

3.4 Corporate Governance pursuant to Sections 289f and 315d of the German Commercial Code

The Executive Board and Supervisory Board report on the corporate governance of the Company in this statement in accordance with Sections 289 f and 315 d German Commercial Code and Principle 22 of the German Corporate Governance Code (Code)¹. The Compensation Report can be found in chapter [1.10 Compensation Report](#) of the Combined Management Report. More information on corporate governance is available online at www.siemens-energy.com/global/en/company/investor-relations/corporate-governance.html.

Declaration of conformity with the German Corporate Governance Code

The Executive Board and the Supervisory Board of Siemens Energy AG approved the following Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) as of November 2020:

“Declaration by the Executive Board and the Supervisory Board of Siemens Energy AG with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act

Siemens Energy AG shares have been listed on the stock exchange since September 25, 2020. As of this date, Siemens Energy AG ceased to be a part of the Siemens Group managed by Siemens Aktiengesellschaft and became a legally independent, publicly traded stock corporation to which the recommendations of the Government Commission on the German Corporate Governance Code in the version dated December 16, 2019 (“Code”), published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (Bundesanzeiger) apply.

The Supervisory Board of Siemens Energy AG currently comprises ten shareholder representatives. The Supervisory Board of Siemens Energy AG in the composition required by the German Codetermination Act will only be constituted once the sanctioning procedure, which was initiated directly on September 25, 2020, is complete; the first meeting of the co-determined Supervisory Board is scheduled for early December 2020.

At the first meeting of the current Supervisory Board on September 29, 2020, in particular the bylaws of the Executive Board and of the Supervisory Board were adopted, and the Presiding Committee, Audit Committee, and Nominating Committee were formed. At the second meeting of the Supervisory Board on November 9, 2020, the resolutions to the independence of the shareholders representatives, the Declaration of Conformity, the objectives (including the competence profile and the diversity concept) for the Supervisory Board and the diversity concept for the Executive Board were adopted.

Siemens Energy AG thus complies with all recommendations of the Code and will continue to comply with them in the future, with the following exceptions.

- According to recommendation B.3, the initial appointment of members of the Executive Board shall be for a maximum of three years. Even before Siemens Energy AG was listed on the stock exchange, Dr.-Ing. Christian Bruch was appointed to the Executive Board and Chairman of the Executive Board for five years. His individual qualifications and experience, particularly those acquired in long-term management positions, were taken into account in the decision for the longer appointment period. In making this appointment, it was particularly important to maintain continuity in the management of the Company. According to the bylaws of the Supervisory Board adopted on September 29, 2020, the initial appointment of members of the Executive Board will in future be for a maximum of three years.
- According to recommendation B.2, the Supervisory Board together with the Executive Board should ensure long-term succession planning. The Presiding Committee of the Supervisory Board will deal with the long-term succession planning for the Executive Board after the constitution of the co-determined Supervisory Board in December, when the employee representatives can be involved in the planning. Similarly, the resolution on the compensation system with the specifications provided for in recommendation G.1 will be adopted at the constituent meeting of the co-determined Supervisory Board. The current employment contracts for the members of the Executive Board comply with the recommendations of the Code.

¹ The Corporate Governance statement is an unaudited integral part of the Combined Management Report.

- According to Recommendation D.13, the Supervisory Board shall assess, at regular intervals, how effective the Supervisory Board as a whole and its committees fulfil their tasks. The Supervisory Board shall report in the Corporate Governance Statement if (and how) the self-assessment was conducted. An efficiency review can only be sensibly carried out once the co-determined Supervisory Board has been constituted and started its work. The efficiency review is planned for the current fiscal year.
- Recommendation C.4 states that a Supervisory Board member who is not a member of any management board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or comparable functions, with an appointment as Chair of the Supervisory Board being counted twice. According to recommendation C.5, members of the management board of a listed company shall not have, in aggregate, more than two Supervisory Board mandates in non-group listed companies or comparable functions, and shall not accept the Chairmanship of a Supervisory Board in a non-group listed company.

Instead of the recommended maximum number of mandates for the Executive Board and the Supervisory Board members as fixed upper limits, cases are to be judged on an individual basis as to whether the number of relevant mandates, as defined in the Code, is appropriate. This assessment is to consider the expected personal workload caused by the accepted mandates, which can differ depending on the specific mandates.

- According to recommendations C.10 Sentence 1 or D.4 Sentence 1, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, and the Chairman of the committee that addresses Management Board remuneration are to be independent from the Company and the Executive Board.

Prior to the Spin-Off becoming effective, numerous significant business relationships existed between Siemens Energy AG and its subsidiaries on the one hand, and the companies of the Siemens Group on the other hand due to their joint group affiliation. From the Company's point of view, it is advantageous to make still use of the comprehensive knowledge and expertise of Joe Kaeser and Professor Dr. Ralf P. Thomas as members of the Managing Board of Siemens AG in their prominent position as Chairman of the Supervisory Board or Chairman of the Presiding Committee dealing with the compensation of the Executive Board and Chairman of the Audit Committee of Siemens Energy AG, respectively.

Munich, Germany, November 2020

Siemens Energy AG

The Executive Board

The Supervisory Board"

The latest Declaration of Conformity is available on the Siemens Energy AG website at

➔ www.siemens-energy.com/global/en/company/investor-relations/corporate-governance.html#GermanCorporateGovernanceCode.

