment of the articles of association in order to adjust the composition of the supervisory board so as to comply with the provisions under German co-determination law after completion of the status proceedings pursuant to Section 97 AktG until the supervisory board members representing the employees are elected by the employees. The Spin-off has no effects on the existence and composition of the supervisory boards of General Partner GmbH, Siemens Gamesa Renewable Energy Management GmbH and Maschinenfabrik Reinhausen GmbH. The supervisory board of General Partner GmbH will continue to be composed of twenty supervisory board members, ten members representing the shareholders and ten members representing the employees. The supervisory board of Siemens Gamesa Renewable Energy Management GmbH will continue to be composed of twelve supervisory board members, six members representing the shareholders and six members representing the employees. The supervisory board of Maschinenfabrik Reinhausen GmbH will continue to be composed of 12 supervisory board members, six representing the shareholders and six representing the employees.

XIII. Explanation of the Spin-off and Transfer Agreement with Annexes

1. Spin-off and Transfer Agreement

The Spin-off and Transfer Agreement ("**Spin-off and Transfer Agreement**") contains the minimum content required under the UmwG for a spin-off by way of reception. In addition, it contains optional provisions. The Spin-off and Transfer Agreement is organized in eight Chapters:

After the introduction (Chapter I.), the agreement to the Spin-off, general information on the Spin-off regarding the Spin-off Effective Date, the Spin-off statements of financial position and the closing statements of financial position follow in Chapter II. (§§ 1-4). In Chapter III. (§§ 5-9), the financial consequences of the Spin-off are stipulated, in particular the Spin-off Assets are defined. Chapter IV. (§§ 10-12) determines the granting of shares as consideration and provides information on special rights and benefits. Chapter V. (§§ 13-15) deals with legal measures in connection with the Spin-off, in particular Capital Increases in Kind in order to create the future remaining participation of Siemens AG and SBI GmbH in Siemens Energy AG, listing on the stock exchange and the creation of capital common for listed companies for Siemens Energy AG. Chapter VI. (§§ 16-18) contains details on the effects of the Spin-off for employees and their representatives. Chapter VII. (§§ 19-20) deals with the departure of the Future Siemens Energy Group from the Siemens Group. Chapter VIII. (§§ 21-22) contains provisions on the allocation of costs and standard final provisions.

Annexes referred to are those of the Spin-off and Transfer Agreement. References to sections not describing specific laws are referring sections of the Spin-off and Transfer Agreement.

a) Spin-off (§ 1)

§ 1 sentence 1 contains the constitutive provision for a spin-off that Siemens AG, as the transferring entity, transfers the part of its assets specified in § 5.1 with all rights and duties as an entirety to Siemens Energy AG, as receiving entity, by way of a spin-off by for absorption pursuant to Section 123 (2) no. 1 UmwG. In exchange, the shareholders of Siemens AG are granted Siemens Energy Shares (see explanations to § 10.1). The transfer by way of a spin-off leads to a so-called partial universal succession regarding the Spin-off Assets under Section 131 (1) no. 1 UmwG; which means that the Spin-off Assets are transferred by law to the receiving legal entity, Siemens Energy AG, upon registration of the Spin-off with the registers of companies of Siemens AG.

§ 1 sentence 2 clarifies as a matter of precaution that items which are not attributable to the Spin-off Assets under the Spin-off and Transfer Agreement or are expressly excluded from the transfer under the Spin-off and Transfer Agreement will not be transferred by way of the Spin-off.

b) Spin-off Effective Date and Fiscal Transfer Effective Date (§ 2)

§ 2.1 sets the Spin-off Effective Date on 1 April 2020, 0.00 hours. The Spin-off Effective Date is the point in time as of which the actions and business activities of Siemens AG relating to the Spin-off Assets are deemed to have been made for the account of Siemens Energy AG (mandatory information pursuant to Section 126 (1) no. 6 UmwG). This means that the Spin-off will be economically effective for the purposes of the commercial statements of financial position as of 1 April 2020, 0.00 hours and that Siemens AG and Siemens Energy AG will put each other in the positions they would have been in if the Spin-off Assets had already passed legally to Siemens Energy AG on 1 April 2020, 0.00 hours. The transfer *in rem* of the Spin-off Assets from Siemens AG to Siemens Energy AG occurs on the effective registration of the Spin-off with the registers of companies of Siemens AG, the closing date. In this context, § 6.2 provides that Siemens AG will ensure that it will only administer and dispose of the Spin-off Assets in the ordinary course of business and with the diligence of a prudent businessman in compliance with the provisions of the Spin-off and Transfer Agreement during the time between the conclusion of the Spin-off and Transfer Agreement and the closing date of the Spin-off.

§ 2.2 refers to the Fiscal Transfer Effective Date for the Spin-off. Pursuant to Section 2 UmwStG, the fiscal transfer effective date results from the closing statements of financial position (see on § 3.1) which are used as the basis for the Spin-off pursuant to Sections 125 sentence 1, in conjunction with 17 (2) UmwG and is, thus, 31 March 2020, 24.00 hours.

c) Closing Statements of Financial Position and Spin-off Statements of Financial Position (§ 3)

Pursuant to Sections 125 sentence 1 in conjunction with 17 (2) UmwG the so-called closing statements of financial position must be attached to the filing with the register of companies of the transferring entity (Siemens AG). § 3.1 provides in this regard that the closing statements of financial position are the interim statements of financial position of Siemens AG as of 31 March 2020, 24.00 hours. These were prepared in accordance with the provisions on annual statements of financial position, audited by the statutory auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart and issued with an unrestricted audit certificate. The closing statements of financial position have been approved by the supervisory board of Siemens AG on 8 May 2020.

To assess the Spin-off Assets financially, in accordance with § 3.2 spin-off statements of financial position as of 1 April 2020, 00.00 hours are attached to the Spin-off and Transfer Agreement, which is itself Annex to this Spin-off Report, as Annex 3.2. They reflect the assets of Siemens AG passing to Siemens Energy AG by way of the Spin-off. The spin-off statements of financial position themselves were developed from the closing statements of financial position prepared as of 31 March 2020 which has been carried forward by 1 April 2020, midnight, taking into account the

contribution of a partial partnership interest in the amount of EUR 57,693,148.85 of the Siemens Energy KG fixed capital as well as the contribution of the shares with the consecutive numbers 13,751 to 21,996 of the General Partner GmbH by Siemens AG into Siemens Energy AG.

§ 3.3 provides that Siemens AG will include the Spin-off Assets in its commercial closing statements of financial position at book value and in its fiscal closing statements of financial position at fair market value. Siemens Energy AG will include the Spin-off Assets in its commercial accounts also at book value (so-called continuation of book values (*Buchwertfortführung*)) and will incorporate these assets in its fiscal statements of financial position with the value contained in the fiscal closing statements of financial position of Siemens AG.

d) Postponement of the Effective Dates (§ 4)

If the Spin-off has not been registered with the register of companies of Siemens AG by the end of the day on 31 October 2020, the Spin-off Effective Date, the Fiscal Transfer Effective Date as well as the effective date for the closing statements of financial position of Siemens AG each shift under § 4, i.e. the Spin-off Effective Date will shift to 1 October 2020, 0.00 hours, and the Fiscal Transfer Effective Date as well as the effective date for the closing statements of financial position of Siemens AG will each shift to 30 September 2020, 24.00 hours. In the case of any further delay of the registration beyond 31 October of a subsequent year, the above mentioned effective dates each shift by a further year (so-called revolving effective date (*rollierender Stichtag*)). This provision ensures flexibility if the Spin-off no longer takes effect in the fiscal year 2020 of Siemens AG due to unforeseen events. Accordingly, the dividend entitlement of the shares to be granted as consideration for the transfer of the Spin-off Assets is postponed under § 10.2. If the Spin-off has not been completed by 31 March 2021, § 22.3 provides a right of withdrawal (see Chapter XIII.1.t) below).

e) Spin-off Assets (§ 5)

The Spin-off Assets consist of the participations of Siemens AG in Siemens Energy KG and in the General Partner GmbH set forth in § 5.1. The participations to be transferred consist of a partial partnership interest representing a *pro rata* amount of EUR 96,199,583.15 of the fixed capital of Siemens Energy KG (corresponding to 55 % of the fixed capital of Siemens Energy KG) and of 13,750 shares in the General Partner GmbH in the nominal amount of EUR 1.00 each (corresponding to 55 % of the share capital of the General Partner GmbH). With the interest in Siemens Energy KG, a participation in the amount of 55 % in the Siemens Energy Business is transferred directly and indirectly.

§ 5.1 additionally clarifies that the transfer of the participations includes all related rights and duties, respectively. For the interest in Siemens Energy KG this particularly includes the claim to all profits not withdrawn so far including the balance assigned to the partnership interest to be spun

off on the private account of Siemens AG and the partial amount equal to the share in the fixed capital on the joint reserve account of Siemens AG at Siemens Energy KG. With regard to the shares in the General Partner GmbH, it is clarified that claims to the distribution of profits for shares in the General Partner GmbH to be spun off are also transferred. In the fiscal year ending 30 September 2019, the General Partner GmbH generated a net annual loss in the amount of EUR 11,869.82. Siemens Energy KG was first founded on 9 August 2019 and did generate an annual result in the amount of EUR 0 in its short fiscal year.

§ 5.2 regulates that Siemens Energy AG assumes a liability amount (*Haftsumme*) from Siemens AG equivalent to the amount of the partnership interest in the fixed capital to be spun off.

§ 5.3 stipulates that outstanding obligations of Siemens AG to make contributions to Siemens Energy KG remain unaffected and are to be borne by Siemens AG, irrespective of the contribution of a partial partnership interest of Siemens AG (see Chapter XIII.2.a)) to be contributed to Siemens Energy AG. The background to this provision is that Siemens AG, in connection with the transfer of a minority share in Siemens Ltd., India, has made the commitment, in the event that the purchase price exceeds the initially contributed amount, to subsequently make a corresponding contribution to Siemens Energy KG in the amount of the difference to any additional purchase price (for further details, see Chapter V.1.e)cc)). This contribution obligation is supposed to be fulfilled by Siemens AG and not by Siemens Energy AG.

§ 5.4 regulates as a catch-all provision the obligation of the parties to make all declarations, to issue all certificates and to carry out all actions which might be necessary or appropriate in connection with the transfer of the Spin-off Assets.

f) Taking Effect, Closing Date (§ 6)

The change *in rem* in ownership of the partnership interest in Siemens Energy KG and the shares in the General Partner GmbH including the related rights and duties takes place as an entirety by force of law pursuant to Section 131 (1) no. 1 UmwG upon the registration of the Spin-off with the register of companies of Siemens AG at the district court of Charlottenburg and the district court of Munich. The later of the two registrations is determinative. The date of the effective registration is defined as the "**Closing Date**". The Closing Date is, thus, different from the Spin-off Effective Date (1 April 2020, 0.00 hours).

Siemens AG undertakes in § 6.2 to ensure, that no shareholders' resolutions shall be adopted prior to the Closing Date under which the fixed capital of Siemens Energy KG or the share capital of the General Partner GmbH existing at the time of conclusion of the Spin-off and Transfer Agreement is changed. Siemens AG also undertakes to ensure, that no capital from Siemens Energy KG or dividend payouts from the General Partner GmbH are withdrawn prior to the Closing Date. Hereby, it is ensured that all assets of the Siemens Energy Business are transferred economically to Siemens

Energy AG. Overall, such provisions serve to secure the share participation ratios intended for when the Spin-off takes effect as well as a reasonable share allocation ratio and, thus, the protection of the Siemens Shareholders.

Finally, § 6.2 regulates the duties of Siemens AG in the transition period between the conclusion of the Spin-off and Transfer Agreement and the Closing Date with regard to the Spin-off Assets. This regulation provides that Siemens AG will ensure that the items constituting the Spin-off Assets are only administered in the ordinary course of business and with the diligence of a prudent businessman and these items are not disposed of. This provision protects Siemens Energy AG and the Siemens Shareholders as well.

g) Catch-all Provisions (§ 7)

§ 7.1 as a purely precautionary measure, contains a catch-all provision in the event that the Spin-off Assets are not already transferred to Siemens Energy AG by force of law. In this case, Siemens AG transfers Spin-off Assets which might as an exception not pass to Siemens Energy AG by force of law by a separate agreement with *in rem* effect to Siemens Energy AG. Siemens Energy AG is required to consent to the transfer. The two companies will treat each other in their internal relationship as if the transfer had occurred in their external relationship as of the Spin-off Effective Date.

§ 7.2 supplements § 7.1 by providing that Siemens AG and Siemens Energy AG will initiate all necessary or appropriate measures and legal actions in connection with the transfer under § 7.1 and that they must cooperate in order to transfer the Spin-off Assets.

h) Protection of Creditors and Internal Compensation (§ 8)

Pursuant to Section 133 (1) and (3) UmwG, Siemens AG is jointly and severally liable with Siemens Energy AG for the performance of the liabilities transferred to Siemens Energy AG if these liabilities become due within five years after the announcement of the registration of the Spin-off with the registers of companies of Siemens AG and claims are asserted against Siemens AG in court or in any other way stipulated by Section 133 UmwG or judicial or official enforcement is effected or applied for. § 8.1 determines in this regard as a supplement to the statutory provision that Siemens Energy AG must indemnify Siemens AG on first demand if and to the extent that creditors assert claims against Siemens AG under transferred liabilities, obligations or contingent liabilities. The same provision applies in the event that claims are asserted by creditors against Siemens AG to provide security for such liabilities, obligations or contingent liabilities. However, consideration must be given to the fact that no liabilities, obligations or contingent liabilities are being directly spun off from Siemens AG.

In the reverse situation, Siemens Energy AG is jointly and severally liable with Siemens AG for the performance of the liabilities remaining with Siemens AG which had already been established prior to the Spin-off taking effect pursuant to Section 133 (1) and (3) UmwG if the liabilities become due within five years after the announcement of the registration of the Spin-off with the registers of companies of Siemens AG and resulting claims are asserted against Siemens Energy AG in court or in any other way described in Section 133 UmwG or judicial or official enforcement is effected or applied for. To the extent that claims are asserted under these liabilities against Siemens Energy AG, Siemens AG will indemnify Siemens Energy AG on first demand against the respective liability or obligation pursuant to § 8.2 of the Spin-off and Transfer Agreement. The same situation applies in the event that creditors assert claims against Siemens Energy AG to provide security for such liabilities, obligations or relationships resulting in liability.

This is a standard provision between the entities involved on the internal compensation of the liability under Section 133 UmwG. With this statutory provision, the legislature intends to prevent in the external relationship with the creditors that they are deprived of liable capital by a spin-off.

§ 8.3. of the Spin-off and Transfer Agreement additionally provides that Siemens Energy AG must indemnify Siemens AG on first demand from any obligation, debt or liability if the liable contribution (*Hafteinlage*) in Siemens Energy KG provided by Siemens AG is considered repaid to Siemens AG or any other measure described in Section 172 (4) sentence 2 HGB is exercised after the Closing Date, without Siemens AG or its subsidiaries actually receiving the liable contribution. This applies in particular if the notice of succession (*Rechtsnachfolgevermerk*) has not or not timely been registered with the register of companies. The background of this provision is that Siemens AG, in case of a payout of the liable contribution to Siemens Energy KG, can possibly be liable to creditors of Siemens Energy KG for a period of five years after leaving Siemens Energy KG in the amount of the liability sum (*Haftsumme*) regarding the company liabilities existing at the time of the share transfer. § 8.3 of the Spin-off and Transfer Agreement stipulates a precautionary rule for this case.

i) Warranties (§ 9)

§ 9 of the Spin-off and Transfer Agreement conclusively regulates the claims of Siemens Energy AG under warranties regarding the Spin-off Assets and excludes the statutory provisions to the extent legally permissible. Excluding the cases described in § 9, the liability of Siemens AG will be limited to the mandatory level provided under the law.

Siemens AG warrants to Siemens Energy AG in § 9.1 that Siemens AG is the holder of the partial partnership interest in Siemens Energy KG to be spun off to Siemens Energy AG and the shares in the General Partner GmbH on the Closing Date and is entitled to freely dispose of these shares and interest and that the shares and interest are not encumbered with rights of third parties. Under § 9.1,

no further quality is agreed with regard to the Spin-off Assets. By way of precaution, it is also clarified that no specific qualities or value of the business of Siemens Energy KG are agreed.

§ 9.2 excludes to the extend legally permissible any claims, rights and warranties which might exist pursuant to statutory law or otherwise in addition to those in § 9.1.

j) Issuance of Shares, Trustee and Capital Measures (§ 10)

§ 10.1 of the Spin-off and Transfer Agreement regulates the consideration for the transfer of the Spin-off Assets pursuant to Section 126 (1) no. 3 and 4 UmwG. According to this provision, the shareholders of Siemens AG are granted one share of no-par value (registered share) in Siemens Energy AG for every two shares of no-par value (registered shares) in Siemens AG according to their participation existing so far (preserving the proportionate participations). Altogether, the shareholders of Siemens AG are granted 399,654,856 shares of no-par value (registered shares) in Siemens Energy AG. The fact that the 50,690,288 shares held by Siemens AG as treasury shares are not entitled to allocation under Section 131 (1) no. 3 sentence 1 UmwG was therefor taken into account. Siemens AG will make sure that at the time when the Spin-Off takes effect the number of the total issued shares in Siemens AG minus the treasury shares which are not entitled to an allocation pursuant to Section 131 (1) no. 3 sentence 1 UmwG amounts to exactly 799.309.712. This assures that the new shares in Siemens Energy AG contemplated for implementing the Spin-off are sufficient to make an allocation to all Siemens Shareholders who are entitled to an allocation. To the extent necessary, the exact adjustment of the number of shares entitled to an allocation will take place by acquiring or selling treasury shares by Siemens AG on the stock exchange.

The Siemens Energy shares to be issued to the shareholders of Siemens AG are entitled to participate in profits for the fiscal years starting on 1 October 2019 (Section 126 (1) no. 5 UmwG) pursuant to § 10.2 of the Spin-off and Transfer Agreement. If the Spin-off Effective Date shifts pursuant to § 4, the beginning of the right to participate in profits for the Siemens Energy shares to be granted also shifts accordingly (see above on § 4).

§ 10.3 regulates how the shares that are supposed to be issued to the shareholders of Siemens AG as consideration will be created. In order to implement the Spin-off, Siemens Energy AG will increase its capital stock by EUR 399,654,856 by issuing 399,654,856 shares of no-par value (registered shares) in Siemens Energy AG. A portion of EUR 1.00 in the amount of the capital stock increase is attributable to each new share. An additional premium (agio) is not agreed and is therefore not owed The Spin-off can only be registered according to the provisions of the UmwG after the implementation of this capital increase has been registered with the register of companies of Siemens Energy AG (Sections 125 sentence 1, 66, 130 (1) sentence 1 UmwG).

§ 10.4 clarifies that the contribution in kind will be rendered by transferring the Spin-off Assets. § 10.4 also regulates the accounting treatment for a value of the contribution in kind that exceeds

the nominal amount of the issued shares. To the extent that the value at which the contribution in kind rendered by Siemens AG is assumed by Siemens Energy AG, i.e. the book value of the Spin-off Assets as of the Spin-off Effective Date under commercial law, exceeds the amount of the increase in the capital stock of Siemens Energy AG set forth in § 10.3, this amount will be allocated to the capital reserve of Siemens Energy AG pursuant to Section 272 (2) no. 1 HGB.

Under Sections 125 sentence 1, 71 (1) sentence 1 UmwG, the transferring entity must appoint a trustee to receive the shares to be granted. § 10.5 of the Spin-off and Transfer Agreement provides that Deutsche Bank AG, Frankfurt am Main, will be appointed as trustee for the receipt of the shares in Siemens Energy AG to be issued and to distribute them to the shareholders of Siemens AG. The possession of the shares to be issued will be granted to Deutsche Bank AG prior to registration of the Spin-off. At the same time, Deutsche Bank AG will be instructed to provide the shareholders of Siemens AG with the shares after registration of the Spin-off with the registers of companies of Siemens AG.

k) Granting of Special Rights (§ 11)

Pursuant to Section 126 (1) no. 7 UmwG, the Spin-off and Transfer Agreement must contain statements about rights which the receiving entity or the transferring entity (at the legal entities choice pursuant to Section 133 (2) sentence 2 UmwG) grants to the holders of special rights (for example stock options, non-voting shares, preferred shares, shares with multiple voting rights, bonds, profit sharing rights). Furthermore, statements about the measures contemplated for these persons must be made.

There are special rights at Siemens AG and further Siemens Group Companies in the form of rights under stock-based compensation programs and employee participation programs.

§ 11.1 introductorily states that Siemens Group Companies have made various awards or may make such awards before the Spin-off takes effect under stock-based compensation programs and employee participation programs for shares of no-par value (registered shares) in Siemens AG (together the "**Stock Entitlements**") to members of the managing board and employees of Siemens AG as well as members of the corporate bodies and employees of Siemens Group Companies, including members of corporate bodies and employees of Future Siemens Energy Group (together, the "**Beneficiaries**").

This involves especially (i) so-called stock awards, i.e. commitments to transfer Siemens Shares and, as the case may be, to an additional payment in cash for a mathematical number of Siemens Shares be which – depending on the specifics – depend solely on remaining in the Siemens Group or the occurrence of certain further prerequisites and (ii) commitments under the share matching program and the basis share program which grant the Beneficiary a claim for one Siemens Share for each certain amount of Siemens Shares he previously acquired with own funds and which the

Beneficiary holds for a certain holding period and (iii) awards under the UK plan, according to which a trustee holds Siemens Shares acquired by the Beneficiaries with own funds and Siemens Shares transferred by the respective company in this regard and / or Siemens Shares acquired by reinvesting dividends for the Beneficiaries.

All of these Stock Entitlements are normally granted in annual, partly also in quarterly tranches. Furthermore, awards of shares with regard to certain jubilees (jubilee shares) exist at Siemens Group. A list of the currently existing Stock Entitlements stating the group of Beneficiaries and the legal basis of the respective commitment is attached as Annex 11.1 to the Spin-off and Transfer Agreement, which is itself Annex to this Spin-off Report.

The number of shares for which still pending Stock Entitlements according to Annex 11.1 to the Spin-off and Transfer Agreement (which is itself Annex to this Spin-off Report) currently exist (effective date: 30 April 2020) is a total of approximately 14,430 million for the Siemens Group overall, of which there are a total of approximately 2,69 million in the Future Siemens Energy Group. These statements of volume cover no commitments made after 30 April 2020. The statements of volume also cover no awards for jubilee shares for which these statements of volume would not have any relevance simply due to the lack of adjustment in the course of the Spin-off (on this point immediately below).

Section 23 UmwG in conjunction with Section 125 sentence 1 UmwG provides that in the case of a spin-off, the holders of rights in the transferring entity which do not grant voting rights must be granted equivalent rights in the receiving entity. Pursuant to Section 133 (2) sentence 2 UmwG, these rights can also be granted in the transferring entity in the case of a spin-off. The Stock Entitlements, to the extent granted by Siemens AG, are to be regarded as such rights in the transferring legal entity (special rights). Therefore, Beneficiaries who have received such Stock Entitlements are entitled by law to be granted equivalent rights. Even if the Stock Entitlements were granted by subsidiaries of Siemens AG, they entitle the Beneficiaries to be granted equivalent rights in the event of a spin-off. Since the equivalent rights in the present case can and should be granted by the company which has made the existing Stock Entitlements, this is technically an adjustment of the existing Stock Entitlements and not the grant of new awards in order to establish the equivalency of the Stock Entitlements after the Spin-off takes effect with the Stock Entitlements prior to when the Spin-off takes effect. In any event, only establishing the "equivalency"is required by the law, not the establishment of the same type or same functionality. However, the legal right to the granting of equivalent rights (or adjustment of the existing Stock Entitlements) exists only to the extent nothing else is provided in the stipulations forming the basis of the specific Stock Entitlement.

The adjustment of existing rights as a grant of equivalent rights within the meaning of Section 23 UmwG in conjunction with Section 125 UmwG takes place outside of the Spin-off and Transfer Agreement. Pursuant to Section 126 (1) no. 7 UmwG, the Spin-off and Transfer

Agreement must, however, contain statements about the rights which the receiving entity or the transferring entity grants to holders of special rights. These statements are found in § 11.1 and § 11.2 of the Spin-off and Transfer Agreement as well as in the Annexes 11.2.1 and 11.2.2 to the Spin-off and Transfer Agreement; they are only describing and do not constitute a legal basis for granting the equivalent rights. The grant takes place by the responsible companies and the responsible corporate bodies; therefore, by the supervisory board of Siemens AG for the members of the managing board of Siemens AG.

Under these legal requirements and by consideration of the provisions forming the basis of the individual Stock Entitlements, the grant of equivalent rights or the adjustment of the existing Stock Entitlements takes place as follows:

- The Beneficiaries in the Future Siemens Energy Group, who leave the Siemens Group with the Spin-off taking effect because their employer company leaves the Siemens Group, will receive a cash compensation or a cash payment for the Stock Entitlements from this company. However, this does not apply to the Beneficiaries under the UK plan, who receive for shares already held by the trustee – as all other Siemens Shareholders as well – Siemens Energy Shares, which they may then – without *pro rata temporis* reduction – withdraw and utilize. The claim for such a cash compensation or such a cash payment results from the underlying provisions which contemplate a cancellation of the Stock Entitlements of the employed Beneficiaries in exchange for a cash compensation or a cash payment in the case of a company leaving the Siemens Group. This cash compensation or the cash payment takes place after the Spin-off takes effect. The amount of the cash compensation or the cash payment is determined in each case on the basis of the provisions underlying the Stock Entitlements. Depending on the award for each Siemens Share or a mathematical Siemens Share, the cash payment or the cash compensation is calculated on the basis of the closing price for the Siemens stock on the date when the Spin-off takes effect, i.e. the relevant registration with the register of companies, thus, *cum* Siemens Energy, but – for the Stock Entitlements – after deduction of the present value of the dividends expected up to the respective end of the lock-up period. A specific quantification of these present values is currently not possible, among other reasons, simply because the underlying interest rates, but also because the relevant stock prices when the Spin-off takes effect are not yet known. For the share matching program and the basis share program, there will be no deduction of the present value of the anticipated dividends, but the amount will be reduced on a *pro rata temporis* basis calculated on the basis of the stock price by that portion which corresponds to the portion of the remaining term of the holding period after the Spin-off takes effect compared to the total duration of the holding period. This means, for example, that if the relevant stock price is EUR 90 and the Spin-off takes effect after one year and 10 months (= 22 months), a holding period of three years (= 36 months) therefore results in a claim to cash off-set or cash payment of EUR 90 x 22/36 = EUR 55.

It should be noted that the example shown is a simplified illustration only and that the share-matching program and the basis share program are based on a calculation to the day. If – as in the case of the Siemens stock awards – the number of shares to be granted or the specific award from a Stock Entitlement is dependent on the achievement of certain targets, a target achievement of 100 % is taken as the basis for determining the cash payment. To the extent that there is an agreement otherwise for certain groups of members of executive bodies or employees or for individual members of executive bodies or employees or if a cash compensation or a cash payment is excluded, there will not be any off-set payment or cash payment or such a payment will be governed by the different provisions. With an unchanged number of Stock Entitlements as of 30 April 2020, an assumed closing price of the Siemens Share in Xetra trading of EUR 90 and the Spin-off taking effect on 25 September 2020, the portion of the total costs of the cash compensation or the cash off-set to be borne by the Future Siemens Energy Group is estimated at approximately EUR 140 million (gross); this is off-set by the savings of costs which would be incurred over the remaining term in the case of normally fulfilling the Stock Entitlements. A quantification of this savings is not possible simply because the relevant stock prices for this purpose cannot be forecast.

- In general, Stock Entitlements for Beneficiaries, who do not leave the Siemens Group as a consequence of the Spin-off, will be adjusted. Only in the case of the UK plan is an adjustment beyond the regulations in the UK plan not necessary, since the Beneficiaries receive Siemens Energy AG Shares for the shares already held by the trustee – like all other Siemens Shareholders. The adjustment takes place by that company which is required to do so under the respective Stock Entitlement when the Spin-off takes effect. The adjustment takes place by payment of a cash amount when the respective Stock Entitlement falls due. The determination of the cash amount occurs in such a manner that – in the first conceptual step - each Beneficiary receives awards for Siemens Energy AG Shares in addition to the Stock Entitlements for Siemens Shares or mathematical Siemens Shares at the allocation ratio of 2:1 that applies to the Siemens Shareholders in accordance with § 10.1 of the Spin-off and Transfer Agreement, and then – in a second conceptual step – these awards are converted to a cash amount. Aside from this, the cash payment occurs only when the relevant Stock Entitlements are normally due or if they become due early (for example in certain cases of leaving the employment relationship), without regard to whether the Stock Entitlements are fulfilled with Siemens Shares or by a cash payment on the basis of an authorization in the underlying provisions. Thus, the specific provisions of the respective Stock Entitlements, including any lock-up periods or holding periods, early due dates, provisions on loss or adjustments or other prerequisites apply. This means, for example that a Beneficiary who has a claim for 30 Siemens Shares after the expiration of a certain holding period under a share matching program will receive a cash payment for 15 shares in Siemens Energy AG in addition to the 30 Siemens Shares when this claim

becomes due (subject to the further prerequisites in the share matching program). The amount of the cash payment is based on the specific underlying provisions of the Stock Entitlement which apply for any cash payment instead of the transfer of Siemens Shares, provided, however, that the respective share price of the shares in Siemens Energy AG and not the respective share price of the Siemens stock is determinative. Under this adjustment, the Beneficiaries are placed economically in the position they would have been in if they already held Siemens Shares at the time when the Spin-off takes effect for which they would then receive, just as every other Siemens Shareholder, additional shares in Siemens Energy AG in accordance with the allocation ratio when the Spin-off takes effect and would then have to hold these shares in each case for the remaining term of the Stock Entitlement or until the Stock Entitlement becomes due early, without regard to the tax consequences and any dividend payments. This adjustment applies in the same manner if fractional shares result mathematically on the basis of the allocation ratio. Aside from this, this adjustment does not affect the obligation to invest in Siemens Shares that applies under the share-matching program. To the extent that the Beneficiaries receive shares in Siemens Energy AG– as any other shareholder - after the Spin-off becomes effective due to their investment in Siemens Shares made in this way, they are not subject to any holding obligation. If the number of the shares to be transferred or the specific claim under certain Stock Entitlements depends on achieving certain targets and if this achieving of targets is influenced, among other factors, by how the stock exchange price for the Siemens Shares develops compared to the stock exchange prices for certain other companies or how the market price of the Siemens stock, including dividends distributed, develops in comparison with the development of the stock yield according to a specific industry index, the target achievement parameters will be adjusted after expiration of the respective vesting period, but only if and to the extent necessary to establish the equivalence of the Stock Entitlements (within the meaning of Sections 23 and 125 UmwG) before and after the Spin-off for the Beneficiaries. This depends, in turn, on the specific effects of the Spin-off on the stock exchange price of Siemens AG and its further development. If the objectives are already achieved without adjustment, no adjustment is required. An adjustment of the awards for jubilee shares does not take place in accordance with the underlying agreements. To the extent that, in a specific case for certain groups of members of corporate bodies or employees or for individual members of corporate bodies or employees, there is a different agreement or an adjustment has been excluded or if an adjustment with regard to regulatory requirements in jurisdictions outside of Germany is not made, there is no adjustment as describe above.

The intention is to apply the above principles in the same manner if and to the extent that other Stock Entitlements are granted in the context of the stock-based compensation programs or employee participation programs after conclusion of the Spin-off and Transfer Agreement but prior

to the Spin-off taking effect. Where appropriate, such Stock Entitlements are granted in accordance with these principles.

The adjustments described above are implemented by the company, which is obliged under the respective Stock Entitlements when the Spin-off takes effect. Agreements between Siemens Group Companies on the technical processing of adjustments or internal load bearing remain unaffected by this. Pursuant to Section 133 (2) sentence 1 UmwG Siemens AG and Siemens Energy AG are jointly and severally liable to Beneficiaries who have received Stock Entitlements directly from Siemens AG for the performance of the obligations to grant equivalent rights under Section 125 sentence 1 in conjunction with Section 23 UmwG. § 11.2.3 of the Spin-off and Transfer Agreement accordingly provides for the corresponding application of § 8 of the Spin-off and Transfer Agreement for the internal relationship between the two contracting parties so that a claim for indemnification against the respective other party exists if claims are asserted against one party for a liability under the adjustment or for a compensation or off-set for Stock Entitlements which the other party must bear in the internal relationship. Regulations regarding the internal load bearing can be found in the Master Separation Agreement and in any further agreements between the parties or the group companies (regarding the Master Separation Agreement see Chapter XI.2.).

§ 11.3 states that Siemens AG has not issued any convertible bonds or warrant bonds at the time of signing the Spin-off and Transfer Agreement. Therefore, there is no need for a provision regarding rights that Siemens Energy AG must grant to the holders of such rights.

§ 11.4 clarifies that besides the aforementioned provisions, no rights are granted to individual shareholders or holders of special rights within the meaning of Section 126 (1) no. 7 UmwG and that no measures within the meaning of the regulation are provided for such persons.

l) Granting of Special Benefits (§ 12)

§ 12.1 points out as a precautionary matter that there is an intention to secure the prospectus liability risks with regard to the listing prospectus for the stock exchange by means of a so-called IPO insurance policy which can be obtained in the market. Under the standard terms and conditions, such insurance policies also cover as insured persons the members of the managing board and the supervisory board of the issuer. Corresponding insurance contracts can only be concluded relatively shortly before the listing on the basis of a well advanced listing prospectus. Therefore, details of the insurance coverage including the amount of coverage and the insurance premium are not yet fixed.

§ 12.2 points out that the current chairman of the managing board of Siemens AG, Joe Kaeser, and the member of the managing board Prof. Dr. Ralf P. Thomas shall assume positions in the supervisory board of Siemens Energy AG after the Spin-off takes effect, whereas Joe Kaeser shall be proposed as chairman of the supervisory board and Prof. Dr. Ralf P. Thomas as chairman of the

audit committee. Moreover, it is pointed out that the members of the supervisory board receive in addition to a possible committee remuneration a fixed annual remuneration in the amount of EUR 120,000 per member which increases by EUR 120,000 for the chairman of the supervisory board. For the work in the audit committee, the chairman additionally receives EUR 120,000. The supervisory board of Siemens AG decided in its meeting on 8 Mayi 2020 that the remuneration of Joe Kaeser and Prof. Dr. Ralf P. Thomas as supervisory board member of Siemens Energy AG shall not be deducted from their remuneration as managing board members of Siemens AG.

§ 12.3 points out that the members of the managing board of Siemens Energy AG have been promised in advance of the Spin-off the granting of a spin-off incentive, thus a transaction bonus, by the General Partner GmbH. Accordingly, amounts ranging from 100 % to 200 % of a target amount individually determined for each member of the managing board can be paid out subject to the target being achieved. The target amount is EUR 1,500,000 for Dr.-Ing. Christian Bruch and EUR 750,000 each for Dr.-Ing. Jochen Eickholt, Maria Ferraro and Tim Oliver Holt. The target amount will be paid out if certain target values for the effects of the spin-off or the market value are achieved upon the spin-off taking effect and within the first 120 days after the spin-off taking effect, based on the average volume-weighted price of the Siemens Energy share. If these target values are not achieved, no spin-off incentive will be granted. If the target values are exceeded, a maximum of up to 200 % of the target amount will be paid out. Values between 100 % and 200 % are determined by linear interpolation. The members of the managing board are obliged to reinvest the net profits from the spin-off incentive in Siemens Energy shares. It is intended that the obligation to pay managing board remuneration, including the spin-off incentive, will be transferred to Siemens Energy AG after the spin-off takes effect.

§ 12.4 clarifies that General Partner GmbH has granted the members of the management of the General Partner GmbH due to their activities as members of the managing board of Siemens Energy AG commitments to receive shares without own additional payment after a vesting period (stock awards) in addition to their other remuneration. Thereby, a part of the remuneration shall be structured for the long term by measuring the achievement of financial and non-financial targets over a period of four years. By granting stock awards, the interest of the members of the managing board of Siemens Energy AG in a long-term increase of the company value is strengthened. Moreover, the identification of the beneficiaries with the interests of the shareholders and the ownership culture is strengthened (with regard to the details of the planned arrangement of the stock-based payment programs, refer to the explanations in Chapter X.4.d).

§ 12.5 points out that the Spin-off at hand may insofar affect the existing stock-based payment programs for the members of the managing board of Siemens AG as these depend amongst other things on the development of the share price of Siemens AG and the share price of Siemens AG could develop differently as a result of the Spin-off.

§ 12.6 clarifies for the sake of completeness that, aside from the above, no special benefits within the meaning of Section 126 (1) no. 8 UmwG are being granted to members of the managing board or the supervisory board of the companies involved in the Spin-off or to an auditor of the financial statements or a spin-off auditor.

m) Articles of Association of Siemens Energy AG and Authorization under Section 71 (1) no. 8 AktG and Authorization under Section 221 AktG (§ 13)

§ 13.1 contains the obligation of Siemens AG, as the sole shareholder or rather as the indirect sole shareholder of Siemens Energy AG after implementation of the Capital Increases in Kind, to ensure that the articles of association of Siemens Energy AG are amended prior to the Spin-off taking effect so that the articles of association are given the version attached as Annex 13.1 to the Spin-off and Transfer Agreement after the Spin-off takes effect and the status proceedings have been conducted. The articles of association of Siemens Energy AG contain the standard provisions for a listed company. Reference is made to the explanations in Chapter X.4.c).

Pursuant to § 13.2, Siemens AG also undertakes, as the sole shareholder or rather as the indirect sole shareholder of Siemens Energy AG after implementation of the Capital Increases in Kind, to ensure that the authorization attached as Annex 13.2 for the acquisition and use of treasury shares in a total amount of up to 10 % of the capital stock existing at the time the authorization takes effect pursuant to Section 71 (1) no. 8 AktG is resolved. Such an authorization is also standard for a listed company (see with regard to the content of the authorization and the procedure, the explanations in Chapter X.4.i)).

Furthermore, in § 13.3 Siemens AG undertakes, as the sole shareholder or rather as the indirect sole shareholder of Siemens Energy AG after implementation of the Capital Increases in Kind, to ensure that an authorization to issue convertible / warrant bonds in accordance with Section 221 AktG prior to the Spin-off taking effect is resolved. The convertible / warrant bonds involve bonds under Section 221 (1) sentence 1 AktG under which the holders or creditors are granted a right to exchange or subscribe to shares. The resolution with which the managing board of Siemens Energy AG is authorized to issue convertible / warrant bonds and the supervisory board of Siemens Energy AG is authorized to amend § 4 of the articles of association (capital stock and shares) accordingly is attached as Annex 13.3 to the Spin-off and Transfer Agreement (see with regard to the content of the authorization, the explanations in Chapter X.4.h)).

