Corporate Governance Roadshow

Joe Kaeser, Chairman of the Supervisory Board

January 2024



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AGM 2024 – Agenda items

Topic	Content
TOP 1	**Annual Financial Statements (IFRS and HGB), Combined Management Report for Fiscal 2023**
TOP 2	**Appropriation of net income**
TOP 3	**Ratification of acts of Executive Board Members (to be voted upon individually)**
TOP 4	**Ratification of acts of Supervisory Board Members (to be voted upon individually)**
TOP 5	**Appointment of Independent Auditor for fiscal 2024 (New: KPMG)**
TOP 6	**Approval of Compensation Report for fiscal 2023**
TOP 7	**Elections to the Supervisory Board (to be voted upon individually)**
TOP 8	**Compensation for members of the Supervisory Board and related amendments to the Articles of Association**
TOP 9	**Authorized Capital 2024** ▪ Same volume and scope (≤ 50% of share cap.) as existing authorized capital of 2023 ▪ Exclusion of subscription rights (≤ 10%), now also against contributions in kind (M&A etc.)
TOP 10	**Authorization to Issue Convertible Bonds/Warrant Bonds and respective new Conditional Capital 2024** ▪ Same volume and scope (€4bn) / ≤ 10% of share cap.) as existing authorization of 2023 ▪ Exclusion of subscription rights (≤ 10%), now also against contributions in kind (M&A etc.)
TOP 11	**Authorization to Acquire and Use Treasury Shares 2024** ▪ Same volume (≤ 10% of share cap.) and scope as existing authorization of 2023 ▪ Exclusion of subscription rights (≤ 10%), now also against contributions in kind (M&A etc.)

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Virtual AGM

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AGM 2024 in virtual format

- **On February 26, 2024, the AGM 2024 shall be held as virtual meeting (without physical presence of the shareholders or their representatives) based on the AGM 2023 approval of Articles of Assocation (91.7% approval rate)**
- **Virtual format preferred to allow widespread active participation and due to cost and sustainability reasons**

Main considerations to improve shareholder experience vs. AGM 2023:

Shareholder addresses and questions can be asked in German and English (simultaneous interpretation provided by the company) – increased attractiveness for international shareholders

- Active international shareholder participation already at AGM 2023

Complete AGM can be viewed publicly without login requirement – user friendly experience

Technical issues at the beginning of AGM 2023 have been analyzed in detail and fixed – despite these issues shareholders' participation in general debate was never affected in AGM 2023

- After the "teething troubles" of ADEUS' internet service on its first deployment in SE's AGM 2023, all subsequent AGMs in 2023 supported by ADEUS ran smoothly. SE established clear processes to ensure internet service stability in AGM 2024

Live Interaction with shareholders



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Supervisory Board Elections

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Supervisory Board Members – Shareholder Representatives as of AGM 2024

Highly experienced, international and diverse (60% female)

		Joe Kaeser[1]	Dr. Christine Bortenlänger	Sigmar Gabriel	Prof. Dr. Veronika Grimm[2]	Dr. Hubert Lienhard	Simone Menne[2]	Hildegard Müller	Laurance Mulliez	Matthias Rebellius	Geisha Jimenez Williams
											