Corporate constitution (Unternehmensverfassung)

The term "Siemens Energy Group" refers to Siemens Energy AG and its Group companies. Siemens Energy AG is a stock corporation (Aktiengesellschaft) under the German Stock Corporation Act, registered in Munich, Germany. It has three governing bodies: the Executive Board, the Supervisory Board, and the general Shareholders' Meeting. Their duties and powers are derived primarily from the Stock Corporation Act and the articles of association of Siemens Energy AG, as well as from the bylaws.

Composition and operation of the Executive Board

The Executive Board of Siemens Energy AG is composed of four members. The members of the Executive Board and their memberships to be disclosed in accordance with Section 285 No. 10 German Commercial Code can be found on page 172.

As the top management body, the Executive Board is bound to serving the interests of the Company and achieving sustainable growth in company value. The members of the Executive Board are jointly responsible for the entire management of the Company and decide on the Basic issues of business policy and corporate strategy as well as on the Company's annual and multi-year plans.

The Executive Board prepares the Company's quarterly statements and half-year financial report, the financial statements and Consolidated Financial Statements, and the Combined Management Report of Siemens Energy AG and the Group. In addition, the Executive Board ensures

that the Company adheres to statutory requirements, official regulations and internal Company policies and works to achieve compliance with these provisions and policies within the Group. The Executive Board has established a comprehensive compliance management system. Protection is offered to employees and third parties who provide information on unlawful behavior within the Company. Details on the compliance management system are available on the Company's website at:

➤ www.siemens-energy.com/global/en/company/about/compliance.html.

The Supervisory Board has issued Bylaws for the Executive Board that contain the assignment of different portfolios and the rules for cooperation both within the Executive Board and between the Executive Board and the Supervisory Board. In accordance with these Bylaws, the Executive Board is divided into the portfolio of the President and CEO and a variety of Executive Board portfolios. The Supervisory Board has issued a business allocation plan which defines the Executive Board members who are responsible for the individual Executive Board portfolios. As the member with responsibility for the Human Resources portfolio, the Labor Director (Arbeitsdirektor) is appointed in accordance with the requirements of Section 33 of the German Codetermination Act (Mitbestimmungsgesetz). As a rule, first-time appointments to the Executive Board should not exceed three years. Members of the Executive Board shall, as a rule, not be over 63 years of age. Executive Board committees have not been set up.

As a rule, a portfolio assigned to an individual member is that member's own responsibility. Activities and transactions in a particular Executive Board portfolio that are considered to be extraordinarily important for the Company or associated with an extraordinary economic risk require the prior consent of the full Executive Board.

The same applies to activities and transactions for which the President or another member of the Executive Board demands a prior decision by the Executive Board. The President is responsible for the coordination of all Executive Board portfolios. Further details are available in the Bylaws for the Executive Board at:

➤ www.siemens-energy.com/global/en/company/investor-relations/corporate-governance.html#ArticlesofAssociationBylaws

The Executive Board and the Supervisory Board cooperate closely for the benefit of the Company. The Executive Board informs the Supervisory Board regularly, comprehensively, and without delay on all issues of importance to the entire Company with regard to strategy, planning, business

development, financial position and results of operations, compliance, and entrepreneurial risks. At regular intervals, the Executive Board also discusses the status of strategy implementation with the Supervisory Board.

The members of the Executive Board are subject to a comprehensive prohibition on competitive activity for the period of their employment at Siemens Energy AG. They are bound to serving the interest of the Company. When making their decisions, they may not be guided by personal interests nor may they exploit for their own advantage business opportunities offered to the Company. Executive Board members may conduct additional activities of material nature outside the company – in particular, supervisory board positions outside the Siemens Energy Group – only with the approval of the Presiding Committee of the Supervisory Board. The Supervisory Board is responsible for decisions regarding any adjustments to Executive Board compensation that are necessary in order to take account of possible compensation for secondary activities. Every Executive Board member is under an obligation to disclose conflicts of interest without delay to the Chair of the Supervisory Board and to the President of the Executive Board, and to inform the other members of the Executive Board thereof.

Information on the areas of responsibility and the curricula vitae of the members of the Executive Board are available on the Company's website at: ➤ www.siemens-energy.com/global/en/company/about/executive-board.html. Information on the compensation paid to the members of the Executive Board is provided in chapter 1.10 **Compensation Report**.

Composition and operation of the Supervisory Board

Until the Spin-Off of Siemens Energy AG on September 25, 2020, the Siemens Energy AG Supervisory Board consisted of three members from the then sole shareholder Siemens Aktiengesellschaft. At the present time, the Supervisory Board consists of ten shareholder representatives who were elected with effect from the Spin-Off from Siemens Aktiengesellschaft. Effective as of the Spin-Off, Siemens Energy AG became the parent company of the legally and financially independent Siemens Energy Group. The Supervisory Board must therefore comprise an equal number of shareholder and employee representatives in accordance with the German Codetermination Act. The Executive Board announced the initiation on September 25, 2020, of the status proceedings concerning the composition of the Supervisory Board. Once the status proceed-

ings are complete and the employee representatives have been legally appointed, the Supervisory Board will comprise an equal number of ten shareholder representatives and ten employee representatives in accordance with the German Codetermination Act. The members of the Supervisory Board representing shareholders will be elected by simple majority by the general Shareholders' Meeting – for the first time by the ordinary general Shareholders' Meeting on February 10, 2021. Elections to the Supervisory Board are conducted, as a rule, on an individual basis. The Supervisory Board's employee representatives are elected in accordance with the provisions of the German Codetermination Act. The members of the Supervisory Board and their memberships to be disclosed in accordance with Section 285 No. 10 German Commercial Code can be found on page 172.