The aforementioned provisions will provide Siemens Energy AG with instruments common for a listed company for debt and equity capital funding.

n) Capital Increases in Kind of Siemens Energy AG (§ 14)

§ 14.1 regulates, with regard to the resolutions to increase the capital in kind described in § 0.5 of the Spin-off and Transfer Agreement to create the remaining shareholding of Siemens AG and SBI GmbH of 45 % of the capital stock in Siemens Energy AG, that Siemens AG and the Siemens Energy AG will ensure that all declarations are made, all documents are issued and all actions are taken that are necessary or useful to effect the capital increase before the Spin-off takes effect. This provision therefore ensures that Siemens AG and Siemens Energy AG will complete the Capital Increases in Kind in the manner intended.

§ 14.2 stipulates that no further capital increases or any capital decreases shall be carried out in Siemens Energy AG until the Spin-off takes effect - with the exception of the Spin-off Capital Increase to create the shares to be issued in connection with the Spin-off (see § 10.1 above) and the Capital Increases in Kind to create the remaining shareholding of Siemens AG and SBI GmbH of 45 % in the capital stock of Siemens Energy AG - and that Siemens AG must ensure compliance with this provision.

o) Admission to Stock Exchange Trading (§ 15)

Immediately after the Spin-off taking effect, the fungibility of the Siemens Energy Shares is to be ensured through admission to stock exchange trading. This is intended to ensure that the Siemens Shareholders are granted equivalent rights. § 15 obliges the contracting parties to take all required or expedient steps to admit the Siemens Energy Shares to trading on the regulated market of the Frankfurt Stock Exchange and, in addition, in the prime standard sub-segment of the Frankfurt Stock Exchange.

p) Consequences of the Spin-off for the Employees and their Representative Bodies (§ 16 to § 18)

According to the mandatory provision in Section 126 (1) no. 11 UmwG, the Spin-off and Transfer Agreement itself must contain statements about the consequences of the spin-off for the employees and their representative bodies as well as the measures which are contemplated in this regard. These statements are found specifically in §§ 16 and 18 of the Spin-off and Transfer Agreement. These provisions contain no contractual agreements between the contracting parties to the Spin-off and Transfer Agreement and instead only contain a description of the consequences of the Spin-off which result in part directly under the law and in part also under corresponding agreements between the employer and the employees as well as claims under stock-based compensation programs or employee participation programs. Reference is made to the explanations in §§ 16 and 18 of the Spin-off and Transfer Agreement (Annex to this Spin-off Report) and Chapter XII of this Spin-off Report.

q) Termination of the Controlling Influence (§ 19)

§ 19 states that Siemens AG, Siemens Energy AG and SBI GmbH have concluded an agreement on the restriction of the exercise of voting rights in the shareholders' meeting of Siemens Energy AG by Siemens AG and SBI GmbH, the Deconsolidation Agreement (the Deconsolidation Agreement is attached to the Spin-off and Transfer Agreement as Annex 19; for further explanations of the Deconsolidation Agreement, please refer to Chapter XIII.3.). The Deconsolidation Agreement is intended to enter into effect with suspensive condition of the Spin-off taking effect.. In addition, § 19 clarifies the purpose of the agreement, namely that Siemens AG will no longer exercise a controlling influence within the meaning of Section 17 AktG on Siemens Energy AG after the Spin-off taking effect.

r) Group Separation Agreement (§ 20)

At the same time as the Spin-off and Transfer Agreement, Siemens AG and Siemens Energy AG have concluded a Group Separation Agreement pursuant to § 20 with the content set forth in Annex 20 to the Spin-off and Transfer Agreement. The Corporate Separation Agreement governs the legal relations between Siemens AG and Siemens Energy AG for the period from the effectiveness of the Spin-off and the associated departure of the Siemens Energy Business, including Siemens Energy AG from the Siemens Group. This is set forth in § 20. With regard to the content of the Group Separation Agreement, reference is made to the statements in Chapter XIII.4.

s) Costs and Transaction Taxes (§ 21)

§ 21 of the Spin-off and Transfer Agreement contains provisions on costs and transaction taxes. The parties assume that as a consequence of the conclusion and execution of the Spin-off and Transfer Agreement no VAT is incurred and that they will cooperate to prevent a possible determination of VAT. Should, contrary to the assumption, VAT be incurred, Siemens Energy AG is only obligated to payment to Siemens AG regarding VAT if and to the extent only as it is able to deduct the respective VAT as input tax. To the extent that VAT is imposed on Siemens Energy AG and Siemens Energy AG is not entitled to pre-tax deduction, Siemens AG shall indemnify Siemens Energy AG from and against VAT and any interest thereon. Siemens AG bears the costs incurred and to be incurred on the level of Siemens Energy AG upon notarization of the Spin-off and Transfer Agreement and its implementation up to the Closing Date (including the costs for the respective shareholders' meeting and the costs for filings and registrations with the register of companies, the joint Spin-off Report, the spin-off audit and the audits in connection with capital increases in kind and post-formation and planned listing as well as the corresponding costs for advisors instructed Siemens Energy AG, banks and insurances) and transaction taxes (except for VAT which is specified in § 21.1 of the Spin-off and Transfer Agreement).

t) Final Provisions (§ 22)

§ 22 contains various standard final provisions. § 22.1 determines that the Spin-off and Transfer Agreement only takes effect when the shareholders' meeting of Siemens AG and the shareholders' meeting of Siemens Energy AG have approved the agreement.

§ 22.2 states that the managing board of Siemens AG must ensure that the Spin-off only takes effect when the Capital Increases in Kind have also become effective through registration in the register of companies of Siemens Energy AG.

§ 22.3 contains a provision on withdrawal under which each contracting party can withdraw from the Spin-off and Transfer Agreement by written declaration issued to the other contracting party if the registration with the registers of companies of the contracting parties has not occurred by the end of 31 March 2021. Thus, there is a legal possibility to break off the implementation of the Spin-off if, for example unforeseen events occur which substantially delay the implementation of the planned measures. In this event, the Spin-off and Transfer Agreement additionally provides a revolving Spin-off Effective Date in § 4 (see above on § 4).

§ 22.4 contains an additional cooperation obligation according to which Siemens AG must, if necessary, grant access to Siemens Energy AG to all business documents relating to items constituting the Spin-off Assets (i.e. Siemens Energy KG and the General Partner GmbH).

Furthermore § 22.5 provides that in general all disputes in connection with the Spin-off and Transfer Agreement or about its validity including those relating to termination or subsequent amendments will be finally decided excluding the jurisdiction of state courts (with the exception of measures of interim relief) by arbitration proceedings under the rules of arbitration of the International Chamber of Commerce ("**ICC**") as amended at the time.

§ 22.6 clarifies that the Annexes also constitute part of the contract.

§ 22.7 contains a contractual limitation clause. Claims arising from the Spin-off and Transfer Agreement shall thus become time-barred on 31 December 2030.

§ 22.8 contains a standard clause on written form.

§ 22.9 involves the standard provision on replacing any invalid or unenforceable provisions in the contract in a reasonable manner (so-called severability clause).

2. Contribution Agreement (Annex 0.5.3 to the Spin-off and Transfer Agreement)

The contribution agreement attached as Annex 0.5.3 to the Spin-off and Transfer Agreement is explained and described below (the Spin-off and Transfer Agreement including its Annex 0.5.3 is

attached to this Spin-off Report as Annex). The background are the Capital Increases in Kind to create the participation in the amount of 45 % of the future capital stock of Siemens Energy AG which will remain directly and indirectly via SBI GmbH with Siemens AG when the Spin-off takes effect. The contribution agreement regulates the contributions in kind to be made by Siemens AG and SBI GmbH in order to create this participation.

The first Chapter of the contribution agreement (§§ 1 and 2) defines the contribution in kind of Siemens AG and the next Chapter (§§ 3 and 4) defines the contribution in kind of SBI GmbH. Both regulate the respective transfer *in rem* and determine the consideration to be paid. The concluding Chapter (§§ 5 to 14) contains common regulations for the respective contributions in kind of Siemens AG and SBI GmbH. The contribution agreement has the following material content:

a) Subject of the Contribution and Transfer of Siemens AG (§ 1)

§ 1.1 exactly determines the contribution in kind of Siemens AG, namely a limited partial partnership interest representing a *pro rata* amount of EUR 57,693,148.85 of the fixed capital of Siemens Energy KG (the "**Limited Partnership Interest to be contributed by Siemens AG**") as well as 8,246 shares in the General Partner GmbH, which are listed in the list of shareholders of the General Partner GmbH with the numbers 13,751 through 21,996 ("**General Partner Shares to be contributed by Siemens AG**").

§ 1.2 stipulates that the Limited Partnership Interest to be contributed by Siemens AG is transferred together with all associated rights and obligations, including the claim to all profits not yet withdrawn and including the balance in the private account of Siemens AG to be allocated on a *pro rata* basis to the Limited Partnership Interest to be contributed by Siemens AG and the *pro rata* amount in the jointly held reserve account corresponding to the *pro rata* amount of the fixed capital. The General Partner Shares to be contributed by Siemens AG are transferred including the claim to profit distribution for all profits not yet distributed.

§ 1.3 regulates that outstanding obligations of Siemens AG to make contributions to Siemens Energy KG remain unaffected and are to be borne by Siemens AG, irrespective of the contribution of the Limited Partnership Interest to be contributed by Siemens AG to Siemens Energy AG. The background to this provision is that in connection with the transfer of a minority interest in Siemens Ltd, India, Siemens AG has made a promise to Siemens Energy KG to make a contribution to Siemens Energy KG for a purchase price that exceeds a previously defined basic purchase price for the shares to be acquired. (for further details, see Chapter V.1.e)cc)). This contribution obligation is to be fulfilled by Siemens AG and not by Siemens Energy AG.

§ 1.4 contains provisions on the execution *in rem* of the contribution in kind of Siemens AG. For this purpose, Siemens AG assigns the Limited Partnership Interest to be contributed by Siemens

AG and the General Partner Shares to be contributed by Siemens AG (as defined in § 1.1) to the accepting Siemens Energy AG.

Pursuant to § 1.5, the assignment is subject to the condition precedent that the transfer of the Limited Partnership Interest to be contributed by Siemens AG is registered with the register of companies of Siemens Energy KG.

§ 1.6 clarifies that Siemens Energy AG, upon assignment of the Limited Partnership Interest to be contributed by Siemens AG, also assumes a liability sum (*Haftsumme*) and thus a liable contribution (*Hafteinlage*) of Siemens AG in the amount of the assumed fixed capital participation.

b) Consideration for Siemens AG (§ 2)

Pursuant to § 2, Siemens AG shall receive 239,582,401 no-par value shares (registered shares) in Siemens Energy AG with a proportionate amount of the capital stock of EUR 1.. Further details are set forth in § 6. In addition, Siemens AG shall receive as further consideration an amount of EUR 175,746.41 (plus interest credited to bank accounts and intragroup clearing accounts of Siemens Energy AG from 1 April 2020 up to and including the date of disbursement or minus interest debited during this period) as cash payment, which shall become due upon registration of the capital increase with the register of companies of Siemens Energy AG. The payment of the additional amount ensures that all other assets of Siemens Energy AG are paid out and that the exact value of the assets is established at a ratio of 45 to 55 between the assets of Siemens Energy AG brought in under the contribution agreement and the Spin-off Assets (for further details, see Chapter VII.).

c) Subject of the Contribution and Transfer of SBI GmbH (§ 3)

§ 3 contains provisions on the contributions in kind by SBI GmbH and corresponds in its structure to the regulations in § 1 on the contributions in kind by Siemens AG. The assets under the contribution in kind of SBI GmbH comprise the entire limited partnership interest of SBI GmbH in Siemens Energy KG representing a *pro rata* amount of EUR 21,015,601 of the fixed capital as well as all 3,004 shares of SBI GmbH in the General Partner GmbH, which are listed in the list of shareholders of the General Partner GmbH with the numbers 21,997 through 25,000.

d) Consideration for SBI GmbH (§ 4)

According to § 4, SBI GmbH receives 87,307,936 no-par value shares (registered shares) in Siemens Energy AG with a *pro rata* amount of the capital stock of EUR 1.00 each as consideration for the contribution pursuant to § 3. Further details are set forth in § 6.

e) Contribution Effective Date, Fiscal Transfer Effective Date (§ 5)

The provision on the contribution effective date in § 5.1 reflects the provisions on the Spin-off Effective Date (see Chapter XIII.1.b)) to align the creation of the final shareholding ratios in Siemens Energy AG. The contribution effective date is 1 April 2020, 0.00 hours. If the respective assignments pursuant to § 1.4 and § 3.4, which are to be made before the Spin-off takes effect, have not taken effect by the end of 31 October 2020 by registration with the register of companies of Siemens Energy KG (or waiver of this condition precedent pursuant to § 11), the contribution effective date shall be 1 October 2020, 0.00 hours. If the respective assignments do not become effective by the end of 31 October of the following year, the respective contribution effective date shall be postponed by one year to 1 October, 0.00 hours of the following year.

In § 5.2, the fiscal transfer effective date is set on 31 March 2020, 24.00 hours (in accordance with the regulation on the Fiscal Transfer Effective Date of the Spin-off). The fiscal transfer effective date will be postponed accordingly if the contribution effective date is postponed. Furthermore, § 5.2 contains an obligation of Siemens Energy AG to submit an application in accordance with Section 20 (5) sentence 1, (6) sentence 3 UmwStG in due time after the assignments have become effective pursuant to § 1.4 and § 3.4, thereby creating a tax retroactive effect on the tax transfer date.

f) Capital Increases (§ 6)

§ 6.1 stipulates that Siemens Energy AG shall increase its capital stock from EUR 100,000 by EUR 239,582,401 to EUR 239,682,401 by issuing 239,582,401 no-par value shares (registered shares) in favor of Siemens AG and then again, excluding the subscription right, from EUR 239,682,401 by EUR 87,307,936 to EUR 326,990,337 by issuing 87,307,936 no-par value shares (registered shares) in favor of SBI GmbH. Each new no-par value share shall represent EUR 1.00 of the amount of the capital stock increase. The issue occurs at a nominal value of EUR 1.00 respectively; an additional agio is not owed. The contribution agreement does not stipulate – in contrast to the Spin-off and Transfer Agreement – that Siemens Energy AG carries forward the book values of Siemens AG and SBI GmbH in relation to the contributions in kind.

§ 6.2 regulates profit entitlement of the new shares to be issued. In principle, the shares are entitled to participate in profits as of 1 October 2019; however, if the contribution effective date is postponed to 1 October 2020, the entitlement to participate in profits will also be postponed to 1 October 2020 and, in the event of further postponements of the contribution effective date, by one additional year in each case.

For fiscal purposes, § 6.3 stipulates that a book value continuation is to be chosen for the contribution in kind of SBI GmbH and for the contribution in kind of Siemens AG.

g) Warranty (§ 7)

§ 7 contains a standard warranty clause according to which Siemens AG and the SBI GmbH respectively guarantee their ownership and the freedom from encumbrances of the contributions in kind, but otherwise do not guarantee the quality or value. Any other rights and warranties are excluded to the extent permitted by law.

h) No Capital Increases, No Withdrawal (§ 8)

§ 8 contains an obligation similar to § 6.2 of the Spin-off and Transfer Agreement (see in detail Chapter XIII.1.f)) to ensure that until the assignments under § 1.4 and § 3.4 have been executed *in rem*, the fixed capital of Siemens Energy KG and the share capital of the General Partner GmbH shall not be changed and no withdrawals or profit distributions shall be made at these companies. Furthermore, Siemens AG and SBI GmbH undertake to ensure that the contribution in kind assets of Siemens AG and the contribution in kind assets of SBI GmbH will only be administered and disposed of in the ordinary course of business and with the diligence of a prudent businessman in compliance with the provisions of the contribution agreement.

i) Indemnification of the Limited Partner's Liability (§ 9)

§ 9 contains an indemnification agreement identical in content to § 8.3 of the Spin-off and Transfer Agreement (for further details see Chapter XIII.1.h)).

j) Registration with the Register of Companies (§ 10)

§ 10 contains an obligation for mutual cooperation between the contracting parties to file the necessary registrations with the register of companies and to make the necessary declarations in accordance with §§ 1.5 and 3.5.

k) Waiver of Conditions (§ 11)

§ 11 enables Siemens AG and SBI GmbH to effect a transfer *in rem* of the contribution in kind assets pursuant to §§ 1.5 and 3.5 with immediate effect by waiving the condition precedent of registration with the register of companies through notarized notices to Siemens Energy AG without having to wait for the registration with the register of companies. This gives the parties additional flexibility with regard to the execution of the contributions and the Spin-off, in case of any delays in registrations with the register of companies.

l) Costs and Transaction Taxes (§ 12)

§ 12 contains provisions on costs and transaction taxes.

The parties assume that as a consequence of the conclusion and execution of the contribution agreement no VAT is incurred and that they will cooperate to prevent a possible determination of VAT. Should, contrary to the assumption, VAT be incurred, Siemens Energy AG is only obligated to a payment to Siemens AG regarding VAT if and to the extent only as it is able to deduct the respective VAT as input tax. To the extent that VAT is imposed on Siemens Energy AG and Siemens Energy AG is not entitled to pre-tax deduction, Siemens AG shall indemnify Siemens Energy AG from VAT and any interest thereon.

Siemens bears the costs of the notarization of the Contribution Agreement. Further, Siemens AG bears the costs already incurred and costs that will be incurred by Siemens AG and Siemens Energy AG in connection with the notarization of the contribution agreement and its implementation up to the point in time of registration with the register of companies (including the costs for the audit of the contribution in kind and the post-formation examination as well as the respective relating costs for advisors, the costs for the shareholders' meeting of Siemens Energy AG and the costs for filing and registration with the register of companies) and transaction taxes (except for VAT which is specified in § 12.1 of the contribution agreement). SBI GmbH shall bear its own costs already incurred and its own costs that will be incurred.

m) Effectiveness (§ 13)

The effectiveness of the contribution agreement is subject to the condition precedent of the completion of the post-formation procedure pursuant to Section 52 AktG, specifically the approval of the shareholders' meeting of Siemens Energy AG to the contribution agreement and its registration with the register of companies as post-formation agreement. This removes any uncertainties regarding the validity of the contribution agreement. The post-formation procedure is to be initiated and completed shortly after the conclusion of the contribution agreement.

n) Final Provisions (§ 14)

§ 14 contains the standard final provisions. § 14.1 contains a standard provision according to which the contracting parties shall initiate and participate in all necessary or expedient measures and legal acts for the implementation of the contribution agreement. § 14.2 allows the parties to withdraw from the contribution agreement if the Capital Increases in Kind are not completed by the end of 31 March 2021. Disputes in connection with the contribution agreement or concerning its validity shall pursuant to § 14.3 be finally decided by way of arbitration proceedings pursuant to the rules of arbitration of ICC in their respective current version and without recourse to the regular. § 14.4 contains a standard clause on written form. § 14.5 contains the standard provision for replacing any invalid or unenforceable provision of the contribution agreement (so-called severability clause).

3. Deconsolidation Agreement (Annex 19 to the Spin-off and Transfer Agreement)

The Siemens Energy Business shall be managed by Siemens Energy AG autonomously and independently of Siemens AG (see Chapters III.1. and III.4.). Siemens AG does not intend to exert, directly or indirectly, controlling influence on Siemens Energy AG. Following the effectiveness of the Spin-Off, the Siemens Energy Business shall no longer be fully consolidated in Siemens AG's consolidated financial statements. Given the fact that there is no majority shareholding of Siemens AG, it will not be assumed that Siemens Energy AG is still controlled by Siemens AG pursuant to Section 17 (2) AktG after the Spin-Off taking effect. In the event, which cannot be completely ruled out, that Siemens AG directly and indirectly, specifically via the shares held by SBI GmbH, will hold the majority of the shares entitled to vote and represented at future shareholders' meetings of Siemens Energy AG, Siemens AG and SBI GmbH have ensured through the Deconsolidation Agreement attached to the Spin-off and Transfer Agreement as Annex 19 that the Future Siemens Group will no longer be able to exercise a controlling influence on the Siemens Energy Business and Siemens Energy AG after the Spin-off takes effect. The Deconsolidation Agreement provides three main elements for this purpose:

- In general, the number of voting rights that can be exercised by Siemens AG and SBI GmbH at the shareholders' meetings of Siemens Energy AG for resolutions affecting the composition of the supervisory board is limited to the extent that Siemens AG (together with affiliated companies and certain other related parties) can no longer exercise a majority of the votes and unilaterally enforce decisions against the other shareholders of Siemens Energy AG (stated in § 1 of the Deconsolidation Agreement, see Chapter XIII.3.a)).

- In addition, Siemens AG undertakes to ensure that the supervisory board of Siemens Energy AG on the shareholder's side will include a maximum of three representatives who are dependent on Siemens AG and the Future Siemens Group (as defined in more detail in the Deconsolidation Agreement) (governed by § 2 of the Deconsolidation Agreement, see Chapter XIII.3.b)). The majority of the shareholder representatives on the supervisory board of Siemens Energy AG shall therefore be independent of Siemens AG in the future.

- For one supervisory board member (the so-called special supervisory board member (*besonderes Aufsichtsratsmitglied*)), who must be independent of Siemens AG, Siemens AG and SBI GmbH will exercise only a further reduced number of their votes on appointment and dismissal compared to the general restriction on the exercise of voting rights of a maximum of 60 % of the voting presence of the other shareholders at the shareholders' meeting (regulated in § 3 of the Deconsolidation Agreement, see Chapter XIII.3.c)).

In addition, the Deconsolidation Agreement regulates the transfer of shares in Siemens Energy AG within the Future Siemens Group (§ 4 of the Deconsolidation Agreement), the enforcement of obligations by other shareholders of Siemens Energy AG (§ 5 of the Deconsolidation Agreement) as well as concluding provisions, in particular on the term, modalities of termination of the agreement and standard final provisions (§§ 6-8 of the Deconsolidation Agreement).

References to sections not describing specific laws are referring sections of the Deconsolidation Agreement. The main provisions of the Deconsolidation Agreement are explained below.

a) General Restrictions on the Exercise of Voting Rights (§ 1)

In § 1.1, Siemens AG and SBI GmbH undertake to exercise voting rights in the shareholders' meeting of Siemens Energy AG only up to a certain maximum number of votes on the specified subjects of resolution. To the extent that possible subjects of resolution are not covered by the enumerative catalogue in § 1.1, Siemens AG and SBI GmbH may exercise all their voting rights in a vote at the shareholders' meeting. The subjects of resolution to which the restriction of voting rights applies relate to:

- The appointment and removal of the supervisory board members (§ 1.1 lit. a)): Siemens AG and SBI GmbH shall not be in a position to decide alone on the composition of the shareholder representatives on the supervisory board.

- Management measures pursuant to Sections 83, 111 (4) sentences 3 to 5, 111b (4), 119 (2) or 179a AktG (§ 1.1 lit. b)): By way of exception, the managing board may either voluntarily submit certain management measures to the shareholders' meeting (Sections 111 (4) sentences 3 to 5, 111b (4), 119 (2) AktG), or is even obliged to do so under certain conditions (Sections 83 and 179a AktG). In all these cases, Siemens AG together with SBI GmbH shall not be able to decide alone on the implementation of such management measures.

- The discharge of the members of the managing and supervisory boards (*Entlastung*) and a vote of no confidence (*Vertrauensentzug*) in respect of managing board members (§ 1.1 lit. c)): Siemens AG and SBI GmbH shall not be able to decide on these issues alone, as this could indirectly influence the work and decisions of the administration.

- The remuneration of the supervisory board members (Section 113 (3) AktG) and the remuneration system for the executive board members (Section 120a AktG) including a possible reduction of the remuneration under Section 87 (4) AktG (§ 1.1 lit. d)): This should also avoid indirect influence on the work of the corporate bodies.

- The approval of the annual financial statements if the shareholders' meeting resolves on such approval by way of exception pursuant to Section 173 AktG (§ 1.1 lit. e).

§§ 1.2 and 1.3 provide the maximum number of votes that Siemens AG and SBI GmbH may exercise for the subjects of resolution listed in § 1.1 (subject to the provisions on special supervisory board members (*besondere Aufsichtsratsmitglieder*) in § 3) and their calculation. The basic concept is that Siemens AG, SBI GmbH and certain persons closely related to Siemens AG shall not be able to exercise more votes in the shareholders' meeting in relation to the subjects of resolution in § 1.1 than all other shareholders present or represented together.

§ 1.2 therefore stipulates that, prior a resolution pursuant to § 1.1, the number of votes held by the other shareholders present or represented at the relevant shareholders' meeting is to be determined based on the detected last presence of the shares entitled to vote at the shareholders' meeting prior to the vote, including shares for which the voting rights were cast by postal vote. For this purpose, Siemens AG's shares and the shares attributable to Siemens AG in Siemens Energy AG shall be deducted from the presence (as described in more detail below):

- The "Siemens AG's shares" in Siemens Energy AG: These are all shares present at the shareholders' meeting and held by Siemens AG or another company affiliated with Siemens AG and party to the Deconsolidation Agreement; in addition to Siemens AG, this initially includes SBI GmbH, but this group may expand in the future due to the accession of further Future Siemens Group Companies to the Deconsolidation Agreement pursuant to §§ 4.2 and 4.3.

- The "shares attributable to Siemens AG": Present shares in Siemens Energy AG held or represented by certain parties related to Siemens AG are considered as such in the shareholders' meeting: These include shares held by companies that are controlled by Siemens AG (pursuant to Section 17 AktG) or subsidiaries within the meaning of the IFRS 10 (Annex A), to the extent that the holder of such shares is not itself a party to the contract and has therefore already been taken into account and deducted under the "Siemens AG's shares". This also includes shares held by SPT e.V. or other pension schemes, pension funds, support funds or investment funds serve the purpose of providing company pension or implementing remuneration and participation programs for employees of Siemens AG and/or its affiliated companies (pursuant to Sections 15 et seqq. AktG). Finally, shares are included that are held by members of the managing board of Siemens AG or members of SBI GmbH's board of managing directors, and shares of which the voting right is exercised at Siemens Energy AG's shareholders' meeting by members of the managing board of Siemens AG or members of SBI GmbH's board of managing directors, since these also exercise the voting rights of Siemens AG and SBI GmbH at the same time.

§ 1.3 regulates the "maximum number of Siemens AG's voting rights", i.e. voting rights may be exercised by Siemens AG and SBI GmbH for resolutions pursuant to § 1.1. The maximum number of Siemens AG's voting rights shall be determined by deducting from the other shareholders' voting presence (pursuant to § 1.2) (i) votes corresponding to 10 % of the other shareholders' voting presence and (ii) votes attached to present shares that are deemed shares attributable to Siemens AG. The underlying logic is that the shares of Siemens AG, SBI GmbH and all shares attributable to Siemens AG should have a substantially lower voting weight than the shares of all other shareholders present together. Therefore, a flat-rate deduction of 10 % of the voting presence of the other shareholders is first made from the voting presence of the other shareholders. The voting rights attached to the shares attributable to Siemens AG may be freely exercised by the respective shareholders; however, Siemens AG and SBI GmbH allow these shares to be counted as own shares, so that these shares are also to be deducted at the expense of Siemens AG and SBI GmbH. The remaining number then represents the maximum number of voting rights that may be exercised by Siemens AG and SBI GmbH.

This procedure can be illustrated by the following example:

- For instance, the total presence at the shareholders' meeting amounts to 70 % of the capital stock.

- Shares amounting to approximately 23.08 % of the capital stock are held by Siemens AG, shares amounting to approximately 12.02 % of the capital stock are held by SBI GmbH and shares amounting to 9.9 % of the capital stock are held by SPT e.V. Siemens AG, SBI GmbH and SPT e.V. are present with all their shares.

- The voting presence of the remaining shareholders thus amounts to 25 % of Siemens Energy AG's capital stock (total presence of 70 % minus the shares of Siemens AG, SBI GmbH and SPT e.V.).

- The maximum number of Siemens AG's voting rights (as defined in the Deconsolidation Agreement) is therefore 12.6 % of the capital stock: voting presence of the other shareholders amounting to 25 % of the capital stock minus (i) 2.5 percentage points (10 % of the voting presence of the other shareholders) minus (ii) 9.9 percentage points (shares attributable to Siemens AG; here 9.9 % of the capital stock held by SPT e.V.)

- As a result, Siemens AG and SBI GmbH together may only exercise votes amounting to 12.6 % of the capital stock from their combined votes of 35.1 % of the capital stock. For SPT e.V., there are no restrictions with regard to the voting rights from its shares amounting to 9.9 % of the capital stock under the Deconsolidation Agreement.

b) Maximum Number of Representatives of Siemens AG in the Supervisory Board of Siemens Energy AG (§ 2)

Under § 2.1 Siemens AG and SBI GmbH undertake to ensure that at all times no more than three supervisory board members depending on Siemens AG are members of Siemens Energy AG's supervisory board representing the shareholders.

§ 2.2 conclusively regulates the persons deemed as dependent on Siemens AG:

- Persons who are or have been in the past two years, counting as from the date of the respective shareholders' meeting, members of the managing bodies of Siemens AG, of SBI GmbH, of another subsidiary as defined by IFRS 10 (Annex A) or of an affiliated company of Siemens AG pursuant to Sections 15 *et seqq.* AktG, of an associate company (as defined in IAS 28 no. 3) of Siemens AG or of a joint venture company (as defined in IAS 28 no. 3) of Siemens AG. However, the exclusion does not cover members of supervisory bodies, in particular not members of Siemens AG's supervisory board.

- Persons who are or have been in the past two years, counting as from the date of the respective shareholders' meeting, employees of Siemens AG or an affiliated company (pursuant to Sections 15 *et seqq.* AktG) of Siemens AG.

- Persons who are relatives (as defined in Section 15 AO) of a current managing board member of Siemens AG.

- Persons who, based on a decision adopted by the supervisory board of Siemens Energy AG in accordance with its duties, cannot be considered as independent, because (i) they may currently have a personal or business relations with Siemens AG, or an affiliated company of Siemens AG, that may cause a substantial and not merely temporary conflict of interests (within the meaning of Section C.9 of the DCGK), (ii) the supervisory board of Siemens Energy AG therefore believes that the supervisory board member (or a candidate for membership on the supervisory board) is not independent (within the meaning of the DCGK) of Siemens AG; and (iii) the supervisory board of Siemens Energy AG has published this assessment in its election proposal (*Wahlvorschlag*), in a declaration of compliance (*Entsprechenserklärung*) with the DCGK or in comparable publications. Conditions (i) to (iii) must be met cumulatively.

§ 2.3 lists by way of example and in a non-exhaustive manner measures to be taken by Siemens AG and / or SBI GmbH in order to fulfill the obligation regulated under § 2.1:

- In the event of an election of the supervisory board, Siemens AG and SBI GmbH will not vote for candidates that are depending on Siemens AG to the extent that, as a consequence

of their election, more than three shareholder representatives on the supervisory board of Siemens Energy AG would be depending on Siemens AG.

- Siemens AG and SBI GmbH will not submit election proposals for elections to the supervisory board to the shareholders' meeting of Siemens Energy AG and will ensure that affiliated companies of Siemens AG (Sections 15 et seqq. AktG) do not submit election proposals to the extent that, assuming that these election proposals and furthermore the election proposals of the supervisory board of Siemens Energy AG are accepted, as a consequence and following their election, there would be more than three shareholder representatives on the supervisory board of Siemens Energy AG who are depending on Siemens AG.

- In the event of a court appointment of supervisory board members pursuant to Section 104 AktG, Siemens AG and SBI GmbH will not exercise the shareholders' rights such that, as a result of the court appointment, there will be more than three shareholder representatives on the supervisory board of Siemens Energy AG who are depending on Siemens AG.

- Siemens AG and SBI GmbH will exert influence on members of management bodies or on employees of Siemens AG or its affiliated companies, e.g. by refusing a required approval for the assumption of a secondary function, such that these members will not accept a mandate as supervisory board member if otherwise there would be more than three shareholder representatives on the supervisory board who are depending on Siemens AG.

c) Restrictions on the Exercise of Voting rights for the Special Supervisory Board Member (§ 3)

When electing, re-electing and voting on the removal of a supervisory board member (including a substitute member of that supervisory board member), the so-called special supervisory board member (*besonderes Aufsichtsratsmitglied*), Siemens AG and SBI GmbH will only vote with a further reduced voting power. Under § 3.1 Siemens AG and SBI GmbH undertake to Siemens Energy AG to exercise the voting right attached to Siemens AG's shares only in the following manner: The voting right attached to Siemens AG's shares may be exercised for not more than the "reduced maximum number of voting rights of Siemens AG. " The reduced maximum number of voting rights of Siemens AG is to be determined by deducting from the other shareholders' voting presence (i) 40 % of the votes of the other shareholders' voting presence and (ii) votes attached to shares that are present and that are deemed to be shares attributable to Siemens AG. Therefore, a larger deduction is made compared to the provision in § 1.3.

§ 3.2 clarifies that the special supervisory board member and, where applicable, a substitute member appointed for that special supervisory board member must not be a person depending on Siemens AG (within the meaning of § 2.2).

§§ 3.3 and 3.4 contain the modalities for determining the special supervisory board member from among all supervisory board members to be elected by the shareholders. In principle, the special supervisory board member is determined by the supervisory board of Siemens Energy AG and is notified to Siemens AG by the 21st day prior to the relevant shareholders' meeting. If this has not been duly executed, the candidate from the supervisory board's election proposal who is not dependent on Siemens AG and who is the oldest in terms of age shall be deemed the special supervisory board member.

d) Share Transfer to Affiliated Companies (§ 4)

§ 4.1 clarifies that Siemens AG and SBI GmbH can still freely dispose of and transfer their shares in Siemens Energy AG, both within the Future Siemens Group and to third parties.

§ 4.2 imposes additional obligations for a transfer of shares in Siemens Energy AG within the Future Siemens Group. If, as a result of any such transfer, an affiliated company acquires a direct participation of at least 10 % of the capital stock of Siemens Energy AG, any such transfer is only permissible if that affiliated company accedes to the Deconsolidation Agreement assuming the obligations incumbent upon Siemens AG and SBI GmbH. Separate acceptance by the other parties is not required for accession to the Deconsolidation Agreement. As a matter of precaution, § 4.2 further clarifies, that a mandatory accession of the SPT e.V. to this Deconsolidation Agreement shall in any case not be required, even if it acquires shares in the amount of 9.9 % in the capital stock of Siemens Energy AG in connection with the Spin-off.

The provision in § 4.2 is supplemented by the provision in § 4.3. A transfer of shares to other affiliated companies of Siemens AG (Sections 15 *et seqq.* AktG) is only permissible if, as a result of the transfer, the shares attributable to Siemens AG (as defined in § 1.2) do not account for more than 15 % of the issued shares of Siemens Energy AG. Affiliated companies of Siemens AG that hold shares in Siemens Energy AG may, with the approval of Siemens AG, accede to the Deconsolidation Agreement at any time in accordance with § 4.2 sentence 2 of this Deconsolidation Agreement at any time. Overall, the provisions in §§ 4.2 and 4.3 are intended to ensure that Siemens AG could not control Siemens Energy AG via Shares only attributable to Siemens AG (as defined in § 1.2).

Under § 4.4. Siemens AG undertakes to ensure that its affiliated companies including SBI GmbH do not exercise their rights attached to the shares in Siemens Energy AG to the extent that the non-exercise of rights is required for Siemens AG to fulfil its obligations towards Siemens Energy AG under the Deconsolidation Agreement.

e) Shareholders' Request for Compliance (§ 5)

Pursuant to § 5, shareholders of Siemens Energy AG whose shares taken together represent an amount in the capital stock of at least EUR 100,000 may request compliance with the obligations under the Deconsolidation Agreement, and, if necessary, to enforce it in court. This ensures that Siemens AG in agreement with the managing board of Siemens Energy AG cannot disregard the provisions of the Deconsolidation Agreement and confirms that the parties have no such intention either.

f) Applicability and Term (§ 6)

§ 6.1 contains the modalities for the term and ordinary termination of the Deconsolidation Agreement. The Deconsolidation Agreement will take effect as of the Spin-off taking effect and is concluded for a term until the end of the fifth annual shareholders' meeting after such shareholders' meeting of Siemens Energy AG following the Spin-off taking effect at which an election of shareholder representatives for Siemens Energy AG's supervisory board was on the agenda. Prior to the end of that term, no ordinary termination (*ordentliche Kündigung*) is possible. Thereafter, this Deconsolidation Agreement will be renewed for the period leading up to the end of the fifth annual shareholders' meeting following thereafter, unless terminated by a party by giving at least three months' notice prior to its expiry. The terms are selected in such manner that, in the event of a regular election of the shareholder representatives on the supervisory board, it is already certain that the Deconsolidation Agreement will still apply to the forthcoming re-election. This is intended to prevent supervisory board members from aligning themselves with the interests of Siemens AG already during their term of office due to concerns about their re-election and thereby endangering the effective deconsolidation.

§ 6.2 clarifies in compliance with binding law, that the right to terminate the Deconsolidation Agreement for good cause (*Kündigung aus wichtigem Grund*) remains unaffected. It also regulates a special case of termination of the Deconsolidation Agreement for good cause: A sale of shares in Siemens Energy AG by Siemens AG or affiliated companies of Siemens AG (including SBI GmbH) that results in Siemens AG holding, directly or indirectly, taking into account the shares attributable to it pursuant to Section 16 (4) AktG, less than 15 % of the shares in Siemens Energy AG shall constitute an extraordinary cause for terminating this Deconsolidation Agreement; in this case, each Party may terminate this Deconsolidation Agreement in writing at any time without notice (*fristlos kündigen*), as long as the resepective participation is not again above 15 % at the time of termination.

§ 6.3 clarifies with regard to § 5, that only the Parties have a right to terminate or cancel this Deconsolidation Agreement; the exercise of this right is not subject to the consent of the other shareholders of Siemens Energy AG.

g) Termination of the Deconsolidation Agreement (§ 7)

The termination of this Deconsolidation Agreement could result in Siemens AG again gaining control or competitively significant influence as defined under merger control law over Siemens Energy AG with the consequence that clearance requirements under merger control law are triggered thereby. In this case, § 7 makes provision to ensure that any termination of the Deconsolidation Agreement does not unintentionally lead to a cartel infringement. Termination of the Deconsolidation Agreement shall only occur once the uncertainties under merger control law have been removed.

h) Miscellaneous (§ 8)

§ 8.1 regulates that the Deconsolidation Agreement is governed by the laws of the Federal Republic of Germany, but excluding its Private International Law rules.