Date of Birth		23.06.1957	17.11.1966	12.09.1959	05.09.1971	12.01.1951	07.10.1960	29.06.1967	06.02.1966	02.01.1965	21.07.1961
Mandate since		25.09.2020	25.09.2020	25.09.2020	26.02.2024	25.09.2020	26.02.2024	25.09.2020	25.09.2020	25.09.2020	25.09.2020
Election / Expiration (4 years)		2021 / 2025	2021 / 2025	2021 / 2025	2024 / 2027	2021 / 2025	2024 / 2028	2021 / 2025	2021 / 2025	2021 / 2025	2021 / 2025
SE committees		▪ Presiding ▪ Audit ▪ Nomination ▪ Sustainability & Finance ▪ Mediation	▪ Audit			▪ Presiding ▪ Nomination ▪ Sustainability & Finance ▪ Mediation ▪ Special Committee Siemens Gamesa			▪ Audit ▪ Special Committee Siemens Gamesa	▪ Sustainability & Finance ▪ Special Committee Siemens Gamesa	▪ Nomination ▪ Sustainability & Finance
Independence		yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Mandate excl. SE	**Executive**	no	no	no	no	no	no	no	no	yes	no
	Supervisory Board	**Listed** ▪ Daimler Truck Holding AG[1] ▪ Linde PLC **Non-listed** ▪ Daimler Truck AG	**Listed** ▪ Covestro AG ▪ MTU Aero Engines AG **Non-listed** ▪ Covestro Deutschland AG ▪ TÜV Süd AG	**Listed** ▪ Deutsche Bank AG **Non-listed** ▪ Heristo AG ▪ Thyssenkrupp Steel Europe AG[1]		**Listed** ▪ EnBW Energie BW AG **Non-listed** ▪ Heraeus Holding GmbH ▪ Kaefer Mngmt SE ▪ SMS GmbH ▪ SMS group GmbH	**Listed** ▪ Deutsche Post AG ▪ Henkel AG & Co KGaA ▪ Johnson Controls International plc **Non-listed** ▪ Russel Reynolds Associate Inc.	**Listed** ▪ Vonovia SE **Non-listed** ▪ RAG Stiftung	**Listed** ▪ Morgan Advanced Materials plc. ▪ Voltalia SA.[1] **Non-listed** ▪ Globeleq Ltd.[1]	**Listed** ▪ Siemens Ltd., India **Non-listed** ▪ Arabia Electric Ltd. ▪ Siemens Ltd., Saudi Arabia ▪ Siemens Qatar ▪ Siemens Schweiz AG	**Non-listed** ▪ Artera Services LLC ▪ Osmose Utility Services, Inc.[1]
Diversity	**Female**	no	yes	no	yes	no	yes	yes	yes	no	yes
	International	no	no	no	no	no	no	no	yes	no	yes

1) Chairman 2) Subject to election at AGM 2024

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Prof. Dr. Veronika Grimm
University Professor



Personal information:

Date of birth:	5 September 1971
Place of birth:	Rendsburg, Germany
Nationality:	German

Education:

- Habilitation in economics, University of Cologne
- PhD in economics, Humboldt University Berlin
- Degree in economics, University of Kiel

Professional history:

2020-present	Member of the National Hydrogen Council of the Federal Government
2020-present	Member of the German Council of Economic Experts
2019-present	Member of the Expert commission on the “Energy of the Future” monitoring process at the Federal Ministry for Economic Affairs and Climate Action
2008-present	Chair of Economic Theory, Friedrich Alexander University Erlangen-Nuremberg
2005-2008	Assistant Professor, University of Cologne
2003-2005	Assistant Professor, Universidad de Alicante, Spain
1998-2003	Research Assistant, Humboldt University Berlin

Mandates:

No membership in statutory supervisory boards in Germany.

No membership in comparable supervisory bodies of business enterprises in Germany and abroad.

No other significant activities.

Key areas of expertise:

- Energy markets and sector coupling, including methods for energy market analysis
- Energy market design and policy
- Hydrogen economy and technologies

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Simone Menne
Member of various Supervisory Boards



Personal information:

Date of birth:	7 October 1960
Place of birth:	Kiel, Germany
Nationality:	German

Education:

Studies of Economics and Business Administration at the Chrisitan Albrecht University, Kiel

Professional history:

2021-present	President and Member of the Executive Committee of the American Chamber of Commerce, Germany
2016-2017	Boehringer Ingelheim International GmbH, Ingelheim am Rhein, Member of the Managing Board
2012-2016	Deutsche Lufthansa AG, Frankfurt am Main, Member of the Managing Board and Executive Vice President Finance and Aviation Services
2010-2012	British Midland Ltd., London, UK, Chief Financial Officer
1989-2010	Deutsche Lufthansa AG, Frankfurt am Main, various management positions

Membership in statutory supervisory boards in Germany:

- Deutsche Post AG, Bonn (stock exchange listed)
- Henkel AG & Co. KGaA, Düsseldorf (stock exchange listed)

Membership in comparable supervisory bodies of business enterprises in Germany and abroad:

- Johnson Controls International plc., Cork, Ireland (stock exchange listed)
- Russell Reynolds Associates Inc., New York, U.S.

No other significant activities.