The Supervisory Board oversees and advises the Executive Board in its management of the Company's business. At regular intervals, the Supervisory Board discusses business development, planning, strategy, and strategy implementation. It reviews the financial statements and Consolidated Financial Statements, the Combined Management Report of Siemens Energy AG and the Group, and proposal for the appropriation of Net income. It approves the financial statements of Siemens Energy AG as well as the Consolidated Financial Statements, based on the results of the preliminary review conducted by the Audit Committee and taking into account the reports of the independent auditors. The Supervisory Board decides on the Executive Board's proposal for the appropriation of Net income and the Report of the Supervisory Board to the general Shareholders' Meeting. In addition, the Supervisory Board and the Audit Committee of the Supervisory Board monitor the Company's adherence to statutory provisions, official regulations and internal Company policies (compliance). The Supervisory Board also appoints the members of the Executive Board and determines each member's portfolios. The Supervisory Board approves – on the basis of a proposal by the Presiding Committee – the compensation system for Executive Board members and defines their concrete compensation in accordance with this system. It sets the individual targets for the variable compensation and the total compensation of each individual Executive Board member, reviews the appropriateness of total compensation, and regularly reviews the Executive Board compensation system. Important Executive Board decisions – such as those regarding major acquisitions, divestments, fixed asset investments, or financial measures – require Supervisory Board approval unless the bylaws for the Supervisory Board specify that such authority be delegated to the Innovation and Finance Committee of the Supervisory Board.

The Supervisory Board and its committees will conduct regular reviews – either internally or with the involvement of external consultants – in order to determine how effectively they perform their duties. The first efficiency review is planned for the fiscal year ending September 30, 2021, due to the fact that the Supervisory Board was newly established as of the end of the fiscal year.

Separate preparatory meetings of the shareholder representatives and of the employee representatives should be held regularly in order to prepare the Supervisory Board meetings. The Supervisory Board also meets regularly without the Executive Board in attendance. Every Supervisory Board member is under an obligation to disclose conflicts of interest to the Supervisory Board. Information regarding any conflicts of interest that have arisen and their handling is provided in the Report of the Supervisory Board. Special informational (onboarding) events are held in order to familiarize new Supervisory Board members with the Company's business model and the structures of the Siemens Energy Group.

Details regarding the work of the Supervisory Board are provided in the chapter [3.3 Report of the Supervisory Board](#). The curricula vitae of the members of the Supervisory Board are published on the Company's website at www.siemens-energy.com/global/en/company/about/supervisory-board.html and are updated annually. Information on the compensation paid to the members of the Supervisory Board is provided in chapter [1.10 Compensation Report](#).

Supervisory Board committees

The Supervisory Board currently has three committees: the Presiding Committee, the Audit Committee, and the Nominating Committee. Their duties, responsibilities, and procedures fulfill the requirements of the German Stock Corporation Act and the Code. The chairs of these committees provide the Supervisory Board with regular reports on their committees' activities. After completing the status proceedings, the Supervisory Board intends to form three further committees – an Innovation and Finance Committee, a Committee for Related-Party Transactions, and a Mediation Committee in accordance with Section 27 para. 3 of the German Codetermination Act.

The **Presiding Committee** coordinates the work of the Supervisory Board; it also prepares the Supervisory Board meetings and the review of its effectiveness. It discusses the long-term succession planning for the Executive Board, makes proposals regarding the appointment and dismissal of Executive Board members, and is responsible for

concluding, amending, extending, and terminating employment contracts with members of the Executive Board. When making recommendations for first-time appointments, the Presiding Committee takes into account that these appointments should not exceed an initial term of three years. In preparing recommendations regarding the appointment of Executive Board members, the Presiding Committee takes into account the profile of requirements defined by the Supervisory Board, along with the diversity concept, and considers the age limit for Executive Board members defined by the Supervisory Board as well as the stipulated targets for the percentage of women. The Presiding Committee prepares the proposals for decisions at the Supervisory Board's plenary meetings regarding the system of Executive Board's and the Supervisory Board's compensation, including the implementation of this system in Executive Board contracts, the definition of the targets for variable Executive Board compensation and the determination of whether these targets have been achieved, the determination and review of the appropriateness of the total compensation of individual Executive Board members, and the approval of the annual Compensation Report. It concerns itself with questions regarding the Company's corporate governance and prepares the resolutions to be approved by the Supervisory Board regarding the Declaration of Conformity with the Code – including the explanation of deviations from the Code – and the Report of the Supervisory Board to the general Shareholders' Meeting. Furthermore, the Presiding Committee submits recommendations to the Supervisory Board regarding the composition of the Supervisory Board committees and decides whether to approve contracts and business transactions with Executive Board members and parties related to them. Ultimately, the Presiding Committee is responsible for the decision if the Executive Board requires the approval of the Presiding Committee for the appointment or dismissal of management positions determined under its bylaws.