§ 8.2 contains the standard clause on written form.

§ 8.3 contains the standard provision for replacing any invalid or unenforceable provisions of the Deconsolidation Agreement (so-called severability clause).

4. Group Separation Agreement (Annex 20 to the Spin-off and Transfer Agreement)

As described in Chapter XIII.1.r) above, Siemens AG and Siemens Energy AG have entered into a Group Separation Agreement simultaneously with the Spin-off and Transfer Agreement with the content as set out in Annex 20 to the Spin-off and Transfer Agreement. The Group Separation Agreement shall become effective upon the Spin-off taking effect. It essentially governs the legal relationships between Siemens AG and Siemens Energy AG for the times from the effectiveness of the Spin-off and the associated separation of the Siemens Energy Business, including Siemens Energy AG, from the Siemens Group.

The annex referred to herein is an annex to the Group Separation Agreement. Paragraphs without legal designation refer to paragraphs of the Group Separation Agreement. The main provisions of the Group Separation Agreement are explained below.

a) Establishment of the Siemens Energy Business (§ 1)

On the basis of the establishment agreements, the Siemens Energy Business has been or will be legally and organizationally bundled under the umbrella of Siemens Energy KG. Establishment agreements include all agreements concluded in respect of the legal and organizational bundling of the Siemens Energy Business under the umbrella of Siemens Energy KG, in particular the Master Separation Agreement as well as the contribution agreements, LATAs and LSTAs as described in

more detail in Chapters V.1.b), V.1.c) and V.1.d) ("**Establishment Agreements**"). It is the common understanding of the parties that the allocation of companies, activities, assets, liabilities and risks to the Siemens Energy Business made under and in connection with the Establishment Agreements is conclusive and binding. This does not prejudice other provisions set forth in the Establishment Agreements.

§ 1.1 sets out the principle that the Establishment Agreements regulate the allocation of companies, activities, assets, liabilities and risks to the Siemens Energy Business in a conclusive and binding manner. According to § 1.2, each party will procure that each of its group companies that is party to an Establishment Agreement shall perform such Establishment Agreement in accordance with the respective agreements made therein, unless otherwise provided for in the Group Separation Agreement. § 1.3 regulates the relationship between the Group Separation Agreement and the Establishment Agreements. The provisions of the Group Separation Agreement come alongside to the provisions of the Establishment Agreements. The provisions set forth in the Group Separation Agreement do not modify the provisions set forth in the individual Establishment Agreements. In the event that a provision agreed in the Group Separation Agreement substantially conflicts with an agreement made in an Establishment Agreement, the agreement made in the Establishment Agreement shall take precedence (principle of precedence), unless a precedence of the provisions of the Group Separation Agreement is expressly agreed in the Group Separation Agreement (deviation from the principle of precedence). This concerns certain tax provisions in § 5 and § 6, the confidentiality obligations in § 7 and the cooperation provisions in § 8. In such a case, each party shall ensure that its respective group company, which is a party to the respective Establishment Agreement, shall observe and appropriately implement this.

§ 1.4 excludes from the scope of application of the Group Separation Agreement with regard to Future Siemens Energy Group Companies certain activities carried out based on agency agreements by the Future Siemens Group Companies (i) Siemens Spa (Algeria), (ii) Siemens A.E., Electrotechnical Projects and Products (Greece), (iii) Siemens Ltd., India, (iv) P.T. Siemens Indonesia (Indonesia) as well as (v) Siemens Pakistan Engineering Co. Ltd. (Pakistan).

b) Liability (§ 2)

§ 2 provides for mutual indemnity obligations of Siemens Energy AG and Siemens AG for liabilities incurred prior to the effectiveness of the Spin-off. To the extent that claims are asserted against Future Siemens Group Companies on the basis of statutory liability or non-contractual liability imposed under common law for liabilities, obligations or contingent liabilities established prior to the effectiveness of the Spin-off, which, based on their origin or purpose, are attributable to the Siemens Energy Business, Siemens Energy AG must indemnify Siemens AG or the concerned Future Siemens Group Companies from the respective liability. This provision applies *mutatis mutandis* to the Future Siemens Energy Group Companies. The provisions serve to prevent

the contractually agreed allocation from being undermined by liability provisions prescribed by statute or common law.

c) Admission to Stock Exchange Trading, Insurance, Allocation of Prospectus Liability (§ 3)

§ 3.1 governs the admission of all Siemens Energy Shares to trading on the Regulated Market of the Frankfurt Stock Exchange and additionally in the sub-segment of the Regulated Market with further post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange immediately after effectiveness of the Spin-off, as provided for in the Spin-off and Transfer Agreement. For the purposes of admission to stock exchange trading, Siemens Energy AG prepare and publish (or otherwise make available to investors in the context of the admission to stock exchange trading) a securities prospectus to be approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdiensleistungsaufsicht) and further marketing materials and other documents.. The parties shall take out market-standard insurance for the risks typically associated with an admission to stock exchange trading.

Pursuant to § 3.2, in the event of prospectus liability towards investors, damages in connection with the implementation of the admission to stock exchange trading shall be divided between Siemens AG and Siemens Energy AG at a ratio of 45 % and 55 %, respectively, provided that no insurance pursuant to § 3.1 has been taken out or if, despite such insurance cover, in fact compensation for the damage cannot be obtained. This applies in particular to (i) the liability under warranty and indemnity obligations of Siemens Energy AG *vis-à-vis* the banks accompanying the transaction and (ii) costs and expenses (including charges) incurred by a party in the context of defending or asserting (counter-)claims in connection with prospectus liability, if and to the extent that these costs and expenses are necessary or adequate from the perspective of a prudent and conscientious manager. § 3.2 contains a mutual indemnification of the parties at the ratio described above. All contributory negligence provisions (including Section 254 BGB), principles and objections are expressly excluded between the parties.

d) Accounting (§ 4)

In its consolidated financial statement, Siemens AG will, as from the effectiveness of the Spin-off, recognize its participations in Siemens Energy AG as investments accounted for using the equity method (IAS 28), cf. § 4.1. In order to fulfil the corresponding disclosure obligations, in particular pursuant to IFRS 12, and for the purpose of deconsolidating the Siemens Energy Business and the first-time application of the equity method, Siemens Energy AG undertakes to provide Siemens AG with all documents and information required or deemed appropriate by Siemens AG. The above shall also apply, upon request by Siemens AG, outside of the regular reporting of Siemens Energy AG, in particular for the purpose of timely responses to potential questions asked by the German

Financial Reporting Enforcement Panel (*Deutsche Prüfstelle für Rechnungslegung*) regarding Siemens AG's participation in Siemens Energy AG (with the provisions in § 8.5 applying *mutatis mutandis* in this regard).

Conversely, § 4.7 provides for an obligation of Siemens AG to provide information that Siemens Energy AG reasonably requires to fulfil disclosure obligations in connection with the shareholder status of Siemens AG.

For the purposes of consistency, pursuant to § 4.2 the regular quarterly reporting of Siemens Energy AG to Siemens AG shall be conducted in accordance with currently applied accounting and valuation principles and other accounting principles of Siemens AG, which shall be made available by Siemens AG. In addition, the parties agree to establish a procedure for the exchange of information regarding regulatory changes to the applicable accounting standards and potential changes of accounting principles.

The scope and time limits of regular reporting are set out in Annex 4.4 to the Group Separation Agreement. § 4.4 provides for a coordination obligation of both parties with regard to all circumstances relevant to reporting. Annex 4.4 shall be amended or supplemented by the contractual parties as appropriate.

§ 4.3 provides for an obligation of Siemens Energy AG to make available to Siemens AG all information that is reasonably required for reporting of expected earnings per share or substantial deviation therefrom in the context of Siemens AG's own financial reporting. Siemens AG shall publish information that at least indirectly allow conclusions as to the earnings situation of Siemens Energy AG either only after the publication of the relevant financial reports of Siemens Energy AG or following prior consultation with Siemens Energy AG.

§ 4.6 governs a reimbursement obligation of Siemens AG for additional reasonable external costs incurred by Siemens Energy AG in connection with the fulfilment of the obligations specified in § 4 as agreed between the parties and contingent on written proof thereof.

As provided for in § 4.8, the overall obligations of the parties under § 4 are subject to the condition that the disclosure of the relevant information is legally permissible, in particular considering capital market and insider trading legal provisions. These obligations shall apply pursuant to § 4.9 only as long as Siemens AG holds a direct or indirect total participation of at least 20 % in the capital stock of Siemens Energy AG (without taking into account the participation of SPT e.V. in Siemens Energy AG). Only in this case a significant influence of Siemens AG within the meaning of IAS 28 can be assumed. If the 20 % threshold is not / no longer reached, the parties undertake to come to an adequate and expedient agreement on forwarding the relevant information.

e) Tax Indemnifications (§ 5)

§ 5.1 sets forth a definition of "Taxes".

§ 5.2 contains a list of the contributions of business assets within the meaning of Section 24 (1) UmwStG to Siemens Energy KG in the course of the bundling of the Siemens Energy Business under Siemens Energy KG:

- effective as of 1 January 2020, Siemens AG contributed a business unit *(Teilbetrieb*) in exchange for the increase of its partnership interest (thereafter, the partnership interest was contributed to SBI GmbH by Siemens AG, cf. also Chapter V.1.d));

- Siemens AG and Kyros 63 GmbH joined SBI GmbH as new partners, which is treated under tax law as a new foundation (*Neugründung*) of the enlarged Siemens Energy KG, into which the former shareholders contribute their shares; and

- effective as of 31 March 2020, SBI GmbH contributed the 100 % corporate participations in Power Control GmbH, Trench Germany GmbH and Dresser-Rand do Brasil, Ltda. as business units in exchange for the increase of its partnership interest.

Siemens Energy AG undertakes to procure that Siemens Energy KG recognizes the business assets contributed in each case pursuant to Section 24 (2) sentence 2 UmwStG for tax purposes at their book values and will submit the book value application necessary for this purpose in each case in due time. In case of a violation of this obligation, Siemens Energy AG has a payment obligation towards Siemens AG or SBI GmbH, at the option of Siemens AG, to compensate Siemens AG or SBI GmbH for the taxes imposed on them and for the reduction of corporate tax and trade tax loss carryforwards or, more specifically, deficits resulting from Siemens Energy AG's breach of obligation.

In the course of the bundling of the Siemens Energy Business, SBI GmbH contributed partnership interests in Siemens Energy KG into Siemens Energy AG in exchange for the granting of shares in Siemens Energy AG. Siemens Energy AG undertakes to recognize the business assets received for tax purposes at their book values and to submit the book value application necessary for this purpose in due time. In case of a violation of this obligation, pursuant to § 5.3 Siemens Energy AG has a payment obligation towards Siemens AG or SBI GmbH, at the option of Siemens AG, to compensate Siemens AG or SBI GmbH for the taxes imposed on them and for the reduction of corporate tax loss carryforwards resulting from Siemens Energy AG's breach of obligation.

§ 5.4 provides for a list of shares subject to a blocking period (*sperrfristbehaftete Anteile*) of Siemens AG and SBI GmbH in the connection with the bundling that have been or will be created due to the tax-neutral contribution of shares in Siemens Energy KG at book values according to Section 20 (2) sentence 2 UmwStG:

- those shares granted to Siemens AG (as transferring entity) in SBI GmbH (as receiving entity) for contributing partnership interests in Siemens Energy KG;

- those shares granted to SBI GmbH (as transferring entity) in Siemens Energy AG (as receiving entity) for contributing partnership interests in Siemens Energy KG.

If Siemens AG, SBI GmbH or Siemens Energy KG were to be taxed for any contribution gain I (*Einbringungsgewinn I*) in respect of the Shares Subject to a blocking period pursuant to Section 22 (1) UmwStG, (including as a consequence of the occurrence of any alternative realization event (*Ersatzrealisationstatbestand*) within the meaning of Section 22 (1) sentence 6 nos. 1 to 6 UmwStG), pursuant to § 5.5 the following applies:

- To the extent that contribution gain I has been caused by Siemens AG or SBI GmbH (for example by selling the shares subject to a blocking period), Siemens AG will pay to Siemens Energy AG an amount as compensation for the sum of the trade tax imposed on Siemens Energy KG or reduced trade tax deficit at Siemens Energy KG (insofar as their use has not been excluded by the transfer of the partnership interests in Siemens Energy KG from Siemens AG and SBI GmbH to Siemens Energy AG) resulting from the violation of the blocking period. The indemnification claim of Siemens Energy AG is reduced by a potential tax benefit that may apply to Siemens Energy AG and / or Siemens Energy KG under the step-up approach pursuant to Section 23 (2) UmwStG ("**Step-up Benefit**"). The Step-up Benefit is to be calculated and deducted at a flat rate not taking into account the facts and the actual tax situation of these two companies. To the extent that the Step-up Benefit exceeds the amount, which Siemens AG would have to pay to Siemens Energy AG without the deduction of the Step-up Benefit, Siemens Energy AG is obliged to pay to Siemens AG an amount equal to this difference. With regard to the exceeding amount, the calculation of the present value of the Step-up Benefit to be deducted and the amount to be paid by Siemens AG without this Step-up Benefit assumes that Siemens AG or SBI GmbH have first disposed of such shares that include no or lower taxable hidden reserves as far as they can freely dispose of such shares; this does not apply if all shares are sold to a third party outside the group or for good cause to an affiliated company in a single economic transaction. If shares are sold at a later stage within the relevant blocking period which have lower hidden reserves compared to the shares which have been sold previously, to determine the calculation of the exceeding amount, it is assumed for the calculation of the present value of the step-up benefit to be deducted and the amount to be paid by Siemens AG without this step-up benefit, that the shares with the higher hidden reserves actually sold previously were only sold at this later point in time and that Siemens Energy AG will pay to Siemens AG the exceeding amount determined accordingly.

- To the extent that contribution gain I is caused by Siemens Energy AG or Siemens Energy KG, Siemens Energy AG will pay to Siemens AG an amount equal to the sum of the

resulting corporate tax imposed on Siemens AG and on SBI GmbH (including solidarity surcharge) or the nominal amount of the resulting reduction of corporate tax loss carryforwards at Siemens AG and SBI GmbH.

- For the purposes of § 5.5., the contribution gain I shall be deemed caused if it is triggered by the conduct of the relevant company or by an event within the sphere of risk of that company. No relevant conduct is deemed to exist for this purpose if shareholder rights of Siemens AG or of SBI GmbH in their respective role as shareholder in Siemens Energy AG (e.g. voting rights at the shareholders' meeting or on the supervisory board) are or are not exercised.

- To the extent that Siemens Energy AG is obliged to payment pursuant to § 5.5, the amount is payable in two installments, namely 50 % at once and 50 % 24 months after the due date of the first installment; in case of § 5.5b), the second installment shall bear interest at 2 % p.a.

§ 5.6 defines the obligation of the parties to compensate the other party for tax losses in the form of taxes, the reduction of corporation tax loss carryforwards or of trade tax deficits which have arisen as a result of an action with retrospective effect under tax law taken by the party or its group company after effectiveness of the Spin-off with respect to the other party or its group companies.

§ 5.7 sets forth the legal consequences of a breach of the duty to cooperate in tax matters (§ 6). Accordingly, the party who violates the duty to cooperate must compensate for the resulting losses under tax law.

Pursuant to § 5.8, the party that, according to the preceding paragraphs of § 5, is obligated to make a payment must pay additionally an amount to the other party or that party's group company concerned, that is necessary to place the other party or that party's group company such that in case of an after-tax assessment, it will receive in total the amount it would have retained without taxation of its claim and / or the payment made (*gross-up*). If and to the extent that the reduction of corporate income tax loss carryforwards and / or trade tax deficits is to be reimbursed on the merits in accordance with § 5, as per § 5.9 the actual taxes that are subsequently payable because these loss carryforwards and / or tax losses are not available will not have to be reimbursed additionally.

§ 5.10 contains provisions on the due date of claims under § 5, while § 5.11 contains provisions on the statute of limitations (six months after the underlying tax assessment has become final, but no earlier than after expiry of six months after effectiveness of the Spin-off, and no later than eight years after effectiveness of the Spin-off). Finally, § 5.12 establishes the calculation principle of the prohibition of economic over- or undercompensation. According to this principle, claims under § 5 must be calculated in such a way that the same facts are not taken into account more than once.

f) Cooperation in Tax Matters (§ 6)

§ 6 of the Group Separation Agreement provides for a cooperation clause in tax matters. § 6.1 generally provides for the obligation of both parties to cooperate with the purpose of reducing to the greatest extent possible the tax burden for both parties and, in particular, to provide each other with the essential records necessary to reach this purpose.

Furthermore, according to § 6.2, Siemens Energy AG undertakes to provide the Future Siemens Group Companies, to the extent they are affected by a tax proceeding relating to the Siemens Energy Business, with all pertinent information that enables the Future Siemens Group Companies to comply with their obligations under applicable tax law. The same applies accordingly for Siemens AG if the opposite is the case. Pursuant to § 6.3, § 6.2 also applies accordingly to agreements that are part of the Siemens Energy Business but legally remain at one of the Future Siemens Group Companies. Continuing cooperation rights of Siemens AG on other legal grounds remain unaffected hereby.

§ 6.4 specifies the principle of the independent conduct of tax proceedings, notwithstanding § 6.2. At the same time, however, the obligation to cooperate is established for tax proceedings that formally concern one party but also affect the other party, e.g. as a result of the contingent liabilities or a previously existing tax group status. Accordingly, the party who is formally conducting the tax proceedings shall ensure that mutual agreement with the other party on the course of action is sought. If the parties do not reach any agreement, the party who itself would owe more than 50 % of the relevant tax or would receive more than 50 % of the relevant tax refund decides. If the relevant tax or tax refund is attributed in equal parts to both parties, the party who is formally conducting the tax proceedings decides.

In addition, pursuant to § 6.5, the parties shall ensure that the tax group status between any Future Siemens Energy Group Company and any Future Siemens Group Company that exists or existed in periods before the effectiveness of the Spin-off remains effective for those periods and, in the event of any objections by the tax authorities, take any measures to remedy such objections. If these measures result in a shift of assets between any Future Siemens Energy Group Company and any Future Siemens Group Company, the parties will provide financial reimbursement therefor.

If and to the extent internal or external advisory costs arise for the parties and / or their group companies in connection with the fulfillment of the obligations set forth in §§ 5 and 6, § 6.6 stipulates that these costs are borne by each of the parties themselves respectively; the provisions contained in any of the Establishment Agreements remain unaffected. According to § 6.7, the party that has initiated a suspension of payment, a deferral or other similar postponement of the due date shall bear any interest in connection with such postponement and is responsible for any security to be provided. § 6.8 extends the requirements of §§ 5 and 6 to the respective legal successors of the companies.

§ 6.9 closes with the obligation of Siemens Energy AG upon request of and in consultation with Siemens AG to appoint an internationally recognized tax advisory firm, to fulfill the obligations of Siemens Energy AG provided for in § 6 for and on behalf of Siemens Energy AG.

g) Confidentiality (§ 7)

§ 7 contains standard confidentiality provisions with regard to information arising from the joint group affiliation of the businesses or from rights to information under the Group Separation Agreement or the Spin-off and Transfer Agreement. Furthermore, it is specified that the provisions of § 7 take precedence over possibly contradictory provisions in the Establishment Agreements.

h) Information Sharing, Rights to Documents and Cooperation Duties (§ 8)

§ 8 regulates the future information sharing between the parties. § 8.1 specifies the legitimate interests for the disclosure of information as well as its procedure.

Pursuant to § 8.2, Siemens Energy AG and its group companies are entitled to receive all business records related to the Siemens Energy Business. At the same time, the Future Siemens Group Companies will be authorized to inspect these business records to the extent that these records relate to the time of joint affiliation in the Siemens Group until the Spin-off taking effect. § 8.3 stipulates that all business records not covered by § 8.2 remain with Siemens AG and its group companies. The Future Siemens Energy Group Companies will be authorized to inspect these business records to the extent that there is a legitimate interest in such inspection. § 8.4 relates to the right to destroy business records after the statutory retention periods expire.

Pursuant to § 8.5, the parties shall be obliged to assist each other in compliance issues, administrative proceedings and legal disputes that relate to the fields of operation of the other party, whereby § 6 contains exhaustive provisions with regard to tax matters.

In addition, § 8.6 requires the parties to agree on appropriate provisions for the distribution of any costs arising under § 8. Finally, it is stated, that the provisions of § 8 take precedence over possibly contradictory provisions in the Establishment Agreements, § 8.7.

i) Assertion and Fulfillment of Claims (§ 9)

Since the Group Separation Agreement also specifies entitlements and obligations of the parties at various points which affect group companies of the parties § 9.1 stipulates that the Group Separation Agreement provides for the entitlements and obligations of the parties exclusively. In this respect, § 9.2 imposes an obligation on each party to ensure that its group companies comply with the provisions of the Group Separation Agreement. § 9.3 provides for a non-assignment clause

for claims under the Group Separation Agreement with the exception of the assignments to group companies of the assigning party.

j) Dispute Resolution, Arbitration Clause (§ 10)

§ 10 governs the procedure to be followed in the event of disputes between the parties. In addition to the objective of an amicable settlement with the obligation to involve the upper management and the possibility of an alternative dispute resolution (§ 10.1), § 10.2 stipulates that any outstanding disputes will be finally decided by an arbitral tribunal in accordance with the rules of arbitration of the ICC, whereby pursuant to § 10.3 the parties are still entitled to request injunctive relief at the competent state courts.

k) Final Provisions (§ 11)

§ 11 contains final provisions. § 11.1 stipulates that the Group Separation Agreement will take effect upon the Spin-off taking effect. § 11.2 provides that the Group Separation Agreement is governed by the laws of the Federal Republic of Germany to the exclusion of its Private International Law rules. § 11.3 includes the standard written form clause. § 11.4 determines that the claims become statute-barred upon expiration of 31 December 2030 to the extent not otherwise explicitly provided for in the agreement (if the spin-off does not take effect until 2021, the point in time when the claims become statute-barred is also postponed by one year; in case of a later effectiveness of the Spin-off, the claims become statute-barred by the end of 31 December of the year, which is ten years after the year, in which the Spin-off was completed). § 11.5 contains the usual provision to replace by analogy any invalid or impracticable provisions of the Group Separation Agreement (so-called severability clause).

*** * ***

CONVENIENCE TRANSLATION – ONLY THE GERMAN VERSION IS AUTHORITATIVE

22 May 2020

Siemens Aktiengesellschaft
The Management Board

Joe Kaeser	Dr. Roland Busch	Klaus Helmrich
Cedrik Neike	Prof. Dr. Ralf P. Thomas	

CONVENIENCE TRANSLATION – ONLY THE GERMAN VERSION IS AUTHORITATIVE

22 May 2020

Siemens Energy AG
The Management Board

Dr.-Ing. Christian Bruch	Dr.-Ing. Jochen Eickholt
Maria Ferraro	Tim Oliver Holt

- Convenience Translation -

Annex to the Joint Spin-off Report
of the Managing Boards of Siemens Aktiengesellschaft
and Siemens Energy AG

SPIN-OFF AND TRANSFER AGREEMENT

between

Siemens Aktiengesellschaft

and

Siemens Energy AG

EXCERPT

of notary deed no 1167 G/2020
of notary Dr. Tilmann Götte, Munich
dated 22 May 2020

– Convenience Translation – only the German version is binding –

Spin-off and Transfer Agreement

between

Siemens Aktiengesellschaft, Berlin and Munich,

– hereinafter also referred to as "**Siemens AG**" or the "**Transferring Entity**" –

as the transferring entity

and

Siemens Energy AG, Munich,

– hereinafter also referred to as the "**Receiving Entity**" –

as the receiving entity

– hereinafter referred to together as the "**Parties**" or individually as a "**Party**" –

22 May 2020

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I.
Preamble

0.1 Siemens AG with its registered offices in Berlin and Munich is registered with the register of companies (*Handelsregister*) at the district court (*Amtsgericht*) of Charlottenburg under registration number HRB 12300 B and with the register of companies at the district court of Munich under registration number HRB 6684. The capital stock of Siemens AG at the time of conclusion of this Spin-off and Transfer Agreement amounts to EUR 2,550,000,000, divided into 850,000,000 shares of no par value (registered shares). Siemens AG holds 50,690,288 treasury shares at the time of conclusion of this Spin-off and Transfer Agreement. Together with its current direct and indirect subsidiaries, Siemens AG forms a group of companies (the "**Siemens Group**").

0.2 Siemens Energy AG with its registered office in Munich is registered with the register of companies at the district court of Munich under registration number HRB 252581. The capital stock of Siemens Energy AG at the time of conclusion of this Spin-off and Transfer Agreement amounts to EUR 100,000, divided into 100,000 shares of no par value (registered shares). At the time of conclusion of this Spin-off and Transfer Agreement, the sole shareholder of Siemens Energy AG is Siemens AG.

0.3 Siemens AG has decided to legally separate the worldwide operations of Gas and Power of the Siemens Group to be legally separated and the shares held by the Siemens Group in the amount of approximately 67 % in Siemens Gamesa Renewable Energy, S.A. ("**SGRE**") (together, the "**Siemens Energy Business**") under Siemens Energy AG, the shares of which are to be listed on the Frankfurt Stock Exchange. Going forward, Siemens Energy AG is to be managed as an entity that is legally and organizationally independent of Siemens AG. In that context, Siemens AG intends to retain a (direct and indirect) minority interest in the future listed Siemens Energy AG as its non-controlling anchor shareholder initially with a total share in its capital stock of 45 %, of which 9,9 % of the capital stock shall be transferred to Siemens Pension-Trust e.V. in connection with the Spin-off. With the strategic and operational development of Siemens Energy AG, Siemens AG intends to reduce its stake in the amount of 35,1 % significantly in a timeframe of twelve to eighteen months after the spin-off taking effect. The remaining shares in Siemens Energy AG are to be transferred to the shareholders of Siemens AG by way of a spin-off in accordance with the German Transformation Act (*Umwandlungsgesetz)*. Immediately after the spin-off takes effect, the shares in Siemens Energy AG are to be admitted to trading on the Frankfurt Stock Exchange (the legal separation of the Siemens Energy Business under Siemens Energy AG, the transfer of shares to the shareholders of Siemens AG and the admission to stock exchange trading, altogether, are hereinafter referred to as the "**Transaction**").

0.4 In preparation of the legal separation, the Siemens Energy Business has been and will be legally and organizationally consolidated under the umbrella of Siemens Gas and Power GmbH & Co. KG with its registered office in Munich and registered with the register of companies at the district court of Munich under registration number HRA 111200, to be renamed Siemens Energy Global GmbH & Co. KG ("**Siemens Energy KG**"). The fixed capital (*Festkapital*) of Siemens Energy KG amounts to EUR 174,908,333 at the time of conclusion of this Spin-off and Transfer Agreement. A partnership interest (*Kommanditanteil*) representing a *pro rata* amount of the fixed capital of EUR 153,892,732 (approximately 87.98 % of the fixed capital) is held directly by Siemens AG. A partnership interest representing the remaining *pro rata* amount of the fixed capital of EUR 21,015,601 (approximately 12.02 % of the fixed capital) is held by Siemens Beteiligungen Inland GmbH with its registered office in Munich, registered with the register of companies at the district court of Munich under HRB 139644 ("**SBI GmbH**"), which is a wholly-owned subsidiary of Siemens AG. The sole personally liable partner (general partner) of Siemens Energy KG, which holds no interest in its fixed capital, is Siemens Gas and Power Management GmbH, a German limited liability company (GmbH), with its registered office in Munich, registered with the register of companies at the district court of Munich under HRB 241345 ("**General Partner GmbH**"). At the time of conclusion of this Spin-off and Transfer Agreement, the share capital of General Partner GmbH amounts to EUR 25,000, divided into 25,000 shares, each with a nominal value of EUR 1.00. At the time of conclusion of this Spin-off and Transfer Agreement, approximately 87.98 % of this share capital (21,996 shares) is held by Siemens AG. The remaining approximately 12.02 % of the share capital (3,004 shares) is held by SBI GmbH.

0.5 The Transaction is to be implemented mainly by taking the following key steps:

0.5.1 Siemens AG will contribute to Siemens Energy AG a partial partnership interest representing a *pro rata* amount of the fixed capital of Siemens Energy KG of EUR 57,693,148.85 (equivalent to approximately 32.98 % of the fixed capital) and its 8,246 shares in General Partner GmbH bearing the serial numbers 13,751 through 21,996 (equivalent to approximately 32.98 % of the share capital) with economic effect as of the contribution effective date, i.e. 1 April 2020, 0:00 hours (subject to a contractually agreed postponement of the contribution effective date), in return for (i) the issuance of 239,582,401 new shares of no par value (registered shares) and (ii) a payment by Siemens Energy AG to Siemens AG of a cash amount of EUR 175,746.41, plus any interest credited to bank accounts and group-internal settlement accounts (*Verrechnungskonten*) of Siemens Energy AG between 1 April 2020 up to and including day of the payment or, as the case may be, less any interest debited from such accounts during this period. In order to grant these shares to Siemens AG, Siemens Energy AG will increase its capital stock of

EUR 100,000 by EUR 239,582,401 to EUR 239,682,401 ("**SAG Capital Increase in Kind**").

0.5.2 With economic effect as of 1 April 2020 (subject to a contractually agreed postponement of the contribution effective date), SBI GmbH will contribute to Siemens Energy AG the partnership interest held by it representing a *pro rata* amount of the fixed capital of Siemens Energy KG of EUR 21,015,601 (equivalent to approximately 12.02 % of the fixed capital) and its 3,004 shares in General Partner GmbH bearing the serial numbers 21,997 through 25,000 (equivalent to approximately 12.02 % of the share capital) in return for the issuance of 87,307,936 new shares of no par value (registered shares) in Siemens Energy AG. In order to grant these shares, Siemens Energy AG, which at this time is still a wholly-owned subsidiary of Siemens AG, will increase its capital stock by another EUR 87,307,936 to EUR 326,990,337 ("**SBI Capital Increase in Kind**"; the SBI Capital Increase in Kind and the SAG Capital Increase in Kind together are hereinafter referred to as the "**Capital Increases in Kind**").

0.5.3 The contributions in connection with the Capital Increases in Kind as set forth in nos. 0.5.1 and 0.5.2 above will be made in accordance with the contribution agreement likewise notarized as of the date hereof and annexed to this Spin-off and Transfer Agreement as **Annex 0.5.3**. The Capital Increases in Kind are to be carried out prior to the spin-off taking effect. After the Capital Increases in Kind are carried out, the only assets that Siemens Energy AG will hold will be a partnership interest in Siemens Energy KG representing a *pro rata* amount of its fixed capital of EUR 78,708,749.85 (equivalent to 45 % of Siemens Energy KG's fixed capital) and 11,250 shares in General Partner GmbH (equivalent to 45 % of General Partner GmbH's share capital). A partnership interest representing the remaining 55 % of the fixed capital of Siemens Energy KG and the remaining 55 % of the shares in General Partner GmbH will initially be held unchanged by Siemens AG.

0.5.4 Siemens AG's partial partnership interest representing a *pro rata* amount of the fixed capital of Siemens Energy KG of EUR 96,199,583.15 remaining with Siemens AG after the Capital Increases in Kind described in nos. 0.5.1 through 0.5.3 (equivalent to 55 % of Siemens Energy KG's fixed capital) ("**Spin-off Partnership Interest**") and the shares in General Partner GmbH bearing the serial numbers 1 through 13,750 to still remain with Siemens AG (equivalent to 55 % of the share capital) ("**Spin-off General Partner's Shares**") are to be transferred to Siemens Energy AG in accordance with this Spin-off and Transfer Agreement so that Siemens Energy AG will be the sole limited partner of Siemens Energy KG and the sole shareholder of General Partner GmbH upon the spin-off taking effect (Siemens Energy AG together with its direct and indirect subsidiaries existing after the spin-off are hereinafter referred to as the "**Future Siemens Energy Group**"; the

Siemens Group without the companies of the Future Siemens Energy Group is referred to as the "**Future Siemens Group**").

0.5.5 As consideration for the spin-off, the shareholders of Siemens AG are to receive from Siemens Energy AG in proportion to their current shareholdings a total of 399,654,856 shares of no par value (registered shares) in Siemens Energy AG in accordance with this Spin-off and Transfer Agreement. In order to carry out the spin-off, Siemens Energy AG will increase its capital stock from then EUR 326,990,337 by EUR 399,654,856 to EUR 726,645,193 (the "**Spin-off Capital Increase**"). The shares to be granted to the shareholders of Siemens AG in order to carry out the spin-off will correspond to 55 % of the future capital stock of Siemens Energy AG existing after the Spin-off Capital Increase and the Capital Increases in Kind (nos. 0.5.1 through 0.5.3 above). The remaining 45 % of the future capital stock of Siemens Energy AG will be held by Siemens AG and its wholly-owned subsidiary SBI GmbH upon the spin-off taking effect.

0.5.6 Immediately after the spin-off takes effect, all shares in Siemens Energy AG are to be listed for trading in the Regulated Market of the Frankfurt Stock Exchange and also in the sub-segment of the Regulated Market of the Frankfurt Stock exchange with additional post-admission obligations (Prime Standard).

Now, therefore, the Parties agree as follows:

II.
Spin-off, Spin-off Effective Date, Spin-off Statements of Financial Position and Closing Statements of Financial Position

§ 1
Spin-off

Siemens AG, as the Transferring Entity, transfers by way of a spin-off for absorption (*Abspaltung zur Aufnahme*) pursuant to Section 123 (2) no. 1 UmwG the portion of its assets specified in § 5.1 of this Spin-off and Transfer Agreement together with all rights and duties (hereinafter, the "**Spin-off Assets**") in their entirety to Siemens Energy AG as the Receiving Entity in exchange for the issuance of shares in Siemens Energy AG to the shareholders of Siemens AG pursuant to § 10 of this Spin-off and Transfer Agreement (spin-off for absorption preserving shareholding proportions). The items of the assets and liabilities and other rights and duties or legal positions of Siemens AG that are not to be allocated to the Spin-off Assets under this Spin-off and Transfer Agreement or that are expressly excluded from the transfer under this Spin-off and Transfer Agreement will not be transferred to Siemens Energy AG.

§ 2
Spin-off Effective Date and Tax Transfer Effective Date

2.1 The transfer of the Spin-off Assets will be effective as of 1 April 2020, 0:00 hours in the relationship between Siemens AG and Siemens Energy AG (the "**Spin-off Effective Date**"). Starting as of this point in time, the actions relating to the Spin-off Assets are deemed to have been made for the account of Siemens Energy AG in the relationship between Siemens AG and Siemens Energy AG.

2.2 The tax transfer effective date for the spin-off is 31 March 2020, 24:00 hours (the "**Tax Transfer Effective Date**").

§ 3
Closing Statements of Financial Position and Spin-off Statements of Financial Position

3.1 The closing statements of financial position of the Transferring Entity under Sections 125 sentence 1, 17 (2) UmwG are the interim statements of financial position of Siemens AG as of 31 March 2020, 24:00 hours, prepared in accordance with the provisions on annual statements of financial position and audits thereof, audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, which was appointed auditor of the closing statements of financial position by resolution of Siemens AG's shareholders' meeting of 5 February 2020, issued with an unqualified audit certificate and approved by the supervisory board of Siemens AG on 8 May 2020 (the "**Closing Statements of Financial Position**").

3.2 The items of the assets and liabilities to be allocated to the Spin-off Assets are recognized in the spin-off statements of financial position as of 1 April 2020, 0:00 hours, attached to this Spin-off and Transfer Agreement as **Annex 3.2** (the "**Spin-off Statements of Financial Position**"). The Spin-off Statements of Financial Position were derived from the Closing Statements of Financial Position prepared as of 31 March 2020 (§ 3.1 of this Spin-off and Transfer Agreement), which were continued taking into account the contribution of a partial partnership interest in the amount of EUR 57,693,148.85 in the fixed capital of Siemens Energy KG and of the shares in General Partner GmbH bearing the serial numbers 13,751 through 21,996 by Siemens AG into Siemens Energy AG as of 1 April 2020, 0:00 hours, as described in no. 0.5 of the Preamble.

3.3 Siemens AG will reflect the Spin-off Assets at book value in its Closing Statements of Financial Position and at fair market value in its tax Closing Statements of Financial Position as of the Tax Transfer Effective Date. Siemens Energy AG will reflect the Spin-

off Assets at book value in its commercial statements of financial position. Siemens Energy AG will include the Spin-off Assets and in its tax statements of financial position at the values contained in the tax Closing Statements of Financial Position of Siemens AG as of the Tax Transfer Effective Date.

§ 4
Postponement of the Effective Dates

If the spin-off has not been registered with the registers of companies of the Transferring Entity at the district courts of Charlottenburg and Munich by the close of 31 October 2020, the Spin-off Effective Date is deemed to be 1 October 2020, 0:00 hours, and the Tax Transfer Effective Date is deemed to be 30 September 2020, 24:00 hours, contrary to the above § 2 of this Spin-off and Transfer Agreement, and the effective date of the Closing Statements of Financial Position of Siemens AG is deemed to be 30 September 2020, 24:00 hours, contrary to the above § 3.1. In the event of any further delay of the registration beyond 31 October of any subsequent year, the effective dates are each postponed by one year in accordance with the above provision.

III.
Spin-off Assets and Modalities for the Transfer

§ 5
Spin-off Assets

5.1 In the course of the spin-off, Siemens AG will transfer to Siemens Energy AG

5.1.1 the Spin-off Partnership Interest along with all related rights and duties, including the pertaining entitlement to all profits that have thus far not been withdrawn, the balance on Siemens AG's personal account to be allocated to the Spin-off Partnership Interest, and the *pro rata* amount in the jointly held reserve account (*gesamthänderisch gebundenes Rücklagekonto*) corresponding to the *pro rata* amount of the fixed capital; and

5.1.2 the Spin-off General Partner's Shares, including all related rights and duties, including the entitlement to distribution of all profits that have thus far not been distributed.

5.2 Siemens Energy AG assumes the liability amount of Siemens AG equivalent to the *pro rata* amount of the fixed capital represented by the Spin-off Partnership Interest.

5.3 Existing obligations of Siemens AG to make contributions to Siemens Energy KG remain unaffected in its relationship with Siemens Energy KG and will not be assumed by Siemens Energy AG in the internal relationship either.