Key areas of expertise:

- Finance, accounting and controlling
- Leadership
- Digitalization
- Strategy development
- Sustainability
- Diversity and Inclusion

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Meeting Statistics / Attendance

Almost 100% attendance of Supervisory Board members

(Number of meetings / % attendance)	Supervisory Board plenary meetings		Presiding Committee		Audit Committee		Sustainability and Finance Committee		Nomination Committee		Related Party Transactions Committee		Special Committee Siemens Gamesa	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Joe Kaeser Chairman	6/6	100	10/10	100	7/7	100	3/3	100	1/1	100				
Dr. Hubert Lienhard 2nd Deputy Chairman	6/6	100	10/10	100			3/3	100	1/1	100			5/5	100
Dr. Christine Maria Bortenlänger	6/6	100			7/7	100					1/1	100		
Sigmar Gabriel	6/6	100									1/1	100		
Hildegard Müller	6/6	100									1/1	100		
Laurence Mulliez	6/6	100			7/7	100							5/5	100
Matthias Rebellius	5/6	83					3/3	100					5/5	100
Prof. Dr. Ralf Thomas	6/6	100			7/7	100			1/1	100				
Geisha Jimenez Williams	6/6	100					2/3	67	1/1	100				
Randy Zwirn	6/6	100											4/5	80

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Supervisory Board Committee & Independence

The Supervisory Board is divided into 10 employee representatives, who are considered dependent due to their company affiliation, and 10 shareholder representatives, who are elected by the AGM

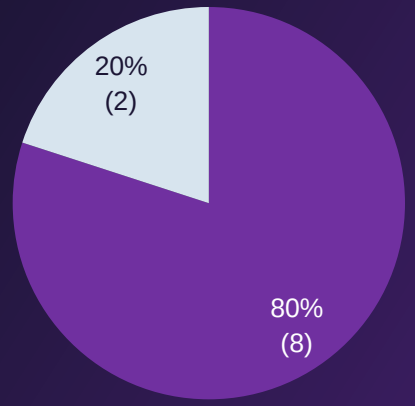
Supervisory Board Committees[1]

Presiding Committee (50% independent)	Joe Kaeser (Chair) (I)	Hubert Lienhard (I)		
	Robert Kensbock	Jürgen Kerner		
Audit Committee (~40% independent)	Laurence Mulliez (Chair) (I)	Christine Bortenlänger (I)	Joe Kaeser (I)	Ralf Thomas
	Robert Kensbock	Andrea Fehrmann	Nadine Florian	Manfred Bäreis
Sustainability and Finance Committee (~40% independent)	Joe Kaeser (Chair) (I)	Hubert Lienhard (I)	Matthias Rebellius	Geisha Williams (I)
	Robert Kensbock	Jürgen Kerner	Günter Augustat	Thomas Pfann
Nominating Committee (75% independent)	Joe Kaeser (Chair) (I)	Hubert Lienhard (I)	Ralf Thomas	Geisha Williams (I)
Mediation Committee (50% independent)	Joe Kaeser (I)	Hubert Lienhard (I)		
	Robert Kensbock	Jürgen Kerner		
Special Committee Siemens Gamesa (40% independent)	Hubert Lienhard (Chair) (I)	Laurence Mulliez (I)	Matthias Rebellius	Randy Zwirn (I)
	Nadine Florian	Horst Hakelberg	Robert Kensbock	Jürgen Kerner

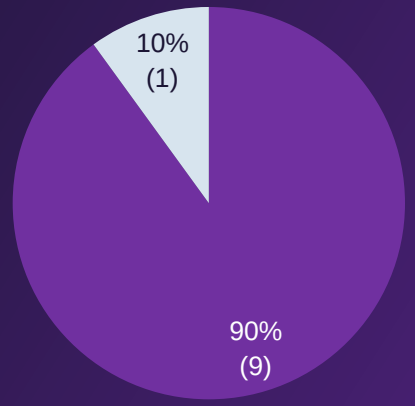
(I) = independent

Independence Shareholder Representatives

Before Supervisory Board elections 2024



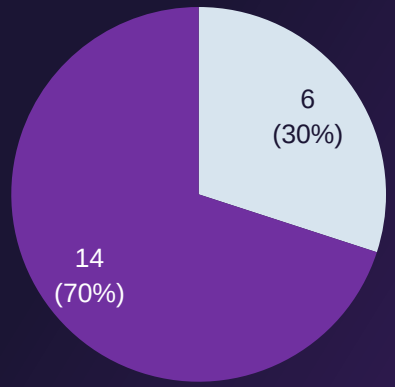
After Supervisory Board elections 2024



1) Composition until AGM 2024, changes to come due to Supervisory Board elections