As of September 30, 2020, the Presiding Committee had the following members: Joe Kaeser (Chairman) and Dr.-Ing. Hubert Lienhard.

The **Audit Committee** oversees, in particular, the accounting and the accounting process and is responsible for preparing for the Supervisory Board's audit of the financial statements, Consolidated Financial Statements, and Combined Management Report of Siemens Energy AG and the Siemens Energy Group and for the audit of the Executive Board's proposal for the appropriation of Net income by the Supervisory Board. On the basis of the independent auditors' report on their audit of the financial statements, the Audit Committee makes, after its preliminary review,

recommendations regarding Supervisory Board approval of the financial statements of Siemens Energy AG and the Consolidated Financial Statements. The Audit Committee discusses the quarterly statements and half-year financial report with the Executive Board and the independent auditors and deals with the auditors' reports on the review of the half-year Consolidated Financial Statements and interim group management report. It monitors the effectiveness of the internal control system, the risk management system, and the internal auditing system. The Audit Committee concerns itself with monitoring the Company's adherence to statutory provisions, official regulations, and internal Company policies (compliance), as well as with the Groups separate non-financial report. The Audit Committee receives regular reports from the Internal Audit Department. It prepares the Supervisory Board's recommendation to the general Shareholders' Meeting concerning the election of the independent auditors and submits the corresponding proposal to the Supervisory Board. It awards the audit contract to the independent auditors elected by the general Shareholders' Meeting and monitors the independent audit of the financial statements, particularly the selection, independence, rotation and qualification of the auditor, as well as the auditor's performance and the additional services rendered. In doing so, it observes the applicable statutory provisions, particularly the requirements under Regulation (EU) 537/2014 regarding statutory audit. Outside its meetings, the Supervisory Board is also in regular communication with the independent auditors via the Chairman of the Audit Committee.

As of September 30, 2020, the Audit Committee had the following members: Prof. Dr. Ralf Thomas (Chairman), Dr. Christine Bortenlänger, Joe Kaeser, and Laurence Mulliez. Prof. Dr. Thomas was elected Chairman at the Audit Committee meeting on November 9, 2020. The members of the Audit Committee are, as a group, familiar with the sector in which the Company operates. Pursuant to the German Stock Corporation Act, the Audit Committee must include at least one Supervisory Board member with knowledge and experience in the areas of accounting or the auditing of financial statements. Pursuant to the Code, the chair of the Audit Committee shall have specific knowledge and experience in applying accounting principles and internal control procedures, shall be familiar with audits, and shall be independent. The Chairman of the Audit Committee, Prof. Dr. Ralf Thomas, meets these requirements with the exception of the independence requirement, as the Code does not consider Supervisory Board members with professional responsibilities at a non-Group company that has a material business relationship with the Company to be independent.

The **Nominating Committee** is responsible for making recommendations to the Supervisory Board on suitable candidates for election by the general Shareholders' Meeting as shareholder representatives on the Supervisory Board. It is to be ensured that, besides possessing the necessary knowledge, skills, and expertise, the proposed candidates are familiar with the sector in which the Company operates. The objectives defined by the Supervisory Board for its composition should be taken into consideration, as should diversity and the fulfillment of the profile of required skills and expertise developed by the Supervisory Board. The target set by the Supervisory Board with respect to an appropriate participation of women and men is consistent with the legal requirements relating to the gender quota.

As of September 30, 2020, the Nominating Committee had the following members: Joe Kaeser (Chairman), Dr.-Ing. Hubert Lienhard, Prof. Dr. Ralf Thomas, and Geisha Williams.

More details are available in the bylaws for the Supervisory Board at: www.siemens-energy.com/global/en/company/investor-relations/corporate-governance.html#ArticlesofAssociationBylaws.

Share transactions by members of the Executive and Supervisory Boards

Pursuant to Article 19 of EU Regulation No. 596/2014 of the European Parliament and Council of April 16, 2014, on market abuse (Market Abuse Regulation), members of the Executive Board and the Supervisory Board are legally required to disclose all transactions conducted on their own account relating to the shares or debt instruments of Siemens Energy AG or to the derivatives or financial instruments linked thereto if the total value of such transactions entered into by a board member or any closely associated person reaches or exceeds €20,000 in any calendar year. All transactions reported to Siemens Energy AG in accordance with this requirement are duly published and are available on the Company website at: www.siemens-energy.com/global/en/company/investor-relations/corporate-governance.html#ManagersTransactions.

Details regarding transactions with members of the Executive and Supervisory Boards as related individuals are available in [2.6 Notes to Consolidated Financial Statements in Note 27 Related party transactions](#).