5.4 The Parties will make all declarations, issue all documents, and take all other actions that may still be necessary or appropriate in connection with the transfer of the Spin-off Assets.

§ 6
Taking Effect, Closing Date

6.1 The transfer of the Spin-off Assets occurs with *in rem* effect (*dinglich*) upon the spin-off taking effect through its registration with the registers of companies of Siemens AG at the district courts of Charlottenburg and Munich, with the later registration being determinative (the "**Closing Date**").

6.2 Siemens AG undertakes to ensure that no shareholder resolution will be adopted on or before the Closing Date under which the fixed capital of Siemens Energy KG existing at the time of conclusion of this Spin-off and Transfer Agreement or the share capital of General Partner GmbH is changed. Siemens AG also undertakes to ensure that no withdrawals from Siemens Energy KG or distributions of profits of General Partner GmbH are made on or before the Closing Date. Siemens AG will ensure that the Spin-off Assets are managed and disposed of only in the ordinary course of business and with the diligence of a prudent businessman and in compliance with the requirements of this Spin-off and Transfer Agreement during the period between the conclusion of this Spin-off and Transfer Agreement and the Closing Date.

§ 7
Catch-all Provisions

7.1 If and to the extent that the Spin-off Assets do not already pass to Siemens Energy AG by force of law upon the registration of the spin-off, Siemens AG will transfer those assets to Siemens Energy AG. In exchange, Siemens Energy AG is obliged to consent to the transfer. The Parties will treat each other in the internal relationship as if the transfer had also occurred in the external relationship as of the Spin-off Effective Date.

7.2 In connection with a transfer under § 7.1 of this Spin-off and Transfer Agreement, the Parties will initiate all necessary or appropriate measures and legal acts and cooperate in them in order to transfer the Spin-off Assets.

§ 8
Protection for Creditors and Internal Compensation

To the extent no other allocation of burdens and liabilities under or in connection with the Spin-off Assets results under this Spin-off and Transfer Agreement, the following provisions apply:

8.1 If and to the extent that claims are asserted against Siemens AG based on the provisions in Section 133 UmwG or other provisions on the protection of creditors for liabilities, obligations or contingent liabilities that are being transferred to Siemens Energy AG in accordance with the provisions of this Spin-off and Transfer Agreement, Siemens Energy AG must indemnify Siemens AG from the relevant liability or obligation on first demand. This also applies in the event that such creditors assert claims against Siemens AG for the provision of security.

8.2 If and to the extent that claims are asserted against Siemens Energy AG on the basis of the provisions in Section 133 UmwG or other provisions by creditors for Siemens AG's liabilities, obligations or relationships involving liability that are not being transferred to Siemens Energy AG in accordance with this Spin-off and Transfer Agreement, Siemens AG must indemnify Siemens Energy AG against the relevant liability or obligation on first demand. This also applies in the event that such creditors assert claims against Siemens Energy AG for the provision of security.

8.3 If and to the extent that the personal liability of Siemens AG is triggered for liabilities of Siemens Energy KG because the liable contribution made by Siemens AG to Siemens Energy KG is deemed to be paid back to Siemens AG, or one of the other measures specified in Section 172 (4) sentence 2 of the German Commercial Code (*Handelsgesetzbuch*, "**HGB**") has been taken, after the Closing Date without the liable contribution having been returned in fact to Siemens AG or one of its affiliated companies, Siemens Energy AG must indemnify Siemens AG against the relevant liability or obligation on first demand. This applies in particular in the event that the notice of succession (*Rechtsnachfolgevermerk*) of Siemens Energy AG is not registered, or is not registered in time, with the register of companies.

§ 9
Warranties

9.1 Siemens AG warrants as of the Closing Date that it is the holder of the Spin-off Partnership Interest and of the Spin-off General Partner's Shares and that Siemens AG can freely dispose of the Spin-off Partnership Interest and the Spin-off General Partner's Shares and

that they are not encumbered with rights of third parties. Aside from this, no quality of the Spin-off Assets, especially specific features or a value of the business of Siemens Energy KG, are agreed.

9.2 To the extent legally permissible, all rights and warranties relating to the quality of the Spin-off Assets that might exist in addition to those in § 9.1 of this Spin-off and Transfer Agreement under statutory provisions or otherwise are excluded. The provision in this § 9.2 of this Spin-off and Transfer Agreement applies to all rights and warranties, regardless of the legal nature (contractual or pre-contractual rights, rights under tort or other rights), and especially also to those rights that could result in the cancelation or unwinding of this Spin-off and Transfer Agreement or any similar legal effect.

IV.
Consideration and Corporate Actions; Special Rights and Benefits

§ 10
Issuance of Shares, Trustee and Capital Measures

10.1 As consideration for the transfer of the Spin-off Assets to Siemens Energy AG, the shareholders of Siemens AG will receive one (1) share of no par value (a registered share) in Siemens Energy AG for every two (2) shares of no par value (registered shares) in Siemens AG at no charge in accordance with their present participation (preserving the proportionate shareholdings). Altogether, 399,654,856 shares of no par value (registered shares) in Siemens Energy AG will be issued to the shareholders of Siemens AG. In this context, it was taken into consideration that, pursuant to Section 131 (1) no. 3 sentence 1 UmwG, the shares held by Siemens AG as treasury shares are not entitled to allocation. Siemens AG will make sure that the number of the total issued shares in Siemens AG minus the treasury shares which are not entitled to allocation under Section 131 (1) no. 3 sentence 1 UmwG will be exactly 799,309,712 on the Closing Date. The shares in Siemens Energy AG to be granted pursuant to § 10.1 of this Spin-off and Transfer Agreement are the new shares to be created by means of the capital increase pursuant to § 10.3 of this Spin-off and Transfer Agreement.

10.2 The shares to be granted by Siemens Energy AG are entitled to participate in profits for the fiscal years starting on 1 October 2019. If the Spin-off Effective Date is postponed pursuant to § 4 of this Spin-off and Transfer Agreement to 1 October 2020, the date as of which the shares to be granted will be entitled to participate in profits will be postponed accordingly to 1 October 2020. If the Spin-off Effective Date is postponed further pursuant to § 4 of

this Spin-off and Transfer Agreement, the date as of which the shares to be granted will be entitled to participate in profits will be postponed accordingly by one year.

10.3 In order to carry out the spin-off, Siemens Energy AG will increase its capital stock by EUR 399,654,856 to EUR 726,645,193 by issuing 399,654,856 shares of no par value (registered shares) in Siemens Energy AG. A *pro rata* amount of the capital stock of EUR 1.00 is attributable to each new share. No additional premium (agio) is owed.

10.4 The contribution in kind will be rendered by means of the transfer of the Spin-off Assets. To the extent that the value at which the contribution in kind rendered by Siemens AG is recognized (for accounting purposes) by Siemens Energy AG, i.e. the book value under commercial law of the Spin-off Assets as of the Spin-off Effective Date, exceeds the amount of the increase in the capital stock specified in § 10.3 of this Spin-off and Transfer Agreement, this amount will be allocated to the capital reserve of Siemens Energy AG in accordance with Section 272 (2) no. 1 HGB.

10.5 Siemens AG appoints Deutsche Bank AG, Frankfurt am Main, as the trustee for receiving the shares in Siemens Energy AG to be issued and for disbursing them to the shareholders of Siemens AG. Possession of the shares to be issued will be granted to the trustee prior to the registration of the spin-off and the trustee will be instructed to provide the shareholders of Siemens AG with the shares after registration of the spin-off with the registers of companies of Siemens AG.

§ 11
Granting of Special Rights

11.1 Siemens AG and its group companies have made, or will make upon or before the spin-off taking effect, various commitments to provide shares of no par value (registered shares) in Siemens AG to members of the managing board and employees of Siemens AG, as well as to members of the corporate bodies and employees of Siemens Group, including members of the corporate bodies and employees of the Future Siemens Energy Group (together, for purposes of this § 11 of this Spin-off and Transfer Agreement, the "**Beneficiaries**"), in the context of stock-based compensation programs or, as the case may be, employee participation programs; these commitments are listed in **Annex 11.1** (together, the "**Stock Entitlements**").

11.2 The Stock Entitlements existing as of the Closing Date will be adjusted or compensated for with effect as of the Closing Date as follows:

11.2.1 The rights under Stock Entitlements granted to Beneficiaries who continue to be employed in the Future Siemens Group after the spin-off takes effect or who are otherwise not covered by § 11.2.2 of this Spin-off and Transfer Agreement will be adjusted according to the provisions as described in **Annex 11.2.1**.

11.2.2 Compensation will be provided for the rights under Stock Entitlements granted to Beneficiaries of the Future Siemens Energy Group who leave the Siemens Group upon the spin-off taking effect in accordance with the provisions as described in **Annex 11.2.2**, unless otherwise described in § 12.4 of this Spin-off and Transfer Agreement.

11.2.3 To the extent that any Party bears joint and several liability under applicable law for the fulfillment of obligations of the other Party under Stock Entitlements, § 8 of this Spin-off and Transfer Agreement applies directly or, where applicable, accordingly.

11.3 As of the time this Spin-off and Transfer Agreement is executed, Siemens AG has issued neither convertible bonds nor bonds with warrants.

11.4 Aside from this, no rights are granted for individual shareholders or holders of special rights within the meaning of Section 126 (1) no. 7 UmwG and no measures in the sense of this provision are intended for such persons either.

§ 12
Granting of Special Benefits

12.1 The Parties intend to take out market-standard insurance for the risks typically associated with an admission to stock exchange trading in connection with the listing of the shares of Siemens Energy AG. The insurance coverage is also to cover the members of the managing boards and the supervisory boards of Siemens AG and of Siemens Energy AG. The Parties will agree on the personal and factual scope of the insurance coverage, the amount of the coverage, the insurance premium and the internal allocation thereof.

12.2 After the spin-off takes effect, the current chairman of the managing board of Siemens AG, Joe Kaeser, and the member of the managing board Prof. Dr. Ralf P. Thomas shall assume positions in the supervisory board of Siemens Energy AG; namely, Joe Kaeser is to be proposed as chairman of the supervisory board of Siemens Energy AG and Prof. Dr. Ralf P. Thomas as chairman of the audit committee. Pursuant to the future articles of association of Siemens Energy AG (pursuant to § V.13.1 of this Spin-off and Transfer Agreement and annex 13.1), the members of the supervisory board receive – in addition to any committee remuneration – a fixed annual remuneration of EUR 120,000 per member, which increases

by EUR 120,000 for the chairman of the supervisory board. The chairman of the audit committee additionally receives EUR 120,000. In its meeting on 8 May 2020, the supervisory board of Siemens AG decided that the remuneration of Joe Kaeser and of Prof. Dr. Ralf P. Thomas as supervisory board member of Siemens Energy AG is not to be deducted from their remuneration as members of the managing board of Siemens AG.

12.3 Prior to the spin-off, the members of Siemens Energy AG's managing board were promised a spin-off incentive by General Partner GmbH. Accordingly, depending on the target achievement, amounts ranging from 100 % to 200 % of a target amount individually determined for each member of the managing board can be paid. The target amount is EUR 1,500,000 for Dr.-Ing. Christian Bruch and EUR 750,000 each for Dr.-Ing. Jochen Eickholt, Maria Ferraro and Tim Oliver Holt. The target amount will be paid out if certain target values for the effects of the spin-off or the market value are achieved upon the spin-off taking effect and within the first 120 days after the spin-off taking effect, based on the average volume-weighted price of the share of Siemens Energy AG. If these target values are not achieved, no spin-off incentive will be granted. If the target values are exceeded, a maximum of up to 200 % of the target amount will be paid out. Values between 100 % and 200 % are determined by linear interpolation. The members of the managing board are obliged to reinvest the net profits from the spin-off incentive in shares of Siemens Energy AG. It is intended that the obligation to pay managing board remuneration, including the spin-off incentive, will be transferred to Siemens Energy AG after the spin-off takes effect.

12.4 General Partner GmbH has promised to the members of the management of the General Partner GmbH due to their activities as members of the managing board of Siemens Energy AG commitments to receive shares without own additional payment after a vesting period (stock awards) in addition to their other remuneration. Thereby, a part of the remuneration shall be structured for the long term in that the achievement of financial and non-financial targets over a four-year period is measured (for details regarding stock-based compensation and employee participation option plans for other members of executive bodies and employees of the Future Siemens Energy Group, see § 16.6 of this Spin-off and Transfer Agreement below). A specific target amount is set for each member of the managing board. This target amount is EUR 1,920,000 for Dr.-Ing. Christian Bruch and EUR 960,000 for Dr.-Ing. Jochen Eickholt, Maria Ferraro and Tim Oliver Holt, respectively. This target amount is multiplied in each case by a provisional maximum target achievement rate of 200 %. For this amount, each member of the managing board is yearly, for the first time in the fiscal year 2021, granted forfeitable stock awards, the specific number of which is calculated on the basis of the share price on the grant date, less discounted estimated dividends during the vesting period. After a vesting period of four years, each managing board member will be granted one share in Siemens Energy AG for

each stock award, whereby the number of stock awards finally granted depends on the actual achievement of the following targets during the assessment period: total shareholder return of the share in Siemens Energy AG compared to competitors, i.e. change in the stock exchange price of the shares in Siemens Energy AG plus dividends paid in comparison to the change in value of comparative indices (40 %), earnings per share measured against previously set targets (40 %) and achievement of sustainability targets according to a specific Environmental, Social & Governance criteria (20 %). The degree of target achievement of the individual components may range from 0 % to 200 %. The overall target achievement corresponds to the weighted average target achievement of the individual components. If the actual degree of overall target achievement is less than 200 % after the four-year vesting period, a corresponding portion of the stock awards lapses without replacement and a smaller number of shares is allocated. The shares in Siemens Energy AG allocated at the end of the vesting period are limited to 250 % of the target amount. Any excess stock awards will lapse without replacement. If commitments to receive shares in Siemens AG without an additional payment after the expiration of a vesting period (stock awards) have been or will be made to the members of the managing board of Siemens Energy AG for the fiscal year in which the spin-off takes effect, these commitments will expire without replacement upon the spin-off taking effect. If commitments to receive shares in Siemens Energy AG without an additional payment after the expiration of a vesting period (stock awards) have been or will be made to the members of the managing board of Siemens Energy AG for a fiscal year in which the spin-off will not yet take effect, such commitments will expire at the end of the respective fiscal year without replacement. Both the bonus and the stock awards shall be subject to penalty (*malus*) and clawback provisions that allow variable remuneration which can be reduced or reclaimed under certain conditions, e.g. in the event of a determined compliance violation. It is intended that the obligation to pay managing board remuneration, including the commitment to grant stock awards, will be transferred from the General Partner GmbH to Siemens Energy AG after the spin-off takes effect.

12.5 For the members of the managing board of Siemens AG, the stock-based compensation programs (as described in § 11 of this Spin-off and Transfer Agreement) will be adjusted. The present spin-off may therefore impact these programs, as they are based on, *inter alia*, the development of the stock exchange price of Siemens AG and the stock exchange price of Siemens AG might develop differently as a result of the spin-off.

12.6 Beyond that, no special benefits within the meaning of Section 126 (1) no. 8 UmwG are being granted to members of the managing boards and supervisory boards of the companies involved in the spin-off or to an auditor of the financial statements or a spin-off auditor. The provisions of § 11 of this Spin-off and Transfer Agreement remain unaffected.

V.
Provisions under Corporate Law and Stock Exchange Law affecting Siemens Energy AG

§ 13
Articles of Association of Siemens Energy AG, Authorization pursuant to Section 71 (1) no. 8 AktG and Authorization pursuant to Section 221 AktG

13.1 Siemens AG undertakes to ensure that the articles of association of Siemens Energy AG are amended prior to the spin-off taking effect so that they are worded as in the version attached in **Annex 13.1** after the spin-off takes effect and after completion of the status proceedings (cf. § 18.1 of this Spin-off and Transfer Agreement). The Parties assume that, after the spin-off takes effect, the supervisory board of Siemens Energy AG will consist of ten members representing the shareholders and ten members representing the employees in accordance with Section 7 (1) sentence 1 no. 3 MitbestG. If a different composition results pursuant to Section 7 (1) MitbestG after completion of the status proceedings, this must be taken into account.

13.2 Siemens AG undertakes to ensure that the shareholders' meeting of Siemens Energy AG adopts prior to the spin-off taking effect the authorization attached as **Annex 13.2** for the acquisition and use of treasury shares pursuant to Section 71 (1) no. 8 AktG.

13.3 Siemens AG undertakes to ensure that the shareholders' meeting of Siemens Energy AG adopts prior to the spin-off taking effect the authorization attached as **Annex 13.3** for the issuance of convertible bonds or bonds with warrants pursuant to Section 221 AktG.

§ 14
Capital Increases in Kind of Siemens Energy AG

14.1 Siemens AG and Siemens Energy AG will ensure that, to the extent legally permissible, all declarations are made, all documents are issued and all other actions are taken that are necessary or useful in order to ensure that the Capital Increases in Kind described in no. 0.5 of this Spin-off and Transfer Agreement are implemented before the spin-off described in § 1 of this Spin-off and Transfer Agreement is effected by means of its registration in the registers of companies of Siemens AG at the district court of Munich and at the district court of Charlottenburg.

14.2 Siemens AG undertakes to ensure that no further capital increases or any capital decreases of Siemens Energy AG are implemented on or before the Closing Date except for the

Capital Increases in Kind and the Spin-off Capital Increase described in no. 0.5 of this Spin-off and Transfer Agreement.

§ 15
Admission to Stock Exchange Trading

The Parties undertake to ensure that all declarations will be made, all documents will be issued and all other actions (including the preparation and publication of a securities prospectus to be approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and further marketing materials) will be taken that are still necessary or useful in order to procure that all shares in Siemens Energy AG (including the existing shares, the shares created in the course of the Capital Increases in Kind and the shares created in the course of the Spin-off Capital Increase) are admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and also in the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard) immediately after the spin-off taking effect.

VI.
Consequences of the Spin-off for the Employees and their Representative Bodies

§ 16
Consequences of the Spin-off for the Employees' Individual Rights

16.1 The employment relationships of the employees of Siemens AG will not be affected by the spin-off.

16.2 Siemens Energy AG is to date not acting operationally and is not employing any employees of its own. Therefore, the spin-off has no consequences for the employees of Siemens Energy AG.

16.3 The spin-off also has – unless presented below – no consequences for the individual rights of the employees of the Future Siemens Energy Group, which will be created, when the spin-off takes effect with Siemens Energy AG as the new parent company. The employees remain with their respective companies at which they are employed; their employment relationships will not be affected by the spin-off. This also applies to participation in the company pension plan and the pension commitments made by the relevant companies with which the employees are employed.

16.4 To the extent that employees participate in the stock-based compensation programs or, as the case may be, employee participation programs existing in the Siemens Group, the corresponding Stock Entitlements will be adjusted or compensation will be provided for them as a consequence of the spin-off as presented in detail below.

16.4.1 In the case of employees who will be employees of the Future Siemens Group after the spin-off takes effect, the adjustment will be made – except for the Beneficiaries under the Siemens Group UK Share Incentive Plan ("**UK Plan**") – such that, upon the relevant Stock Entitlements falling due, each of these employees receives a cash payment for the notional number of shares in Siemens Energy AG derived by taking the number of shares in Siemens AG due from the allotment ratio of 2:1 as a basis, in addition to the number of shares in Siemens AG for which there is an entitlement on the due date (even if cash compensation is provided for such an entitlement after discretionary decisions or in accordance with the applicable rules). In the case of the Beneficiaries under the UK Plan, an adjustment going beyond the provisions set forth in the UK Plan is not necessary because the Beneficiaries – like all other Siemens shareholders as well – will receive shares in Siemens Energy AG for the shares held by the trustee. With regard to further details and special cases, reference is made to § 11 of this Spin-off and Transfer Agreement and the corresponding annexes.

16.4.2 Employees of the Future Siemens Energy Group who leave the Siemens Group upon the spin-off taking effect – except for the Beneficiaries under the UK Plan – will receive cash compensation or a cash payment for their entitlements to shares in Siemens AG pursuant to the terms and conditions of the relevant stock-based compensation program or, as the case may be, employee participation program after the spin-off takes effect. With regard to further details and special cases, reference is made to § 11 of this Spin-off and Transfer Agreement and the corresponding annexes. Under the provisions of the trustee and custodial agreement entered into with the relevant custodian bank commissioned by the Siemens Group, these employees are entitled within a certain period of time after the end of the Closing Date to sell or transfer to a private account or a new securities account those shares in Siemens AG that they have acquired for purposes of stock-based compensation programs or, as the case may be, employee participation programs and that are held in safe custody by the custodian bank commissioned by the relevant Siemens group company. If this is not done within a reasonable time period, the shares in Siemens AG may be sold by the custodian bank for the account of the employee. The Beneficiaries under the UK Plan will receive no cash compensation; instead, all of the shares held by the trustee for the Beneficiaries – without any reduction on a *pro rata temporis* basis – are to be transferred to the Beneficiaries or sold for their account.

16.5 To have the members of the managing board and other executives and employees of the Future Siemens Energy Group participate in the long-term and sustainable success of the business, and to carry on the ownership culture as lived at Siemens Group,, stock-based compensation programs and employee participation programs shall be implemented in the Future Siemens Energy Group.

16.6 In particular, the introduction of a share matching program, the granting of stock awards and commitments to grant jubilee shares are planned and commitments to a one-time spin-off incentive have been granted or are planned.

Under the share matching program, members of executive bodies and employees of the Future Siemens Energy Group, with the exception of members of the managing board of the Siemens Energy AG, may invest part of their income in shares in Siemens Energy AG, whereby they will receive – to the extent that they are employed as of certain predetermined effective dates by Siemens Energy AG or any other company of the Future Siemens Energy Group with registered office in Germany participating in the programs – in respect of an investment of EUR 100 for every acquired share in Siemens Energy AG, additionally two further shares (matching shares) and, in the case of a further investment of EUR 160 for every acquired share in Siemens Energy AG, additionally one further matching share; the acquired and the additional matching shares are not subject to any holding or vesting period. In respect of any investment beyond that and in respect of members of corporate bodies and employees who are employed on the relevant effective dates by companies of the Future Siemens Energy Group with registered office abroad participating in the programs, they will receive additionally one further matching share for every three shares in Siemens Energy AG acquired; in this regard, both the acquired and the additional matching shares are subject to a vesting period of one year.

Certain senior executives of Siemens Energy AG – as well as the members of the managing board of Siemens Energy AG (see in this regard § 12.4 of this Spin-off and Transfer Agreement above) – are to receive a part of their remuneration as long-term stock-based compensation (stock awards) that will be subject to a four-year vesting period. After expiration of the vesting period, the senior executives will receive for their stock awards shares in Siemens Energy AG, the number of which is to be determined based on the development of the company on the capital market relative to competitors, the financial development of Siemens Energy AG and the performance of Siemens Energy AG regarding environmental, social and governance criteria.

16.7 It is also planned to allocate stock awards as remuneration components for the further members of senior management and for other selected members of executive bodies and

employees or to make special allocations for special achievements or projects that can be granted to all members of executive bodies and employees of the Future Siemens Energy Group, with the exception of the members of Siemens Energy AG's managing board, several times throughout a fiscal year. These stock awards are fulfilled one quarter each after the first year, the second year, the third year and the fourth year, respectively. Fulfillment does not depend on the achievement of certain targets.

For members of executive bodies and employees who will be employed by any company within the Siemens Energy Group with its registered office in Germany, a jubilee share program is to be launched under which eligible employees will receive jubilee shares at certain service anniversaries. The service periods in the Siemens Group will be taken into account for the purposes of this program.

Subject to the successful and timely spin-off and the initial stock exchange listing, certain members of executive bodies and employees of the Future Siemens Energy Group who have materially contributed to the successful spin-off received a one-time spin-off incentive, which – unlike the spin-off incentive for the members of the managing board of Siemens Energy AG – is structured as follows (as regards the organization of the spin-off incentive for the members of the managing board of Siemens Energy AG, see § 12.3 of this Spin-off and Transfer Agreement). The spin-off incentive consists of two elements; a short-term cash component (bonus), which will be paid after the spin-off has taken effect and which corresponds to 25 % of the target amount, and a long-term stock-based component corresponding to 75 % of the target amount, which will be due after a vesting period of three years after the spin-off has taken effect. The target amount corresponds to a certain percentage of the basic remuneration of the beneficiary. The long-term stock-based component depends – in the positive as well as in the negative – on the development of the share price of the share in Siemens Energy AG in the first three years after the initial listing and is in general fulfilled in form of shares in Siemens Energy AG. If the share price doubles during this period, it can lead to a maximum total amount of 4.75 times the target amount from the spin-off incentive. In general, the prerequisite is that the respective Beneficiary is employed by the Future Siemens Energy Group at the time of performance. In relation to all Beneficiaries, this can presumably lead to a total inflow of a maximum of approximately EUR 100 million.

In addition, the Future Siemens Energy Group plans to grant commitments to other members of corporate bodies and employees of the Future Siemens Energy Group to receive shares as part of a one-time spin-off incentive on the occasion of the listing. The target amount for this spin-off incentive equals 3 % of the gross annual income of the respective Beneficiary with 100 % target achievement. The number of shares to be granted

is dependent on the development of the share price of the Siemens Energy share in the three years following the IPO. The maximum value of Siemens Energy shares granted is six times the target amount if the share price doubles. In general, the prerequisite is that the respective Beneficiary is employed by the Future Siemens Energy Group at the time of performance. In relation to all Beneficiaries, this can presumably lead to a total inflow of a maximum of approximately EUR 680 million.

16.8 In connection with the preparation of the Transaction, service agreements have been entered into between companies of the Future Siemens Group and of the Future Siemens Energy Group under which employees of the Future Siemens Group will provide services after the spin-off takes effect for a certain, usually one-year, transitional period. Going forward, these services will be performed by employees of the companies of the Future Siemens Energy Group. It is therefore currently being considered that the relevant employees of the Future Siemens Group will be transferred to the Future Siemens Energy Group by way of a transfer of business (*Betriebsübergang*) or on an individual contractual basis.

16.9 The spin-off will not result in personnel-related changes. However, the business operations, including, but not limited to, the organization, the portfolio and the positioning of the Future Siemens Energy Group will be monitored on an ongoing basis. In the event that adjustments are to be made to German establishments based on the relevant business plan approved from time to time and on the further development of the business, the organizational and/or personnel-related changes as well as the consequences for the employees will be coordinated with the competent co-determination bodies in good time and negotiations pursuant to Sections 111 et seqq. BetrVG will be started in due course.

16.10 Apart from the consequences described in § 16 and § 18 of this Spin-off and Transfer Agreement, no further consequences for the employees' individual rights will arise from the spin-off and no further measures are planned in this respect either.

§ 17
Consequences of the Spin-off for the Representative Bodies of the Employees under Works Constitution Law; Shop Agreements and Collective Bargaining Agreements

17.1 Works Councils, Youth and Trainee Bodies and Handicapped Representative Bodies

17.1.1 The establishments of Siemens AG and the further establishments of the Future Siemens Group are not affected by the spin-off. The existence, composition and terms of office of the existing works councils and general works councils, the existing youth and trainee

representative bodies and the general youth and trainee representative bodies as well as of the handicapped representative bodies and the general handicapped representative bodies remain unaffected.

17.1.2 The group works council, the group handicapped representative body and the group youth and trainee representative body in the Siemens Group will also continue to exist after the spin-off takes effect. However, Siemens Energy AG and the other companies of the Future Siemens Energy Group will leave the Siemens Group when the spin-off takes effect, and Siemens Energy AG will form its own group together with its dependent companies. This will lead to personnel changes in the composition of the group works council and the group youth and trainee representative body at Siemens AG. Accordingly, those members of the group works council and the group youth and trainee representative body who are employees of the Future Siemens Energy Group will leave those bodies when the spin-off takes effect. This currently concerns five members of the group works council and five members of the group youth and trainee representative body. The vacant positions will be filled with employees of the Future Siemens Group in accordance with the applicable statutory provisions.

17.1.3 The European works council in the Siemens Group (Siemens Europe Committee) existing under the agreement in the version dated 24 March 2020 will also continue to exist after the spin-off takes effect. As a result of the departure of the establishments of the Future Siemens Energy Group from the Siemens Group when the spin-off takes effect, however, there will also be personnel changes in the composition of that body. Accordingly, those members of the Siemens Europe Committee who are employees of the Future Siemens Energy Group will leave that body when the spin-off takes effect. This currently concerns seven members of the Siemens Europe Committee, who will be replaced by substitute members of the Future Siemens Group in accordance with the agreement in the version dated 24 March 2020.

17.1.4 Since Siemens Energy AG is to date not acting operationally and is not employing any employees of its own, it has neither a works council nor a youth and trainee representative body nor a handicapped representative body. The spin-off will not directly change this situation. After the spin-off takes effect, however, Siemens Energy AG will be the parent company of the Future Siemens Energy Group. Thus, the prerequisites for establishing a group works council will basically exist at Siemens Energy AG pursuant to Section 54 BetrVG. If such a group works council is established, the prerequisites for establishing a group handicapped representative body exist pursuant to Section 180 (2) of the German Code of Social Law Ninth Book (*Sozialgesetzbuch Neuntes Buch*). Furthermore, the prerequisites for establishing a group youth and trainee representative

body will in principle also exist after the spin-off takes effect in accordance with Section 73a BetrVG.

17.1.5 In the event that a group works council is established, group shop agreements existing in the Siemens Group at the time of the spin-off will continue to apply as group shop agreements of the Future Siemens Energy Group or otherwise as general shop agreements or as shop agreements in the companies of the Future Siemens Energy Group that are no longer part of the Siemens Group after the spin-off.

17.1.6 In addition, the prerequisites for establishing a European works council will in principle also exist in the Future Siemens Energy Group after the spin-off takes effect.

17.1.7 The establishments of the companies of the Future Siemens Energy Group are not affected by the spin-off. The existence, composition and terms of office of these existing works councils and general works councils, youth and trainee representative bodies and general youth and trainee representative bodies as well as handicapped representative bodies and general handicapped representative bodies remain unaffected.

17.2 (General and Group) Committees of Spokespersons of the Senior Executives

17.2.1 The existence, composition and terms of office of the committees of spokespersons and of the general committees of spokespersons of the senior executives at Siemens AG will not be affected by the spin-off.

17.2.2 The group committee of spokespersons in the Siemens Group will also continue to exist after the spin-off takes effect. However, Siemens Energy AG and the other companies of the Future Siemens Energy Group will leave the Siemens Group when the spin-off takes effect, and Siemens Energy AG will form the Future Siemens Energy Group together with its controlled companies. This will lead to personnel changes in the composition of the group committee of spokespersons of Siemens AG. Accordingly, those members of the group committee of spokespersons who are employees of Siemens Energy AG or any of the other companies of the Future Siemens Energy Group will leave that body when the spin-off takes effect. This currently concerns two members of the group committee of spokespersons. They will be replaced by employees of the Future Siemens Group in accordance with the applicable statutory provisions.

17.2.3 Since Siemens Energy AG currently has no business operations, there is no committee of spokespersons of senior executives. The spin-off will not directly change this situation either. However, after the spin-off takes effect, the prerequisites for establishing a group

committee of spokespersons in the Future Siemens Energy Group will in principle exist pursuant to Section 21 of the German Act on the Committees of Spokespersons of Senior Executives (*Gesetz über Sprecherausschüsse der leitenden Angestellten – Sprecherausschussgesetz*).

17.2.4 The committees of spokespersons of the companies of the Future Siemens Energy Group will not be affected by the spin-off in terms of their existence and composition.

17.3 Economic Committees

17.3.1 The economic committees existing at Siemens AG and the other companies of the Siemens Group will continue to exist without any change even after the spin-off.

17.3.2 Since Siemens Energy AG currently is not acting operationally and is not employing any employees of its own, it has no economic committee. The spin-off will not change this situation either.

17.3.3 The economic committees currently existing in the companies of the Future Siemens Energy Group will continue to exist unchanged after the spin-off.

17.4 **Collective Bargaining Agreements**

17.4.1 The spin-off will not affect the applicability of collective bargaining agreements to companies of the Siemens Group or of the Future Siemens Energy Group.

17.4.2 Siemens AG will continue to be a member of the employers' associations of which it currently is a member.

17.4.3 Siemens Energy KG is a member of the following employers' associations: Verband der Bayerischen Metall- und Elektro-Industrie e.V., Südwestmetall Verband der Metall- und Elektroindustrie Baden-Württemberg e.V., Verband der Metall- und Elektroindustrie in Berlin und Brandenburg e.V., Essener Unternehmensverband e. V., Unternehmerverband der Metallindustrie Ruhr-Niederrhein e.V., Hessenmetall - Verband der Metall- und Elektro-Unternehmen Hessen e. V., VSME Verband der Sächsischen Metall- und Elektroindustrie e.V., Nordmetall Verband der Metall- und Elektroindustrie e.V., VMET Verband der Metall- und Elektroindustrie in Thüringen e.V. Siemens Energy AG is currently not a member of any employers' association but currently has no employees either.

17.5 No Other Measures with Respect to the Representative Bodies of the Employees under Shop Constitution Law

The spin-off has no further consequences for the employees' rights under works constitution law other than those described in this § 17 of this Spin-off and Transfer Agreement and no further measures are planned in this respect either.

§ 18
Consequences of the Spin-off for Corporate Co-Determination/the Supervisory Board

18.1 Siemens AG has an equally co-determined supervisory board in accordance with the provisions of the MitbestG. The spin-off has no effect on the existence and the size of the supervisory board of Siemens AG as well as the terms of office of its members. Siemens AG will continue to be a company with an equally co-determined supervisory board with twenty members in accordance with the provisions of the MitbestG (ten supervisory board members representing the shareholders and ten supervisory board members representing the employees). The employee representatives on the supervisory board of Siemens AG are elected by the employees of all companies/establishments of the Future Siemens Group located in Germany. Siemens Energy AG and the other companies of the Future Siemens Energy Group will no longer be group companies of Siemens AG after the spin-off takes effect so that employees of Siemens Energy AG and the other domestic companies of the Future Siemens Energy Group will no longer be entitled to elect members and to be elected as a member of the supervisory board of Siemens AG, and instead will be entitled to elect members and to be elected as a member of the supervisory board of Siemens Energy AG. Currently, one employee of the Future Siemens Energy Group is a member of the supervisory board of Siemens AG, who will no longer be eligible for election and will leave the supervisory board of Siemens AG. The vacant position will be filled with an employee of the Future Siemens Group in accordance with the applicable statutory provisions. It is intended to have a successor appointed by a court for the period after the vacancy begins until a successor is elected.

18.2 Since Siemens Energy AG does not have any employees to date, it currently has no supervisory board that is subject to statutory employee co-determination. After the spin-off takes effect, however, Siemens Energy AG will establish an equally co-determined supervisory board under the provisions of the MitbestG because it will be the controlling company of the Future Siemens Energy Group and, accordingly, will have more than 2,000 employees in Germany based on the provision on attributing employees pursuant to Section 5 (1) sentence 1 MitbestG. The managing board of Siemens Energy AG will

conduct so-called status proceedings pursuant to Sections 97 et seqq. AktG after the spin-off takes effect. The Parties believe that, under the provisions of the MitbestG, normally more than 20,000 employees will be deemed to be employees of Siemens Energy AG after the spin-off takes effect and that, accordingly, the supervisory board will consist of twenty members pursuant to Section 7 (1) sentence 1 no. 3 MitbestG, of which ten members will represent the shareholders and ten members will represent the employees.

18.3 The ten supervisory board members representing the shareholders will be elected by the shareholders' meeting of Siemens Energy AG prior to the spin-off taking effect. They will be initially elected for the period beginning no later than the spin-off taking effect until the registration with the register of companies of the amendment of the articles of association in order to adjust the composition of the supervisory board so as to comply with the provisions under German co-determination law after completion of the status proceedings pursuant to Sections 97 et seqq. AktG. Simultaneously, the same supervisory board members representing the shareholders will be elected subject to the condition precedent of registration of this amendment of the articles of association with the register of companies for a term of office ending upon conclusion of the next following shareholders' meeting. This serves the purpose of facilitating a new election by the future shareholders of Siemens Energy AG of the supervisory board members representing the shareholders to be elected by the shareholders' meeting. The supervisory board members representing the employees will initially be appointed by a court for a period after the registration with the register of companies of the amendment of the articles of association in order to adjust the composition of the supervisory board so as to comply with the provisions under German co-determination law after completion of the status proceedings pursuant to Sections 97 et seqq. AktG until the supervisory board members representing the employees are elected by the employees. The spin-off has no effects on the existence and composition of the supervisory boards of General Partner GmbH, Siemens Gamesa Renewable Energy Management GmbH and Maschinenfabrik Reinhausen GmbH. The supervisory board of General Partner GmbH will continue to be composed of twenty supervisory board members, ten members representing the shareholders and ten members representing the employees. The supervisory board of Siemens Gamesa Renewable Energy Management GmbH will continue to be composed of twelve supervisory board members, six members representing the shareholders and six members representing the employees. The supervisory board of Maschinenfabrik Reinhausen GmbH will continue to be composed of 12 supervisory board members, six representing the shareholders and six representing the employees.

VII.
Additional Agreements

§ 19
Termination of the Controlling Influence

Siemens AG, Siemens Energy AG and SBI GmbH have entered into the Deconsolidation Agreement attached hereto as **Annex 19**, which in particular provides for a restriction of the exercise of the voting rights by Siemens AG and SBI GmbH at the shareholders' meeting of Siemens Energy AG. The validity of the Deconsolidation Agreement is subject to the condition precedent of the spin-off taking effect. As a consequence, upon the spin-off taking effect, Siemens AG will neither directly nor indirectly exert any controlling influence within the meaning of Section 17 AktG on Siemens Energy AG.

§ 20
Group Separation Agreement

Siemens AG and Siemens Energy AG hereby enter into the Group Separation Agreement attached hereto as **Annex 20**.

VIII.
Miscellaneous

§ 21
Costs and Transaction Taxes

21.1 The Parties assume that, as regards the entering into and implementation of this Spin-off and Transfer Agreement, no value added tax (*Umsatzsteuer*) will arise because the transfer of the Spin-off Assets is either not subject to tax or tax-exempt. None of the Parties will waive any tax exemption of the services rendered under this Spin-off and Transfer Agreement. If the tax authorities take the view that value added tax arises in connection with any of these events, the Parties undertake to take all lawful and reasonable measures to prevent such an assessment of value added tax and, if necessary, the unappealability (*Unanfechtbarkeit*) of such assessment. If value added tax is assessed nevertheless against Siemens AG, Siemens Energy AG is not obligated to pay any additional amount to Siemens AG as regards the value added tax; however, to the extent that Siemens Energy AG has the right to deduct input tax (*Vorsteuerabzug*) as regards the value added tax, Siemens Energy AG will pay to Siemens AG an amount equal to the input tax deduction, provided that Siemens Energy AG may also fulfill this payment obligation by effectively assigning any

refund claim against the tax office. Insofar as value added tax is nevertheless assessed against Siemens Energy AG and Siemens Energy AG is not entitled to deduct input tax with regard to value added tax, Siemens AG shall indemnify Siemens Energy AG against value added tax and any interest thereon.

