

Dear Ladies and Gentlemen,

We are very thankful for the possibility to introduce our viewpoints in the dialogue you have invited us to participate in. As a German Issuer, we are predominantly speaking for the German market with its highly developed and specific standards regarding share issuance request proposals.

From our market perception, there is no particular need to reduce the applicable limit for general share issuances without preemptive rights from 20 percent to 10 percent in Germany, as there are no cases known to us where issuers have abused their authorizations to the disadvantage of their shareholders. As a general rule, issuers in Germany rely on § 186 para. 3 sentence 4 of the German Stock Corporation Act (AktG), where there is a clear legal limit of 10 percent for cash capital increases without preemptive rights. Should the existing, well balanced system be additionally burdened by different rules in the European Policy, there will be mismatches between the 10 percent proposed by ISS and the 10 percent as stated in the law, not least due to the fact that most issuers have various authorizations for different types of Authorized Capital and Conditional Capital (in Germany primarily used for the issuance of convertible and warrant bonds) in place that customarily are not proposed in one AGM but in different AGMs with different authorization periods applicable as a result.

One example may highlight this: in 2015 we exchanged bond with warrant units issued in 2012 under an authorization of 2010 in order to substitute warrants relating to Siemens and Osram shares with new warrants exclusively relating to Siemens shares under an authorization of 2015. Of course, the exchange was made without preemptive rights as only existing holders of the warrants were invited for the exchange. This successful exchange did not result in any material dilution of existing shareholders, as old warrants received under the exchange were cancelled. In addition, until now, we served all warrant exercises with our treasury stock and no new shares were issued.

Under German rules, the exchange did not affect our ability to legally raise 10% of new capital without preemptive rights under one of our existing authorizations. We have the strong impression that this would change under the new rules that you propose. We do not see a reason for this additional burden and restriction.

In addition, any new limit for issuances with preemptive rights would have to deal with the fact that – in our example – we have ca. 23 percent of Conditional Capital under the authorization of 2010 “outstanding” until 2020. We cannot use it anymore, as the authorization expired in 2015. The only use of the authorization was the bond with warrants issue in 2012 mentioned above and currently there are old warrants outstanding that relate to well above a million shares potentially out of this Conditional Capital. Should your new rules count such legacy Conditional Capital in the 50 percent ceiling, we would again face an additional restriction without any need for shareholder protection beyond the German legal system.

If you have any further questions, please do not hesitate to contact us.

With best regards,  
Tobias Hang

Siemens AG  
Governance & Markets  
Investor Relations  
GM IR 2

Werner-von-Siemens-Str. 1  
80333 Muenchen, Germany  
Tel.: +49 89 636-30639  
Mobile: +49 172 5744423  
<mailto:tobias.hang@siemens.com>  
[www.siemens.com/ingenuityforlife](http://www.siemens.com/ingenuityforlife)



SiemensAktiengesellschaft: Chairman of the Supervisory Board: Gerhard Cromme; Managing Board: Joe Kaeser, Chairman, President and Chief Executive Officer; Roland Busch, Lisa Davis, Klaus Helmrich, Janina Kugel, Cedrik Neike, Michael Sen, Ralf P. Thomas; Registered offices: Berlin and Munich, Germany; Commercial registries: Berlin Charlottenburg, HRB 12300, Munich, HRB 6684; WEEE-Reg.-No. DE 23691322