General Shareholders' Meeting and investor relations

Shareholders exercise their rights at the general Shareholders' Meeting. An annual general Shareholders' Meeting normally takes place within the first four months of each fiscal year. The general Shareholders' Meeting decides, among other things, on the appropriation of Net income, the ratification of the acts of the Executive and Supervisory Boards, and the appointment of the independent auditors. Amendments to the articles of association and measures that change the Company's capital stock are approved at the general Shareholders' Meeting and implemented by the Executive Board. The Executive Board facilitates shareholder participation in this meeting through electronic communications – in particular, via the internet – and enables shareholders who are unable to attend the meeting to vote by proxy. Proxies can also be reached during the general Shareholders' Meeting. Furthermore, shareholders may exercise their right to vote in writing or by means of electronic communications (absentee voting). The Executive Board may enable shareholders to participate in the general Shareholders' Meeting without the need to be present at the venue and without a proxy and to exercise some or all of their rights fully or partially by means of electronic communications. The Company enables shareholders to follow the entire general Shareholders' Meeting via the internet. Shareholders may submit proposals regarding the proposals of the Executive and Supervisory Boards and may contest decisions of the general Shareholders' Meeting. Shareholders owning stock with an aggregate notional value of €100,000 or more may also demand the judicial appointment of special auditors to examine specific issues. The reports, documents, and information required by law for the general Shareholders' Meeting, including the annual report, can be downloaded from the Company website. The same applies to the agenda for the general Shareholders' Meeting and to any counter-proposals or shareholders' nominations that may require disclosure. For the election of shareholder representatives on the Supervisory Board, a detailed curriculum vitae of every candidate is published.

Due to the COVID-19 emergency legislation ("Gesellschaftsrechtliche COVID-19-Verordnung" of October 19, 2020), virtual general Shareholders' Meetings that make it possible to conduct general Shareholders' Meetings without the physical presence of shareholders may be held until the end of calendar year 2021.

As part of investor relations activities, investors are informed comprehensively about developments within the Company. For communication purposes, Siemens Energy AG makes

extensive use of the Internet. We publish quarterly statements, half-year financial reports and annual reports, earnings releases, ad hoc announcements, analyst presentations, letters to shareholders, as well as the financial calendar for the current year, which contains the publication dates of significant financial communications and the date of the general Shareholders' Meeting, at: www.siemens-energy.com/global/en/company/investor-relations/publications-ad-hoc.html When required, the Chairman of the Supervisory Board discusses Supervisory-Board-specific topics with investors.

Further information on corporate governance practices

Suggestions of the Code

Siemens Energy AG voluntarily complies with the Codes' suggestions, with the following exceptions:

Pursuant to suggestion A.5 of the Code, in the case of a takeover offer, the Executive Board should convene an extraordinary Shareholders' Meeting at which shareholders will discuss the takeover offer and may decide on corporate actions. The convening of a general Shareholders' Meeting – even taking into account the shortened time frames stipulated in the German Securities Acquisition and Takeover Act ("Wertpapiererwerbs- und Übernahmegesetz") – is an organizational challenge for large publicly listed companies. It appears doubtful whether the associated effort is justified in cases where no relevant decisions by the Shareholders' Meeting are intended. Therefore, extraordinary Shareholders' Meetings shall be convened only in appropriate cases.

Pursuant to suggestion D.8 sentence 2, participation in the Supervisory Board's and its committees' meetings by telephone or video conference should not be the rule. At Siemens Energy AG, personal attendance of meetings is envisaged as the norm. Participation by video or telephone should only take place under exceptional circumstances. Due to the exceptional circumstances of the COVID-19 pandemic, the first meetings of the Supervisory Board and its committees took place in part by video conference.

Business Conduct Guidelines

The Business Conduct Guidelines provide the ethical and legal framework within which we want to conduct our activities and remain on course for success. They contain the Basic principles and rules for our conduct within our Company and in relation to our external partners and the general public. They set out how we meet our ethical and legal responsibility as a Company.

Equal participation of men and women on the Supervisory Board and in management positions

To implement Germany's Law on the Equal Participation of Men and Women in Management Positions ("Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen"), the Supervisory Board has defined a target of at least 25% for the percentage of women by August 31, 2025, for the Executive Board.

Once the Supervisory Board is co-determined following completion of the status proceedings, the Supervisory Board will be composed of women at a minimum ratio of 30% and of men at a minimum ratio of 30% in accordance with Section 96 para. 2 Stock Corporation Act. Until the statutory gender quota comes into force, the Supervisory Board has set a target of 30% for the proportion of women on the Supervisory Board.

Because there was no management level below the Executive Board in the organizational structure of Siemens Energy AG (as the parent company) during the reporting period, the definition of targets for the proportion of women at such management levels was not applicable. The Executive Board takes diversity into account when filling managerial positions. Information regarding our voluntary targets can be found in our [Sustainability Report](#).

Statutory provisions on equal participation of men and women in management positions that may be applicable to group companies other than Siemens Energy AG remain unaffected.

Diversity concept for the Executive Board

At its meeting on November 9, 2020, the Supervisory Board approved the following diversity concept for the composition of the Executive Board:

When making an appointment to a specific Executive Board position, the Supervisory Board's decision must be guided by the Company's best interest, taking into consideration all circumstances in the individual case. In the view of the Supervisory Board, the decisive criteria for the selection of members of the Executive Board are in particular their personal suitability, expertise in their prospective areas of responsibility, convincing leadership qualities, achievements to date, international experience, knowledge of the Company, and the ability to adjust business models and

processes in a changing global environment. It must be ensured that the members of the Executive Board collectively have the knowledge, skills, and experience, as is required to optimally fulfill their duties as Executive Board members for a company active in the field of energy and technology, such as Siemens Energy.

When considering which personality would best complement the Executive Board, the Supervisory Board also pays attention to aspects of diversity, in particular age, gender, educational and professional background, and internationality. The aim is to achieve a composition that is diverse and comprises individuals who complement one another in an Executive Board that brings different perspectives to the management of the Company.