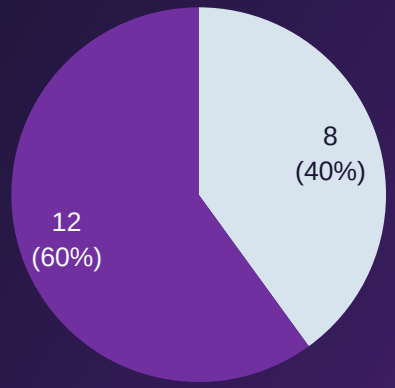
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Supervisory Board Diversity



Before Supervisory Board elections 2024

Female
Male



After Supervisory Board elections 2024

January 2024

Diversity Concept

SE's Supervisory Board diversity concept was approved by the Supervisory Board in September 2022:

- **Personality and integrity**
  Each member shall have the personality and integrity needed to perform their duties properly. SB members must always place the interests of the Company at the center of their actions as a Supervisory Board member
- **Individual professional abilities**
  The candidates proposed for election to the SB must have the knowledge, skills, and experience necessary to carry out the functions of a Supervisory Board member in a multinational publicly traded company. Each member of the SB should know and understand the main product groups, customer groups, and sales markets of the Company and its strategy
- **Availability**
  Each member of the SB **must have sufficient time to exercise the mandate with the necessary regularity and diligence**
- **Limit restricting the number of terms on the SB**
  Nominations shall take into account that the SB has resolved, as a rule, **to limit membership on the SB to three full terms of office**.
- **Professional diversity**
  With regard to the composition of the SB, **care must be taken to ensure that its members collectively possess the professional skills required to fulfill their duties and that they have knowledge and experience in the business areas that are important for Siemens Energy, in particular those of energy generation, transmission, distribution, and storage**. As a group, the members of the SB must be familiar with the sector in which the Company operates
- **Diversity/ Internationality**
  With regard to the composition of the SB, **attention shall be paid to achieving sufficient diversity**
- **Independence**
  The SB shall include an appropriate number of members representing shareholders who are independent as determined by the shareholder representatives on the SB.

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Qualification Matrix
shows the implementation status of the objectives regarding the Supervisory Board's composition, including the profile of required skills and expertise and the diversity concept
(Annual Report 2023, page 168/169)

Qualification Matrix extract

		Joe Kaeser	Dr. Hubert Lienhard	Dr. Christine Bortenlänger	Sigmar Gabriel	Prof. Dr. Veronika Grimm	Simone Menne	Hildegard Müller	Laurence Mulliez	Matthias Rebellius	Geisha Williams
Duration of Membership	Member since	25/09/20	25/09/20	25/09/20	25/09/20	26/02/24	26/02/24	25/09/20	25/09/20	25/09/20	25/09/20
Personal ability	Personality and integrity	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Individual professional abilities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Availability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Independence*	✓	✓	✓	✓	✓	✓	✓	✓		✓
Diversity / Inter-nationality	Gender	male	male	female	male	female	female	female	female	male	female
	Year of birth	1957	1951	1966	1959	1971	1960	1967	1966	1965	1961
	Nationality	German	German	German	German	German	German	German	French / UK	German / Swiss	U.S.
	International experience	✓	✓		✓	✓	✓	✓	✓	✓	✓
	Educational background	Business Adminis-tration	Studies of Chemistry	Banker, Certified Economist	Studies of German, Literature, Politics and Sociology	Studies of Economics, doctorate and habilitation in Economics	Studies of Economics (Dipl.-Kffr.)	Banker, Certified Economist	MBA	Chartered Engineer (FH) Electrical Engineer-ing	BSc Engineering, Master Business Administra-tion
Professional ability	Important business areas (esp. Energy generation, transmission, distribution)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Stakeholder Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Change Management	✓	✓	✓		✓	✓	✓	✓	✓	✓
	Technological competence		✓			✓				✓	✓
	Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Innovation	✓	✓	✓		✓	✓	✓	✓	✓	✓
	Manufacturing and production		✓						✓	✓	

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Executive Board Remuneration System

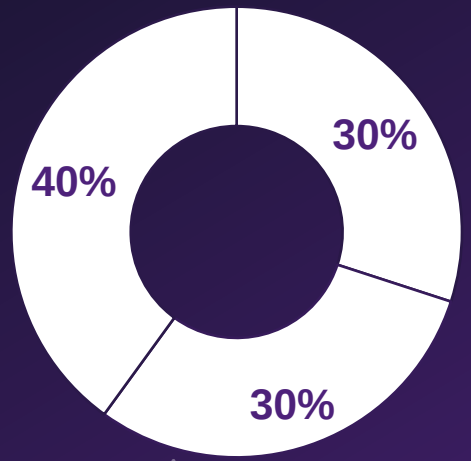
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Siemens Energy Remuneration System