21.2 Siemens AG bears the costs that have arisen and will arise at the level of Siemens AG and Siemens Energy AG in connection with the preparation, conclusion and implementation of this Spin-off and Transfer Agreement on or before the Closing Date (including the costs of each shareholders' meeting and the costs of the filings for registration and of the registrations with the registers of companies, of the joint spin-off report, of the spin-off audit and of the audits in connection with the Capital Increases in Kind and the post-formation acquisition and of the planned admission to stock exchange trading and the respective costs for advisors, banks and insurers assigned by Siemens Energy AG) and any transaction taxes (*Verkehrsteuer*) (with the exception of value added tax, which is provided for specifically in § 21.1 of this Spin-off and Transfer Agreement).

§ 22
Final Provisions

22.1 This Spin-off and Transfer Agreement is subject to the condition precedent of approval of the shareholders' meetings of the Parties.

22.2 Siemens AG's managing board will ensure that the spin-off does not take effect until after implementation of the Capital Increases in Kind has been registered with the register of companies.

22.3 In the event that the spin-off has not taken effect by the end of 31 March 2021 pursuant to § 6.1 of this Spin-off and Transfer Agreement, each of the Parties may withdraw from this Spin-off and Transfer Agreement by written declaration to the other Party.

22.4 Siemens AG will grant Siemens Energy AG access to all business records related or allocable to the items of the Spin-off Assets.

22.5 Any disputes arising between the Parties under or in connection with this Spin-off and Transfer Agreement or with regard to its validity, including any disputes relating to the termination hereof or any subsequent amendment hereto, will be finally decided by an arbitral tribunal in accordance with the Rules of Arbitration of the International Chamber of Commerce ("**ICC**") in the relevant valid version, and recourse to the jurisdiction of the state courts is excluded (except for measures involving preliminary relief). A decision of

the arbitral tribunal regarding the validity of this arbitration clause is legally binding. The place of arbitration is Munich. The number of arbitrators is three. Each Party appoints one arbitrator to be confirmed by the ICC. These two arbitrators appoint the third arbitrator within 30 days of their appointment. If the two arbitrators cannot agree on the third arbitrator within this period of time, the third arbitrator will be appointed by the ICC. The language of the proceedings is German. An order for the presentation of documents is permitted only to the extent that any of the Parties refers explicitly to the documents in its written submissions. The consolidation of several arbitration proceedings pending at the ICC into singular arbitration proceedings is permitted only with the consent of both Parties. The Emergency Arbitrator Provisions do not apply.

22.6 The annexes to this Spin-off and Transfer Agreement are part of this Agreement.

22.7 Any claims under this Spin-off and Transfer Agreement become statute-barred upon expiration of 31 December 2030, to the extent not otherwise provided for in this Agreement.

22.8 Amendments and supplements to this Spin-off and Transfer Agreement, including any amendment to or contracting-out of this provision, require written form unless stricter requirements of form must be complied with.

22.9 If one or more provisions in this Spin-off and Transfer Agreement are or become completely or partially void, invalid or impracticable, the validity of this Spin-off and Transfer Agreement and its other provisions will not be affected thereby. In such case, the void, invalid or impracticable provision will be deemed replaced by a provision that comes as close as possible to what was originally intended by the Parties in terms of form, content, time, measure and scope of applicability in accordance with the commercial intent and purpose of the void, invalid or impracticable provision. This applies accordingly if this Spin-off and Transfer Agreement lacks any provisions.

List of Annexes

Annex	Title
0.5.3	Contribution Agreement
3.2	Spin-off Statement of Financial Position
11.1	Rights under Stock Entitlements (*Aktienzusagen*)
11.2.1	Rules applicable to the Adjustment of Stock Entitlements (*Aktienzusagen*) for Beneficiaries who are not covered by 11.2.2
11.2.2	Rules applicable to the Compensation for Rights under Stock Entitlements (*Aktienzusagen*) of Members of Corporate Bodies and Employees leaving the Siemens Group
13.1	Articles of Association of Siemens Energy AG
13.2	Authorization to Acquire and Use Treasury Shares pursuant to Section 71 (1) no. 8 AktG
13.3	Authorization to issue convertible bonds/bonds with warrants pursuant to Section 221 AktG
§ 19	Deconsolidation Agreement
§ 20	Group Separation Agreement

Contribution Agreement

between

Siemens Aktiengesellschaft, Berlin and Munich,

– hereinafter also referred to as "**Siemens AG**" –

Siemens Beteiligungen Inland GmbH, Munich,

– hereinafter also referred to as "**SBI GmbH**" –

and

Siemens Energy AG, Munich,

– hereinafter referred to together as the "**Parties**" or individually as a "**Party**" –

22 May 2020

I.
Preamble

0.1 Siemens AG with its registered offices in Berlin and Munich is registered with the register of companies (*Handelsregister*) at the district court (*Amtsgericht*) of Charlottenburg under registration number HRB 12300 B and with the register of companies at the district court of Munich under registration number HRB 6684. Siemens Beteiligungen Inland GmbH with its registered office in Munich is registered with the register of companies at the district court of Munich under registration number HRB 139644 and is a wholly-owned direct subsidiary of Siemens AG.

0.2 Siemens Energy AG with its registered office in Munich is registered with the register of companies at the district court of Munich under registration number HRB 252581. The capital stock of Siemens Energy AG at the time of the conclusion of this Contribution Agreement amounts to EUR 100,000, divided into 100,000 shares of no par value (registered shares). The sole shareholder of Siemens Energy AG is Siemens AG.

0.3 Siemens AG has decided to legally separate the worldwide operations of Gas and Power of the Siemens Group to be legally separated and the shares held by the Siemens Group in the amount of approximately 67 % in Siemens Gamesa Renewable Energy, S.A. ("**SGRE S.A.**") (together, the "**Siemens Energy Business**") under Siemens Energy AG. For purposes of this legal separation, the Siemens Energy Business is to be transferred to Siemens Energy AG through a combination of a spin-off pursuant to the German Transformation Act (*Umwandlungsgesetz*, "**UmwG**") and contributions, in each case in exchange for the granting of new shares. The shares of Siemens Energy AG are to be listed on the Frankfurt Stock Exchange. Going forward, Siemens Energy AG is to be conducted as an entity that is legally and organizationally independent of Siemens AG.

0.4 In preparation of the legal separation, the Siemens Energy Business has been and will be legally and organizationally consolidated under the umbrella of Siemens Gas and Power GmbH & Co. KG with its registered office in Munich and registered with the register of companies at the district court of Munich under registration number HRA 111200, to be renamed Siemens Energy Global GmbH & Co. KG ("**Siemens Energy KG**"). The fixed capital of Siemens Energy KG amounts to EUR 174,908,333 at the time of conclusion of this Contribution Agreement. A partnership interest representing a *pro rata* amount of the fixed capital of EUR 153,892,732 (approximately 87.98 % of the fixed capital) is held directly by Siemens AG. A partnership interest representing the remaining *pro rata* amount of the fixed capital of EUR 21,015,601 (approximately 12.02 % of the fixed capital) is held by SBI GmbH. The sole personally liable partner (general partner) of Siemens Energy KG,

which holds no interest in its fixed capital, is Siemens Gas and Power Management GmbH, a German limited liability company (GmbH), with its registered office in Munich, registered with the register of companies at the district court of Munich under HRB 241345 ("**General Partner GmbH**"). At the time of conclusion of this Contribution Agreement, the share capital of General Partner GmbH amounts to EUR 25,000, divided into 25,000 shares, each with a nominal value of EUR 1.00. At the time of conclusion of this Contribution Agreement, approximately 87.98 % of that share capital (21,996 shares bearing the serial numbers 1 through 21,996) are held by Siemens AG. The remaining approximately 12.02 % of the share capital (3,004 shares bearing the serial numbers 21,997 through 25,000) is held by SBI GmbH.

0.5 The majority interests in Siemens Energy KG and General Partner GmbH are to be transferred by way of a spin-off by absorption (*Abspaltung zur Aufnahme*) pursuant to the German Transformation Act from Siemens AG as the transferring entity to Siemens Energy AG as the receiving entity (the "**Spin-off**"). As consideration, the shareholders of Siemens AG are to receive new shares in Siemens Energy AG. For this purpose, Siemens Energy AG and Siemens AG are entering into a spin-off and transfer agreement in this same deed as of the date hereof. The Spin-off takes economic effect as of 1 April 2020, 0:00 hours (the "**Spin-off Effective Date**"). The tax transfer effective date of the Spin-off is 31 March 2020, 24:00 hours (the "**Spin-off Tax Transfer Effective Date**"). The Spin-off takes legal effect through its registration with the registers of companies of Siemens AG, with the later registration being determinative. If the Spin-off has not been registered with the registers of companies of Siemens AG by the close of 31 October 2020, the Spin-off Effective Date is deemed to be 1 October 2020, 0:00 hours, and the Spin-off Tax Transfer Effective Date is deemed to be 30 September 2020, 24:00 hours. In the event of any further delay of the registration beyond 31 October of any subsequent year, the Spin-off Effective Date and the Spin-off Tax Transfer Effective Date are each postponed accordingly by one year.

0.6 Siemens AG intends not to completely separate itself from the Siemens Energy Business in connection with the Spin-off, but, as a non-controlling anchor shareholder, would initially like to retain a (direct and indirect) minority participation in Siemens Energy AG, which will be listed on the stock exchange in the future, with a total participation of 45 % of the share capital, of which 9,9 % of the share capital shall be transferred to Siemens Pension-Trust e.V. in connection with the Spin-off. With the strategic and operational development of Siemens AG and Siemens Energy AG, Siemens AG intends to reduce its stake in the amount of 35,1 % in Siemens Energy AG significantly in a timeframe of twelve to eighteen months after the Spin-off taking effect. To create such a participation, Siemens

AG, as the sole shareholder, intends to adopt the following resolutions at the shareholders' meeting of Siemens Energy AG:

0.6.1 The capital stock of Siemens Energy AG will be increased from EUR 100,000 by EUR 239,582,401 to EUR 239,682,401 in return for the issuance of 239,582,401 shares of no par value (registered shares), each representing a *pro rata* amount of the capital stock of EUR 1.00. Siemens AG is to be permitted to subscribe for the new shares of no par value. The capital stock is to be increased in return for contribution in kind, which will be a mixed consideration. In return for the issuance of 239,582,401 new shares of no par value (registered shares) in Siemens Energy AG, Siemens AG will transfer to Siemens Energy AG a partial partnership interest in Siemens Energy KG in the amount of EUR 57,693,148.85 and 8,246 shares in General Partner GmbH bearing the serial numbers 13,751 through 21,996; in addition to the shares of no par value to be granted, Siemens Energy AG will pay to Siemens AG further consideration in the amount of EUR 175,746.41 plus interest credited to bank accounts and intercompany clearing accounts of Siemens Energy AG from 1 April 2020 up to and including the date of disbursement or minus interest debited during this period (referred to as a mixed contribution in kind).

0.6.2 The capital stock of Siemens Energy AG will additionally be increased from EUR 239,682,401 by EUR 87,307,936 to EUR 326,990,337 in return for the issuance of 87,307,936 shares of no par value (registered shares), each representing a *pro rata* amount of the capital stock of EUR 1.00, under exclusion of the existing shareholder's subscription right. SBI GmbH is to be permitted to subscribe for 87,307,936 new shares of no par value. In return for the issuance of the new shares of no par value in Siemens Energy AG, SBI GmbH will transfer to Siemens Energy AG its partnership interest in Siemens Energy KG in the amount of EUR 21,015,601 and its 3,004 shares in General Partner GmbH bearing the serial numbers 21,997 through 25,000. Additional consideration in the form of a cash payment is not intended.

0.7 The economic effective date and the tax transfer date of the contributions in kind are to correspond to the Spin-off Effective Date and the Spin-off Tax Transfer Effective Date. In the event of a postponement of the Spin-off Effective Date, these dates are to be postponed accordingly.

0.8 Siemens AG and SBI GmbH will make the contributions in kind in accordance with this Contribution Agreement. Only the partial partnership interest remaining with Siemens AG thereafter and the shares in General Partner GmbH remaining with Siemens AG thereafter will then be the subject matter of the Spin-off.

Now, therefore, the Parties agree as follows:

II.
Siemens AG's Mixed Contribution in Kind

§ 1
Subject of the Contribution; Transfer

1.1 From its partnership interest in Siemens Energy KG representing a *pro rata* amount of the fixed capital (capital account I) of Siemens Energy KG of EUR 153,892,732, Siemens AG contributes to Siemens Energy AG a part thereof representing a *pro rata* amount of the fixed capital of EUR 57,693,148.85 (in words: fifty-seven million six hundred ninety-three thousand one hundred forty-eight euros and eighty-five euro cents) ("**Partnership Interest to be contributed by Siemens AG**") as a contribution in kind. In addition, Siemens AG contributes 8,246 (in words: eight thousand two hundred forty-six) shares in General Partner GmbH, which are listed in the latter's list of shareholders (*Gesellschafterliste*) with the serial numbers 13,751 through 21,996, ("**General Partner Shares to be contributed by Siemens AG**"; this the Partnership Interest to be contributed by Siemens AG are hereinafter together also referred to as "**Siemens AG's Contribution in Kind**") to Siemens Energy AG as a contribution in kind.

1.2 The Partnership Interest to be contributed by Siemens AG is transferred along with all related rights and duties, including the pertaining entitlement to all profits that have thus far not been withdrawn, the balance on Siemens AG's private account to be allocated on a *pro rata* basis to the Contributed Partnership Interest to be contributed by Siemens AG, and the *pro rata* amount in the jointly held reserve account (*gesamthänderisch gebundenes Rücklagekonto*) corresponding to the *pro rata* amount of the fixed capital. The General Partner Shares to be contributed by Siemens AG are transferred along with all related rights and duties, including the entitlement to distribution of all profits that have thus far not been distributed.

1.3 Existing obligations of Siemens AG to make contributions to Siemens Energy KG remain unaffected in its relationship with Siemens Energy KG and are not assumed by Siemens Energy AG in the internal relationship.

1.4 From its entire partnership interest in Siemens Energy KG, Siemens AG hereby assigns a part thereof in an amount equivalent to EUR 57,693,148.85 (in words: fifty-seven million six hundred ninety-three thousand one hundred forty-eight euros and eight-five euro cents) of the fixed capital of Siemens Energy KG (the Partnership Interest to be contributed by

Siemens AG) and the General Partner Shares to be contributed by Siemens AG to Siemens Energy AG, which hereby accepts this assignment.

1.5 The assignment pursuant to § 1.4 of this Contribution Agreement is subject to the condition precedent that the transfer of the Partnership Interest to be contributed by Siemens AG has been registered with the register of companies of Siemens Energy KG accompanied by a notice of succession to specific rights and obligations (*Sonderrechtsnachfolgevermerk*).

1.6 Siemens Energy AG assumes a liability amount of Siemens AG equivalent to the *pro rata* amount of the fixed capital represented by the Partnership Interest to be contributed by Siemens AG.

§ 2
Consideration

As consideration for Siemens AG's Contribution in Kind, Siemens Energy AG will grant to Siemens AG in accordance with § 6 of this Contribution Agreement 239,582,401 shares of no par value (registered shares) in Siemens Energy AG, each representing a *pro rata* amount in its capital stock of EUR 1.00 (the "**Siemens AG's New Shares**"). In addition, Siemens Energy AG will pay to Siemens AG as further consideration an amount of EUR 175,746.41 (in words: one hundred seventy-five thousand seven hundred forty-six euros and forty-one euro cents), plus any interest credited to bank accounts and group-internal settlement accounts (*Verrechnungskonten*) of Siemens Energy AG between 1 April 2020 and up to and including day of the payment or, as the case may be, less any interest debited from such accounts during this period (the "**Cash Payment**"). The Cash Payment is due for payment upon registration of the implementation of the capital increase with the register of companies of Siemens Energy AG and must be transferred to an account to be designated by Siemens AG.

III.
SBI GmbH's Contribution in Kind

§ 3
Subject of the Contribution; Transfer

3.1 SBI GmbH contributes to Siemens Energy AG its entire partnership interest in Siemens Energy KG in the amount of EUR 21,015,601 (in words: twenty-one million fifteen thousand six hundred and one euros) of the fixed capital (capital account I) of Siemens Energy KG ("**Partnership Interest to be contributed by SBI GmbH**") as a contribution in kind. In addition, SBI GmbH contributes 3,004 (in words: three thousand and four)

shares in General Partner GmbH, which are listed in General Partner GmbH's list of shareholders with the serial numbers 21,997 through 25,000, ("**General Partner Shares to be contributed by SBI GmbH**"; this and the Partnership Interest to be contributed by SBI GmbH are hereinafter together also referred to as "**SBI GmbH's Contribution in Kind**") to Siemens Energy AG as a contribution in kind.

3.2 The Partnership Interest to be contributed by SBI GmbH is transferred along with all related rights and duties, including the pertaining entitlement to all profits that have thus far not been withdrawn, the balance on SBI GmbH's private account to be allocated to the Partnership Interest to be contributed by SBI GmbH, and the *pro rata* amount in the jointly held reserve account corresponding to the *pro rata* amount of the fixed capital. The General Partner Shares to be contributed by SBI GmbH are transferred along with all related rights and duties, including the entitlement to distribution of all profits that have thus far not been distributed.

3.3 Existing obligations of SBI GmbH to make contributions to Siemens Energy KG remain unaffected in its relationship with Siemens Energy KG and are not assumed by Siemens Energy AG in the internal relationship.

3.4 SBI GmbH hereby assigns the Partnership Interest to be contributed by SBI GmbH and the General Partner Shares to be contributed by SBI GmbH to Siemens Energy AG, which hereby accepts this assignment.

3.5 The assignment pursuant to § 3.4 of this Contribution Agreement is subject to the condition precedent that the transfer of the Partnership Interest to be contributed by SBI GmbH has been registered with the register of companies of Siemens Energy KG accompanied by a notice of succession to specific rights and obligations.

3.6 Siemens Energy AG assumes the liability amount of SBI GmbH registered with the register of companies of Siemens Energy KG.

§ 4
Consideration

As consideration for the contribution of the Partnership Interest to be contributed by SBI GmbH and the General Partner Shares to be contributed by SBI GmbH, Siemens Energy AG will grant to SBI GmbH in accordance with § 6 of this Contribution Agreement 87,307,936 shares of no par value (registered shares) in Siemens Energy AG, each representing a *pro rata* amount in its capital stock of EUR 1.00 ("**SBI GmbH's New Shares**").

IV.
Common Provisions

§ 5
Contribution Effective Date; Tax Transfer Effective Date

5.1 Siemens AG's Contribution in Kind and SBI GmbH's Contribution in Kind will be made with economic effect as of 1 April 2020, 0:00 hours ("**Contribution Effective Date**"). If the respective assignments pursuant to § 1.4 and § 3.4 of this Contribution Agreement have not become effective by the close of 31 October 2020 through registration with the register of companies of Siemens Energy KG or by waiver of the condition precedent as set forth in § 11 of this Contribution Agreement, in each case, the Contribution Effective Date is postponed to 1 October 2020, 0:00 hours. If the respective assignments have not become effective by the close of 31 October of any subsequent year, the Contribution Effective Date is thereby postponed in each case accordingly by one year to 1 October, 0:00 hours.

5.2 The tax transfer effective date is, in each case, 31 March 2020, 24:00 hours (the "**Tax Transfer Effective Date**"). If the Contribution Effective Date pursuant to § 5.1 of this Contribution Agreement is postponed, the Tax Transfer Effective Date is postponed accordingly, i.e., if a Contribution Effective Date is 1 October 2020, 0:00 hours, the Tax Transfer Effective Date is postponed to 30 September 2020, 24:00 hours, and if a Contribution Effective Date is 1 October, 0:00 hours, of any subsequent year, the Tax Transfer Effective Date is postponed to 30 September, 24:00 hours, of that year. After the assignments pursuant to § 1.4 and § 3.4 of this Contribution Agreement take effect, Siemens Energy AG will submit, in each case, an application pursuant to Section 20 (5) sentence 1, (6) sentence 3 of the German Transformation Tax Act (*Umwandlungssteuergesetz*, "**UmwStG**") in due time.

§ 6
Capital Increase

6.1 To create Siemens AG's New Shares, Siemens Energy AG will increase its capital stock from EUR 100,000 by EUR 239,582,401 to EUR 239,682,401 by issuing 239,582,401 shares of no par value (registered shares) in Siemens Energy AG. In order to create SBI GmbH's New Shares, Siemens Energy AG will additionally increase its capital stock from EUR 239,682,401 by EUR 87,307,936 to EUR 326,990,337 by issuing 87,307,936 shares of no par value (registered shares) in Siemens Energy AG under exclusion of subscription rights. A *pro rata* amount of EUR 1.00 of the amount of the increase of the capital stock is

attributable to each new share of no par value. The shares are issued at a lowest issue price of EUR 1.00 each, no additional premium (agio) is owed.

6.2 Siemens AG's New Shares and SBI GmbH's New Shares are entitled to participate in profits for the fiscal years from 1 October 2019 onwards. If the Contribution Effective Date pursuant to § 5.1 of this Contribution Agreement is postponed to 1 October 2020, the date as of which Siemens AG's New Shares and/or SBI GmbH's New Shares, respectively, are entitled to participate in profits is thereby postponed to the effect that the shares are entitled to participate in profits as of 1 October 2020. If the Contribution Effective Date is postponed by a further year, the entitlement to participate in profits is postponed accordingly.

6.3 Siemens Energy AG will exercise its valuation option (*Bewertungswahlrecht*) pursuant to Section 20 (2) sentence 2 UmwStG to the effect that SBI GmbH's Contribution in Kind and Siemens AG's Contribution in Kind are each recognized at the tax book values. Siemens Energy AG will submit the book value application necessary for this purpose in each case in due time.

§ 7
Warranty

7.1 Siemens AG warrants that, as of the point in time that the assignments pursuant to § 1.4 of this Contribution Agreement take effect, it is the holder of the Partnership Interest to be contributed by Siemens AG and the General Partner Shares to be contributed by Siemens AG, that it can freely dispose of the Partnership Interest to be contributed by Siemens AG and the General Partner Shares to be contributed by Siemens AG and that they are not encumbered with rights of third parties. Aside from this, no quality of the Partnership Interest to be contributed by Siemens AG or General Partner Shares to be contributed by Siemens AG, especially specific features or a certain value of the business of Siemens Energy KG, is agreed.

7.2 SBI GmbH warrants that, as of the point in time that the assignments pursuant to § 3.4 of this Contribution Agreement take effect, it is the holder of the Partnership Interest to be contributed by SBI GmbH and the General Partner Shares to be contributed by SBI GmbH, that it can freely dispose of the Partnership Interest to be contributed by SBI GmbH and the General Partner Shares to be contributed by SBI GmbH and that they are not encumbered with rights of third parties. Aside from this, no quality of the Partnership Interest to be contributed by SBI GmbH or the General Partner Shares to be contributed by

SBI GmbH, especially specific features or a certain value of the business of Siemens Energy KG, is agreed.

7.3 To the extent legally permissible, all rights and warranties relating to the quality of Siemens AG's Contribution in Kind and SBI GmbH's Contribution in Kind that might exist in addition to those in § 7.1 and § 7.2 of this Contribution Agreement under statutory provisions or otherwise are excluded. The provision in this paragraph applies to all rights and warranties, regardless of the legal nature (contractual or pre-contractual rights and warranties, rights and warranties under tort or other rights and warranties), and especially also to those rights that could result in the cancelation or unwinding of this Contribution Agreement or any similar legal effect.

§ 8
No Capital Increases; No Withdrawals

Siemens AG and SBI GmbH undertake to ensure that no shareholder resolution will be adopted on or before the date the assignments pursuant to § 1.4 and § 3.4 of this Contribution Agreement take effect under which the fixed capital of Siemens Energy KG existing at the time of conclusion of this Contribution Agreement or the share capital of General Partner GmbH is changed. Siemens AG and SBI GmbH also undertake to ensure that no withdrawals from Siemens Energy KG are made and that no profits of General Partner GmbH are distributed on or before the date the assignments pursuant to § 1.4 and § 3.4 of this Contribution Agreement take effect. Siemens AG and SBI GmbH will ensure that, during the period between the conclusion of this Contribution Agreement and the date the assignments pursuant to § 1.4 and § 3.4 take effect, Siemens AG's Contribution in Kind and SBI GmbH's Contribution in Kind are managed and disposed of only in the ordinary course of business and with the diligence of a prudent businessman and in compliance with the requirements of this Contribution Agreement.

§ 9
Indemnification from Limited Partner Liability

If and to the extent that the personal liability of Siemens AG is triggered for liabilities of Siemens Energy KG because the contribution to liability capital (*Hafteinlage*) made by Siemens AG to Siemens Energy KG is deemed to be paid back to Siemens AG or one of the other measures specified in Section 172 (4) sentence 2 HGB has been taken after the transfer *in rem* of the Partnership Interest to be contributed by Siemens AG without the liability capital contribution having been returned in fact to Siemens AG or one of its affiliated companies, Siemens Energy AG must indemnify Siemens AG against the relevant liability or obligation on first demand. This applies in particular in the event that Siemens Energy AG's notice of succession to specific rights

and obligations is not registered, or is not registered in time, with the register of companies. The same applies if and to the extent that the personal liability of SBI GmbH is triggered for liabilities of Siemens Energy KG because the contribution to liability capital made by SBI GmbH to Siemens Energy KG is deemed to be paid back to SBI GmbH or one of the other measures specified in Section 172 (4) sentence 2 HGB has been taken after the transfer *in rem* of the Partnership Interest to be contributed by SBI GmbH without the liability capital contribution having been returned in fact to SBI GmbH or one of its affiliated companies.

§ 10
Application for Registration with the Register of Companies

The Parties commit themselves to mutual cooperation in order to procure the registration of the transfer of Siemens AG's Contributed Partnership Interest and SBI GmbH's Contributed Partnership Interest to Siemens Energy AG with the register of companies of Siemens Energy KG promptly after this Contribution Agreement takes effect pursuant to § 13 of this Contribution Agreement. The registration of the transfer is to be accompanied by a notice of succession to specific rights and obligations; the Parties undertake to make all declarations necessary for that purpose, including in particular declarations regarding the payout of the liability capital contribution that has not taken place (negative compensation assurance (*negative Abfindungsversicherung*)).

§ 11
Waiver of Conditions

Siemens AG may waive the condition precedent set forth in § 1.5 of this Contribution Agreement by notarized notice to Siemens Energy AG, which will result in the assignments taking effect immediately upon receipt of the notice by Siemens Energy AG; Siemens Energy AG hereby agrees to this waiver of the condition precedent. SBI GmbH may also waive the condition precedent set forth in § 3.5 of this Contribution Agreement by notarized notice to Siemens Energy AG; in this respect as well, Siemens Energy AG hereby agrees to this waiver of the condition precedent.

§ 12
Costs and Transaction Taxes

12.1 The Parties assume that, as regards the entering into and implementation of this Contribution Agreement, no value added tax (*Umsatzsteuer*) arises because the transfer of Siemens AG’s Contribution in Kind and the transfer of SBI GmbH’s Contribution in Kind are either not subject to tax or are tax-exempt. None of the Parties will waive any tax exemption of the services rendered under this Contribution Agreement. If the tax

authorities take the view that value added tax arises in connection with any of these events, the Parties undertake to take all lawful and reasonable measures to prevent such an assessment of value added tax and, if necessary, the unappealability (*Unanfechtbarkeit*) of such assessment. To the extent that value added tax is assessed nevertheless against Siemens AG and/or SBI GmbH, Siemens Energy AG is not obligated to pay any additional amount to Siemens AG or to SBI GmbH as regards value added tax; however, to the extent that Siemens Energy AG has the right to deduct input tax (*Vorsteuerabzug*) as regards the value added tax, Siemens Energy AG will pay to Siemens AG and/or to SBI GmbH an amount equal to the input tax deduction, provided that Siemens Energy AG may also fulfill this payment obligation by effectively assigning any refund claim against the tax office. To the extent that value added tax is nevertheless assessed against Siemens Energy AG and Siemens Energy AG does not have the right to deduct input tax, Siemens AG shall indemnify Siemens Energy AG against value added tax and any interest thereon.

12.2 The costs of the notarization of this Contribution Agreement bears Siemens AG. Siemens AG bears the other costs that have arisen or will arise for Siemens AG and Siemens Energy AG in connection with the notarization of this Contribution Agreement and its implementation until the point in time of registration with the register of companies (including the costs for the audit of the contribution in kind and the post-formation audit as well as the corresponding costs for advisors, the costs for the shareholders' meeting of Siemens Energy AG and the costs for filing for registration with the register of companies) and any transaction taxes (*Verkehrsteuer*) (with the exception of value added tax, which is provided for specifically in § 12.1). SBI GmbH bears the other costs that have arisen or will arise for SBI GmbH in connection with the notarization of this Contribution Agreement and its implementation.

§ 13
Effectiveness

This Contribution Agreement takes effect when

(1) the shareholders' meeting of Siemens Energy AG has approved this Contribution Agreement as a post-formation agreement and

(2) this Contribution Agreement has been registered as a post-formation agreement in the register of companies.

§ 14
Final Provisions

14.1 The Parties will initiate all necessary or appropriate measures and legal acts and cooperate in them in order to meet the obligations and implement the measures set forth in this Contribution Agreement.

14.2 In the event that the capital increases pursuant to § 6 of this Contribution Agreement have not taken effect by 31 March 2021 in each case, each of the Parties may withdraw from this Contribution Agreement by written declaration to the other Party.

14.3 Any disputes arising between the Parties under or in connection with this Contribution Agreement or with regard to its effectiveness will be finally decided by an arbitral tribunal in accordance with the Rules of Arbitration of the International Chamber of Commerce ("**ICC**") in the relevant valid version, and recourse to the jurisdiction of the state courts is excluded (except for measures involving preliminary relief). A decision of the arbitral tribunal regarding the validity of this arbitration clause is binding. The place of arbitration is Munich. The number of arbitrators is three. Each Party appoints one arbitrator to be confirmed by the ICC. These two arbitrators appoint the third arbitrator within 30 days of their appointment. If the two arbitrators cannot agree on the third arbitrator within this period of time, the third arbitrator will be appointed by the ICC. The language of the proceedings is German. An order for the presentation of documents is permitted only to the extent that any of the Parties refers explicitly to the documents in its written submissions. The consolidation of several arbitration proceedings pending at the ICC into singular arbitration proceedings is permitted only with the consent of both Parties. The Emergency Arbitrator Provisions do not apply.

14.4 Amendments and supplements to this Contribution Agreement, including any amendment to or contracting-out of this provision, require written form unless stricter requirements of form must be complied with.

14.5 Should any provision of this Contribution Agreement be or become invalid or infeasible, the validity or feasibility of the other provisions of this Contribution Agreement will not be affected thereby. The invalid or infeasible provision is deemed replaced by a legally valid provision that comes as close as possible in economic terms or otherwise to what the Parties had intended or would have intended based on the meaning and purpose of this Contribution Agreement had they been aware of the potential invalidity or infeasibility of such provision. The same applies to any unintended gap in this Contribution Agreement.

Spin-off Statements of Financial Position
as of the effective date 1 April 2020, 0.00 hours

ASSETS		LIABILITIES and EQUITY	
	Euro		**Euro**
Non-current assets		**Equity**	**12,677,994,863.28**
Financial assets			
Participations in affiliated companies	**12,677,994,863.28**	**Provisions**	**0.00**
Current assets	**0.00**	**Liabilities**	**0.00**
Prepaid expenses	**0.00**	**Deferred income**	**0.00**
	12,677,994,863.28		**12,677,994,868.28**

- Convenience Translation – only the German version is binding –

Annex 11.1 to the Spin-off and Transfer Agreement

List of Stock Entitlements

This list does not include those stock entitlements that will have been fulfilled upon the expected effectiveness of the spin-off in September 2020. This list does further not contain any information as to which specific stock entitlements have been granted to which individual beneficiaries.)

1. Stock Entitlements Granted to Current Members of the Managing Board of Siemens AG

1.1. Siemens Stock Awards, Tranche 2017, which is subject to the provisions of the management guideline dated November 2016 ("**VS Stock Awards 2017**"); the vesting period ends at the end of the day on which the preliminary results for the fiscal year are published in the calendar year 2020.

1.2. Siemens Stock Awards, Tranche 2018, which is subject to the provisions of the management guideline dated November 2016 ("**VS Stock Awards 2018**"); the vesting period ends at the end of the day on which the preliminary results for the fiscal year are published in the calendar year 2021.

1.3. Siemens Stock Awards, Tranche 2019, which is subject to the provisions of the management guideline dated November 2018 ("**VS Stock Awards 2019**"); the vesting period ends at the end of the day on which the preliminary results for the fiscal year are published in the calendar year 2022.

1.4. Siemens Stock Awards, Tranche 2020, which is subject to the provisions of the management guideline dated November 2019 ("**VS Stock Awards 2020**"); the vesting period ends at the end of the day on which the preliminary results for the fiscal year are published in the calendar year 2023.

2. Stock Entitlements Granted to Other Beneficiaries

2.1. Siemens Stock Awards, Tranche 2017, which is subject to the guideline dated November 2016 ("**MA Stock Awards 2017**"); the vesting period ends at the end of the day on which the preliminary results for the fiscal year are published in the calendar year 2020.

2.2. Siemens Stock Awards, Tranche 2018, which is subject to the guideline dated November 2017 ("**MA Stock Awards 2018**"); the vesting period ends at the end of the day on which the preliminary results for the fiscal year are published in the calendar year 2021.

2.3. Siemens Stock Awards, Tranche 2019, which is subject to the guideline dated November 2018 ("**MA Stock Awards 2019**"); the vesting period ends at the end of the day on which the preliminary results for the fiscal year are published in the calendar year 2022.

2.4. Siemens Stock Awards, Tranche 2020, which is subject to the guideline dated December 2019 ("**MA Stock Awards 2020**"); the vesting period ends at the end of the day on which the preliminary results for the fiscal year are published in the calendar year 2023.

2.5. Siemens Stock Awards 2017 (quarterly special allocation), which are subject to the terms and conditions of November 2016 ("**MA Stock Awards SZ 2017**"); the vesting period ends at the end of the day on which the results for the quarter preceding the fourth anniversary of the relevant allocation are published.

2.6. Siemens Stock Awards 2018 (quarterly special allocation), which are subject to the terms and conditions of November 2017 ("**MA Stock Awards SZ 2018**"); the vesting period ends at the end of the day on which the results for the quarter preceding the fourth anniversary of the relevant allocation are published.

2.7. Siemens Stock Awards 2019 (quarterly special allocation), which are subject to the terms and conditions of November 2018 ("**MA Stock Awards SZ 2019/1**"); the vesting period ends at the end of the day on which the results for the quarter preceding the fourth anniversary of the relevant allocation are published.

2.8. Siemens Stock Awards 2019 (quarterly special allocation), which are subject to the terms and conditions of May 2019 ("**MA Stock Awards SZ 2019/2**"); the vesting period ends at the end of the day on which the results for the quarter preceding the fourth anniversary of the relevant allocation are published.

2.9. Siemens Stock Awards 2020 (quarterly special allocation), which are subject to the terms and conditions of November 2019 ("**MA Stock Awards SZ 2020**"); the vesting period ends at the end of the day on which the results for the quarter preceding the fourth anniversary of the relevant allocation are published.

2.10. Hi-Tech Siemens Stock Awards – Mendix (performance-oriented), which are subject to the guideline dated November 2018 ("**MA Hi-Tech Mendix *(performance-oriented)***"); the vesting period ends at the end of the day on which the preliminary results for the fiscal year are published in the third calendar year after the allocation date.

2.11. Hi-Tech Siemens Stock Awards – Mendix, which are subject to the terms and conditions of November 2018 ("**MA Hi-Tech Mendix**"); the vesting period ends at the end of the day on which the preliminary results for the fiscal year are published in the third calendar year after the allocation date.

2.12. Hi-Tech Siemens Stock Awards, Tranche 2019 (Siemens Hi-Tech Business), which is subject to the terms and conditions of November 2018 ("**MA Hi-Tech Business 2019**"), to the extent not yet fulfilled; the vesting period ends at the end of the day on which the preliminary results of the fiscal year are published, regarding the first quarter of the Siemens Stock Awards, in the first calendar year, regarding the second quarter, in the second calendar year, regarding the third quarter, in the third calendar year, and, regarding the fourth quarter, in the fourth calendar year after the relevant commitment.

2.13. Hi-Tech Siemens Stock Awards, Tranche 2020 (Siemens Hi-Tech Business), which is subject to the terms and conditions of November 2019 ("**MA Hi-Tech Business 2020**"); the vesting period ends at the end of the day on which the preliminary results of the fiscal year are published, regarding the first quarter of the Siemens Stock Awards, in the first calendar year, regarding the second quarter, in the second calendar year, regarding the third quarter, in the third calendar year, and, regarding the fourth quarter, in the fourth calendar year after the relevant commitment.

2.14. Siemens Group Share Matching Plan, Tranche 2018, which is subject to the terms and conditions of the Plan in the version of 13 November 2017 ("**SMP 2018**"); the holding period ends at the end of 31 January 2021.

2.15. Siemens Group Share Matching Plan, Tranche 2019, which is subject to the terms and conditions of the Plan in the version of 13 November 2017 ("**SMP 2019**"); the holding period ends at the end of 31 January 2022.

2.16. Siemens Group Share Matching Plan, Tranche 2020, which is subject to the terms and conditions of the Plan in the version of 13 November 2017 ("**SMP 2020**"); the holding period ends at the end of 31 January 2023.

2.17. Siemens Group Base Share Program, Tranche 2018, which is subject to the terms and conditions of the Plan in the version of 14 November 2016 ("**BAP 2018**"); the holding period ends in accordance with the SMP 2018.

2.18. Siemens Group Base Share Program, Tranche 2019, which is subject to the terms and conditions of the Plan in the version of 14 November 2016 ("**BAP 2019**"); the holding period ends in accordance with the SMP 2019.