- The Supervisory Board considers it helpful if different age groups are represented on the Executive Board. In accordance with the recommendation of the German Corporate Governance Code, the Supervisory Board has defined an age limit for the members of the Executive Board. Accordingly, the members of the Executive Board shall should, as a rule, not be older than 63 years of age.
- Diversity also means gender diversity. When selecting individuals for Executive Board positions, the targets set by the Supervisory Board for the proportion of women on the Executive Board must be taken into account. The Supervisory Board has established as a target that 25% of the Executive Board positions are to be held by women by August 31, 2025.
- In addition to the expertise and management and leadership experience required for their specific tasks, the Executive Board members are to have a broad range of knowledge and experience and wide educational and professional backgrounds.
- Collectively, the Executive Board shall have experience in the business areas that are important for Siemens Energy, namely energy generation, energy transmission, engineering and construction.
- The Executive Board shall collectively possess knowledge of, and experience in, the areas of technology, strategy, innovation, manufacturing and production, marketing and sales, finances, corporate social responsibility, law and compliance, as well as the development and management of human resources.
- Siemens Energy operates globally with a workforce stemming from numerous countries and global customer and supplier bases. Therefore, the composition of the

Executive Board should take into account internationality of its members in the sense of different cultural backgrounds or international experience. The aim is to ensure that there is intercultural openness and the corresponding understanding and ability to assess international issues and contexts within the Executive Board.

Status of implementation of the diversity concept for the Executive Board

The diversity concept for the Executive Board is implemented as part of the process for making appointments to the Executive Board by the Supervisory Board. When selecting candidates and/or making proposals for the appointment of Executive Board members, the Supervisory Board and the Presiding Committee of the Supervisory Board take into account the requirements defined in the diversity concept for the Executive Board.

The current composition of the Executive Board largely fulfills the diversity concept adopted by the Supervisory Board. The members of the Executive Board cover a broad spectrum of knowledge and experience and exhibit diversity with regard to professional and educational background in the Executive Board's current composition. The Executive Board has all the knowledge and experience that is considered essential in view of the activities of Siemens Energy. All Executive Board members have international experience. The various career paths and personalities within the Executive Board reflect the complex tasks it faces.

In the fiscal year 2020, the Executive Board comprised one woman and three men. The proportion of women on the Executive Board therefore met the target of 25% that has been set by the Supervisory Board. The average age of the Executive Board members stood at 52 years at the end of the fiscal year 2020. The youngest member was 47 years old, with the oldest member aged 58. No Executive Board member is currently older than 63 years of age.

Jointly with the Executive Board and with the support of the Presiding Committee, the Supervisory Board conducts long-term succession planning for the Executive Board. In the process, the Supervisory Board considers the target it has defined for the proportion of women on the Executive Board and the criteria set out in the diversity concept it has approved for the Executive Board's composition as well as the requirements of the German Stock Corporation Act, the Code and the bylaws for the Supervisory Board.

Objectives for the composition of the Supervisory Board, Profile of Required Skills and Expertise, Diversity Concept

The diversity concept for the Supervisory Board, together with the objectives regarding the Supervisory Board's composition and the profile of required skills and expertise for the Supervisory Board, were approved by the Supervisory Board on November 9, 2020:

The Supervisory Board of Siemens Energy AG shall be composed so as to ensure that it is able to effectively monitor and advise the Executive Board.

- **Personality and integrity**

Each member shall have the personality and integrity needed to perform their duties properly. Supervisory Board 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 Supervisory Board 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 Supervisory Board should know and understand the main product groups, customer groups, and sales markets of the Company and its strategy.
- **Sufficient time**

Each member of the Supervisory Board must have sufficient time to exercise the mandate with the necessary regularity and diligence.
- **Limits on age**

In compliance with the age limit stipulated by the Supervisory Board in its bylaws, only individuals who are no older than 70 years of age shall, as a rule, be nominated for election to the Supervisory Board.
- **Limit restricting the number of terms on the Supervisory Board**

Nominations shall take into account that the Supervisory Board has resolved, as a rule, to limit membership on the Supervisory Board to three full terms of office. The Supervisory Board considers it important to regularly exchange its members, while at the same time maintaining continuity within the Board, as long-standing board membership ensures that significant experience and knowledge is acquired and promotes trustful cooperation within the Supervisory Board, and with the Executive Board.
- **Professional diversity**

With regard to the composition of the Supervisory Board, 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 Supervisory Board must be familiar with the sector in which the Company operates.

In acting in the interests of the Company, the Supervisory Board as a whole shall be able to include the interests of all relevant stakeholders such as employees, customers, investors, and the general public, and actively support organizational and technical change.

Technological competence shall be appropriately represented on the Supervisory Board; in addition, it shall also possess expertise in those areas that are considered essential in view of the activities of Siemens Energy, in particular in the areas of strategy, innovation, manufacturing and production, marketing and sales, corporate social responsibility, law, in particular corporate governance and compliance, and human resources.

It must be ensured that the Supervisory Board possesses the necessary financial competence; at least one member of the Supervisory Board shall have expertise in the fields of accounting or auditing, as well as specialist knowledge and experience in the application of accounting principles and internal control processes.

