

Compensation system

for the members of the
Executive Board of Siemens Energy AG

A. Key principles of the compensation system for members of the Executive Board

In accordance with Section 87a (1) of the German Stock Corporation Act (AktG), the Supervisory Board of a listed company resolves a clear and comprehensible system for the compensation of the Executive Board members. The previous compensation system for the members of the Executive Board of Siemens Energy AG (hereinafter referred to as "Siemens Energy") was submitted to the Annual Shareholders' Meeting on February 10, 2021, for resolution and approved with a vote of 96.70%.

The compensation system for members of the Executive Board contributes to the Company's strategy and supports the sustainable, long-term development of Siemens Energy. In general, in addition to the Company's operational performance, long-term improvement in earnings and shareholder return are incentivized and assessed, as are improvements in the areas of environmental, social and governance (ESG).

Therefore, the Supervisory Board acts based on the following key principles when setting compensation levels and applying the compensation system:

Contribution to the Company's strategy	The compensation system for members of the Executive Board should contribute to implementing the Company's strategy by setting appropriate incentives.
Sustainable orientation of compensation	Within the variable compensation, in general, a substantial portion – approximately 40% of target direct compensation and 60% of variable compensation – is determined based on performance measurement over a multi-year period. The focus on sustainability is further strengthened by anchoring performance criteria reflecting environmental, social and governance factors in the long-term equity-based variable compensation.
Focus on industry-specific requirements	Derived from best practices in Germany as well as in international markets, the compensation system allows the Supervisory Board the flexibility to construct incentives for the Executive Board according to the particular challenges faced by an integrated energy technology company. For example, this can be implemented via differentiation in compensation levels based on a specific function in order to recruit exceptionally qualified candidates, via individual targets oriented towards the future, such as digitalization, or via the flexibility to adjust relative performance measurement in line with growing business segments.
Alignment of performance and pay	Exceptional performance should be rewarded appropriately in compensation. Performance under the established targets should lead to an appreciable reduction in compensation.
Consideration of Executive Board members' collective and individual performance	The compensation system offers the Supervisory Board the possibility to, on the one hand, take consideration of Executive Board members' individual responsibilities and, on the other hand, their overall performance as a governing body. Accordingly, the Supervisory Board has the opportunity to set individual targets for Executive Board members in the short-term variable compensation, alongside financial targets applicable to all members of the Executive Board.
Consistency of systems throughout the organization	The compensation system for members of the Executive Board is compatible with compensation systems for the management and employees of the Group.
Appropriateness of compensation	Executive Board members' compensation is customary in the market and takes consideration of the Company's size, complexity, and economic situation.

In December 2023, the Federal Republic of Germany and Siemens Energy agreed on a Federal Guarantee that partially secures the guarantee facility concluded with a banking consortium to finance the operational business. One component of the conditions of the guarantee are certain restrictions on Executive Board compensation while the Federal Guarantee is being utilized. Accordingly, no member of the Executive Board of Siemens Energy may receive compensation for fiscal years in which one or more guarantees have been issued under the guarantee facility guaranteed by the federal government that exceeds the fixed compensation of this member as of October 1, 2023, subject to any mandatory statutory obligations of the Company to the contrary.

Against this backdrop, the members of the Executive Board have waived their right to receive variable compensation from Siemens Energy AG for the fiscal years in question. Furthermore, the Supervisory Board of Siemens Energy has approved this compensation system, which considers the special situation under the condition of the guarantee and consequently does not provide for the granting of variable compensation to the members of the Executive Board for the period covered by the condition of the guarantee ("**compensation restrictions**"). After the end of the compensation restrictions, the members of the Executive Board will again be granted variable compensation as well as one-off compensation consisting of non-performance-based and performance-based components. The amended compensation system also takes this into account. The above-mentioned principles can thus be fully taken into account when determining the compensation amounts and applying the compensation system.

The Supervisory Board was supported by independent compensation and legal advisors in adjusting the compensation system and reviewing its appropriateness and conformity with regulatory requirements.

The compensation system will be submitted to the 2025 Annual Shareholders' Meeting for approval and shall enter into force retroactively as of October 1, 2024. For the period until the amended compensation system is presented to the Annual Shareholders' Meeting, the Supervisory Board has approved temporary deviations from the previous compensation system 2021 in accordance with Section 87a (2) AktG, which are necessary due to the compensation restrictions. The compensation report of Siemens Energy AG for fiscal year 2024 will disclose the deviations from the previous compensation system in detail.

B. Overview of the compensation system

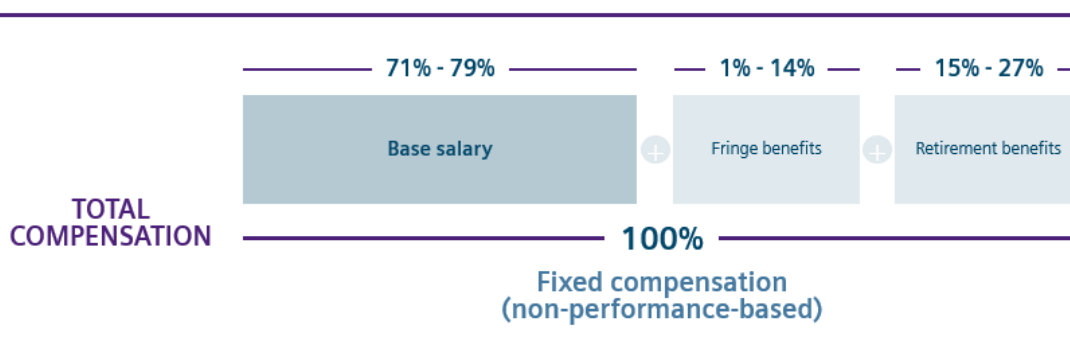
For the duration of the compensation restrictions, the compensation system for the members of the Executive Board of Siemens Energy provides exclusively for non-performance-based compensation (fixed compensation). In addition to the base salary, the fixed compensation includes fringe benefits and retirement benefits. Furthermore, it includes a maximum compensation and regulations governing benefits in the event of termination of the Executive Board members' contracts. The malus and clawback regulations continue to apply to variable compensation already granted before the start of the compensation restrictions. The Share Ownership Guidelines continue to apply. The build-up phase, which generally takes place over four years, will be extended on a case-by-case basis during the period in which compensation restrictions are in effect.