Executive Board compensation

Long-term variable
(Stock awards, 4-year vesting)
- 40% Total shareholder return
- 40% EPS
- 20% ESG criteria



Base
(Cash)

Short-term variable
(Cash)
- 1/3 Profit margin
- 1/3 FCF
- 1/3 Individual targets
  (**now including Customer Satisfaction and EHS**)

Fringe benefits and a pension substitute additionally granted

Business Area Responsibility

Board Members
50% of individual targets based on performance of Business Area

Ownership Culture

Executive Board
to hold 200% resp. 300% of base pay as stock

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Executive Compensation in FY23
Short-Term Bonus

Bonus for fiscal year 2023 – Target attainment and amounts paid out		Performance corridor			Determination of target attainment	
Performance criteria		0 % target	100 % target	150 % target	Actual	Target attainment
1/3	Profit margin before Special Items[1]					
	Siemens Energy Group	0.00%	3.07%	4.61%	(8.92)%	0.00%
	Gas Services (Amin)	6.80%	9.80%	11.30%	9.47%	89.00%
	Grid Technologies (Holt)	3.60%	7.60%	9.60%	7.54%	98.50%
	Transformation of Industry (de Chammard)	0.90%	3.90%	5.40%	5.14%	141.33%
1/3	Free cash flow (pre-tax)[2] in m €					
	Siemens Energy Group	(977)	(227)	148	784	150.00%
	Gas Services (Amin)	0.00	600	900	943	150.00%
	Grid Technologies (Holt)	0.00	381	572	1,225	150.00%
	Transformation of Industry (de Chammard)	(215)	35	160	191	150.00%
1/3	Individual targets		Qualitative target setting (see the following table)		-	40-140%

		Payout range			Results for fiscal year 2023	
Executive Board members in office as of September 30, 2023		0% target amount (k €)	100% target amount (k €)	150%-target amount (k €)	Overall target attainment	Amount paid out (k €)
Dr.-Ing. Christian Bruch		0	1,503	2,254	84.16%	1,265
Maria Ferraro		0	810	1,215	89.99%	729
Tim Holt[3]		0	796	1,194	102.24%	814
Karim Amin		0	660	990	103.16%	681
Anne-Laure de Chammard (since Nov. 2022)		0	605	908	111.05%	672
Vinod Philip		0	660	990	87.49%	577

Pay-for-Performance:

- Differentiation between Executive Board Members (EBMs) with and without direct responsibility for a Business Area in short-term variable compensation for FY23
- Higher target attainment for Karim Amin, Tim Holt and Anne-Laure de Chammard reflects strong operational performance in GS, GT and TI
- Setbacks at Siemens Gamesa and poor Group earnings result for FY23 reflected in 1) 0% target attainment for Group Profit margin in the Bonus FY23, which is 1/3 of the Bonus for Dr. Christian Bruch, Maria Ferraro and Vinod Philip and 2) lower estimated value of unvested LTI tranches.

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Executive Compensation in FY23
Siemens Energy Stock Awards

Variable compensation for fiscal years 2021-2023:
Bonus payout amounts and notional value of unvested Siemens Energy Stock Awards tranches

Representative example: Dr.-Ing. Christian Bruch

	Bonus			Siemens Energy Stock Awards				
	Target value	Target attainment	Amount paid out	Target value	Fair market value at grant (FMV)	Target attainment (estimate)[1]	Notional value[2] (share price €8.37)	Notional value as a % of target value
Fiscal year 2023	€1,502,500	84%	€1,264,504	€2,128,333	€13.26	72%	€961,693	45%
Fiscal year 2022	€1,440,000	103%	€1,489,104	€1,920,000	€24.44	81%	€530,530	28%
Fiscal year 2021	€1,140,000	83%	€1,199,520	€1,920,000	€19.74	35%	€281,681	15%

- Impact on the value of long-term incentive tranches is even stronger than on short-term variable compensation. New voluntary disclosure in compensation report FY23 (“notional value of long-term variable compensation”) shows that target attainment for unvested LTI tranches is currently estimated (as of October 31, 2023) at 72%, 81% and 35% for the tranches 2023, 2022 and 2021, respectively, and the value of those tranches is even lower if the share price remains depressed (value of the tranches is estimated at 45%, 28% and 15% of the target value for tranches 2023, 2022 and 2021, respectively).
- Executive Board Members will see a very significant loss of variable compensation as long as profit and the share price remain below expectations. This is not yet visible in the main compensation tables because the first LTI share transfer is due in November 2024 – this was also the reason why SE decided increase transparency with voluntary disclosures.