The Supervisory Board shall also include members who have leadership experience as senior executives or members of a supervisory board (or comparable body) at a major company with international operations.
- **Diversity**

With regard to the composition of the Supervisory Board, attention shall be paid to achieving sufficient diversity. This includes diversity in terms of cultural background and differences in educational and professional backgrounds, experience and ways of thinking, as well as the appropriate representation of the genders on the Supervisory Board as members. Pursuant to the German Stock Corporation Act, a Supervisory Board that is subject to co-determination must be made up of at least 30% women and at least 30% men. Until the statutory gender quota comes into force, the Supervisory Board has set a target of at least 30% for the proportion of women on the Supervisory Board. The Nominating Committee must include at least one female member.

- **Internationality**

Siemens Energy operates globally with a workforce stemming from numerous countries and global customer and supplier bases. Having this in mind, the Supervisory Board shall include an appropriate number of members possessing international experience, so as to ensure that there is intercultural openness and the corresponding understanding, as well as the ability to assess international issues and contexts.

- **Independence**

The Supervisory Board shall include an appropriate number of members representing the shareholders who are independent as determined by the shareholder representatives on the Supervisory Board. At least six shareholder representatives shall be independent of the Company and the Executive Board. Supervisory Board members shall not be members of governing bodies of, or exercise advisory functions at, significant competitors of the Company and shall not hold a personal relationship with a significant competitor. No more than two former members of the Executive Board of Siemens Energy AG shall belong to the Supervisory Board.

Implementation of the objectives regarding the Supervisory Board's composition as well as the profile of required skills and expertise and the diversity concept for the Supervisory Board; independent Supervisory Board members

In the process of selecting suitable candidates, the Nominating Committee of the Supervisory Board takes into account the objectives regarding the Supervisory Board's composition and the requirements defined in its diversity concept. The committee's recommendations to the Supervisory Board and the proposal of candidates for election as shareholder representatives to the general Shareholders' Meeting in 2021 take the defined targets and diversity concept into account and strive to fulfill the profile of skills and expertise.

When proposing new Supervisory Board members for election by the general Shareholders' Meeting, the Nomination Committee of the Supervisory Board will make sure that the candidates have sufficient time to perform their duties.

The Supervisory Board is of the opinion that, with its current composition, it meets the objectives for its composition and fulfills the profile of required skills and expertise as well as the diversity concept. The Supervisory Board members have the specialist and personal qualifications considered necessary. As a group, they are familiar with the sector in which the Company operates and have the knowledge, skills, and experience essential for Siemens Energy. A considerable number of Supervisory Board members are engaged in international activities and/or have many years of international experience. Appropriate consideration has been given to diversity in the Supervisory Board. As of September 30, 2020, the Supervisory Board was made up of four women (40%) and six men (60%). Geisha Williams is a member of the Nominating Committee.

The Supervisory Board is of the opinion that it also has an adequate number of independent members. In its assessment, there are currently at least seven Supervisory Board members who are independent within the meaning of the Code. The regulations establishing limits on age and restricting the number of terms on the Supervisory Board are complied with.

Members of the Executive Board and positions held by Executive Board members

In the fiscal year ended September 30, 2020, the **Executive Board** had the following members:

Name	Date of birth	First appointed	Term expires	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises	
				External positions (as of September 30, 2020)	Group company positions (as of September 30, 2020)
Dr.-Ing. Christian Bruch President and Chief Executive Officer	April 7, 1970	May 1, 2020	April 30, 2025	Positions outside Germany: • Lenzing AG, Austria ¹	
Dr.-Ing. Jochen Eickholt	January 26, 1962	April 1, 2020	September 30, 2023	Positions outside Germany: • EthosEnergy Group Ltd., U.K. (Deputy Chairman) • Voith Hydro GmbH & Co. KG, Austria (Deputy Chairman) ²	
Maria Ferraro	May 21, 1973	May 1, 2020	September 30, 2023		Positions outside Germany: • Siemens Gamesa Renewable Energy S.A., Spain ¹
Tim Holt	September 1, 1969	April 1, 2020	September 30, 2023	Positions outside Germany: • EthosEnergy Group Ltd., U.K. • Siemens Ltd., India ¹	Positions outside Germany: • Siemens Energy Ltd., Saudi Arabia • Siemens Gamesa Renewable Energy S.A., Spain ¹ • Siemens Energy WLL, Qatar
Martin Rohbogner ³ (until April 1, 2020)	April 27, 1978	August 9, 2019	April 1, 2020		
Wolfgang Seltmann ³ (until April 1, 2020)	July 18, 1963	August 9, 2019	April 1, 2020		German positions: ^{4,5} • evosoft GmbH Positions outside Germany: ^{4,5} • evosoft Kft, Hungary

¹ Listed company.

² Advisory Board.

³ Previously Managing Director of Kyros 52 GmbH (legal predecessor of Siemens Energy AG).

⁴ As of April 1, 2020.

⁵ Group company position as of April 1, 2020.