The following table summarizes the components of the compensation system and presents the main changes compared to the 2021 compensation system:

Executive Board compensation system		
Previous compensation system (approved on February 10, 2021)	Adjusted compensation system 2025 during the compensation restrictions	Adjusted compensation system 2025 after the compensation restrictions
Base salary		
Fixed base salary that is normally paid out in 12 monthly installments		
Fringe benefits		
Contributions in kind and customary fringe benefits (like the provision of a company car, subsidies for insurance policies and assumption of costs for preventative medical examinations) as well as coverage of benefits in connection with a place of employment outside Germany		
Retirement benefits		
Granting of a fixed cash amount for personal pension provision (pension substitute)		
Short-term variable compensation (Bonus)		
Performance period: 1 year Performance criteria: • Profit Margin (1/3) • Free cash flow (1/3) • Individual targets (1/3) Cap: 150%	Suspended during the compensation restrictions	Performance period: 1 year Performance criteria: • Profit Margin (1/3) • Free cash flow (1/3) • Individual targets (1/3) Cap: 150%
Long-term equity-based variable compensation (Stock Awards)		
Performance period: 4 years Performance criteria: • Total Shareholder Return (40%) • Earnings per share (40%) • ESG (20%) Cap: 250%	Suspended during the compensation restrictions	Performance period: 4 years Performance criteria: • Total Shareholder Return (40%) • Earnings per share (40%) • ESG (20%) Cap: 250%
One-off compensation		
-	-	Non-performance-based Retention Component Performance-based Equity Component Performance-based Early Exit Component
Maximum compensation		
Chief Executive Officer: €9,950,000 Ordinary Board members: €4,950,000	Chief Executive Officer: €9,950,000 Ordinary Board members: €4,950,000	Chief Executive Officer: €9,950,000 Ordinary Board members: €5,950,000 For compensation grants made for the first fiscal year after the end of the compensation restrictions, as a one-time exception, the maximum compensation is increased to 400% of the specified maximum compensation
Malus and clawback		
Option of withholding (malus) or reclaiming (clawback) short-term and long-term equity-based variable compensation in the event of incorrect consolidated financial statements and serious breaches of duty and compliance		
Share Ownership Guidelines		
Chief Executive Officer: 300% of base salary Ordinary Board members: 200% of base salary	Extension of the build-up period on a case-by-case basis	Chief Executive Officer: 300% of base salary Ordinary Board members: 200% of base salary

C. Structure of the total compensation

The sum of the individual compensation components makes up the total compensation of the members of the Executive Board. Based on the total compensation, which comprises the base salary, fringe benefits and retirement benefits, the base salary accounts for 71% - 79%. In the event of grants in connection with the commencement of an appointment to the Executive Board (e.g. compensation for the forfeiture of unvested awards from the previous employer or moving expenses) or other grants owing to particular circumstances (in particular for members of the Executive Board with their place of employment outside of Germany), the share of fringe benefits as a percentage of total compensation can also be outside of the defined ranges:



Components of the compensation system for members of the Executive Board

D. Maximum compensation

Pursuant to Section 87a (1) sentence 2, No. 1 German Stock Corporation Act (AktG), the Supervisory Board has set maximum compensation – including fringe benefits and retirement benefits – for the members of the Executive Board. Maximum compensation for the duration of the compensation restrictions was set as follows:

	President and CEO	Board Member
Maximum compensation pursuant to Section 87a (1) sentence 2, No. 1 AktG	€9,950,000	€4,950,000

The Supervisory Board notes that these amounts do not represent the total compensation that the Supervisory Board has deemed to be appropriate for the Executive Board member, but rather an absolute maximum limit.

If due to a new appointment of an ordinary member of the Executive Board, the Supervisory Board makes use of its option to establish further differentiation in the total compensation for ordinary members of the Executive Board based on their role and accordingly to set compensation at a higher level, the Supervisory Board can establish a differing maximum compensation for at most one recognized member of the Executive Board. This higher maximum compensation may equal, at most, 30% more than the maximum compensation applicable for ordinary members of the Executive Board. In connection with the first-time appointment of an Executive Board member and subsequent granting of a compensatory payment for the forfeiture of benefits granted by the previous employer (see Section G), the Supervisory Board may also increase the maximum compensation by up to 30% for the year in which the member was appointed.

E. Components of the compensation system in detail – Fixed compensation

E.1. Base salary

Each member of the Executive Board receives a fixed base salary that is normally paid out in 12 monthly installments. The responsibilities and experience of the respective member of the Executive Board serve as an orientation for the level of base salary. For members of the Executive Board whose place of employment is located outside of Germany, a differing number of installments can be agreed.

E.2. Fringe benefits

A maximum amount for fringe benefits, in relation to base salary, is defined for each member of the Executive Board prior to the respective fiscal year. This amount covers benefits granted to the member of the Executive Board, for example, contributions in kind granted by the Company or fringe benefits like the provision of a company car, subsidies for insurance policies and assumption of costs for preventative medical examinations. In particular in connection with a place of employment outside of Germany, the Supervisory Board can additionally increase the determined maximum amount for fringe benefits by a defined Euro amount. Maximum compensation according to Section D is unaffected.