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Clear Targets for ESG Performance within LTI

Siemens Energy Stock Awards – Target setting ESG-performance criteria (all current tranches):			Target values (Assessment conducted at the end of the last fiscal year of the vesting period)								
			FY 2024			FY 2025			FY 2026		
	Performance criteria	Baseline value	0%	100%	200%	0%	100%	200%	0%	100%	200%
Environmental (“E”)											
Tranche 2021	CO_2 Scope 1+2 (kt)[1]	304	252	236	220	-	-	-	-	-	-
Tranche 2022	CO_2 Scope 1+2 (kt)[1]	244	-	-	-	220	195	170	-	-	-
Tranche 2023	CO_2 Scope 1+2 (kt)[1]	181	-	-	-	-	-	-	190	160	130
Social (“S”)											
Tranche 2021	eNPS (points)	(1.9)	0	10	20	-	-	-	-	-	-
Tranche 2022	eNPS (points)	(10.4)	-	-	-	0	5	10	-	-	-
Tranche 2023	Engagement Factor (%)	72%	-	-	-	-	-	-	68%	73%	78%
Governance (“G”)											
Tranche 2021	Share of women in management (PC 64-72)[2]	22.4%	22%	25%	28%	-	-	-	-	-	-
Tranche 2022	Share of women in management (PC 63-72)[2]	20.5%	-	-	-	22%	25%	28%	-	-	-
Tranche 2023	Share of women in management (PC 63-72)[2]	21.5%	-	-	-	-	-	-	23%	26%	29%

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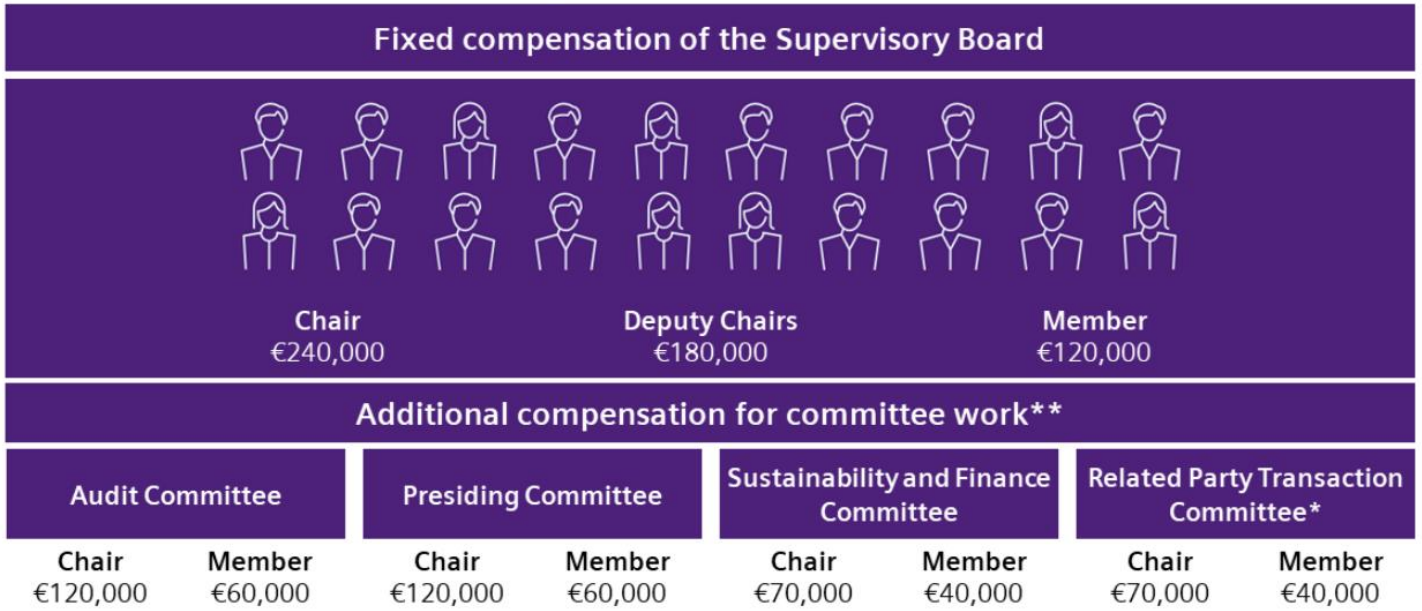
Supervisory Board Remuneration System