Members of the Supervisory Board and positions held by Supervisory Board members

In the fiscal year ended September 30, 2020, the Supervisory Board had the following members:

Name	Occupation	Date of birth	Member since	Term expires ¹	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2020)
Joe Kaeser Chairman	President and Chief Executive Officer of Siemens Aktiengesellschaft	June 23, 1957	September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Daimler AG, Stuttgart, Germany² • Mercedes-Benz AG, Stuttgart, Germany • Siemens Energy Management GmbH, Munich, Germany (Chairman) <p>Positions outside Germany:</p> <ul style="list-style-type: none"> • NXP Semiconductors N.V., Netherlands² • Siemens Ltd., India^{2,4}
Dr.-Ing. Hubert Lienhard Deputy Chairman	Member of the Supervisory Boards of various German enterprises	January 12, 1951	September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany² • Heraeus Holding GmbH, Hanau, Germany • Siemens Energy Management GmbH, Munich, Germany • SMS GmbH, Düsseldorf • SMS group GmbH, Düsseldorf • Voith GmbH & Co. KGaA, Heidenheim an der Brenz, Germany³
Dr. Christine Bortenlänger	Managing Director Deutsches Aktieninstitut e. V.	November 17, 1966	September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Covestro AG, Leverkusen, Germany² • Covestro Deutschland AG, Leverkusen, Germany • MTU Aero Engines AG, Munich, Germany² • Osram GmbH, Munich, Germany • Osram Licht AG, Munich, Germany² • Siemens Energy Management GmbH, Munich, Germany • TÜV Süd AG, Munich, Germany
Sigmar Gabriel	Former German federal minister, author, publicist	September 12, 1959	September 25, 2020	2021	<p>German positions:</p> <ul style="list-style-type: none"> • Deutsche Bank AG, Frankfurt am Main, Germany² • GP Günter Papenburg AG, Hanover, Germany • Siemens Energy Management GmbH, Munich, Germany
Steffen Großberger (until September 25, 2020)	Senior Manager of Shareholder Controlling Germany at Siemens Aktiengesellschaft	April 26, 1972	August 9, 2019	September 25, 2020	<p>German positions⁶:</p> <ul style="list-style-type: none"> • Kyros 51 Aktiengesellschaft, Munich, Germany⁴
Peter Kastenmeier Chairman (until September 25, 2020)	Head of Shareholder Controlling Germany at Siemens Aktiengesellschaft	September 26, 1960	August 9, 2019	September 25, 2020	<p>German positions⁶:</p> <ul style="list-style-type: none"> • Flender GmbH, Bocholt, Germany⁴ • Kyros 51 Aktiengesellschaft, Munich (Chairman), Germany⁴ • Maschinenfabrik Reinhausen GmbH, Regensburg, Germany⁴ • RISICOM Rückversicherung AG, Grünwald, Germany⁴ • Siemens Gas and Power Management GmbH, Munich, Germany^{4,7} • Siemens Logistics GmbH, Konstanz, Germany⁴

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Name	Occupation	Date of birth	Member since	Term expires ¹	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2020)
Hildegard Müller	President of the Verband der Automobilindustrie e.V.	June 29, 1967	September 25, 2020	2021	German positions: • Siemens Energy Management GmbH, Munich, Germany • Vonovia SE, Bochum, Germany ²
Laurence Mulliez	Chair of the Board of Directors of Voltalia SA and President of Globeleq Ltd.	February 6, 1966	September 25, 2020	2021	German positions: • Siemens Energy Management GmbH, Munich, Germany Positions outside Germany: • Globeleq Ltd., U.K. • Morgan Advanced Materials plc, U.K. ² • SBM Offshore N.V., Netherlands ² • Voltalia SA, France (Chairman) ²
Matthias Rebellius	Member of the Managing Board of Siemens Aktiengesellschaft ⁵ , CEO Siemens Smart Infrastructure and Chairman of Siemens Schweiz AG	January 2, 1965	September 25, 2020	2021	German positions: • Siemens Energy Management GmbH, Munich • Siemens Mobility GmbH, Munich, Germany ⁴ Positions outside Germany: • Siemens Ltd., Australia ⁴
Christian Schmid (until September 25, 2020)	Senior Manager of Shareholder Controlling Germany at Siemens Aktiengesellschaft	December 7, 1961	August 9, 2019	September 25, 2020	German positions ⁶ : • Kyros 51 Aktiengesellschaft, Munich, Germany ⁴
Prof. Dr. rer. pol. Ralf P. Thomas	Chief Financial Officer and member of the Managing Board of Siemens Aktiengesellschaft	March 7, 1961	September 25, 2020	2021	German positions: • Siemens Energy Management GmbH, Munich, Germany • Siemens Healthcare GmbH (Chairman), Munich, Germany ⁴ • Siemens Healthineers AG (Chairman), Munich, Germany ^{2,4} Positions outside Germany: • Siemens Proprietary Limited (Chairman), South Africa ⁴
Geisha Jimenez Williams	Independent Energy advisor and consultant	July 21, 1961	September 25, 2020	2021	German positions: • Siemens Energy Management GmbH, Munich, Germany Positions outside Germany: • Osmose Utility Services, Inc., U.S.A.
Randy Zwirn	Member of the Board of Directors at Babcock Power Inc.	February 11, 1954	September 25, 2020	2021	German positions: • Siemens Energy Management GmbH, Munich, Germany Positions outside Germany: • Babcock Power Inc., U.S.A.

¹ The term ends at the end of the ordinary general Shareholders' Meeting.

² Listed company.

³ Shareholders' Committee.

⁴ Siemens Aktiengesellschaft group company.

⁵ From October 1, 2020.

⁶ As of September 25, 2020.

⁷ Now Siemens Energy Management GmbH. Mr. Kastenmeier left the Supervisory Board on September 25, 2020.