E.3. Retirement benefits

Instead of a pension contribution to a company pension scheme, the Supervisory Board can grant the members of the Executive Board an unrestricted fixed amount in cash (“pension substitute”). The Supervisory Board also decides annually on the granting or amount of a pension substitute. If a member of the Executive Board is included in pension plans of a Group company and receives pension contributions under these plans, the value of these contributions is generally deducted from any pension substitute granted.

F. Malus and clawback regulations

The malus and clawback regulations continue to apply without exception, i.e. they apply to variable compensation granted for fiscal years before or after the compensation restrictions.

In cases of severe breaches of duty or compliance (for example, severe infringements against antitrust laws or in the event of fraudulent conduct) and/or severely unethical behavior, the Supervisory Board may review the payout amount of short-term variable compensation and reduce it to as little as zero, depending on the severity of the breach, at its duty-bound exercised discretion. In such cases, it also has the option of allowing the long-term equity-based variable compensation to be forfeited in full or in part without refund or replacement, depending on the severity of the breach (malus).

In the event that an Executive Board member commits a grossly negligent or willful breach of the duty of care expected of a prudent and conscientious manager according to Section 93 (1) German Stock Corporation Act (AktG) (for example, in the cases mentioned above), the Company is entitled to reclaim the variable compensation components already paid out (Bonus and/or Stock Awards granted) in full or in part for the respective assessment period in which the breach of duty occurred. If Siemens Energy shares have already been transferred in fulfillment of Stock Awards, the value of the Stock Awards at the expiry of the vesting period is applicable for any claim (clawback).

If variable compensation components (Bonus and/or Stock Awards) based on the achievement of specific objectives were unduly paid out on the basis of incorrect data, the Company is entitled to reclaim the difference in compensation resulting from the recalculation of the variable compensation in comparison to the original payment made. The Company has to demonstrate that the underlying data used in the calculation of the compensation was incorrect and that therefore the variable compensation of the member of the Executive Board member was too high.

Following a diligent review of the matter and questioning of the member of the Executive Board, the Supervisory Board decides on reclaiming or forfeiting Stock Awards according to its duty-bound discretion.

In the case that compensation is reclaimed, the members of the Executive Board are required to refund the respective net amount. Possibilities for reclamation also apply if the appointment or employment relationship with the member of the Executive Board has already been ended at the time that the right of reclamation arises. Claims for damages against the member of the Executive Board are unaffected.

G. Commitments granted in connection with the commencement of employment on the Executive Board or change of the place of employment

Upon first-time appointment as a member of the Executive Board or if the place of employment is changed after the fact, the Supervisory Board can decide whether and to what extent the following additional compensation benefits will be granted on individual contractual basis:

Compensation for the loss of benefits from the previous employer

Depending on whether the compensation benefits granted by a previous employer are lost by reason of moving to Siemens Energy (for example, of short-term or long-term equity-based variable compensation grants or retirement benefits), the Supervisory Board may grant compensation in the form of (Phantom) Stock Awards or cash payments.

Moving expenses

If the appointment as a member of the Executive Board or a change of the regular place of work at the request of the Company requires the Executive Board member to move to a new residence, moving expenses will be reimbursed up to an appropriate maximum amount to be specified in the individual employment contract.

H. Legal transactions related to compensation

The duration of Executive Board contracts is coupled with the duration of the appointment. In case of reappointment, contracts are renewed respectively for the duration of the appointment. The Supervisory Board follows applicable legal provisions for stock corporations in Section 84 German Stock Corporation Act (AktG) when appointing members of the

Executive Board, in particular the maximum term of office of five years. For first-time appointments, as a rule the appointment should not exceed three years; the Supervisory Board may, however, determine a differing duration. In line with applicable legal provisions for stock corporations, Executive Board contracts do not provide any possibility for ordinary termination with notice; the mutual right to terminate the Executive Board contract without notice for cause remains in effect. In the event of early termination of the appointment, the Executive Board contract is also terminated early, unless the Supervisory Board has adopted provisions to the contrary.

H.1. Commitments in connection with termination of the Executive Board appointment by mutual agreement

In the event of early termination of Executive Board employment by mutual agreement, the Executive Board contracts stipulate a severance payment, the amount of which is limited to a maximum of two years of annual compensation, and which covers no more than the remaining term of the employment contract (severance cap). The member of the Executive Board is required to repay the severance payment granted if, between the early termination of the appointment and the end of the remaining term of the contract the member begins professional activities and receives compensation for this (offset of other earnings), also in the event that the member is granted this compensation (or actually receives it) only after the end of the remaining term of the contract.

The employment contracts of the members of the Executive Board may also provide for a post-contractual non-competition clause. Any compensation to be paid for this is limited to 50% of the annual compensation. Any severance payments are offset against the compensation for non-competition.

H.2. Early termination at the request of the Executive Board member or termination for cause by the Company

No severance payments will be made. Further, all outstanding grants of variable compensation will be forfeited without replacement. Siemens Energy reserves the right to make claims for damages.

H.3. Change of Control

There are no special provisions for the event that a change of control event occurs, that is, neither special rights to terminate the contract nor severance payments.

H.4. Secondary activities of Executive Board members

Acceptance of public office, seats on Supervisory boards (including any committee memberships), boards of directors, advisory boards and comparable bodies, as well as appointments to business or scientific bodies, is subject to prior approval by the Supervisory Board's Presiding Committee. This does not apply for mandates within the Group. As a rule, approval is not granted for more than two Supervisory board positions or comparable functions at listed companies outside the Group, or for accepting the chairmanship of the Supervisory board at such a company. This ensures that neither the required time investment nor the compensation received leads to a conflict with one's duties for Siemens Energy.