2.19. Siemens Group Base Share Program, Tranche 2020, which is subject to the terms and conditions of the Plan in the version of 14 November 2016 ("**BAP 2020**"); the holding period ends in accordance with the SMP 2020.

2.20. Jubilee shares pursuant to the jubilee agreement of Siemens AG (CHR Circular no. 004/2009 and 1st amendment to the CHR Circular no. 004/09) of 9 October 2008 and 19 February 2009.

2.21. Jubilee shares for the top management (*Direktionskreis*) and senior management (*Oberer Führungskreis*) contract groups in accordance with the jubilee agreement of Siemens AG (CD E Circular no. 07/2010 / CHR Communication) of 21 December 2009 and corresponding agreements for other companies of the Siemens Group. Jubilee shares pursuant to the jubilee agreement of Siemens AG (CHR Circular no. 004/2009 and 1st amendment to the CHR Circular no. 004/09) of 9 October 2008 and 19 February 2009.

2.22. Siemens Group UK Share Incentive Plan ("**UK Plan**"); the relevant holding period is three years of the allocation of the matching shares.

Adjustment of Stock Entitlements (*Aktienzusagen*) Granted to Beneficiaries who Continue to be Employed in the Siemens Group After the Spin-off Takes Effect or who are Otherwise not Covered by § 11.2.2

The Stock Entitlements listed in **Annex 11.1** to the Spin-off and Transfer Agreement granted to Beneficiaries who continue to be employed in the Siemens Group after the spin-off takes effect or who are otherwise not covered by Section 11.2.2 will be adjusted as follows pursuant to Sections 23, 125, 133 of the German Transformation Act (*Umwandlungsgesetz*, "**UmwG**") in conjunction with any provisions that are applicable in the case of a spin-off and other provisions applicable under the relevant Stock Entitlements:

1. Upon the Stock Entitlements becoming due (regularly or early), the Beneficiary will receive, in addition to the number of shares in Siemens AG to which the Beneficiary has a claim when the entitlements become due (even if this claim is compensated in cash under a discretionary decision or under regular terms) (the "**Due Siemens Shares**"), in each case a cash payment for the notional number of shares of Siemens Energy AG which results from the ratio established in § 10.1 of the Spin-off and Transfer Agreement based on the number of Due Siemens Shares. The amount of the cash payment will be determined in accordance with the underlying provisions of the relevant Stock Entitlement that would apply to a cash compensation or a cash settlement of Due Siemens Shares, subject to the proviso that the relevant price of the shares of Siemens AG shall be replaced by the prevailing stock exchange price of the shares of Siemens Energy AG. If, according to the underlying provisions of a Stock Entitlement, a cash payment is made to compensate for an additional notional number of Siemens shares in lieu of delivering Due Siemens Shares upon a specific target achievement level being exceeded, that notional number of Siemens shares will be added to the number of Due Siemens Shares for the purpose of determining the notional number of shares of Siemens Energy AG.

2. The provision in no. 1 also applies in the event that application of the adjustment provision in no. 1 results in a claim for cash payment for a (notional) fractional right to shares in Siemens Energy AG. The amount of the cash payment corresponds to the (commercially rounded) portion of the amount of the cash payment that results under no. 1 for an entire share in Siemens Energy AG corresponding to the portion of the (commercially rounded) fractional right to a share in Siemens Energy AG.

3. To the extent that the underlying provisions of the Stock Entitlements, for example for the SMP 2018, require an investment in shares of Siemens AG, no adjustment will be made with respect to this investment. To the extent that, after the spin-off has taken effect, the Beneficiaries receive shares of Siemens Energy AG as a result of such investment or on

the basis of any other investment in shares in Siemens AG, these shares in Siemens Energy AG will not be subject to a holding obligation.

4. If the number of shares to be granted or, as the case may be, the specific claim under a Stock Entitlement based on the underlying provisions of a Stock Entitlement, for example the MA Stock Awards 2017, depends on achieving certain targets and the target achievement is influenced, at least partially, by how the stock exchange price of the shares of Siemens AG or the relative yield on shares develops during the vesting period of the relevant Stock Entitlement, after expiration of the relevant vesting period, an adjustment of the parameters for the target achievement will be made to the extent necessary in order to ensure equivalence among the Stock Entitlements (within the meaning of Sections 23, 125 UmwG) for the Beneficiaries before and after the spin-off.

5. The above provisions do not apply to Stock Entitlements for jubilee shares, i.e., no adjustment will be made for these Stock Entitlements.

6. Under the UK Plan, shares in Siemens AG acquired by the Beneficiaries ("**Investment Shares**") as well as shares transferred in this context by the relevant company ("**Matching Shares**") and/or shares acquired by re-investment of dividends ("**Dividend Shares**") will be held by a trustee on behalf of the Beneficiaries (as beneficial owners) in accordance with the provisions under the UK Plan. Therefore, the Beneficiaries will receive – as with all other Siemens shareholders – shares in Siemens Energy AG for their Investment Shares, Matching Shares and any Dividend Shares in the ratio specified in § 10.1 of the Spin-off and Transfer Agreement. These shares in Siemens Energy AG will be subject to the same provisions under the UK Plan, for example as regards holding periods, that apply to the relevant Investment Shares, Matching Shares and/or Dividend Shares that constitute the bases for receiving the shares in Siemens Energy AG. No further adjustment going beyond the provision set forth in the UK Plan will be made.

7. Aside from this, the other underlying provisions of the Stock Entitlements remain unaffected by the spin-off taking effect. This also applies to any reservations provided for in the provisions of the Stock Entitlements relating to settling or compensating claims for shares in Siemens AG in cash.

8. An adjustment under the above provisions does not take place due to the spin-off to the extent that an adjustment has been excluded or an agreement to the contrary has been made in the individual case or if an adjustment is not made in light of regulatory requirements in jurisdictions outside of Germany.

The adjustments described above will be made in each case by the company that is the obligor under the relevant Stock Entitlements upon the spin-off taking effect. Agreements made between companies of the Siemens Group (including the future Siemens Energy Group) about the technical processing of adjustments or the internal allocation of the burden will remain unaffected.

The above adjustments apply accordingly in the event that further stock entitlements are granted in the period between the signing date of the Spin-off and Transfer Agreement and the effective date of the spin-off which are comparable in terms of their structure with the Stock Entitlements specified in **Annex 11.1** to the Spin-off and Transfer Agreement and do not provide for any special arrangements applicable in the event of this spin-off.

Adjustment of the Rights Under Stock Entitlements Granted to Members of Corporate Bodies and Employees of the Future Siemens Energy Group who Leave the Siemens Group upon the Spin-off Taking Effect

The Stock Entitlements granted to Beneficiaries in the future Siemens Energy Group who leave the Siemens Group upon the spin-off taking effect as listed in **Annex 11.1** to the Spin-off and Transfer Agreement will be compensated as follows in accordance with Sections 23, 125 of the German Transformation Act (*Umwandlungsgesetz*, "**UmwG**") in conjunction with the provisions of the relevant Stock Entitlements that are applicable in the case of a spin-off and/or the departure from the Siemens Group:

1. The claims of the Beneficiaries under the Stock Entitlements cease to exist upon the spin-off taking effect and will be compensated or settled in cash after the spin-off has taken effect in accordance with nos. 2 to 4 below.

2. As regards the MA-Stock-Awards-2017, MA-Stock-Awards-2018, MA-Stock-Awards-2019, MA-Stock-Awards-2020, MA-Stock-Awards-SZ-2017, MA-Stock-Awards-SZ-2018, MA-Stock-Awards-SZ-2019/1, MA-Stock-Awards-SZ-2019/2, MA-Stock-Awards-SZ-2020, MA-Hi-Tech-Mendix (performance-oriented), MA-Hi-Tech-Mendix, MA-Hi-Tech-Business-2019 and MA-Hi-Tech-Business-2020, the following applies:

   The amount of the cash payment for each Siemens Stock Award corresponds to the closing price of the Siemens shares in Xetra trading on the closing date of the spin-off, less the present value of the dividend expected to be distributed up until the end of the relevant vesting period.

3. As regards SMP-2018, SMP-2019, SMP-2020, BAP-2018, BAP-2019, BAP-2020, the following applies:

   The amount of the cash compensation for each matching share corresponds to the portion of the closing price of the Siemens shares in Xetra trading on the closing date of the spin-off equal to the proportion that the holding period up until the closing date of the spin-off bears to the entire duration of the relevant holding period.

4. As regards the UK Plan, the following applies:

   After the initial listing of Siemens Energy AG on the stock exchange, the UK Plan will be dissolved as soon as possible in accordance with the applicable provisions. All the shares (i.e., investment shares, matching shares and, if applicable, dividend shares, as well as the

relevant shares in Siemens Energy AG that the Beneficiaries – as well as all other shareholders of Siemens AG – receive with respect to their investment shares, matching shares and, if applicable, dividend shares) which are held by the trustee on behalf of the Beneficiaries are either to be transferred to the relevant Beneficiary or to be sold for the account of the relevant Beneficiary. The number of matching shares will not be reduced irrespective of the early termination of the UK Plan.

For the group of persons that is the subject of this Annex, there are no Stock Entitlements relating to Siemens jubilee shares for the time after the spin-off has taken effect. No adjustments need to be made to the VS-Stock-Awards-2017, VS-Stock-Awards-2018, VS-Stock-Awards-2019, VS-Stock-Awards-2020 as no managing board member of Siemens AG will leave the Siemens Group upon the spin-off taking effect.

No settlement or compensation payment pursuant to the above provisions will be made to the extent that such payment has been excluded or an agreement to the contrary has been made in the individual case. Taxes and duties payable on the cash settlement or the cash compensation are to be borne by the Beneficiary subject to the provisions of the Stock Entitlements.

The settlement and compensation payments described above will be made in each case by the company that is the obligor under the relevant Stock Entitlements upon the spin-off taking effect. Agreements made between companies of the Siemens Group (including the future Siemens Energy AG Group) about the technical processing of adjustments or the internal allocation of the burden will remain unaffected.

The above adjustments apply accordingly in the event that further stock entitlements are granted in the period between the signing date of the Spin-off and Transfer Agreement and the effective date of the spin-off which are comparable in terms of their structure with the Stock Entitlements specified in **Annex 11.1** to the Spin-off and Transfer Agreement, provided that they do not include any special arrangements applicable in the event of this spin-off.

ARTICLES OF ASSOCIATION

of
Siemens Energy AG

Updated as of October 2020

ARTICLES OF ASSOCIATION
of
Siemens Energy AG

I.
GENERAL PROVISIONS

§ 1
Company Name and Registered Office

(1) The name of the Company is Siemens Energy AG.

(2) The Company has its registered office in Munich.

§ 2
Object of the Company

(1) The object of the Company is to manufacture, supply, operate, distribute and trade in products, systems, facilities and solutions and to render maintenance, repair and other services, as well as research and development, in the areas of energy production, transfer, distribution and storage, in the areas of oil and gas across all areas of production, in the areas of decarbonization, sector coupling, hydrogen solutions and other renewable and non-renewable energy sources as well as the adjacent fields of activity such as electrical engineering, automation, electronics, precision mechanics and mechanical engineering. The Company can operate in the context of these activities in all information technology fields, including electronic data processing and transfer, software, platforms and self-learning systems, and render related services. Moreover, the Company, in particular through its consolidated subsidiaries, can operate in the financial sector and participate directly or indirectly in enterprises and companies of any type, also in managing its own assets. Finally, the Company may engage in business of any kind and take any and all measures related to, or which seem to be directly or indirectly useful in promoting, the above activities.

(2) The Company may realize its object itself or through consolidated subsidiaries or associated companies (including joint ventures). It can confine itself to some of the activities specified in subsection 1. The Company can set up associated companies, acquire participating interests and change them structurally, bring them under uniform

control or may limit itself to managing the participating interest, sell participating interests and also conclude enterprise and cooperation agreements of any kind.

§ 3
Publications by Notice and Notifications

(1) Notices of the Company shall be published in the German Federal Gazette (*Bundesanzeiger*). If another form of notice should be mandatorily required, such form shall replace the notice in the German Federal Gazette.

(2) Insofar as legally permitted, notifications for the Company's shareholders may also be transmitted via remote data transmission.

II.
Capital Stock and Shares

§ 4
Capital Stock and Shares

(1) The capital stock of the Company amounts to EUR 726,645,193 (in words: seven hundred twenty-six million six hundred forty-five thousand one hundred ninety-three Euro).

(2) The capital stock is divided into 726,645,193 shares of no par value. The shares shall be registered in the names of the holders. For purposes of recording the shares in the Company's share register, the Company's shareholders shall provide all information as legally required.

(3) The right of shareholders to have their ownership interests evidenced by document shall be excluded, unless such evidence is required by law or under the regulations of a stock exchange on which the shares are listed. The Company is entitled to issue share certificates, whether as individual or collective shares, as well as dividend coupons and renewal certificates. The right of shareholders to receive dividend coupons and renewal certificates shall be excluded.

(4) The Managing Board shall decide on the form and content of share certificates and any dividend coupons or renewal certificates. The same shall apply to corporate bonds and interest warrants.

(5) The Managing Board is authorized to increase the capital stock until the end of 31 July 2025, with the approval of the Supervisory Board, by up to EUR 363.322.596 nominal

through the issuance of up to 363.322.596 no-par value shares registered in the name of the holders against contributions in cash and/or in kind. The authorization may be used once or multiple times, and all at once or in installments. The new shares shall participate in profits from the beginning of the fiscal year in which they have been issued. To the extent permitted by law, the Managing Board, with the approval of the Supervisory Board, can stipulate in deviation from the above and Section 60 (2) of the German Stock Corporation Act (*Aktiengesetz*) that the new shares shall participate in profits from the beginning of a fiscal year that has already ended and for which no resolution on appropriation of the net income has been adopted by the Annual Shareholders' Meeting at the time the shares are issued. With the approval of the Supervisory Board, the Managing Board shall be authorized to determine the further details of the share rights and the conditions of the issuance of shares (Authorized Capital 2020). The new shares must generally be offered to the shareholders for subscription; they can also be assumed by credit institutions or enterprises within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (*Aktiengesetz*) with the obligation that they must be offered to the shareholders for subscription. However, with the approval of the Supervisory Board, the Managing Board is authorized to exclude shareholders' subscription rights in the event of capital increases against contributions in cash:

- in order to grant shares to the employees of the Company and its affiliates (employee shares). Such new shares can also be issued through a credit institute or a company within the meaning of Section 53 (1) sentence 1 or Section 53b (1) sentence 1, or Section 53b (7) of the Banking Act (*Kreditwesengesetz*), which at first assumes the shares for the exclusive offer to employees of the Company and its affiliates. As far as permitted by law, the employee shares may also be issued by covering the contribution to be made for them from the part of the annual net profit which the Managing Board and the Supervisory Board are permitted to incorporate into other retained earnings pursuant to Section 58 (2) of the German Stock Corporation Act (*Aktiengesetz*),

- in as far as this is necessary for fractional amounts resulting from the subscription ratio,

- in order to grant holders/creditors of conversion or option rights on the Company's shares or of respective conversion obligations from bonds issued or guaranteed by the Company or any of its consolidated subsidiaries subscription rights as compensation against effects of dilution to the extent to which they would be entitled upon exercising such conversion or option rights or fulfilling such conversion obligations,

- provided that the issue price of the new shares is not significantly lower than the stock exchange price of the Company's listed shares. The calculated proportion of the capital stock to be allocated to the shares issued in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) against contributions in cash under exclusion of the subscription rights must not exceed 10 % of the capital stock. Applicable in this case is the capital stock at the time this authorization becomes effective or, if this amount is lower, at the time at which this authorization is used. This limit shall include shares issued or divested in direct or mutatis mutandis application of these provisions during the term of this authorization up to the time of it being used. Likewise included are shares that have been issued or granted or are to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of this authorization, with shareholders' subscription rights excluded in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz*),

- through the implementation of a so-called share dividend, in which the shareholders are given the opportunity to contribute to the Company their dividend claim (either entirely or partially) as a contribution in kind in exchange for the grant of new shares from the Authorized Capital 2020.

The calculated proportion of capital stock to be allocated to the shares issued under exclusion of the shareholder subscription rights may not exceed EUR 72.664.519 nominal. Included in the calculation of this capital limit shall be the capital stock that is allocated to those new shares, which for the duration of this authorization under exclusion of subscription rights are issued or are to be issued on the basis of conversion/option rights or conversion obligations under bonds, to the extent that such bonds were issued under exclusion of shareholder subscription rights during the term of the authorization.

(6) The capital stock is conditionally increased by up to EUR 72.664.519 (Conditional Capital 2020). The conditional capital increase shall be implemented through issue of up to 72.664.519 no-par value shares registered in the name of the holders only insofar as the holders and/or creditors of convertible bonds or of option warrants from option bonds, which are issued by Siemens Energy AG or one of its consolidated subsidiaries up until the end of 31. July 2025 on the basis of the authorization of the Managing Board through the General Meeting of [•] 2020, exercise their conversion/option rights or perform their conversion obligation and no other forms of fulfillment are used to service these rights. The issue of the new shares shall be made at the conversion/option prices to be determined, subject to the above authorization resolution, in the terms and conditions of the bonds or options. The Managing Board is authorized to decide on the

further details of the implementation of the conditional capital increase. The issued shares shall participate in profits from the beginning of the fiscal year in which they have been issued; to the extent permitted by law, the Managing Board can stipulate in deviation from the above and Section 60 (2) of the German Stock Corporation Act (*Aktiengesetz*) that the new shares shall participate in profits from the beginning of a fiscal year that has already ended.

III.
Managing Board

§ 5
Composition and Rules of Procedure

(1) The Managing Board consists of several members. The Supervisory Board shall determine the number of Managing Board members.

(2) The Supervisory Board may appoint a chairman as well as a deputy chairman of the Managing Board.

(3) The Supervisory Board shall appoint the Managing Board members, conclude their employment contracts, revoke such appointments and modify and terminate the employment contracts. The Supervisory Board shall decide on the distribution of responsibilities among the Managing Board members and may establish rules of procedure for the Managing Board. Should the Managing Board pass its own rules of procedure, these shall require the Supervisory Board's approval.

§ 6
Management and Representation of the Company

(1) The Managing Board shall be responsible for the management of the Company. In relation to the Company, the Managing Board members shall comply with the restrictions imposed by the General Meeting, the Articles of Association, the Supervisory Board and the Rules of Procedure with regard to the management powers and within the framework of the statutory rules.

(2) The Company is legally represented by two Managing Board members or one Managing Board member acting jointly with a holder of commercial power of representation (*Prokurist*). The Managing Board members shall be released from the prohibition of multiple representation pursuant to Section 181 second alternative of the German Civil Code (*Bürgerliches Gesetzbuch*); Section 112 German Stock Corporation Act

(*Aktiengesetz*) shall remain unaffected. Moreover, the Company shall be represented by holders of commercial power of representation or other authorized signatories as determined in more detail by the Managing Board.

IV.
SUPERVISORY BOARD

§ 7
Composition, Elections, Term of Office

(1) The Supervisory Board shall have twenty members, ten elected by the Shareholders' Meeting, and ten elected in accordance with the provisions of the German Codetermination Act (*Mitbestimmungsgesetz*).

(2) Unless otherwise specified at the time of their election, the term of office of the members of the Supervisory Board shall expire at the close of that Shareholders' Meeting which is called upon to ratify the acts of the Supervisory Board for the fourth fiscal year after the beginning of their term of office. From this calculation shall be excluded the fiscal year during which such term of office begins. An election to replace a member that leaves the Supervisory Board prior to the expiry of his or her term of office shall – unless otherwise specified at the time of the election - continue for the remainder of the term of office of the member who has left the Supervisory Board. The same shall apply should a replacement election become necessary because the original election was contested.

(3) The General Meeting may, simultaneously with the election of the Supervisory Board members, appoint replacement members, who shall replace, in a sequence to be determined upon the election, any Supervisory Board members of the shareholders who leave office prematurely or due to a contestation of the election. If a replacement member replaces a member who has left the Supervisory Board, his or her office shall expire at the end of the General Meeting during which a replacement election pursuant to § 7 (2) above takes place, at the latest, however, upon expiry of the term of office of the Supervisory Board member who has left. Should the replacement member who has left office after a replacement election have been appointed as a replacement member for several Supervisory Board members, his or her status as a replacement member shall be renewed. The election of replacement members with respect to the Supervisory Board members of the employees shall occur pursuant to the German Codetermination Act (*Mitbestimmungsgesetz*).

(4) Any Supervisory Board member and replacement member may resign his or her office, also without cause, by giving one month's written notice to the chairman of the

Supervisory Board - or, if the chairman wishes to resign, to his or her deputy pursuant to § 8 (1) 1 below. The chairman or, if the Chairman wishes to resign, the deputy chairman, shall be free to reduce the period of notice or waive compliance with the period of notice.

§ 8
Chairman and Deputy Chairman

(1) From among its members, the Supervisory Board shall elect in accordance with the German Codetermination Act (*Mitbestimmungsgesetz*) a chairman and a deputy chairman. The Supervisory Board may elect one or several other deputy chairmen and Section 27 of the German Codetermination Act (*Mitbestimmungsgesetz*) does not apply to such election. The election should take place after the General Meeting during which the Supervisory Board members to be elected by the General Meeting were newly elected; a separate invitation to this meeting is not required.

(2) The term of office of the chairman and the deputy chairman shall, unless a shorter period of office is determined at the time of the election, correspond to their term of office as members of the Supervisory Board.

(3) Should the chairman or the deputy chairman leave office prematurely, a new election for such position shall take place immediately. A revocation of the election of the chairman or the deputy chairman is only permitted for sufficient cause. The ongoing inability of the chairman or the deputy chairman to discharge the duties of office shall be deemed to constitute sufficient cause. For the revocation of the election of the chairman or the deputy chairman, the relevant provisions of the German Codetermination Act (*Mitbestimmungsgesetz*) with respect to their election are accordingly applicable.

(4) A deputy chairman performing the duties of the chairman when the latter is unable to act shall be vested with all the powers of the chairman, except for the second vote accorded to the chairman pursuant to the German Codetermination Act (*Mitbestimmungsgesetz*) or these Articles of Association.

(5) Declarations by the Supervisory Board shall be made on behalf of the Supervisory Board by the chairman or, if he or she is unable to act, by the deputy chairman. The chairman or, if he or she is unable to act, the deputy chairman shall have the right to accept declarations on behalf of the Supervisory Board.

§ 9
Rights and Duties of Supervisory Board

(1) The Supervisory Board shall have all rights and duties assigned to it by law and by these Articles of Association.

(2) The Supervisory Board shall determine in the rules of procedure for the Managing Board or for the Supervisory Board or by a resolution that specific transactions or types of transactions are only permitted with the Supervisory Board's approval.

(3) The Supervisory Board may grant approval in advance for a certain group of transactions, subject to revocation, in general or in case that the relevant individual transaction satisfies certain requirements.

(4) The Supervisory Board may pass resolutions on amendments to the Articles of Association that only relate to the wording.

(5) The Managing Board shall continuously report to the Supervisory Board to the extent provided for by law. In addition to this, the Supervisory Board shall at all times be free to request a report on the Company's affairs, its legal and business relationships with affiliates and business-related transactions by affiliated companies that may have significant impact on the Company's situation.

§ 10
Rules of Procedure, Delegation, Committees

(1) The Supervisory Board shall determine its own rules of procedure, subject to the statutory requirements and the provisions of these Articles of Association.

(2) Subject to the statutory provisions, the Supervisory Board shall may establish committees. To the extent permitted by law or these Articles of Association, the Supervisory Board may delegate duties incumbent upon it as well as decision powers and rights to its chairman, to individual members or to committees established from among its members. The composition, decision powers and procedures of the committees shall be determined by the Supervisory Board.

(3) Directly following the election of the chairman and his or her deputy, the Supervisory Board shall establish a committee pursuant to § 27 (3) of the German Codetermination Act (*Mitbestimmungsgesetz*), the membership of which shall consist of the chairman, his or her deputy, one Supervisory Board member representing the employees and one Supervisory Board member representing the shareholders elected with a majority of the

votes. This committee shall be in charge of the duty set forth in Section 31 (3) sentence 1 of the German Codetermination Act (*Mitbestimmungsgesetz*).

§ 11
Meetings and Resolutions of the Supervisory Board

(1) Meetings of the Supervisory Board shall be called by the Chairman with a notice period of fourteen days, whereby the day of dispatching the invitation and the day of the meeting are not included in the calculation. This notice period may be reduced in urgent cases. Meetings may be called in writing, orally, by telephone, telefax, e-mail or other common means of communication. Furthermore, the statutory provisions and the rules of procedure for the Supervisory Board shall apply with regard to the calling of Supervisory Board meetings.

(2) The Chairman shall chair the Supervisory Board meetings.

(3) To constitute a quorum for any resolution it shall be necessary that at least half of the members of which it has to consist shall participate in the resolution. For the purposes of the previous sentence, Supervisory Board members who are absent and cause a written vote (including votes transmitted by e-mail or telefax) to be handed over by a Supervisory Board member who is personally present, as well as Supervisory Board members who vote pursuant to § 11 (4) below and members who abstain from voting shall be considered to have taken part in a resolution. A resolution on an issue on the agenda that was not included in the invitation may only be passed if none of the Supervisory Board members objects to the resolution.

(4) Meetings conducted and resolutions passed in writing, orally, by telephone, by telefax, by e-mail or via other common means of communication or as a combination of such forms of communication as well as the participation of individual Supervisory Board members in meetings and resolutions by connection via telephone or electronic means of communication (in particular video transmission) shall be permitted if the chairman of the Supervisory Board so decides for an individual case, subject to an adequate period of notice. The option of casting a vote in writing pursuant to § 11 (3) above shall remain unaffected.

(5) Resolutions shall be passed with a simple majority of the votes cast, except if a deviating majority is mandatorily provided for by law. For this purpose, abstentions shall not count as votes cast. In the event of a tie on a given vote, the Supervisory Board's chairman shall be given two votes if a second vote on the same matter once more results in a tie. Section 108 (3) of the German Stock Corporation Act (*Aktiengesetz*) shall also be applicable to the giving of the second vote.

(6) Minutes shall be prepared of the Supervisory Board meetings and resolutions (for purposes of evidence, not as a prerequisite for their effectiveness), and shall be signed by the minute-keeper, the chairman of the meeting or, if a resolution is taken outside a meeting, by the Supervisory Board chairman.

§ 12
Compensation

(1) The members of the Supervisory Board shall receive a fixed basic remuneration of EUR 120,000 for each fiscal year. This basic remuneration is increased for the chairman of the Supervisory Board by an additional EUR 120,000 and for each deputy chairman by EUR 60,000 for each fiscal year.

(2) For their services on the Supervisory Board committees, additional compensation shall be paid for each fiscal year as follows:

(a) to the chairman of the Audit Committee and the chairman of the Chairman's Committee (*Präsidium*): EUR 120,000; to each other member of the Audit Committee and of the Chairman's Committee: EUR 60,000;

(b) to the chairman of the Innovation and Finance Committee EUR 70,000 and to each other member of the Innovation and Finance Committee EUR 40,000.

To the extent that an ongoing, independent committee is formed which provides resolutions relating to transactions with related persons, for each fiscal year the chairman of such committee shall additionally receive EUR 70,000 and each member of the committee shall additionally receive EUR 40,000.

(3) In the case of changes to the Supervisory Board or its committees within the course of a year, the remuneration shall be calculated *pro rata temporis*, rounding up to full months.

(4) The remuneration shall be due for payment after the General Meeting that accepts, or decides on the approval of, the annual financial statements for the prior fiscal year.

(5) In addition to the above, the Supervisory Board members shall be paid an attendance fee amounting to EUR 1,500 for each Supervisory Board meeting and committee meeting which they attend; in the case of several meetings which occur on the same day, the attendance fee shall not exceed EUR 3,000 per day. Attendance shall also include attendance via telephone or other means of electronic communication (in particular video transmission). The attendance fee for the meetings which have been held in a given quarter shall be paid within a month of the end of each quarter.

(6) The Supervisory Board members shall be included into a D&O liability insurance for board members and certain employees of the Siemens Energy Group taken out by the Company in the interests of the Company, in as far as such insurance has been taken out. The premiums shall be paid by the Company. Moreover, the Company shall reimburse all Supervisory Board members for their expenses and value added tax levied on their salaries.

V.
General Meeting

§ 13
Annual General Meeting, Calling an Annual General Meeting

(1) An Annual General Meeting of the shareholders shall be held during the first eight months of each fiscal year.

(2) The General Meeting shall be called by the Managing Board, subject to the statutory rights to call a General Meeting held by the Supervisory Board and a minority of the shareholders. It shall, at the choice of the body calling the General Meeting, take place at the Company's registered place of business, at the registered office of a German stock exchange, or in a German city with more than 100,000 residents.

(3) General Meetings shall be called at least with the minimum notice period required by law.

§ 14
Attendance and Exercise of Voting Rights

(1) Shareholders who wish to attend the General Meeting or to exercise their voting rights must be listed in the Company's share register and must register for the General Meeting. This registration must be received by the Company at the address provided for this purpose in the invitation no less than six days prior to the General Meeting. The invitation may provide for a reduced period to be specified in days. The day of the General Meeting and the day of receipt shall not be counted.

(2) Registration must be made in text form (Section 126b of the German Civil Code (*BGB*)) or by other electronic means to be defined in detail by the Company, in German or in English.

(3) Voting rights may be exercised by proxy. Power of attorney must be granted, revoked and proven to the Company in text form (Section 126b of the German Civil Code (*BGB*)), except if the invitation provides for a simplified form. Details regarding the granting of power of attorney, its revocation and proof to the Company shall be notified in the invitation to the General Meeting. Section 135 of the German Stock Corporation Act (*Aktiengesetz*) shall remain unaffected.

(4) The Managing Board is authorized to decide that shareholders may also participate without being present at the venue and without a proxy, and that they may exercise all or individual rights entirely or partially by means of electronic communication (electronic attendance). The Managing Board shall also have the right to pass rules regarding the scope and process of attendance and the exercising of rights pursuant to sentence 1.

(5) The Managing Board is authorized to decide that shareholders may cast their votes in writing or by means of electronic communication without attending the General Meeting (postal ballot). The Managing Board is also authorized to pass rules regarding the scope and process of the exercising of rights pursuant to sentence 1.

§ 15
Chairing the General Meeting

(1) The chairman of the Supervisory Board shall chair the General Meeting; if he or she is unable to attend, another member of the Supervisory Board appointed by the chairman shall chair the General Meeting. If neither the chairman nor another member of the Supervisory Board appointed by the chairman for this purpose is present, the chairman of the General Meeting shall be elected by the shareholders' Supervisory Board members who are present.

(2) The chairman of the meeting shall chair the negotiations and manage the proceedings of the General Meeting. For this purpose, he or she may use the support of assistants, in particular with regard to the right to expel individuals from the premises or to deny access to the premises (*Hausrecht*). The chairman shall determine the sequence of speakers and the treatment of the issues on the agenda, as well as the form, proceedings and other details of voting and may, to the extent permitted by law, decide on the combination of resolution objects that are substantively related into one voting item.

(3) The chairman is authorized to impose adequate time limits on speeches and questions. He or she may in particular adequately determine restrictions of speaking time, question time or combined speaking and question time, as well as the adequate timeframe for the entire proceedings of the General Meeting, for individual issues on the agenda and for

individual speakers, at the beginning or during the General Meeting; this in particular includes the option of prematurely closing the list of requests to speak and ordering the closing of the debate.

§ 16
Transmission of the General Meeting

The Managing Board is authorized to permit video and audio transmission of the General Meetings. Details shall be provided for by the Managing Board.

§ 17
Adopting Resolutions

(1) Each share confers one vote in the General Meeting.

(2) The resolutions of the General Meeting require a majority of the votes cast (simple majority of votes), except if the law or these Articles of Association stipulate a larger majority or further requirements.

VI.
ANNUAL FINANCIAL STATEMENTS AND APPROPRIATION OF PROFITS

§ 18
Fiscal Year

The fiscal year shall start on October 1st of each year and end on September 30th of the following year.

§ 19
Annual Financial Statements and Consolidated Financial Statements

During the first three months of a fiscal year, the Managing Board shall prepare the annual financial statements and the management report and, in as far as required by law, the consolidated annual financial statements and the group management report for the previous fiscal year, and shall present these documents to the Supervisory Board and the auditor without undue delay. At the same time, the Managing Board shall present the Supervisory Board with a recommendation which it intends to present to the General Meeting regarding the appropriation of the net profit.

§ 20
Appropriation of Profit and Annual General Meeting

(1) During the first eight months of each fiscal year, the General Meeting shall pass a resolution on the appropriation of the net profit, the approval of the actions of the members of the Managing Board and the Supervisory Board and on the appointment of the auditors (Annual General Meeting) and, in the cases provided for by law, on the approval of the annual financial statements.

(2) The shareholders' dividends shall depend on their respective interest in the capital stock.

(3) If the capital stock is increased, the dividends for the new shares may be determined in deviation of Section 60 (2) of the German Stock Corporation Act (*Aktiengesetz*).

(4) The General Meeting may decide that the net profits be appropriated by means of a distribution in kind, instead of, or in addition to, a cash dividend. In the resolution on the appropriation of the net profit, the General Meeting may allocate amounts to reserves or carry them forward as profit.

VII.
FINAL PROVISIONS

§ 21
Other provisions

(1) The capital stock of the Company was provided in the amount of EUR 100,000 by means of the transfer of Kyros 52 GmbH with its registered office in Hanover (Local Court Hannover, HRB 215360,) in accordance with Sections 190 et seq. German Transformation Act (*Umwandlungsgesetz*) into the legal form of an AG.

(2) The Company shall bear the costs of the change of the legal form amounting to an estimated sum of up to EUR 3,000.

Authorization to Acquire and Use Treasury Shares pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act (*Aktiengesetz*, "AktG") and to Exclude Subscription and Tender Rights

a) The company is authorized to acquire until the end of 31 July 2025 for any permissible purpose treasury shares in an amount of up to 10 % of the capital stock existing at the time this authorization takes effect or – if this amount is lower – of the capital stock existing at the time the authorization is exercised. The shares acquired under this authorization together with other shares of the company already acquired and still held by the company or which are attributable to it pursuant to Sections 71d and 71e AktG, must not, at any time, represent more than 10 % of the relevant capital stock.

b) Shares in Siemens Energy AG ("**Siemens Energy Shares**") will be acquired, at the option of the managing board, (1) by purchase via the stock exchange, (2) by means of a public purchase offer or (3) through a public offer to swap Siemens Energy Shares for shares in a listed company within the meaning of Section 3 (2) AktG. Offers pursuant to nos. (2) and (3) above may also be made by means of an invitation to submit offers.

(1) In the case of acquisition of the Siemens Energy Shares via stock exchange, the purchase price per Siemens Energy Share (without ancillary costs for the acquisition) paid by the company on the stock exchange must not exceed the price per Siemens Energy Share determined by the opening auction in Xetra trading (or in a comparable successor system) on the stock exchange trading day by more than 10 % or fall below such price by more than 20 %.

(2) In the case of acquisition of the Siemens Energy Shares via public purchase offer, the purchase price paid per Siemens Energy Share (without ancillary costs for the acquisition) must not exceed the average closing price per Siemens Energy Share in Xetra trading (or in a comparable successor system) on the fourth, third and second stock exchange trading day preceding the decision of the managing board on the offer or on the acceptance of offers of the shareholders by more than 10 % or fall below such price by more than 20 %.

(3) In the case of acquisition of the Siemens Energy Shares through a public offer to swap Siemens Energy Shares for shares in a listed company within the meaning of

Section 3 (2) AktG ("**Swap Shares**"), the swap price paid by the company per Siemens Energy Share (in the form of one or several Swap Shares, any fractional shares and any cash component) (without ancillary costs for the acquisition) must not exceed the applicable value of a Siemens Energy Share by more than 10 % or fall below such value by more than 20 %. The basis for calculating the applicable value will in each case be the average closing price of each Siemens Energy Share and of each Swap Share in Xetra trading (or in a comparable successor system) on the fourth, third and second stock exchange trading day preceding the decision of the managing board on the offer or on acceptance of the offer of the shareholders. If the Swap Shares are not traded in Xetra trading, the applicable closing price will be the closing price on the stock exchange where there was the highest trading volume in the Swap Shares in the preceding calendar year expired.

The managing board will determine the further details of the relevant acquisition process. If the number of Siemens Energy Shares tendered or offered for purchase or swap exceeds the total volume of shares the company intends to acquire, the shareholders' tender right may be excluded such that the acquisition will be made based on the proportion of the number of Siemens Energy Shares tendered or offered per shareholder. The acquisition process may provide for a preferred acquisition or acceptance respectively of small numbers of up to 150 Siemens Energy Shares tendered or offered per shareholder as well as a rounding according to commercial principles.

If, following the publication of an offer, there are deviations from the price or, as the case may be, from a price range determined in the context of the invitation to submit offers which may be significant as regards the success of the offer, the price or the price range may be adjusted during the offer period or until acceptance of the offer. In this case, the relevant 10% and 20% thresholds for exceeding or falling below the relevant price are based on the corresponding closing price of the Siemens Energy Share or of the Swap Shares as the case may be on the last stock exchange trading day prior to the final decision by the managing board on the adjustment.

c) The managing board is authorized to use the treasury shares acquired on the basis of this authorization in addition to selling them for any permissible purpose via the stock exchange or by means of an offer to all shareholders proportionately according to their shareholding and, in particular, as follows:

(1) The shares can be cancelled without the cancellation or its implementation requiring any further resolution by the shareholders' meeting. The cancellation will result in a reduction of capital; in this case, the managing board is authorized to reduce the capital stock by the *pro rata* amount of the capital stock attributable to the shares cancelled and the supervisory board is authorized to amend the number of shares and the capital stock specified in the articles of association accordingly. By decision of the managing board, the cancellation may also be implemented in accordance with Section 237 (3) no. 3 AktG without a capital reduction by adjusting the *pro rata* amount of the remaining shares of no par value in the capital stock of the company in accordance with Section 8 (3) AktG. In this event, the managing board is authorized to amend the number of shares of no par value in the articles of association.

(2) The shares may be used as part of remuneration and/or employee stock-based compensation programs of the company or its affiliated companies and may be issued to persons who are or were employed with the company or any of its affiliated companies as well as to members of corporate bodies of affiliated companies of the company. They may be offered for sale, awarded or transferred to the aforesaid persons and members of corporate bodies (against consideration or not) provided that the employment or service relationship or membership must still exist at the time of the offer, award or transfer.