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Supervisory Board Compensation

- **Changes of articles of association due to dissolved Related Party Transaction Committee and planned Remuneration Committee**
- **No changes of compensation structure**

Compensation of members of Supervisory Board and committees



* Dissolved with effect from October 1, 2023.
** Members of the Special Committee Siemens Gamesa do not receive compensation for their work on that committee.

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Capital Authorizations

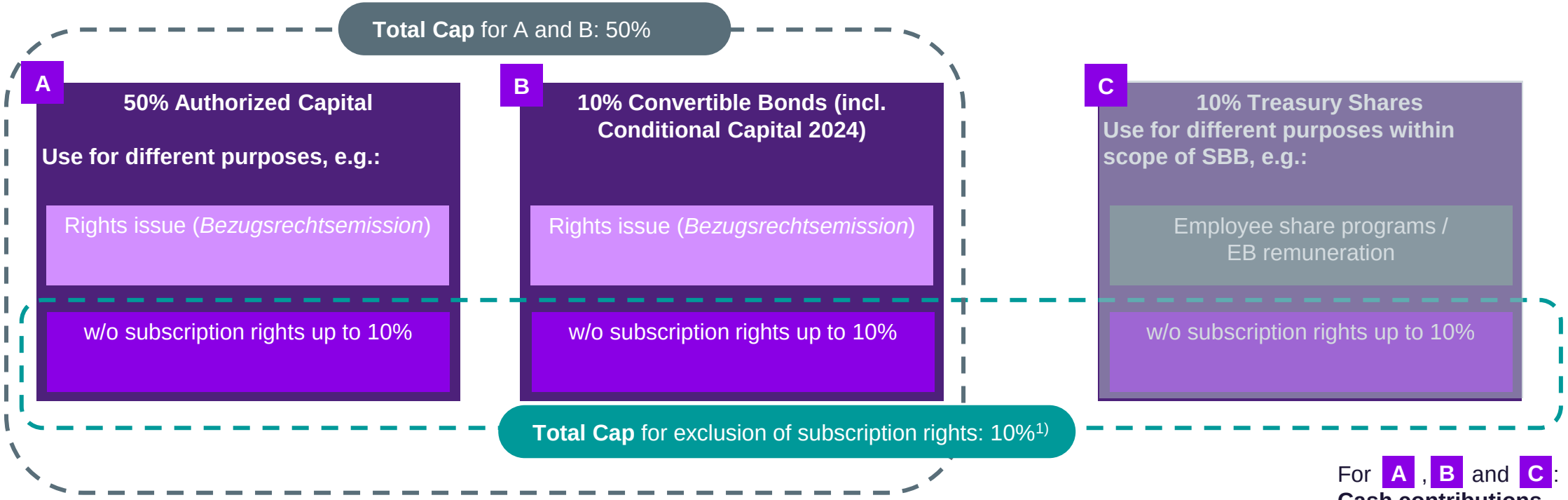
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AGM 2024 – Proposal to renew Capital Authorizations

In March 2023, SE's share capital was raised by approx. 10% by way of an Accelerated Bookbuilding (ABB). The 10%-headroom for capital increases excluding subscription rights under the **2023 Authorized Capital** was used. At the same time, due to respective deduction clauses, the ABB exhausted also the respective 10%-headrooms for the exclusion of subscription rights under the **2023 Authorization re/ Convertible Bonds** and the **2023 Authorization re/Treasury Shares**.

To reestablish the 10%-headroom in all these Capital Authorizations again, it is proposed that all three authorizations shall be **refreshed** by AGM 2024.