If a member of the Executive Board serves on Supervisory boards within the Group, the compensation received for such a position will be deducted from his or her Executive Board compensation.

If positions outside the Group are accepted, the Supervisory Board will decide at its duty-bound discretion on a case-by-case basis whether and to what extent the compensation for such positions is to be deducted. In this context, particular consideration will be given to the extent to which the activity is in the interest of the Company.

I. Regulations after the end of the compensation restrictions

The compensation restrictions associated with the Federal Guarantee will end at the latest at the end of the 2026 fiscal year on September 30, 2026. After the end of the compensation restrictions, variable, performance-based compensation components (short-term and long-term variable compensation) can be granted again as intended under the compensation system approved by the Annual Shareholders' Meeting on February 10, 2021. The variable compensation is geared towards the short and long-term development of the company and thus incentivizes the members of the Executive Board to act in line with the business strategy. The short-term variable compensation (Bonus) reflects financial and non-financial operating targets that are derived from the strategy and contribute to the sustainable success of Siemens Energy. The long-term variable equity-based compensation (Stock Awards) measures the Company's performance on the capital market relative to the competition and thus incentivizes an attractive and long-term return for shareholders. In addition, targets for sustainable profitability and responsible corporate behavior are taken into account in the long-term variable equity-based compensation.

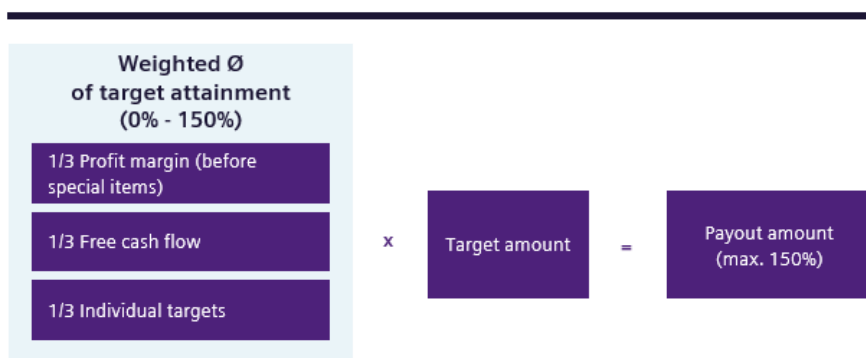
The resulting regulations, which differ from the previous sections, are presented below.

I.1 Short-term variable compensation (Bonus) after the end of compensation restrictions

Short-term variable compensation rewards the contribution made during a fiscal year to executing the Company's strategy. The focus is set on the goal of operating the business profitably and efficiently. Furthermore, the Bonus supports the handling of the Company's financial assets in an efficient manner that conserves cash. Strengthening the Company's profitability and generating cash are key conditions for Siemens Energy's success as a driver and creator of the energy transformation.

I.1.1. Mechanism and performance criteria

Short-term variable compensation comprises three equally weighted components: two components with financial performance criteria that represent the Company's liquidity and profitability and as well as the "individual targets" component. Within the individual targets, between two and four financial or non-financial targets may be set. After the end of a fiscal year, the degree of target attainment is determined for the financial performance criteria as well as for the attainment of individual targets; the respective degrees of target attainment are combined to form a weighted average. The Bonus to be settled is paid out in cash, at the latest with the regular salary at the end of February of the following fiscal year.



Mechanism for short-term variable compensation (Bonus)

The financial performance criteria are **Profit margin (before special items)**, which represents a key performance indicator for Siemens Energy and reflects the Company's profitability, and on the other hand, the downstream indicator of **Free cash flow before taxes** which incentivizes the company's liquidity and available funds. For the Bonus, both performance criteria are, in principle, measured on the Group level; however, for both criteria, the Supervisory Board retains the option to set targets on the business area level (for example, for the Gas Services business area) in order to account for each Executive Board members' responsibilities. If targets are set on a business area level, this will be disclosed retrospectively in the compensation report.

Further, the structure of the short-term variable compensation (Bonus) permits the Supervisory Board to, prior to the beginning of a fiscal year and in alignment with the Company's strategy, select an alternative financial performance criterion to Free cash flow before taxes and/or profit margin (before special items), as long as the performance criterion/criteria are part of the Company's regular external reporting. These include currently Profit, Earnings per share, Return on capital employed, Cash conversion rate (based on Free cash flow before taxes) and comparable revenue growth. If a financial performance criterion other than Free cash flow or profit margin is considered, this will be disclosed in the compensation report.

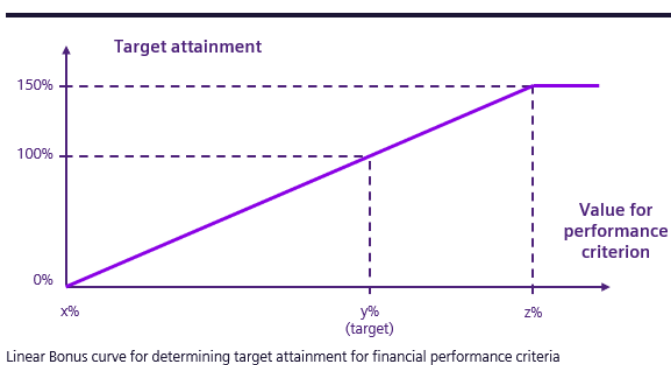
Further financial as well as non-financial performance criteria may be used in the "individual targets" component. For non-financial performance criteria, the performance of individual members of the Executive Board is assessed according to focus topics, which can include operational aspects of implementing the Company's strategy. Examples are the execution of major projects, digitalization, optimization/efficiency gains and diversity.