(3) With the approval of the supervisory board, they may be sold against cash payment if the sales price is not significantly below the stock exchange price of a Siemens Energy Share. The notional *pro rata* amount of the capital stock attributable to shares used in this way must not exceed 10 % of the capital stock. Applicable in this case is the capital stock at the time the authorization becomes effective or, if this amount is lower, at the time when the authorization is used. When calculating the aforementioned limit, shares have to be taken into account that are issued during the term of this acquisition authorization in direct or analogous application of Section 186 (3) sentence 4 AktG until the point in time of its use. Likewise included are shares that are to be issued or granted 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 Section 186 (3) sentence 4 AktG.

(4) The shares can be used to service or secure obligations or rights to acquire Siemens Energy Shares specifically under or in connection with convertible bonds and warrant bonds issued by the company or its group companies. Furthermore, the managing board is authorized to exclude the subscription right in order to grant holders/creditors of conversion or option rights in respect of shares of the company or corresponding conversion obligations subscription rights as compensation against the effects of dilution in the amount in which they would be entitled to such rights upon exercising these rights or after fulfilling these obligations and to use treasury shares to service such subscription rights.

(5) They may be used to float shares of the company on foreign stock exchanges on which they are currently not listed. The price at which these shares are floated on foreign stock exchanges must not be more than 5 % lower than the arithmetic mean of the prices (without ancillary costs for the acquisition) of the shares of no par value of the company in the closing auction in Xetra trading (or in a corresponding successor system) on the Frankfurt Stock Exchange during the last three stock exchange trading days prior to the shares being floated on the foreign stock exchange.

d) The supervisory board is authorized to use the treasury shares acquired on the basis of this authorization as follows:

The shares can be used to service obligations or rights to acquire Siemens Energy Shares that have been or will be agreed with members of the managing board of Siemens Energy AG in the context of the provisions on compensation for the managing board. They may specifically be offered for purchase, awarded or transferred to the members of the managing board of Siemens Energy AG provided that the service relationship of that member or the board membership must exist at the time of the offer, award or transfer.

e) The authorizations included in this resolution may be exercised in each case independently of each other, once or several times, individually or collectively, in their entirety or partially also by group companies or by third parties acting for the account of the company or its group companies. Furthermore, treasury shares acquired may also be transferred to group companies.

f) The subscription right of the shareholders with respect to treasury shares acquired is excluded to the extent that these shares are used in accordance with the above authorizations under lit. c) nos. (2) to (5) and lit. d). In the case of an offer to acquire treasury shares made

to all shareholders, the subscription right of shareholders may also be excluded for fractional amounts.

This resolution comes into force (condition precedent) only upon the taking effect of (the implementation of) the increase of the capital stock of Siemens Energy AG for the implementation of the spin-off of the participations in Siemens Gas and Power GmbH & Co. KG and in Siemens Gas and Power Management GmbH from Siemens Aktiengesellschaft to Siemens Energy AG.

Authorization to Issue Convertible Bonds/Warrant Bonds, to Exclude the Subscription Right for these Convertible Bonds/Warrant Bonds as well as the Authorization for the Supervisory Board to Amend § 4 para. 1, para 2 sentence 1 and para. 6 of the Articles of Association

(1) General Provisions; Thresholds; Issuance Against Contribution in Cash or in Kind and Through Group Companies; Limitation in Time of the Authorization

The managing board is authorized to issue once or several times, also simultaneously in various tranches, subordinated or unsubordinated convertible bonds/warrant bonds (together with all the bond structures possible under this resolution hereinafter referred to as the "**Bonds**") in the total nominal amount of up to EUR 4,000,0000,000 and, in this context, to grant/impose conversion and/or option rights and conversion obligations in respect of registered shares of no par value in Siemens Energy AG ("**Siemens Energy Shares**") representing a *pro rata* amount in its capital stock totaling up to EUR 72,664,519 ("**Maximum *Pro Rata* Amount of the Capital Stock**").

The Bonds may also be issued by a group company of Siemens Energy AG. The authorization also covers the option to assume guarantees for the Bonds issued through group companies of the company, to grant the holders or creditors of such Bonds conversion and/or option rights or impose conversion obligations upon them in respect of Siemens Energy shares within the scope of the Maximum *Pro Rata* Amount of the Capital Stock, and to make (all) further declarations and take (all) further actions required for a successful issuance.

The Bonds may be issued for financing purposes (raising of debt or equity capital), but also for other purposes such as the optimization of the company's capital structure.

The Bonds may be issued against contribution in cash and/or in kind. Warrant bonds may be issued against contribution 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 Energy share upon exercise. The nominal amount of the Bonds or an issue price of the Bonds below the nominal 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 in accordance with the terms and conditions of the Bonds or the warrants, respectively (hereinafter the "**Terms and Conditions of the Bonds**"), i.e., the relevant nominal amount or issue price need not necessarily exceed such amount.

The authorization for the issuance of Bonds expires on the end of 31 July 2025.

(2) Conversion Obligation, Issuer's Right to Grant Shares in Lieu of Repayment of the Bonds

The terms and conditions of convertible bonds may also stipulate a conversion obligation upon maturity (or at an earlier time or when a specific event occurs). The terms and conditions may also stipulate the right of the issuer, upon final maturity of a Bond with warrants, conversion rights or obligations attached (this also includes maturity due to termination), to grant the holders or creditors shares of no par value in the company or in another listed company instead of paying, in whole or in part, the monetary amount due upon maturity.

(3) Conversion/Option Price per Share

In the case of warrant bonds, each individual bond (unit) has option rights attached to it (specifically in the form of one or more warrant(s)) that entitle the holder or creditor to receive Siemens Energy shares, in accordance with the Terms and Conditions of the Bonds.

In the case of convertible bonds, the holders/creditors of the convertible bonds are granted the right and/or are obliged to convert their convertible bonds into Siemens Energy shares in accordance with the Terms and Conditions of the Bonds.

In all cases, the conversion or exchange or subscription ratio is obtained by dividing the nominal amount or the lower issue price of a convertible bond or, upon exercise of a warrant, the amount owed under the warrant terms, by the respective conversion or option price stipulated for one Siemens Energy share.

The *pro rata* amount of the capital stock represented by the shares subscribed for on the basis of a convertible bond or, in the case of trade-in, of a warrant bond, must not exceed the nominal amount or the lower issue price of the Bonds.

The relevant conversion/option price per share at the time of issuance must not, except where there is a conversion obligation, fall below 80 % of the price of the Siemens Energy share in Xetra trading (or in a comparable successor system). The average closing price on the ten stock exchange trading days prior to the final decision of the managing board on the issuance of the Bonds or, following a public solicitation to submit subscription offers, on the company's acceptance of such offers.

Alternatively, if the shareholders' subscription right has not been excluded, the price on the stock exchange trading days during the subscription period may be used as a basis (excepting those days of the subscription period that are necessary to announce the

option or conversion price in due time pursuant to Section 186 (2) of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**").

In the case of Bonds with a conversion obligation, the conversion price may at least either equal the minimum price set out above or correspond to the volume-weighted average price of the Siemens Energy share on at least the three trading days in Xetra trading (or in a comparable successor system) immediately preceding the determination of the conversion price in accordance with the Terms and Conditions of the Bonds, even if this average price and the relevant conversion price derived therefrom are below the minimum price (80%) set out above. Section 9 (1) AktG and Section 199 (2) AktG remain unaffected.

(4) Dilution Protection, Adjustments and Further Structuring Possibilities

The authorization also provides for the option to grant protection against dilution or make adjustments in certain cases in accordance with the respective Terms and Conditions of the Bonds. Protection against dilution or adjustments may especially be contemplated in the event that there are changes in the capital of the company during the term of the Bonds or the warrants (for example, in the event of a capital increase or reduction in capital or a share split), but also in connection with dividend payments, the issuance of additional convertible bonds/warrant bonds, transformation measures as well as in the case of other events affecting the value of the option or conversion rights or the conversion obligation occurring during the term of the Bonds or the warrants (for example, in the event of acquisition of control by a third party). Protection against dilution or adjustments can especially be provided by granting subscription rights, by changing the conversion/option price and by changing or granting cash components.

The managing board is authorized to determine the conditions of issue and the additional Terms and Conditions of the Bonds or to do so in consultation with the respective group company issuing the Bonds. The Terms and Conditions of the Bonds can especially also provide for and stipulate the following:

- whether and, if so, under what conditions – for example based on an election right of the issuer or of Siemens Energy AG, as applicable, – the Bonds may be serviced from conditional capital (in particular from Conditional Capital 2020 to be created under the present authorization), from authorized capital already existing or still to be created, from holdings of treasury shares already existing or still to be acquired, or – in lieu of delivery of Siemens Energy shares – settlement may be made by way of a corresponding cash payment or delivery of other securities negotiable on another trading venue within the meaning of

Section 2 (22) of the German Securities Trading Act (*Wertpapierhandelsgesetz*),

- whether the Bonds or warrants be issued in bearer or registered form,
- number and design of the warrants (which may be designed differently) to be attached to each individual bond (unit) and whether these will be detachable upon or after issuing,
- coupon and term to maturity – including unlimited or deviating terms - of the Bonds or warrants,
- structure and design of the bond component which may specifically comprise so-called hybrid bonds,
- whether, in the case of warrant bonds, payment of the option price may be made in whole or in part by way of transfer of individual bond units (trade-in),
- whether the conversion price(s)/option price(s) or the conversion, subscription or exchange ratios are to be determined upon issuing the Bonds or during the term of the Bonds or warrants, and how these prices/ratios are to be determined in each case (stating any minimum and maximum prices and variable designs or stipulating a determination on the basis of future stock exchange prices); the requirements pursuant to no. 3 above remain unaffected,
- whether and how there will be rounding to a full share conversion ratio,
- whether an additional payment to be rendered in cash or cash compensation will be established,
- how the details of the exercise, the performance of obligations or rights, the deadlines and the setting of the conversion prices/option prices are to be determined in the case of mandatory conversion obligations,
- whether the Bonds will be issued in euros or in other legal currencies of OECD countries. For the purpose of determining the maximum aggregate nominal amount of this authorization in the case of issues in foreign currencies, the nominal amount of the Bonds shall in each case be converted into euros on the day when the decision on the issue thereof is taken.

(5) Subscription Right, Authorization to Exclude the Subscription Right

Generally, the Bonds must be offered for subscription to the shareholders. They may also be issued to credit institutions or to companies operating pursuant to Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (*Gesetz über das Kreditwesen*, "**KWG**") with the obligation to offer them for subscription to shareholders. However, the managing board is authorized, with the consent of the supervisory board, to exclude the subscription right

- provided that the Bonds are issued against cash payment and the issue price of a Bond is not significantly lower than its theoretical market price computed in accordance with generally accepted actuarial methods. The notional share in the capital stock attributable to shares to be issued or granted under the Bonds that were issued based on this authorization under exclusion of the subscription right pursuant to Section 186 (3) sentence 4 AktG must not exceed 10% of the capital stock. Applicable in this case is the capital stock at the time this authorization becomes effective or, if this amount is lower, at the time at which this authorization is used. When calculating the aforementioned limit, shares have to be taken into account that are issued or disposed of in direct or analogous application of Section 186 (3) sentence 4 AktG during the term of this authorization until the point in time of its use. Likewise included are shares that have been issued or granted or are to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of this authorization, with shareholders' subscription rights excluded in accordance with Section 186 (3) sentence 4 AktG,

- to the extent necessary for fractional amounts resulting from the subscription ratio,

- in order to grant holders/creditors of conversion or option rights to shares of the company or of conversion obligations under Bonds issued or guaranteed by the Siemens Energy AG or any of its group companies subscription rights as compensation against effects of dilution in the amount in which they would be entitled to such rights upon exercising such conversion or option rights or fulfilling any conversion obligations.

The notional *pro rata* amount in the capital stock attributable, in aggregate, to shares to be issued or granted under bonds that are issued based on this authorization under exclusion of the subscription right must not exceed EUR 72,664,519 (nominal). When calculating the aforementioned capital limit, the portion of the capital stock has to be taken into account that is attributable to the new shares that are issued during the term

of this authorization under exclusion of the subscription right, or that are to be issued to fulfil conversion or option rights or conversion obligations under bonds, provided that the Bonds have been issued during the term of this authorization under exclusion of the shareholders' subscription right.

The supervisory board is authorized to amend § 4 para. 1, para 2 sentence 1 and para. 6 of the articles of association of the company in accordance with the respective use of Conditional Capital 2020. This applies accordingly if, after the expiration of the authorization period, the authorization to issue convertible bonds/warrant bonds has not been used as well as if, after all deadlines for exercising conversion rights/warrants have expired, Conditional Capital 2020 has not or not fully been used.

- Convenience Translation – only the German version is binding –

Annex 19 to the Spin-off and Transfer Agreement

Deconsolidation Agreement

entered into between

Siemens Aktiengesellschaft, Berlin and Munich,

– hereinafter also referred to as "**Siemens AG**" –

Siemens Beteiligungen Inland GmbH, Munich,

– hereinafter also referred to as "**SBI GmbH**" –

and

Siemens Energy Aktiengesellschaft, Munich,

– hereinafter also referred to as "**Siemens Energy AG**" –

– hereinafter together referred to as the "**Parties**" or individually as a "**Party**" –

22 May 2020

Preamble

0.1 Siemens AG with its registered offices in Berlin and Munich is registered with the register of companies (*Handelsregister*) of the district court (*Amtsgericht*) of Charlottenburg under registration number HRB 12300 B and with the register of companies of the district court of Munich under registration number HRB 6684. Siemens AG holds all shares in SBI GmbH with its registered office in Munich, registered with the register of companies of the district court of Munich under registration number HRB 139644. Further, Siemens AG currently still holds all shares in Siemens Energy AG with its registered office in Munich, registered with the register of companies of the district court of Munich under registration number HRB 252581. The capital stock of Siemens Energy AG at the time of conclusion of this Deconsolidation Agreement amounts to EUR 100,000, divided into 100,000 no-par-value shares (registered shares (*Namensaktien*)).

0.2 Siemens AG intends to bundle the worldwide Gas & Power operations of the Siemens group that are to be separated and the shares held by the Siemens group in the amount of approximately 67 % in Siemens Gamesa Renewable Energy, S.A. (together, the "**Siemens Energy Business**") in Siemens Energy AG. Going forward, Siemens Energy AG shall be managed as an entity that is legally and organizationally independent of Siemens AG; its shares shall be admitted to trading at the Frankfurt Stock Exchange. Siemens AG intends to retain a direct minority shareholding and an indirect minority shareholding held via SBI GmbH in the amount of initially 45 % of the future shares in Siemens Energy AG. The remaining shares in Siemens Energy AG are to be transferred to the Siemens shareholders by way of a spin-off (*Abspaltung*) of the partnership interests in Siemens Gas and Power GmbH & Co. KG and its general partner (*Komplementärin*) – being the company to which the Siemens Energy Business was transferred beforehand – to Siemens Energy AG. The spin-off will take effect upon its registration with the registers of companies of Siemens AG at the district court of Charlottenburg and at the district court of Munich (the day of the later of these two registrations is hereinafter referred to as the "**Closing Date**"). In the context of the spin-off, shares in Siemens Energy AG in the amount of about 9.9 % of the capital stock out of the directly and indirectly retained shareholding of 45 % of the future shares held by Siemens AG shall be transferred to Siemens Pension-Trust e.V.

0.3 After the Closing Date and transfer of shares to Siemens Pension-Trust e.V., the shares in Siemens Energy AG will be held as follows:

- Siemens AG: 167,744,527 shares (corresponding to approximately 23.08 % of the capital stock);
- SBI GmbH: 87,307,936 shares (corresponding to approximately 12.02 % of the capital stock);
- Siemens Pension-Trust e.V.: 71,937,874 shares (corresponding to 9.9 % of the capital stock);
- Shareholders of Siemens AG: the remaining 399,654,856 shares (corresponding to 55 % of the capital stock).

0.4 Following the Closing Date and completion of status proceedings (*Statusverfahren*) (pursuant to Sections 97 et seqq. of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**")), Siemens Energy AG will constitute an equally co-determined supervisory board (*paritätisch mitbestimmter Aufsichtsrat*) in accordance with the provisions of the German Co-Determination Act (*Mitbestimmungsgesetz*, "**MitbestG**"). The supervisory board will have 20 members (Section 7 (1) sentence 1 no. 3 MitbestG), one half of which is to be elected as shareholder representatives by the shareholders' meeting of Siemens Energy AG.

0.5 The Siemens Energy Business shall be managed by Siemens Energy AG autonomously and independently of Siemens AG. Siemens AG does not intend to exert, directly or indirectly, controlling influence on Siemens Energy AG. As a consequence, Siemens Energy AG will be able to evolve as an autonomous and independent company which should have – in the opinion of the members of the managing boards of Siemens AG and Siemens Energy AG – a positive effect on the market valuation of the shares of Siemens AG and Siemens Energy AG. It is intended that, after the spin-off has taken effect, the Siemens Energy Business will no longer be fully consolidated in Siemens AG's consolidated financial statements.

0.6 Given the fact that there is no majority shareholding within the meaning of Section 16 AktG, it will not be assumed that Siemens Energy AG is still controlled by Siemens AG pursuant to Section 17 (2) AktG after the Closing Date. In the event, which cannot be completely ruled out, that Siemens AG directly and indirectly, specifically via the shares held by SBI GmbH, will hold the majority of the shares entitled to vote and represented at future shareholders' meetings of Siemens Energy AG, Siemens AG and SBI GmbH do not intend to exert controlling influence on Siemens Energy AG.

0.7 In order to illustrate the entrepreneurial autonomy of Siemens Energy AG and its independence from Siemens AG, and to provide from the outset for legal certainty irrespective of future shareholder presence at shareholders' meetings of Siemens Energy AG, the Parties intend to ensure this by entering into a contractual agreement on the non-exercise of control.

Now, therefore, the Parties agree as follows:

§ 1
General Restrictions on the Exercise of Voting Rights

1.1 Siemens AG and SBI GmbH undertake to Siemens Energy AG, with regard to the resolutions at shareholders' meetings of Siemens Energy AG on

a) the appointment and removal of the supervisory board members;

b) management measures pursuant to Section 83, Section 111 (4) sentences 3 to 5, Sections 111b (4), 119 (2) or 179a AktG;

c) the discharge of the members of the managing and supervisory boards (*Entlastung*) and a vote of no confidence (*Vertrauensentzug*) in respect of managing board members;

d) the remuneration of the supervisory board members (Section 113 (3) AktG) and the remuneration system for the managing board members (Section 120a AktG) including a possible reduction of the remuneration under Section 87 (4) AktG; and

e) the approval of the annual financial statements if the shareholders' meeting resolves on such approval (Section 173 AktG),

to exercise their voting rights attached to their shares of Siemens Energy AG, subject to the provisions on the Special Supervisory Board Member in § 3 of this Deconsolidation Agreement, only up to the maximum number of votes of Siemens AG (as defined in § 1.3 of this Deconsolidation Agreement).

1.2 Prior to a resolution pursuant to § 1.1 of this Deconsolidation Agreement, the number of votes held by the other shareholders present or represented at the relevant shareholders' meeting is to be determined (hereinafter the "**Other Shareholders' Voting Presence**") based on the last presence of the shares entitled to vote at the shareholders' meeting which is determined prior to the vote, including shares for which the voting rights were cast by postal vote (the "**Presence**"). For this purpose, Siemens AG's shares in Siemens Energy AG and the shares in Siemens Energy AG attributable to Siemens AG shall be deducted from the Presence. All present shares in Siemens Energy AG held by Siemens AG or any affiliated company of Siemens AG that is a Party to this Agreement shall be deemed "**Siemens AG's Shares**". The following present shares in Siemens Energy AG shall be deemed "**Shares Attributable to Siemens AG**":

a) shares held by companies that are controlled by Siemens AG within the meaning of Section 17 AktG or held by subsidiaries as defined in the International Financial Reporting Standard IFRS 10 (Appendix A) (hereinafter "**IFRS 10**") to the extent that they are not deemed to be Siemens AG's Shares,

b) shares held by Siemens Pension-Trust e.V. or other pension schemes, pension funds, support funds or investment funds that serve the purpose of providing company pension or implementing remuneration and participation programs for employees of Siemens AG and/or its affiliated companies (Sections 15 et seqq. AktG),

c) shares held by members of the managing board of Siemens AG or members of SBI GmbH's board of managing directors, and

d) shares in respect of which the voting right is exercised at Siemens Energy AG's shareholders' meeting by members of the managing board of Siemens AG or members of SBI GmbH's board of managing directors.

1.3 The voting rights attached to Siemens AG's Shares may be exercised by Siemens AG and SBI GmbH for resolutions pursuant to § 1.1 of this Deconsolidation Agreement only for up to the "**Maximum Number of Siemens AG's Voting Rights**". The Maximum Number of Siemens AG's Voting Rights shall be determined by deducting from the Other Shareholders' Voting Presence (i) votes corresponding to 10 % of the Other Shareholders' Voting Presence and (ii) votes attached to present shares that are deemed Shares Attributable to Siemens AG.

§ 2
Maximum Number of Representatives of Siemens AG on the Supervisory Board of Siemens Energy AG

2.1 Siemens AG and SBI GmbH undertake to Siemens Energy AG to ensure that at all times no more than three supervisory board members depending on Siemens AG are members of Siemens Energy AG's supervisory board representing the shareholders.

2.2 The following persons shall be deemed persons "**Depending on Siemens AG**"

a) persons who are or have been in the past two (2) years, counting as from the date of the respective shareholders' meeting, members of the managing board of Siemens AG, management of SBI GmbH or the managing body of any other subsidiary within the meaning of IFRS 10 (Appendix A) or of an affiliated company of Siemens AG within the meaning of Sections 15 et seqq. AktG, of an associate (as defined in no. 3 of the international accounting standards IAS 28 or the respective successor provision – hereinafter "**IAS 28**") of Siemens AG or of a joint venture (as defined in IAS 28 no. 3) of Siemens AG;

b) persons who are or have been in the past two (2) years, counting as from the date of the respective shareholders' meeting, in an employment relationship with Siemens AG or an affiliated company (pursuant to Sections 15 et seqq. AktG) of Siemens AG;

c) persons who are relatives (as defined in Section 15 of the German Fiscal Code (*Abgabenordnung*, "**AO**")) of a current managing board member of Siemens AG; or

d) persons who, based on a decision adopted by the supervisory board of Siemens Energy AG in accordance with its duties, cannot be considered as independent, because

(i) they may currently have personal or business relations with Siemens AG, or an affiliated company of Siemens AG, that may cause a substantial and not merely temporary conflict of interests (within the meaning of Section C.9 of the 2020 German Corporate Governance Code),

(ii) the supervisory board of Siemens Energy AG therefore believes that the supervisory board member (or a candidate for membership on the supervisory

board) is not independent (within the meaning of the 2020 German Corporate Governance Code) of Siemens AG; and

(iii) the supervisory board of Siemens Energy AG has made this view public in an election proposal (*Wahlvorschlag*), in a declaration of conformity (*Entsprechenserklärung*) with the German Corporate Governance Code or in comparable publications.

2.3 In order to achieve the aim specified in § 2.1 of this Deconsolidation Agreement, Siemens AG and SBI GmbH will, in particular,

a) in the event of an election of the supervisory board, not vote for candidates that are Depending on Siemens AG to the extent that, as a consequence of their election, more than three shareholder representatives on the supervisory board of Siemens Energy AG would be Depending on Siemens AG;

b) not submit to the shareholders' meeting of Siemens Energy AG election proposals of their own for elections to the supervisory board and will ensure that affiliated companies of Siemens AG (Sections 15 et seqq. AktG) do not submit election proposals to the extent that, assuming that these election proposals and furthermore the election proposals of the supervisory board of Siemens Energy AG are accepted, as a consequence and following their election, there would be more than three shareholder representatives on the supervisory board of Siemens Energy AG who are Depending on Siemens AG;

c) in the event of a court appointment of supervisory board members pursuant to Section 104 AktG, not exercise the shareholders' rights such that, as a result of the court appointment, there will be more than three shareholder representatives on the supervisory board of Siemens Energy AG who are Depending on Siemens AG; and

d) exert influence on members of management bodies or on employees of Siemens AG or its affiliated companies, e.g. by refusing a required approval for the assumption of a secondary function, such that these members will not accept a mandate as supervisory board member if otherwise there would be more than three shareholder representatives on the supervisory board who are Depending on Siemens AG.

§ 3
Restrictions on the Exercise of Voting rights for the Special Supervisory Board Member

3.1 Siemens AG and SBI GmbH undertake to Siemens Energy AG to exercise the voting right attached to Siemens AG's Shares (as defined in § 1.2 of this Deconsolidation Agreement) in Siemens Energy AG for the election, re-election and vote on the removal of a supervisory board member and, where applicable, a substitute member of that supervisory board member (hereinafter "**Special Supervisory Board Member**") only in compliance with the following restriction. The voting right attached to Siemens AG's Shares may be exercised for the passing of resolutions pursuant to sentence 1 above for not more than the "**Reduced Maximum Number of Voting Rights of Siemens AG**." The Reduced Maximum Number of Voting Rights of Siemens AG is to be determined by deducting from the Other Shareholders' Voting Presence (i) votes corresponding to 40 % of the Other Shareholders' Voting Presence and (ii) votes attached to shares that are present and that are deemed to be Shares Attributable to Siemens AG.

3.2 The Special Supervisory Board Member and, where applicable, a substitute member appointed for that supervisory board member must not be a person Depending on Siemens AG (within the meaning of § 2.2 of this Deconsolidation Agreement).

3.3 Siemens Energy AG's supervisory board shall inform Siemens AG in due time before the first shareholders' meeting after the Closing Date where shareholder representatives are to be elected for the supervisory board, of the name of the candidate from the supervisory board's election proposal who is to be elected as Special Supervisory Board Member. This applies *mutatis mutandis* if, at a later point in time, the Special Supervisory Board Member elected and, where applicable, his/her (substitute as) successor in office, leaves office, is no longer available for re-election or has by that time become a person Depending on Siemens AG.

3.4 To the extent that Siemens Energy AG's supervisory board has not designated the Special Supervisory Board Member to Siemens AG and if Siemens Energy AG's supervisory board does not inform Siemens AG of the name of the Special Supervisory Board Member by the twenty-first (21st) day before the start of the relevant shareholders' meeting at which a supervisory board election is to be held, or if the candidate whose name has been notified is a person Depending on Siemens AG, that candidate on the supervisory board's election proposal who is not Depending on Siemens AG and who is the most senior member (in age) will be deemed to be the Special Supervisory Board Member.

§ 4
Share Transfer to Affiliated Companies

4.1 The free transferability of the shares held by Siemens AG and SBI GmbH is not restricted by this agreement. This also applies to the transfer of shares to other companies that are affiliated companies of Siemens AG (Sections 15 et seqq. AktG).

4.2 If, as a result of any such transfer, an affiliated company acquires a direct participation of at least 10 % of the capital stock of Siemens Energy AG, any such transfer is only permissible if that affiliated company accedes to this Deconsolidation Agreement assuming the obligations incumbent upon Siemens AG and SBI GmbH. For accession to this Deconsolidation Agreement, the affiliated company has to send an accession declaration to Siemens Energy AG; separate acceptance by the other Parties to this Deconsolidation Agreement is not required for accession to this Deconsolidation Agreement. Accession of the Siemens Pension-Trust e.V. to this Deconsolidation Agreement pursuant to sentence 1 above is not required.

4.3 Furthermore, a transfer of shares to other affiliated companies of Siemens AG (Sections 15 et seqq. AktG) is only permissible if, as a result of the transfer, the Shares Attributable to Siemens AG (as defined in § 1.2 of this Deconsolidation Agreement) do not account for more than 15 % of the issued shares of Siemens Energy AG. Affiliated companies of Siemens AG that hold shares in Siemens Energy AG may, with the approval of Siemens AG, accede to this Deconsolidation Agreement at any time in accordance with § 4.2 sentence 2 of this Deconsolidation Agreement.

4.4 Siemens AG undertakes to ensure that its affiliated companies (Sections 15 et seqq. AktG) including SBI GmbH do not exercise their rights attached to the shares in Siemens Energy AG to the extent that the non-exercise of rights is required for Siemens AG to fulfil its obligations towards Siemens Energy AG under this Agreement.

§ 5
Shareholders' Request for Compliance

Besides Siemens Energy AG, other shareholders of Siemens Energy AG whose shares taken together represent an amount in the capital stock of at least EUR 100,000 may request compliance with the obligations under this Deconsolidation Agreement.

§ 6
Applicability and Term

6.1 This Agreement will take effect as of the Closing Date and is concluded for a term until the end of the fifth annual shareholders' meeting after the shareholders' meeting of Siemens Energy AG following the Closing Date at which an election of shareholder representatives for Siemens Energy AG's supervisory board was on the agenda. Prior to the end of that term, no ordinary termination (*ordentliche Kündigung*) is possible. Thereafter, this Deconsolidation Agreement will be renewed for the period leading up to the end of the fifth annual shareholders' meeting following thereafter, unless terminated by a Party by giving at least three months' notice prior to its expiry.

6.2 The right to terminate this Agreement for good cause (*Kündigung aus wichtigem Grund*) remains unaffected. A sale of shares in Siemens Energy AG by Siemens AG or affiliated companies (Sections 15 et seqq. AktG) of Siemens AG (including SBI GmbH) that results in Siemens AG holding, directly or indirectly, taking into account the shares attributable to it pursuant to Section 16 (4) AktG ("**Participation**"), less than 15 % of the shares in Siemens Energy AG shall constitute an extraordinary cause for terminating this Deconsolidation Agreement; in this case, each Party may terminate this Deconsolidation Agreement in writing at any time without notice (*fristlos kündigen*), until the Participation is again above 15 %.

6.3 Only the Parties have a right to terminate or cancel this Deconsolidation Agreement; the exercise of this right is not subject to the consent of the other shareholders of Siemens Energy AG.

§ 7
Termination of this Deconsolidation Agreement

7.1 The termination of this Deconsolidation Agreement could result in Siemens AG again gaining control or competitively significant influence as defined under merger control law over Siemens Energy AG with the consequence that clearance requirements under merger control law are triggered thereby. The termination of this Deconsolidation Agreement is therefore subject to the condition precedent that all regulations under merger control law applicable in the relevant jurisdictions have been complied with so that the termination of this Deconsolidation Agreement can be implemented under the merger control regulations applicable in each case. This is the case, in particular, if

a) the competent competition authority (*Kartellbehörde*) has granted clearance as regards the termination of this Deconsolidation Agreement, or

b) the competent competition authority has stated to the Parties that the termination of this Deconsolidation Agreement is not notifiable (*anmeldepflichtig*) under the applicable merger control provisions, or that

c) according to the joint understanding of the Parties – which has been specified by them jointly and in writing – there is no notification obligation (*Anmeldepflicht*).

7.2 Relevant jurisdictions are

a) in case of termination by Siemens AG, the jurisdictions that are identified as such in the notice of termination (*Kündigungserklärung*);

b) in case of amicable termination, the jurisdictions that are identified as such in the cancellation agreement (*Aufhebungsvereinbarung*); or

c) and, furthermore, all jurisdictions in which one of the Parties demands that a clearance procedure be conducted under merger control law.

§ 8
Miscellaneous

8.1 This Deconsolidation Agreement is governed by the laws of the Federal Republic of Germany, but excluding its conflict of law rules.

8.2 Amendments and supplements to this Deconsolidation Agreement, including an amendment to or contracting out of this provision, require written form unless stricter requirements of form must be complied with.

8.3 If one or more provisions in this Deconsolidation Agreement are or become completely or partially void, invalid or impracticable, the validity of this Deconsolidation Agreement and its other provisions will not be affected thereby. In such case, the void, invalid or impracticable provision will be deemed replaced by a provision that comes as close as possible to what was originally intended by the Parties in terms of form, content, time, measure and scope of applicability in accordance with the commercial intent and purpose

of the void, invalid or impracticable provision. This applies accordingly if this Deconsolidation Agreement lacks any provisions.

- Convenience Translation – only the German version is binding –

Annex 20 to the Spin-off and Transfer Agreement

Group Separation Agreement

entered into between

Siemens Aktiengesellschaft, Berlin and Munich,

– hereinafter also referred to as "**Siemens AG**" –

and

Siemens Energy AG, Munich,

– hereinafter referred to together as the "**Parties**" or individually as a "**Party**" –

22 May 2020

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Preamble

(A) The following Group Separation Agreement is an annex to the Spin-off and Transfer Agreement between Siemens AG and Siemens Energy AG entered into on the date hereof. Defined terms used in the Spin-off and Transfer Agreement have the same meaning when used in this Group Separation Agreement, unless otherwise defined herein.

(B) Upon the spin-off taking effect, 55 % of the respective participation in each Siemens Energy KG and General Partner GmbH will be transferred to Siemens Energy AG in accordance with the provisions of the German Transformation Act (*Umwandlungsgesetz*). Prior to that, the remaining 45 % of the respective participation in each Siemens Energy KG and in General Partner GmbH will be transferred by Siemens AG and SBI GmbH to Siemens Energy AG as contributions in kind pursuant to the Contribution Agreement in exchange for the granting of shares.

(C) Upon the spin-off taking effect, the shareholders of Siemens AG will hold 55 % in total of the capital stock of Siemens Energy AG. The remaining 45 % of Siemens Energy AG's capital stock will be held in part directly by Siemens AG and in part indirectly via SBI GmbH. All shares of Siemens Energy AG will be admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and also on the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard).

(D) The worldwide operations of Gas and Power of the Siemens Group that are to be separated and the shares held by the Siemens Group in Siemens Gamesa Renewable Energy, S.A. (together, the "**Siemens Energy Business**") have been or will be legally and organizationally consolidated in Siemens Energy KG on the basis of agreements that have already been entered into (together, the "**Establishment Agreements**", individually the "**Establishment Agreement**").

(E) Upon the spin-off taking effect, Siemens Energy AG and the companies directly or indirectly transferred to it will leave the Siemens Group. Siemens Energy AG will conduct the Siemens Energy Business then held by it such that it is legally and organizationally independent of Siemens AG.

(F) Although Siemens AG will hold a (direct and indirect) participation of 45 % in Siemens Energy AG, based on the Deconsolidation Agreement that has been entered into, Siemens Energy AG will no longer be a dependent company of Siemens AG within the meaning of Section 17 AktG upon the spin-off taking effect. Siemens AG will not exert controlling

influence on Siemens Energy AG. Upon the spin-off taking effect, the Siemens Energy Business will no longer be fully consolidated but the participation in Siemens Energy AG will be included *at equity* in the consolidated financial statements of Siemens AG.

(G) Upon the spin-off taking effect, Siemens Energy AG as the group parent company together with Siemens Energy KG, which will then be held by Siemens Energy AG as sole shareholder, and its subsidiaries will form a group of their own. Upon the spin-off taking effect, Siemens AG as the group parent company will continue to conduct the remaining Siemens business.

(H) With this Group Separation Agreement, the Parties wish to regulate their legal relationships for the time as of the spin-off taking effect and the resulting separation of Siemens Energy AG and its group companies from the Siemens Group. Unless expressly provided for otherwise in this Group Separation Agreement, group companies of a Party are companies (i) that, upon the spin-off taking effect, are that Party's group companies within the meaning of Section 18 AktG or (ii) that become that Party's group companies after the spin-off taking effect based on Establishment Agreements entered into prior to the spin-off taking effect.

Now, therefore, the Parties agree as follows:

§ 1
Establishment of the Siemens Energy Business

1.1 On the basis of the Establishment Agreements, the Siemens Energy Business has been or will be legally and organizationally bundled under the umbrella of Siemens Energy KG. It is the common understanding of the Parties that the allocation of companies, activities, assets, liabilities and risks to the Siemens Energy Business made under and in connection with the Establishment Agreements is conclusive and binding. This does not prejudice other provisions set forth in the Establishment Agreements.

1.2 Each Party will procure that each of its group companies that is party to an Establishment Agreement shall perform such Establishment Agreement in accordance with the respective agreements made therein, unless otherwise provided for in this Group Separation Agreement.

1.3 The provisions set forth in this Group Separation Agreement do not modify the provisions set forth in the individual Establishment Agreements. The Parties agree that in the event that a provision agreed in this Group Separation Agreement substantially conflicts with an agreement made in an Establishment Agreement, the agreement made in the Establishment

Agreement shall take precedence (principle of precedence), unless a precedence of the provisions of the Group Separation Agreement is expressly agreed in this Group Separation Agreement (deviation from the principle of precedence). In such a case, each Party shall ensure that its respective group company which is a party to the respective Establishment Agreement shall observe and appropriately implement this.

1.4 On the basis of so-called agency agreements, certain operations are conducted on behalf of group companies of Siemens Energy AG by the following group companies of Siemens AG: (i) Siemens Spa (Algeria), (ii) Siemens A.E., Electrotechnical Projects and Products (Greece), (iii) Siemens Ltd. (India), (iv) P.T. Siemens Indonesia (Indonesia) and (v) Siemens Pakistan Engineering Co. Ltd. (Pakistan). Exclusively the provisions set forth in the agency agreements apply to those operations. The provisions set forth in this Group Separation Agreement do not apply to these operations.

§ 2
Liability

2.1 To the extent that claims are asserted against Siemens AG or any of its group companies on the basis of a statutory liability or non-contractual liability imposed under common law for liabilities, obligations or contingent liabilities incurred or established prior to the spin-off taking effect that, based on their origin or purpose, are attributable to the Siemens Energy Business, Siemens Energy AG must indemnify Siemens AG or the group company concerned from the respective liability.

2.2 To the extent that claims are asserted against Siemens Energy AG or any of its group companies on the basis of a statutory liability or non-contractual liability imposed under common law for liabilities, obligations or contingent liabilities incurred or established prior to the spin-off taking effect that, based on their origin or purpose, are attributable to the remaining Siemens business, Siemens AG must indemnify Siemens Energy AG or the group company concerned from the respective liability.

§ 3
Admission to Stock Exchange Trading, Insurance, Allocation of Prospectus Liability

3.1 It has been agreed in the Spin-off and Transfer Agreement that all shares of Siemens Energy AG are to be admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and also on the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard) immediately after the spin-off taking effect. Prior to that, for the purpose of admission to stock exchange

trading, Siemens Energy AG will, among other things, prepare and publish (or otherwise make available to investors in the context of the admission to stock exchange trading) a securities prospectus to be approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and further marketing materials and other documents. The Parties intend to take out market-standard insurance for the risks typically associated with an admission to stock exchange trading in connection with the listing of the shares of Siemens Energy AG.