For **A**, **B** and **C**: **Cash contributions and contributions in kind possible**

1) Except for fractions and employee share plans

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ESG

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ESG at the core of Siemens Energy's strategy
Ratings improved in FY23 and Decarbonization targets well on track

ISS ESG → **B- prime**
1st decile rank in industry
2022: B- (1st decile)

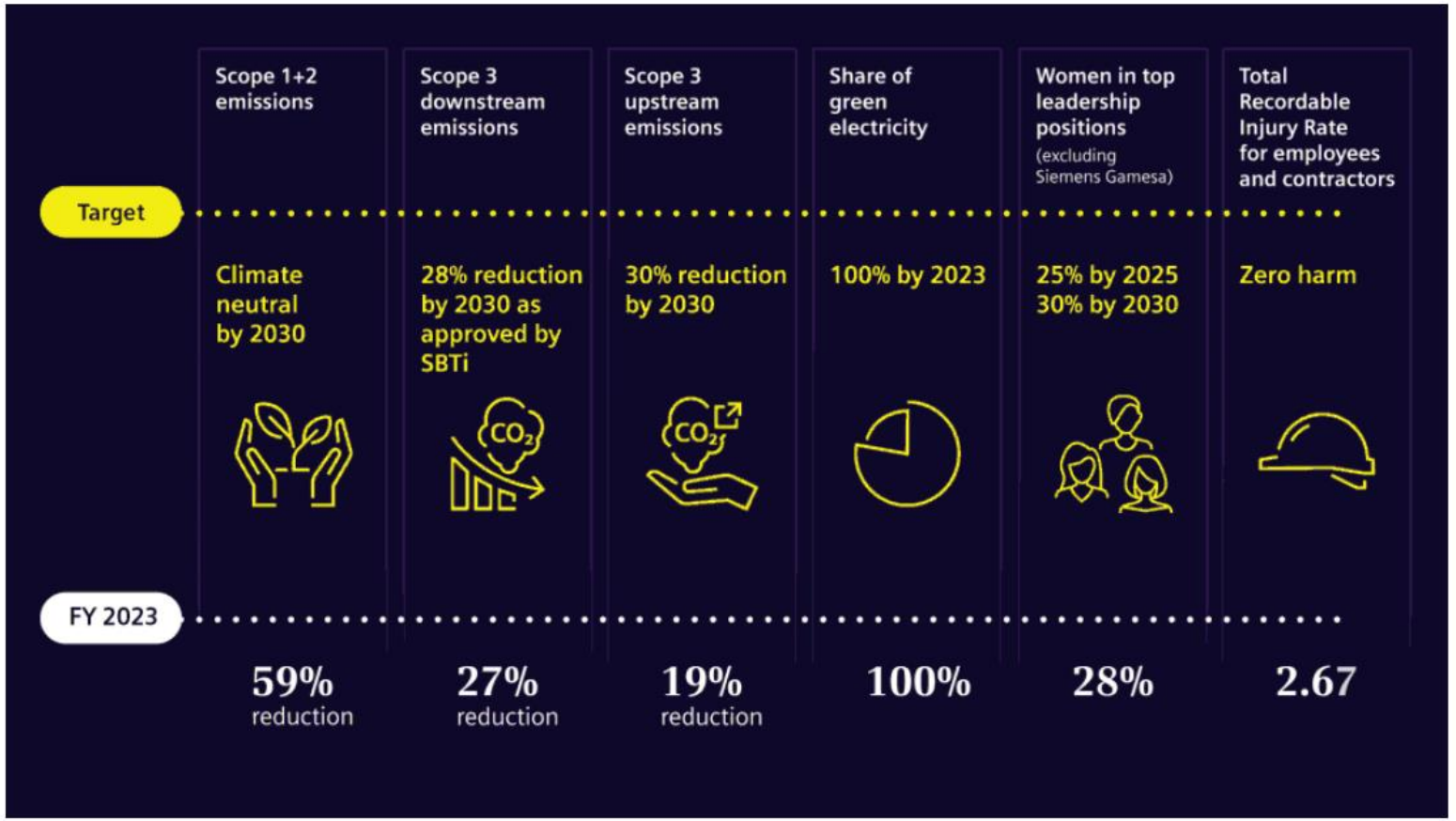
SUSTAINALYTICS (a Morningstar company) → **#8 of 276**
in industry low risk rating: 13.6 top industry list
2022: #7 of 218
low risk rating: 16.5

MSCI ESG Research → **A**
scale of AAA to CCC
2022: A

CDP DISCLOSURE INSIGHT ACTION → **B**
scale of A to D
2022: B

FTSE Russell → **3.9**
scale 1 to 5
Member of FTSE4Good index
2022: 3.8

ecovadis → **Gold**
75/100
2022: Gold (69/100)



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