I.1.2. Target setting and target attainment

On the recommendation of the Compensation Committee, the Supervisory Board annually passes a resolution setting the performance criteria. According to its duty-bound discretion, the Supervisory Board determines before each fiscal year or in the initial months of a fiscal year the target values that lead to a target attainment of 0% to 150% for the financial performance criteria as well as for any financial criteria selected as part of the individual targets. The concrete individual targets for each member of the Executive Board are also defined by the Supervisory Board.



When setting target values for financial performance criteria, the Supervisory Board takes the market and competitive environment as well as sustainability criteria into account. Further, results from prior years, budget values or, if appropriate, externally communicated, mid-term Company targets can be considered. Beyond this, information on business prospects and on competitors may be taken into account. A linear Bonus curve results from the respective values equivalent to target attainment of 0%, 100% (target) and 150%. The Supervisory Board determines the resulting amount to be paid out following the end of the fiscal year.



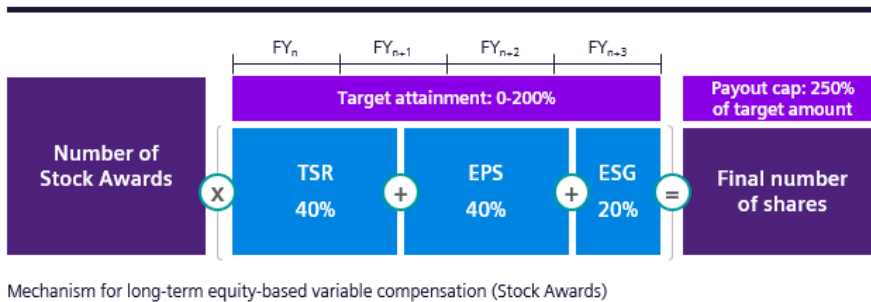
Performance criteria and target values will not be adjusted during a fiscal year. When determining target attainment, the Supervisory Board may in rare specific and justified cases take account of exceptional developments whose effects are not sufficiently accounted for in the degree of target attainment. This can lead to an increase or a decrease in the Bonus amount to be paid out. Exceptional developments during the year could be extraordinary, far-reaching changes in the economic situation (for example, due to severe economic crises) that invalidate the original business targets, provided that they were not foreseeable. Unfavorable market developments are expressly not deemed exceptional developments during the year. If any adjustments due to exceptional developments are needed, they will be reported comprehensively and transparently in the annual compensation report.

I.2. Long-term equity-based variable compensation (Stock Awards) after the end of the compensation restrictions

A substantial portion of total target compensation is tied to the long-term development of the Company and the Siemens Energy share. Stock Awards are granted as long-term equity-based variable compensation. One Stock Award confers the right to receive one share after the end of a vesting period, conditional upon a target attainment.

I.2.1. Mechanism and performance criteria

At the beginning of a fiscal year, a target amount (100%) is determined in Euro for each member of the Executive Board. This target amount is extrapolated to a target attainment of 200% ("maximum grant amount"). Stock Awards for this maximum grant amount are then granted to the beneficiary. The number of Stock Awards is calculated on the basis of the share price on the grant date, less the value of discounted dividends. Beneficiaries are not entitled to dividends during the vesting period.



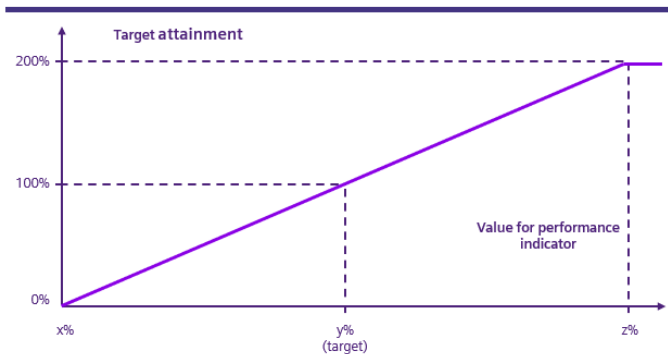
Mechanism for long-term equity-based variable compensation (Stock Awards)

An approximately four-year vesting period begins with the granting of Stock Awards, at the end of which Siemens Energy shares are transferred. The number of Siemens Energy shares transferred after the end of the vesting period depends on the attainment of targets relating to total shareholder return (TSR) (40%), earnings per share (EPS) (40%) and environmental, social and governance (ESG) factors (20%). The Supervisory Board passes a resolution each year determining performance indicators for the ESG component, which are disclosed in the Sustainability Report and thereby auditable ("limited assurance"), for example, CO₂ emissions, employee engagement or the proportion of women in management positions. The ESG performance indicators are in principle equally weighted; the Supervisory Board may, however, define a differing weighting. The ESG performance indicators are set at the beginning of each approximately four-year vesting period.

The concrete target attainment will be disclosed retrospectively in the compensation report after four years.

1.2.2. Target setting and target attainment

Setting of concrete targets occurs at the beginning of each fiscal year. At the end of the approximately four-year vesting period, the Supervisory Board determines the degree of target attainment. The range of potential target attainment for the TSR, EPS and ESG performance criteria amounts to between 0% and 200%. If target attainment is below 200%, a correspondingly reduced number of shares will be transferred. Further, the value of Siemens Energy shares that are transferred at the end of the vesting period is capped at 250% of the target amount. If this limit is exceeded, a corresponding number of Stock Awards are forfeited without replacement.