3.2 In the event that no insurance is taken out for the risks typically associated with an admission to stock exchange trading or if and to the extent that, despite such insurance, a Party does not in fact obtain compensation, all damage in connection with the implementation of the admission to stock exchange trading and other financial losses incurred because the securities prospectus and/or the further marketing materials and other documents actually or allegedly contain information that is incorrect, incomplete or otherwise misleading (so-called prospectus liability) will be divided between Siemens AG and Siemens Energy AG at a ratio of 45 % and 55 %.

This distribution applies, in particular, to the liability under warranty and indemnity obligations of Siemens Energy AG *vis-à-vis* the banks accompanying the transaction. It also applies to costs and expenses (including charges) incurred by any Party for purposes of examining, defending against or settling prospectus liability (including filing counter-claims and counter-actions and asserting claims against third parties) if and to the extent that these costs and expenses are necessary or adequate from the perspective of a prudent and conscientious manager whose company would have to bear such costs and expenses. Accordingly, the Parties will mutually indemnify one another according to the distribution described above. Section 254 of the German Civil Code (*Bürgerliches Gesetzbuch*, "**BGB**") and all comparable provisions and principles of law of any kind whatsoever shall not apply in the relationship between the Parties and any defense or objection raised by any Party in this regard against the other Party is hereby expressly excluded.

§ 4
Accounting

4.1 In its accounting, i.e. in the consolidated annual financial statements and in the half-year and quarterly financial reporting, Siemens AG will, as of the spin-off taking effect, recognize the (direct and indirect) participation in Siemens Energy AG, which will continue to be held by it, in its statements of financial position as a participation in accordance with the equity method (IAS 28). Siemens AG will comply with corresponding disclosure obligations, including those pursuant to IFRS 12. To facilitate this, Siemens

Energy AG will forward to Siemens AG all documents necessary for this and will disclose information. In the context of the deconsolidation of the Siemens Energy Business and the first-time application of the equity method following the spin-off taking effect, Siemens Energy AG will make available to Siemens AG the necessary documents and information.

4.2 Quarterly reporting of Siemens Energy AG to Siemens AG ("**regular reporting**") will correspond in all material aspects to the balance-sheet accounting and valuation principles and the other accounting principles of Siemens AG as applicable from time to time. Therefore, Siemens AG will make available to Siemens Energy AG at least once per year the current key accounting principles of Siemens AG and will additionally support Siemens Energy AG in all other respects with a view to the transmission of the necessary documents and the disclosure of the necessary information. Siemens AG and Siemens Energy AG will establish a procedure for the exchange of information regarding regulatory changes of the applicable accounting standards and potential changes of accounting principles in order to be able to take relevant changes into account as early as possible.

4.3 Furthermore, Siemens Energy AG will make available to Siemens AG all information that Siemens AG reasonably requires in order to report the expected earnings per share or, as the case may be, substantial deviations in the context of its own mandatory financial reporting. Siemens AG will publish communicated information that (directly or indirectly) allows conclusions as to the earnings situation of Siemens Energy AG only after the publication of the relevant financial reports of Siemens Energy AG or with the prior consent of Siemens Energy AG.

4.4 Siemens AG and Siemens Energy AG have mutually agreed on the scope and time limits of the regular reporting as set out in **Annex 4.4**. Siemens AG and Siemens Energy AG will consult with each other regarding all circumstances relevant to regular reporting (e.g. an intended change in the process of preparing financial statements) and will adjust the contents of **Annex 4.4** accordingly in the scope of what is necessary and reasonable. To the extent that this is necessary and reasonable, Siemens AG and Siemens Energy AG will widen the scope of regular reporting in **Annex 4.4** (e.g. regarding regular reporting for business transactions after the date of a statement of financial position).

4.5 Siemens Energy AG and Siemens AG will assist each other in the context of the timely response to questions, if any, asked by the German Financial Reporting Enforcement Panel (*Deutsche Prüfstelle für Rechnungslegung*) regarding Siemens AG's participation in Siemens Energy AG. In this regard, the provisions in § 8.5 apply *mutatis mutandis*.

4.6 Siemens AG will reimburse Siemens Energy AG for additional reasonable external costs incurred when complying with the obligations specified in § 4 (e.g. for additional actuarial reports and additional audit fees) after prior consultation and submission of written proof.

4.7 To the extent that Siemens Energy AG reasonably requires information from Siemens AG to comply with disclosure obligations in connection with Siemens AG's shareholder status (e.g. in the context of related party transactions), Siemens AG will provide such information to Siemens Energy AG.

4.8 All of the obligations of the Parties under this § 4 are subject to the condition that the disclosure of the information is legally permissible and that – as regards inside information within the meaning of Art. 7 MAR or other applicable provisions under capital market laws – in particular the applicable insider trading regulations are adhered to.

4.9 The above provisions of this § 4 only apply for as long as the participation of Siemens AG enables it to (directly and indirectly) exert significant influence on Siemens Energy AG within the meaning of IAS 28. As a rule, this is to be assumed for as long as the (direct and indirect) participation of Siemens AG in Siemens Energy AG's capital stock amounts in total to at least 20 %. If these conditions are no longer fulfilled and if Siemens AG still requires specific information from Siemens Energy AG for its own accounting and financial reporting, the Parties, taking into account the principle of good faith, will agree in each case on adequate and expedient provisions for disclosing that information.

§ 5
Tax Indemnifications

5.1 "**Taxes**" within the meaning of this Group Separation Agreement shall mean any German and foreign federal, state or local tax, including income, capital gains, value-added, sales or property tax, stamp duty, wage tax, customs and social security payments (in each case including all ancillary charges, interest, penalties, fines or other surcharges imposed by any Tax authority).

5.2 In the course of the bundling of the Siemens Energy Business in Siemens Energy KG, the following contributions within the meaning of Section 24 (1) of the German Transformation Tax Act (*Umwandlungssteuergesetz*, "**UmwStG**") were made into Siemens Energy KG:

a) effective as of 1 January 2020, Siemens AG contributed a business unit (*Teilbetrieb*) in exchange for the increase of its partnership interest (Siemens AG contributed such partnership interest into SBI GmbH consequently);

b) Siemens AG and Kyros 63 GmbH joined SBI GmbH as new partners, which is treated under Tax law as a new foundation (*Neugründung*) of the enlarged Siemens Energy KG, into which the former shareholders contribute their shares; and

c) effective as of 31 March 2020, SBI GmbH contributed its corporate shareholdings (*Kapitalgesellschaftsbeteiligungen*) each consisting of a participation of 100 % in Power Control GmbH, Trench Germany GmbH and Dresser-Rand do Brasil, Ltda. as business units in exchange for the increase of its partnership interest.

Siemens Energy AG undertakes to procure that Siemens Energy KG recognizes the business assets contributed in each case at their book values for Tax purposes pursuant to Section 24 (2) sentence 2 UmwStG and submits the book value application necessary for this purpose in each case in due time. If Siemens Energy AG fails to comply with its obligation and if Siemens Energy KG fails to recognize the contributed business assets at their book values for Tax purposes and/or to submit the book value application necessary for this purpose by the applicable deadline, Siemens Energy AG will pay to Siemens AG or, at the option of the latter, to SBI GmbH an amount equal to the sum of (i) the Taxes consequently assessed against Siemens AG and SBI GmbH and (ii) the nominal amount of the consequently reduced corporate income Tax loss carryforwards at Siemens AG and SBI GmbH multiplied by the corporate income Tax rate applicable in the Tax assessment period of recognition of the contribution gain, plus solidarity surcharge, and (iii) the nominal amount of the consequently reduced trade Tax losses (*gewerbesteuerliche Fehlbeträge*) at Siemens AG and SBI GmbH multiplied by the average trade Tax rate (*tarifliche Gewerbesteuerbelastung*) of the relevant company in each case, as is to be determined taking into account the Tax base amount (*Steuermessbetrag*), the applicable multipliers (*Hebesätze*) and the applicable Tax breakdown formula (*Zerlegungsmaßstab*) in the reference period of recognition of the contribution gain. In the event of a reduction of corporate income Tax loss carryforwards and/or trade Tax losses, however, the indemnification obligation pursuant to (ii) and (iii) of the preceding sentence does not apply if and to the extent that the reduced corporate income Tax loss carryforwards and/or trade Tax losses, had they not been used for offsetting against the contribution gain, would have been lost without being used up to the point in time when an indemnification obligation had arisen (e.g. under Section 8c of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*, "**KStG**")) or Section 12 (3) sentence 2 UmwStG); in the event

that higher income is subsequently assessed that could have been used for offsetting against (otherwise lost) loss carryforwards or losses prior to their notional loss, the indemnification obligation also applies to these amounts.

5.3 In the course of the legal separation of the Siemens Energy Business, SBI GmbH (as a transferring entity) contributed its partnership interest in Siemens Energy KG into Siemens Energy AG (as the receiving entity) in exchange for the granting of shares in Siemens Energy AG. The Parties have contractually agreed that the contribution is to be effected at book value for Tax purposes pursuant to Section 20 (2) sentence 2 UmwStG. Accordingly, Siemens Energy AG has undertaken to recognize the received business assets at their book values for Tax purposes and to submit the book value application necessary for this purpose by the applicable deadline. If Siemens Energy AG fails to comply with any of these obligations, Siemens Energy AG will pay to Siemens AG or, at the option of the latter, to SBI GmbH an amount equal to the sum of (i) the Taxes assessed against Siemens AG and SBI GmbH as a result and (ii) the nominal amount of the consequently reduced corporate income Tax loss carryforwards at Siemens AG and SBI GmbH multiplied by the corporate income Tax rate applicable in the Tax assessment period of recognition of the contribution gain, plus solidarity surcharge. The last sentence of § 5.2 applies accordingly in this respect.

5.4 In the course of the bundling and the legal separation of the Siemens Energy Business, shares that are subject to a blocking period (*sperrfristbehaftete Anteile*) within the meaning of Section 22 (1) UmwStG have been or will be created ("**Shares Subject to a Blocking Period**") as follows:

a) those shares granted to Siemens AG (as the transferring entity) in SBI GmbH (as the receiving entity) for contributing a partnership interest in Siemens Energy KG;

b) those shares granted to SBI GmbH (as the transferring entity) in Siemens Energy AG (as the receiving entity) for contributing a partnership interest in Siemens Energy KG.

Thus, Siemens AG and SBI GmbH each hold Shares Subject to a Blocking Period that have been or will be created based on the Tax-neutral contribution of shares in Siemens Energy KG at book values pursuant to Section 20 (2) sentence 2 UmwStG.

5.5 If Siemens AG, SBI GmbH or Siemens Energy KG were to be taxed for any contribution gain I (*Einbringungsgewinn* I) in respect of the Shares Subject to a Blocking Period pursuant to Section 22 (1) UmwStG, (including as a consequence of the occurrence of any

alternative realization event (*Ersatzrealisationstatbestand*) within the meaning of Section 22 (1) sentence 6 nos. 1 to 6 UmwStG), the following applies:

a) To the extent that the contribution gain I has been caused by Siemens AG or SBI GmbH (e.g. by selling the Shares Subject to a Blocking Period), Siemens AG will pay to Siemens Energy AG an amount equal to the sum of (i) the trade Tax assessed against Siemens Energy KG as a result and (ii) the nominal amount of the consequently reduced trade Tax deficits at Siemens Energy KG multiplied by the average trade Tax rate of Siemens Energy KG, as is to be determined taking into account the Tax base amount, the applicable multipliers and the applicable Tax breakdown formula in the reference period of recognition of the contribution gain. A payment claim for reduced trade Tax losses only exists insofar as the use of such losses has not been excluded by the transfer of the partnership interests (*Mitunternehmeranteile*) in Siemens Energy KG from Siemens AG and SBI GmbH to Siemens Energy AG; in all other respects, the last sentence of § 5.2 applies accordingly. The indemnification claim of Siemens Energy AG is reduced by the cash value of any potential Tax benefit that may arise for Siemens Energy AG and/or Siemens Energy KG under the step-up approach pursuant to Section 23 (2) UmwStG ("**Step-up Benefit**"). The cash value of the Step-up Benefit is to be calculated at a flat rate not taking into account the actual facts and the actual Tax situation of these companies and is to be deducted as follows:

   The cash value of the Step-up Benefit to be deducted will be calculated by (i), in a first step, determining the Tax burden on the contribution gain I at a flat rate, applying the corporate income Tax rate applicable to Siemens Energy AG in the accounting year in which the event triggering the Taxation of the contribution gain occurs, plus solidarity surcharge, and applying the average trade Tax rate applicable to Siemens Energy KG in the reference period in which the event triggering the Taxation of the contribution gain occurs, as is to be determined taking into account the applicable Tax base amount, the applicable multipliers and the applicable Tax breakdown formula, and (ii), in a second step, by discounting the amount of Tax so determined with a discount factor of 2 % p.a. applied to 50 % of the amount of Tax over an assumed general linear depreciation period of ten (10) years starting with the accounting year in which the event triggering the Taxation of the contribution gain occurs and to the remaining 50 % of the amount of Tax over an assumed general linear depreciation period of eight (8) years starting with the second accounting year following the accounting year in which the event triggering the Taxation of the contribution gain occurs.

If and to the extent that the Step-up Benefit to be deducted exceeds the amount payable by Siemens AG under this § 5.5 a) without that Step-up Benefit, Siemens Energy AG will pay to Siemens AG an amount equal to the difference. As regards this exceeding amount, it has to be assumed when calculating the net present value of the Step-up Benefit to be deducted and the amount payable by Siemens AG without this Step-up Benefit in the event of a sale of Shares Subject to a Blocking Period irrespective of the actual sequence of events that Siemens AG and SBI GmbH first sold those Shares Subject to a Blocking Period in Siemens Energy AG that, compared to the other Shares Subject to a Blocking Period, include lower or no taxable hidden reserves (*stille Reserven*) (in respect of the assets contributed in exchange for the shares) to the extent that Siemens AG or SBI GmbH can freely dispose of such shares that include lower or no taxable hidden reserves; this does not apply if Siemens AG and SBI GmbH sell to a third party outside the group or for good cause to an affiliated company all shares in Siemens Energy AG in a single economic transaction. If, however, shares are subsequently sold during the relevant holding period that include lower taxable hidden reserves compared to the Shares Subject to a Blocking Period that were previously sold, it is to be assumed for the purpose of determining the excess amount when calculating the net present value of the Step-up Benefit to be deducted and the amount payable by Siemens AG without this Step-up Benefit, that the previously sold Shares Subject to a Blocking Period with the higher taxable hidden reserves had only been sold at this later time and Siemens Energy AG will pay Siemens AG the excess amount determined accordingly. The Parties agree that the order of the divestitures assumed in accordance with the foregoing sentences is not relevant for the determination of the Step-Up Benefit to be deducted from any indemnification claim of Siemens Energy AG pursuant to sentences 3 and 4 of § 5.5 a), but only for the amount of any payment claim of Siemens AG in respect of any excess amount of the Step-Up Benefit.

b) To the extent that contribution gain I has been caused by Siemens Energy AG or Siemens Energy KG, Siemens Energy AG will pay to Siemens AG an amount equal to the sum of (i) the corporate income Tax assessed against Siemens AG and SBI GmbH as a result, plus solidarity surcharge, and (ii) the nominal amount of the consequently reduced corporate income Tax loss carryforwards at Siemens AG and SBI GmbH multiplied by the corporate income Tax rate applicable in the Tax assessment period of recognition of the contribution gain, plus solidarity surcharge. The last sentence of § 5.2 applies accordingly in this respect.

c) For the purposes of the above letters a) and b), the contribution gain I shall be deemed to have been caused if it is triggered by conduct within the meaning of Section 22 (1)

sentence 1 or sentence 6 UmwStG of the relevant company, i.e., Siemens AG and SBI GmbH in the case of § 5.5 a) or Siemens Energy AG and Siemens Energy KG in the case of § 5.5 b) above. The exercise or non-exercise of shareholder rights of Siemens AG or SBI GmbH in their respective role as shareholder in Siemens Energy AG (e.g. voting rights at the annual general meeting or on the supervisory board) are not to be deemed relevant conduct in this sense.

d) To the extent that Siemens Energy AG is obliged under this § 5.5 to make a payment to Siemens AG, 50 % of the amount so payable will be due for payment immediately and the remaining 50 % will be due and payable twenty-four (24) months after the first installment; in the case of § 5.5 b), the second installment shall bear interest at a rate of 2 % p.a.

5.6 To the extent that any Party or any of its group companies, by an act performed after the spin-off taking effect with retroactive effect under Tax law, causes Tax to be imposed on the other Party or that Party's group companies or causes reductions of corporate income Tax loss carryforwards or trade Tax losses, the Party that (or whose group company) has performed the relevant action will pay to the other Party or, at its option, to that Party's relevant group company, an amount equal to the sum of (i) the Tax assessed against the other Party and that Party's group companies as a result, and (ii) the nominal amount of the consequently reduced corporate income Tax loss carryforwards available to the other Party and that Party's group companies, multiplied by the corporate income Tax rate applicable in the relevant Tax assessment period, plus solidarity surcharge, and (iii) the nominal amount of the consequently reduced trade Tax losses at the other Party and that Party's group companies, multiplied by the average trade Tax rate applicable to the relevant company, as is to be determined taking into account the applicable Tax base amount, the applicable multipliers and the applicable Tax breakdown formula in the reference period of recognition of the contribution gain. Claims under this § 5.6 will only exist if and to the extent that the facts constituting the claim have not already been covered by § 5.2, § 5.3 or § 5.5.

5.7 To the extent that a Party violates its duties to cooperate pursuant to § 6, that Party will pay to the other Party or, at its option, to that Party's group company concerned, an amount equal to the sum of (i) the Taxes assessed against the other Party and that Party's group companies as a result and (ii) the nominal amount of the consequently reduced corporate income Tax loss carryforwards available to the other Party and that Party's group companies, multiplied by the corporate income Tax rate applicable in the relevant Tax assessment period, plus solidarity surcharge, and (iii) the nominal amount of the

consequently reduced trade Tax losses available to the other Party and that Party's group companies, multiplied by the average trade Tax rate of the respective company, as is to be determined taking into account the applicable Tax base amount, the applicable multipliers and the applicable Tax breakdown formula in the reference period of recognition of the contribution gain, whereby in the cases of (ii) and (iii) above, the last sentence of § 5.2 applies accordingly, and (iv) the external costs incurred by the other Party or its group company as a result of the violation, if and to the extent that the amount to be reimbursed pursuant to (i) through (iv) has been caused (directly) by the violation of duties or could have been avoided absent the violation of duties, unless the other Party demonstrates that the corresponding Tax, the reduction of corporate income Tax loss carryforwards and/or trade Tax losses and/or the relevant external costs would have arisen even if the relevant Party had properly complied with its cooperation duties. In the following cases, there is the refutable presumption that the amount to be reimbursed has been caused (directly) by the violation of duties: (i) a *pro forma* Tax return within the meaning of § 6.2 (if applicable, in conjunction with § 6.3) has not been provided to the other Party or has been provided with such a delay that the other Party is unable to take that Tax return into account in its own Tax return, or any *pro forma* Tax return provided is incorrect or incomplete in any material respect; (ii) any Party has acted in any Tax proceedings without obtaining the consent of the other Party required pursuant to § 6.4; (iii) violations of § 6.5.

5.8 The Party that, under the preceding paragraphs of § 5, is obligated to make a payment must additionally pay to the other Party or that Party's group company concerned an amount that is necessary to put the other Party or that Party's group company in a position that it will receive in total that amount after Taxes that it would have retained without Taxation of its claim and/or the payment made (*gross-up*).

5.9 If and to the extent that the reduction of corporate income Tax loss carryforwards and/or trade Tax losses is to be reimbursed in principle in accordance with this § 5, the actual Taxes that are subsequently payable because these loss carryforwards and/or Tax losses are not available will not have to be reimbursed additionally.

5.10 Claims under this § 5 will become due for payment ten (10) business days after receipt of a written notice in which the creditor has informed the debtor of the claim and the relevant payment amount accompanied by copies of the relevant Tax assessment notice or the relevant loss determination notice (*Verlustfeststellungsbescheid*) (including those documents that demonstrate the grounds and the amount of the claim in a verifiable manner). Where the indemnification claim relates to a Tax assessed, it will become due

and payable at the earliest three (3) Business Days before the relevant Tax is due for payment to the relevant Tax authority.

5.11 Claims under this § 5 will become time-barred six (6) months after (and provided that) the underlying Tax assessment or loss determination has become formally and materially binding and unappealable (*formell und materiell bestandskräftig*) however (i) no earlier than after expiry of six (6) months after the spin-off taking effect and (ii) no later than eight (8) years after the spin-off taking effect.

5.12 Claims under this § 5 must be determined and calculated with a view to avoiding an economic over- or under-compensation of Taxes, corporate income Tax loss carryforwards, trade Tax losses, external costs or Step-up Benefits due to taking into account the same facts several times over.

5.13 The provisions set forth in § 5 of this Group Separation Agreement take precedence over any provisions contradictory in content in the Establishment Agreements.

§ 6
Cooperation in Tax Matters

6.1 The Parties will cooperate closely as permitted by law in matters relating to Taxes with the aim of reducing the Tax burden for both Parties and of their respective group companies and, as the case may be, obtaining a refund of Taxes. To the extent legally permissible, the Parties shall also procure that their respective group companies cooperate accordingly. Such cooperation shall, in particular, include the procurement and making available of proof and evidence relevant for matters of Taxation (e.g. proofs pursuant to Section 22 (3) UmwStG, residency certificates necessary for claiming treaty relief, certificates necessary for claiming a refund or credit of withholding Taxes). Furthermore, the Parties shall, in compliance with respective applicable Tax laws, procure that the required data processing is performed (including storage) and allow access to data relating to the Tax-relevant transactions (in particular, billing statements prepared in the name and for the account of Siemens AG for end customers in the Siemens Energy pre-systems (*Vorsystemen*)).

6.2 To the extent that any Tax proceeding of Siemens AG or of any of its group companies existing after the spin-off taking effect (Siemens AG and its group companies "**SAG Companies**" and each an "**SAG Company**") relates to the Siemens Energy Business, Siemens Energy AG will provide Siemens AG with all information relating thereto for the relevant SAG Company to be able to fulfill its obligations under the respective applicable Tax laws timely, completely and correctly; this includes the right of SAG Companies to be

granted access to and use electronically stored data at Siemens Energy AG or at any of its group companies existing after the spin-off takes effect (Siemens Energy AG and its group companies "**SEAG Companies**" and each an "**SEAG Company**"). For that purpose, Siemens Energy AG will in particular procure that, for each relevant Taxable period, *pro forma* Tax returns will be prepared and provided to Siemens AG. The *pro forma* Tax returns are to be prepared in compliance with the respective applicable Tax laws, i.e. as if the relevant Siemens Company has in the relevant Taxable period generated solely income, revenue and/or turnover allocable to the respective Siemens Energy Business ("stand-alone"-perspective). The *pro forma* Tax returns (together with the underlying documents, attachments and calculations) shall be provided to Siemens AG for review no later than (i) thirty (30) Business Days prior to expiration of the filing period of the return to be filed by the relevant SAG Company or (ii) in case the filing deadline is less than thirty (30) Business Days, the expiry of half of the relevant filing deadline. § 6.2 applies accordingly vice versa, i.e., to the extent that Tax proceedings of SEAG Companies relate to the business that remains with the SAG Companies, Siemens AG shall cooperate with Siemens Energy AG accordingly.

6.3 To the extent that, in the course of the consolidation of the Siemens Energy Business into Siemens Energy KG and/or of the legal separation of the Siemens Energy Business, contracts that are part of the Siemens Energy Business legally remain with Siemens AG or with any other SAG Company, Siemens Energy AG will provide Siemens AG with all information relating thereto for the relevant SAG Company to be able to fulfill its obligations under the respective applicable Tax laws timely, completely and correctly; § 6.2 applies accordingly in this context. To the extent that Siemens AG has further cooperation rights in connection with such agreements on other legal grounds, such rights remain unaffected hereby.

6.4 Subject to the preceding § 6.2, the SAG Companies on the one hand and the SEAG Companies on the other hand shall each conduct their own Tax proceedings independently without the involvement of the other Party. However, to the extent that a Tax proceeding at a SAG Company relate to Taxes or Tax refunds owed by a SEAG Company (including by way of a secondary liability or pursuant to other obligations) or respectively to which any SEAG Company is entitled or conversely to the extent any Tax proceedings of an SEAG Company relate to Taxes or Tax refunds owed by a SAG Company (including by way of a secondary liability or pursuant to other obligations) or respectively to which a SAG Company is entitled (e.g. pursuant to a former Tax group between a SAG Company and a SEAG Company), the Parties shall cooperate in good faith in respect of such Tax proceedings. For that purpose, the Parties shall procure that prior to taking any action in

the relevant Tax proceeding (such as filing Tax returns or an appeal), the agreement of the respective other Party is sought on how to proceed. If the Parties are unable to reach an agreement, such Party shall decide that bears (or whose group company bears) more than 50 % of the relevant Taxes or are entitled to more than 50 % of the relevant Tax refunds. If the Tax or Tax refunds are borne by the Parties in equal parts, the Party shall decide that is (or whose group company is) formally the participant of the Tax proceeding. The Party entitled to take the final decision shall reasonably consider the legitimate interests of the other Party, taking into consideration the Tax allocation quota, and shall avoid that the reputation or business interests of the other Party are materially impaired.

6.5 To the extent that any domestic or international Tax group or income Tax consolidation scheme exists or existed between any SEAG Company and any SAG Company in periods prior to the spin-off taking effect (*Vollzug der Abspaltung*), the Parties will (i) procure that such Tax group or income Tax consolidation scheme remain effective for these periods, (ii) refrain from taking any measures that would result in the non-recognition of such Tax group or income Tax consolidation scheme for these periods, and (iii) in the event the Tax authorities challenge such Tax group or income Tax consolidation scheme (e.g. pursuant to section 14 (1) sentence 1 no. 3 sentence 4 KStG take any remedy measures required (e.g. the correction of commercial balance sheets or the payment of amounts to ensure that the correct profits or losses are transferred). The Parties agree that the cooperation under this § 6.5 and the respective measures shall not to result in a reallocation or shift of assets between any SAG Company and any SEAG Company. To the extent such measures result in such a reallocation or shift of assets, the Parties will financially indemnify each other.

6.6 The internal costs at Siemens AG, Siemens Energy AG, any SAG Company and/or any SEAG Company that arise in connection with the fulfillment of the obligations set forth in § 5 and **§ 6** of this Group Separation Agreement and any costs of their advisors are borne by the Parties in each case themselves. The provisions contained in any of the Establishment Agreements remain unaffected hereby.

6.7 If and to the extent a suspension of payment, a deferral or other similar postponement of the due date has been granted upon request, the Party which initiated the request for such suspension, deferral or other postponement is responsible for any security to be provided in this respect and shall also bear any interest in connection with such suspension, deferral or other postponement.

6.8 Whenever in § 5 and § 6 a reference is made to a certain legal entity, this reference shall, for the avoidance of doubt, always include any legal successor of the referred entity.

6.9 Upon written request of Siemens AG, Siemens Energy AG shall procure that an internationally acknowledged accounting firm is appointed in consultation with Siemens AG to carry out the obligations of Siemens Energy AG as set out in this § 6 for and on behalf of Siemens Energy AG.

6.10 To the extent they make reference to § 5, the provisions set forth in § 6.6 and § 6.8 of this Group Separation Agreement take precedence over any provisions contradictory in content in the Establishment Agreements.

§ 7
Confidentiality

7.1 Information that is available to any Party or its group companies about the other Party or its group companies due to the joint group affiliation of the businesses that exists until the spin-off taking effect and information that is provided later on the basis of rights to information under this Group Separation Agreement or the Spin-off and Transfer Agreement is referred to hereinafter as "**Confidential Information**."

7.2 Confidential Information is not information

a) that was or has become known already to the general public, unless this is the result of the breach of any duty of confidentiality under this Agreement; or

b) to which any Party or any of its group companies was or has been provided access legitimately already through third parties without limitation as regards use and disclosure; or

c) that has been developed by any Party or its group companies independently of the other Party or its group companies.

7.3 Each Party is obligated with respect to the other Party

a) to keep Confidential Information secret at all times and to disclose no Confidential Information to persons outside of their respective groups without the prior written consent of the other Party or its group company; consent is deemed given if and to the extent that a disclosure is provided for in the respective Establishment Agreements;

b) to prevent the unauthorized disclosure of, and access of unauthorized third parties to, Confidential Information;

c) to make all necessary arrangements to preclude a violation of the provisions of the General Data Protection Regulation and of the German Federal Data Protection Act (*Bundesdatenschutzgesetz*); and

d) to inform the other Party without undue delay if it becomes aware that Confidential Information has been disclosed to any third party without authorization.

The standard for the duty of care pursuant to § 7.3 letter b) of this Group Separation Agreement is deemed to be the arrangements that the other Party in each case makes to protect its own confidential information.

The disclosure to group companies is permissible only if there is an objectively justifying reason for such disclosure. The disclosure to advisors or auditors who are under an obligation of confidentiality by operation of law or pursuant to German professional law (*Berufsrecht*) is permissible.

7.4 Each Party will ensure that its group companies comply with the foregoing obligations of § 7.

If any Party or any of its group companies is obligated to make a disclosure by law, on the basis of any statutory provision, any stock exchange rule, any other regulatory provision or any contractual obligation agreed prior to this Group Separation Agreement taking effect or if any public authority requests a disclosure be made in a manner that is not obviously illegal, the Party or the group company may disclose Confidential Information to the authorized persons to that extent.

7.5 Group companies of a Party within the meaning of this § 7 are also companies that become group companies of that Party within the meaning of Section 18 AktG after the spin-off taking effect.

7.6 The provisions of this § 7 take precedence over any provisions contradictory in content in the Establishment Agreements.

§ 8
Information Sharing, Rights to Documents and Cooperation Duties

8.1 Siemens AG and Siemens Energy AG intend following the spin-off taking effect to share information to the extent legally permissible. Information may be disclosed to any Party only to the extent that this is legally permissible and is in line with the corporate interests

of the Party disclosing the information. Any disclosure of information by any Party requires a prior request for information by the other Party that must indicate the specific purpose of the information being requested. The request for information is to be reviewed in exercise of due discretion. If the review concludes that the aforementioned requirements for a disclosure of information are not met or that the information being requested should not be disclosed in exercise of due discretion, this conclusion is to be shared with the other Party.

8.2 Siemens Energy AG and its group companies will receive all business records related or attributable to the Siemens Energy Business pursuant to each of the Establishment Agreements entered into. Siemens Energy AG and its group companies will also receive all deeds necessary to assert the rights transferred to it in connection with the establishment of the Siemens Energy Business, the Contribution Agreement or the Spin-off and Transfer Agreement in each case. Siemens Energy AG and its group companies will maintain the books and other records for the statutory retention periods and ensure that Siemens AG and its group companies can inspect and, to the extent they are not already available, photocopy these business records to the extent that there is a legitimate interest in such records. There is such a legitimate interest if a document relates to the time of joint affiliation in the Siemens Group until the spin-off taking effect.

8.3 All business records related or attributable to the remaining Siemens business remain with Siemens AG and its group companies after the spin-off taking effect. All deeds necessary to assert the rights remaining with the remaining Siemens business remain with Siemens AG and its group companies. Siemens AG and its group companies will maintain the books and other records for the statutory retention periods and ensure that Siemens Energy AG and its group companies can inspect and, to the extent they are not already available, photocopy these business records to the extent that there is a legitimate interest in such records.

8.4 After the statutory retention periods expire, each Party and its group companies may destroy business records, writings, books and other notes relating to the time of joint affiliation in the Siemens Group until the spin-off taking effect relevant to the other Party. If and to the extent that provisions have already been stipulated with respect to records relating to guarantees provided by Siemens AG, such records remain unaffected by the foregoing provision.

8.5 To the extent legally permissible, the Parties will assist each other in compliance issues, administrative proceedings and legal disputes that relate to (*inter alia*) the fields of operation of the other Party. In particular, to the extent legally permissible, the Parties will

provide each other with any and all information and documents necessary or expedient for the handling of compliance issues and for the fulfillment of Tax or other administrative requirements or for the production of evidence to the Tax authorities, other public authorities or the courts, and will each endeavor that reasonable assistance is provided by their respective employees. All powers of representation in respect of courts and public authorities remain unaffected. § 6 contains exhaustive provisions with regard to Tax matters (in particular, Tax proceedings and legal disputes and external Tax audits).

8.6 The Parties will agree on appropriate provisions for the distribution of any costs that arise in connection with the fulfillment of the provisions set forth in § 8.

8.7 The provisions of this § 8 take precedence over any provisions contradictory in content in the Establishment Agreements.

§ 9
Assertion and Fulfillment of Claims

9.1 This Group Separation Agreement entitles and obligates exclusively the Parties. Claims and obligations under this Group Separation Agreement must be asserted and fulfilled exclusively between the Parties. However, each Party may demand from the other Party regarding its claims under this Group Separation Agreement for performance to be rendered to any group company designated and authorized by it to accept performance. Each Party may also employ any of its group companies as assistants in performance (*Erfüllungsgehilfen*) to fulfill its obligations under this Agreement.

9.2 Each Party will endeavor and ensure that it and its group companies comply with and/or fulfill the provisions of this Group Separation Agreement and, in particular, do not assert any claims contrary to the provisions of this Group Separation Agreement against the other Party and its group companies. Each Party will also endeavor and ensure that it and its group companies employed by it to fulfill its obligations under this Group Separation Agreement act in accordance with the provisions of this Group Separation Agreement.

9.3 Claims under this Group Separation Agreement may be assigned by any Party only with the consent of the other Party. In this respect, assignments are permitted only to group companies of the assigning Party.

9.4 Group companies of a Party within the meaning of this § 9 are also companies that become group companies of that Party within the meaning of Section 18 AktG after the spin-off taking effect.

§ 10
Dispute Resolution, Arbitration Clause

10.1 The Parties will endeavor to amicably resolve any disputes arising under or in connection with this Group Separation Agreement (including under the agreements entered into for its performance). Upon request by any Party, a representative from the upper management of both Parties will take part in the negotiations. Any Party may declare these efforts canceled at any time by written declaration to the other Party. The Parties will endeavor to agree on proceedings for an alternative dispute resolution (ADR) and on rules for such proceedings (including the time schedule) within fourteen (14) calendar days after receipt of such a cancelation declaration. If such an agreement is not reached, any Party may initiate arbitration proceedings pursuant to § 10.2.

10.2 Any disputes under or in connection with this Group Separation Agreement or concerning its validity that are not resolved pursuant to § 10.1, including any disputes relating to the termination or subsequent amendment of this Group Separation Agreement, will be finally decided by an arbitral tribunal in accordance with the Rules of Arbitration of the International Chamber of Commerce ("**ICC**") in the relevant valid version, the provisions of the Spin-off and Transfer Agreement entered into between the Parties notwithstanding. The arbitral tribunal shall also decide with binding effect on the validity of this arbitration clause. The place of arbitration is Munich. The number of arbitrators is three. Each Party appoints one arbitrator to be confirmed by the ICC. These two arbitrators appoint the third arbitrator within (thirty) 30 days of their appointment. If the two arbitrators cannot agree on the third arbitrator within this period of time, the third arbitrator will be appointed by the ICC.

The language of the ADR and the arbitration proceedings is German. An order for the presentation of documents is permitted only to the extent that any of the Parties refers explicitly to the documents in its written submissions. The consolidation of several arbitration proceedings pending at the ICC into singular arbitration proceedings is permitted only with the consent of both Parties. The Emergency Arbitrator Provisions do not apply.

10.3 The provisions of this § 10 do not constitute any limitation of the right of the Parties to request injunctive relief at the competent state courts or at the arbitral tribunal.

§ 11
Final Provisions

11.1 This Group Separation Agreement will take effect upon the spin-off taking effect.

11.2 This Group Separation Agreement is governed by the laws of the Federal Republic of Germany to the exclusion of its conflict of law rules.

11.3 Amendments or supplements to this Group Separation Agreement, including any amendments to or the contracting-out of this provision, require written form unless stricter requirements of form must be complied with.

11.4 Any claims under this Group Separation Agreement become time-barred upon expiration of 31 December 2030 to the extent not otherwise explicitly provided for in this Group Separation Agreement. In case the spin-off taking effect in 2021, this point in time is thereby postponed to the expiration of 31 December 2031; in the event of the spin-off taking effect later, any claims under this Group Separation Agreement become time-barred upon expiration of 31 December of the year which is ten years after the year of the spin-off taking effect.

11.5 If one or more provisions in this Group Separation Agreement are or become completely or partially void, invalid or impracticable, the validity of this Group Separation Agreement and its other provisions will not be affected thereby. In such case, the void, invalid or impracticable provision will be deemed replaced by a provision that comes as close as possible to what was originally intended by the Parties in terms of form, content, time, measure and scope of applicability in accordance with the commercial intent and purpose of the void, invalid or impracticable provision. This applies accordingly if this Group Separation Agreement lacks any provisions.

List of Annexes

Annex 4.4 Documents, Disclosures and Deadlines for Regular Reporting

- Convenience Translation – only the German version is binding –

Annex 20 to the Spin-off and Transfer Agreement

Annex 4.4 Information, Time Limits and Disclosures for Regular Reporting

Regular reporting comprises the following financial information necessary for the proper accounting of the participation in Siemens Energy AG that will continue to be held directly and indirectly by Siemens AG based on the equity method under IAS 28 and for the fulfillment of the disclosure obligations pursuant to IFRS 12.

The indicated reporting deadlines align with Siemens AG's time schedule for its financial statements and indicate the latest possible reporting date.

Financial Information	**Reporting Date**	**Submission Deadline**
Development of the assets and liabilities identified/revaluated in the context of the purchase price allocation	quarterly (31 Dec.; 31 Mar.; 30 Jun.; 30 Sep.)	end of month + 10 working days; 9am (30 Sep.: end of month + 12)
Net income allocable to the shareholders of Siemens Energy AG	quarterly	end of month + 13 working days; 9am (30 Sep.: end of month + 15)
Consolidated statement of changes in equity	quarterly	end of month + 13 working days; 9am (30 Sep.: end of month + 15)
Summarized financial information in accordance with IFRS 12 B12 (b): (i) current assets (ii) non-current assets (iii) current liabilities (iv) non-current liabilities (v) revenues (vi) profit or loss from continuing operations (vii) net profit or loss from discontinued operations (viii) other profit or loss (ix) net profit or loss	annually (30 Sep.)	end of month + 15 working days; 9am

In addition, Siemens Energy AG will disclose to Siemens AG information necessary for the correct recognition of the aforementioned financial information in the quarterly, half-year and annual financial reporting of Siemens AG.