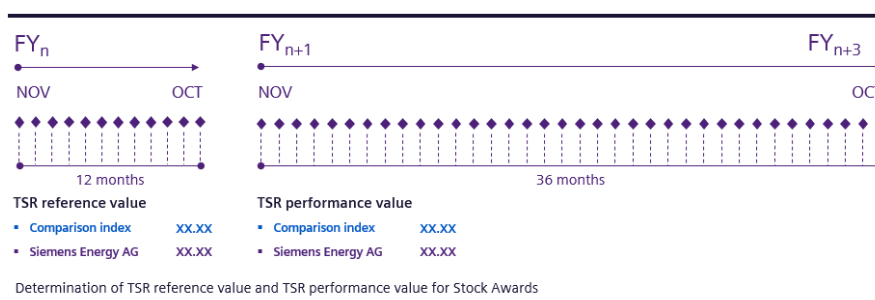
Linear target attainment curve for TSR, EPS and ESG performance indicators

In the event of exceptional, unforeseen events that have an influence on the performance criteria, the Supervisory Board may decide that the number of granted Stock Awards will be reduced after the fact, that a cash settlement of a limited amount to be determined will take place instead of a transfer of Siemens Energy shares, or that the transfer of Siemens Energy shares for vested Stock Awards will be suspended until the event ceases to influence the performance criteria.

If the employment contract of an Executive Board member begins during the fiscal year, an equivalent number of forfeitable virtual stock awards (Phantom Stock Awards) can be granted instead of Stock Awards. Unlike the Stock Awards, the Phantom Stock Awards will not be settled by a transfer of shares, but by a cash payment at the end of the vesting period. Remaining provisions applicable to the Stock Awards apply analogously.

TSR (Total Shareholder Return)

TSR reflects the performance of a share over a period of time and includes the dividends paid and any changes in the share price during this period. Target attainment for a tranche of Stock Awards depends to a proportion of 40% on the development of the TSR of Siemens Energy's shares compared with one or more stock indices selected by the Supervisory Board. When determining the comparison indices, the Supervisory Board in particular considers the sectors in which Siemens Energy operates as well as the Company's international presence. If the Supervisory Board defines more than one comparison index, weightings will also be determined that reflect Siemens Energy's business profile. So far, the STOXX 1800 Global Industrial Goods & Services (Gross Return) and the S&P Global Clean Energy Index (Total Return) were the relevant benchmark indices. Both were equally weighted. If other comparison indices are selected for future tranches, this will be disclosed for the current fiscal year in the compensation report. Financial data providers recognized in the market, for example Bloomberg or Refinitiv, provide the standardized, indexed TSR values for Siemens Energy AG and for the comparison indices.



Target attainment for TSR is specifically determined by first calculating a TSR reference value for Siemens Energy AG and a TSR reference value for the (respective) comparison index. The TSR reference value is equal to the average of the end-of-month values over the first 12 months of the vesting period (reference period). To determine how well the TSR of Siemens Energy AG has performed in comparison to the (respective) comparison index at the end of the vesting period, the TSR performance value is calculated over the subsequent 36 months (TSR performance period). The TSR performance value is the average of the end-of-month values during the performance period. After the expiration of the vesting period, the change in Siemens Energy's TSR as well as that of the comparison index (or comparison indices) is determined by comparing the TSR values for the reference period with those for the performance period.

At the beginning of a tranche, the Supervisory Board sets ambitious target values for the development of Siemens Energy's TSR relative to the (respective) comparison index that correspond to target attainment of 0% and 200%. If more than one comparison index is selected, the overall target attainment for the TSR component is calculated by taking the weighted average according to the defined weightings.

EPS (Earnings per Share)

EPS is measured over the four fiscal years during the vesting period (for example, for the 2027 tranche, fiscal years 2027, 2028, 2029 and 2030). At the beginning of a tranche, the Supervisory Board defines ambitious target values for the average EPS result in these four fiscal years that correspond to a target attainment of 0% and 200%.

ESG (Environmental, Social & Governance)

Target values for the selected ESG performance indicators are, in principle, set in relation to the last full fiscal year prior to the end of the Stock Awards tranche (for example, for the 2027 tranche, CO₂ emissions of X kt would have to be achieved in fiscal year 2030). The Supervisory Board defines ambitious target values for each ESG performance indicator that correspond to a target attainment of 0% and 200%. Total target attainment for the ESG component is calculated from the weighted average of the target attainment values for each of the performance indicators. ESG performance indicators selected for the upcoming tranche will be disclosed in the compensation report.

1.3 One-off compensation after the end of the compensation restrictions

For the first fiscal year after the end of the compensation restrictions, the members of the Executive Board are granted one-off compensation. It consists of non-performance-based and performance-based compensation components, which are described in more detail below, and is intended to ensure the long-term competitiveness of the Executive Board compensation. The members of the Executive Board are to be incentivized to continue their work as members of the Executive Board despite waiving their variable compensation – and thereby a large portion of their regular compensation – during the compensation restrictions and thus to contribute to the Company's future development. In addition, the performance-based components of the one-off compensation are intended to ensure appropriate compensation and thus

incentivize the members of the Executive Board to achieve clearly defined performance criteria in line with the Company's strategy in the first few years after the compensation restrictions end. However, performance that falls short of the defined targets should lead to a noticeable reduction in compensation.

The amounts paid out as one-off compensation and the underlying target attainments of their performance-based components will be explained transparently and comprehensibly in the respective compensation report.

If the compensation restrictions end earlier than planned, the amounts of the Retention Component and Stock Awards under the Equity Component are reduced pro rata temporis.

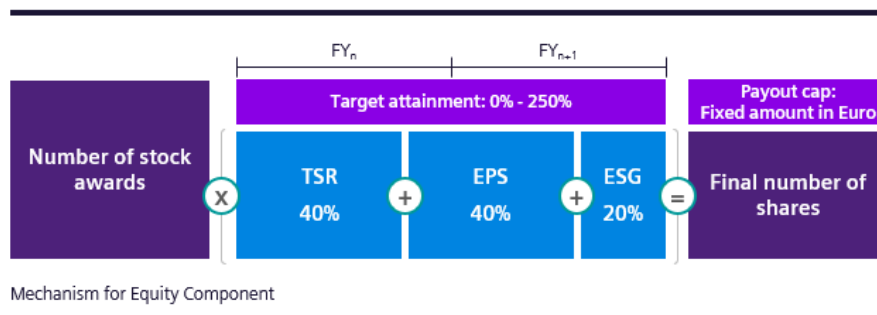
Retention Component (non-performance-based)	Payment of a fixed amount in cash after the end of the compensation restrictions
Equity Component (performance-based)	Grant of a defined number of stock awards after the end of the compensation restrictions
Early Exit Component (performance-based)	Additional amount if the compensation restrictions end prematurely

I.3.1. Retention Component

In the first fiscal year after the end of the phase in which guarantees can be drawn under the Federal Guarantee (“**draw-down phase**”) (and the associated end of the compensation restrictions), each member of the Executive Board receives a fixed amount in cash under the condition that their Executive Board mandate continues at the beginning of this fiscal year.

I.3.2 Equity Component

Each member of the Executive Board is conditionally granted a fixed number of stock awards in the first fiscal year after the end of the compensation restrictions, subject to the condition that the Executive Board mandate continues at the beginning of this fiscal year. The number of Stock Awards is based on the tasks, responsibilities, and experience of the respective Executive Board member.



A vesting period of around two years begins at the start of the fiscal year following the end of the compensation restrictions, at the end of which Siemens Energy shares are transferred. The number of Siemens Energy shares that are transferred at the end of the vesting period depends on the performance of the performance criteria TSR (40%), EPS (40%) and ESG (20%), analogous to the regular long-term equity-based variable compensation. At the end of the approximately two-year vesting period, the Supervisory Board determines the degree of target attainment. The range of target attainment for the TSR, EPS and ESG performance criteria is between 0% and 250%. If the target attainment is below 250%, a correspondingly reduced number of shares is transferred. Furthermore, the value of the Siemens Energy shares that are transferred at the end of the vesting period is limited to a contractually agreed maximum amount (in Euro). If this maximum amount is exceeded, a corresponding number of Stock Awards will be forfeited without replacement. Irrespective of this, all granted Stock Awards are forfeited without replacement if the Executive Board member leaves office before the end of the first year of the vesting period. If they leave before the end of the second year of the vesting period, half of the Stock Awards remain in place unless their appointment or employment contract is revoked or terminated for good cause.

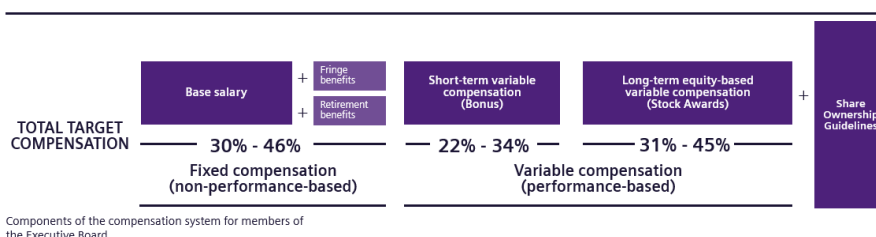
1.3.3 Early Exit Component

If the drawdown phase as well as the two-year period following the drawdown phase during which guarantees can still be outstanding (“**rundown phase**”) of the Federal Guarantee end prematurely, i.e. before the end of the 2026 fiscal year, the members of the Executive Board are granted an additional fixed cash payment.

If either the drawdown phase or the rundown phase end during fiscal year 2026, the Early Exit Component is subject to good financial standing of the Company being established, as measured by net income for fiscal year 2026 exceeding a defined threshold.

1.4 Structure of the total target compensation after the end of the compensation restrictions

After the end of the compensation restrictions, the total target compensation of the members of the Executive Board of Siemens Energy consists of fixed and variable components.



The Supervisory Board can set a total target compensation with components falling within the following ranges (in percent):

- Fixed compensation: 30% to 46%
- Short-term variable compensation (Bonus): 22% to 34%
- Long-term equity-based variable compensation (Stock Awards): 31% to 45%

In the first fiscal year after the end of the compensation restrictions the ranges for the total target compensation based on the one-off compensation described under 1.3 may deviate from the ranges shown and may be wider. The Retention Component is allocated to the fixed compensation, the Early Exit Component and the Equity Component to the variable compensation, whereby the value of the Equity Component depends on the Siemens Energy share price at the time the compensation restrictions cease to apply.

In the event of grants in connection with the commencement of an appointment to the Executive Board (e.g. compensation for the forfeiture of unvested awards from the previous employer or moving expenses) or other grants owing to particular circumstances (in particular for members of the Executive Board with their place of employment outside of Germany), the structure of the total target compensation may also deviate from the described ranges.

1.5. Maximum compensation after the end of the compensation restrictions

The maximum compensation pursuant to Section 87a (1) sentence 2, No. 1 German Stock Corporation Act (AktG) after the end of the compensation restrictions is as follows:

	President and CEO	Ordinary Board Member
Maximum compensation pursuant to Section 87a (1) sentence 2, No. 1 AktG	€9,950,000	€5,950,000

The Supervisory Board may increase the applicable maximum compensation for ordinary members of the Executive Board by a maximum of 50% in the following cases:

- The Supervisory Board makes use of the option to establish a further function-specific differentiation in the total target compensation of members of the Executive Board for a maximum of one outstanding member and to increase the total target compensation accordingly, for example due to special responsibilities or experience.
- A member of the Executive Board is based abroad, and the Supervisory Board grants compensation based on the market requirements of the country in which the member is based.
- Upon initial appointment, the Supervisory Board grants compensation for the forfeiture of benefits from the previous employer and no differentiation is made for an outstanding member or due to a foreign place of employment.

For compensation granted for the first fiscal year after the compensation restrictions cease to apply, the maximum compensation pursuant to Section 87a (1) sentence 2 no. 1 AktG is increased to 400% of the stated maximum compensation as a one-time exception.

I.6. Share Ownership Guidelines after the end of the compensation restrictions

The Share Ownership Guidelines oblige the members of the Executive Board to permanently hold Siemens Energy shares of an amount equal to a multiple of their base salary – 300% for the President & CEO and 200% for the other members of the Executive Board – during their term of office on the Executive Board after an approximately four-year build-up phase. The basis for assessment is each member of the Executive Board's base salary for the month of September prior the respective verification date, extrapolated to an annual basis.

Fulfillment of this obligation must be verified for the first time after the approximately four-year build-up phase and annually thereafter. If fluctuations in Siemens Energy's share price cause the value of the accumulated shareholding to fall below the respective amount to be verified, the Executive Board member will be obligated to purchase additional Siemens Energy shares to make up the difference.

J. Process for setting, reviewing, and implementing the compensation system

The Supervisory Board sets the compensation of the members of the Executive Board. The Compensation Committee assists the Supervisory Board in its work and develops recommendations for the compensation system. External advisors can be engaged by the Supervisory Board; these are rotated from time to time. Independence will be ensured when engaging external advisors, including, at the request of the Supervisory Board, submission of a statement confirming their independence. For dealing with conflicts of interest faced by members of the Supervisory Board, the recommendations of the German Corporate Governance Code (GCGC) and the regulations laid out in the bylaws governing the Supervisory Board and its committees will be respected for setting, reviewing and implementing the compensation system. The compensation system passed by a resolution of the Supervisory Board will be presented to the Annual Shareholders' Meeting for approval.

The Compensation Committee prepares a regular review by the Supervisory Board of the compensation system for members of the Executive Board. If necessary, the Supervisory Board passes resolutions amending the system. In the event of material changes, the compensation system will be presented for renewed approval by the Annual Shareholders' Meeting, however, at a minimum every four years.

If the Annual Shareholders' Meeting does not approve the compensation system presented for a vote, a revised compensation system will be presented at the latest at the next Annual Shareholders' Meeting.

At the recommendation of the Compensation Committee, in exceptional cases (in particular in case of events that could not have been foreseen, for example, severe economic crises, wars or pandemics) the Supervisory Board can temporarily deviate from the components of the compensation system for the Executive Board if this is necessary for the long-term health of the Company. Accordingly, a deviation requires a resolution of the Supervisory Board passed on the recommendation of the Compensation Committee; the resolution should justify why a deviation is necessary for the long-term health of the Company. In this case, the following components of the compensation system may be temporarily deviated from: Structure of the target compensation, target values and assessment methods of the variable compensation, performance periods and payment dates of the variable compensation as well as the amount of the maximum compensation in accordance with Section 87a AktG. In addition, the Supervisory Board may temporarily suspend compliance with the Share Ownership Guidelines.

Furthermore, in this case, the Supervisory Board may temporarily grant additional compensation components or replace individual compensation components with other compensation components insofar as this is necessary to restore an appropriate incentive level of Executive Board compensation, if this is necessary in the interests of the long-term well-being of the company.

Any deviations will be reported transparently in the compensation report.

K. Determination of total target compensation

In accordance with the compensation system, the Supervisory Board determines the level of the total target compensation for each member of the Executive Board for the upcoming fiscal year, consisting of the fixed, non-performance-based compensation (base salary, fringe benefits and retirement benefits), the short-term performance-based variable compensation (Bonus) and the long-term equity-based variable compensation (Stock Awards). It ensures an appropriate reflection of the responsibilities and performance of the member of the Executive Board and takes consideration of the economic situation as well as the Company's success. The Supervisory Board ensures that the compensation is customary in the market. Market conformity is assessed through an external and internal review of appropriateness. In extraordinary, justified situations, the Supervisory Board may take a period of several years as the basis for assessing market conformity. The Supervisory Board is aware that the external and internal appropriateness reviews are to be used with care, such that they do not result in an automatic upward trend.

Horizontal comparison – External appropriateness

Due to the size and complexity of the Company, compensation data from comparable companies, e.g. the DAX companies, are used for determining the market appropriateness. To establish a basis for comparison, Siemens Energy's relative positioning within the respective comparison market is determined based on revenue, number of employees and market capitalization. Market appropriateness of the compensation for the members of the Executive Board is reviewed on the basis of this positioning. In order to take into account the international nature of Siemens Energy AG, the Supervisory Board may also use compensation data from comparable companies outside Germany to determine appropriateness.

Vertical comparison – Internal appropriateness

In addition to the external comparison, the Supervisory Board takes account of Executive Board members' compensation in relation to the compensation of the "senior management" and the remaining workforce (workers not covered by collective bargaining agreements and those covered by such agreements) of Siemens Energy in Germany, including any changes over time.

The compensation system allows the Supervisory Board to take account of the role and responsibilities of individual members of the Executive Board when setting total target compensation. The system permits the Supervisory Board, at its duty-bound discretion, to make differentiations based on the role within the Executive Board – for example, for the President and CEO or for Executive Board members responsible for individual portfolios, based on criteria such as market conditions or the experience of the Executive Board member.

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