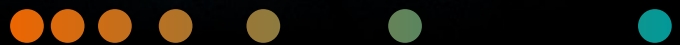


Compensation report 2021

[siemens-healthineers.com](https://www.siemens-healthineers.com)



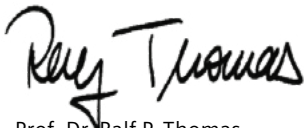
Compensation Report of Siemens Healthineers AG for Fiscal Year 2021

This Compensation Report describes the compensation awarded and due to each current and former member of the Managing Board and Supervisory Board of Siemens Healthineers AG in fiscal year 2021 in the period from October 1, 2020, through September 30, 2021. The report gives a detailed and personalized account of the structure and amount of the different components of Managing Board and Supervisory Board compensation. The Compensation Report has been prepared jointly by the Managing Board and Supervisory Board; it complies with the requirements of the German Stock Corporation Act (Aktiengesetz, AktG) (section 162 of the AktG) and meets the recommendations of the German Corporate Governance Code (GCGC). Clear, comprehensible, and transparent reporting is of great importance to both the Managing Board and the Supervisory Board. For this reason, Siemens Healthineers AG implemented the new requirements early on a voluntary basis and, in the year of initial implementation, further asked the independent auditors to conduct a material audit of the Compensation Report, above and beyond the legal requirements of section 162 (3) of the AktG. This Compensation Report will be submitted to the Annual Shareholders' Meeting for approval on February 15, 2022.

A detailed description of the compensation systems for the members of the Managing Board and Supervisory Board of Siemens Healthineers AG can be found on our website → www.siemens-healthineers.com/investor-relations/corporate-governance.

This document is an English language translation of the German document. In case of discrepancies, the German language document is the sole authoritative and universally valid version.

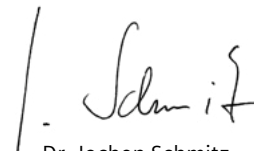
Munich, November 23, 2021



Prof. Dr. Ralf P. Thomas
Chairman of the Supervisory Board



Dr. Bernhard Montag
Chief Executive Officer



Dr. Jochen Schmitz
Chief Finance Officer

Contents

Compensation of the members of the Managing Board of Siemens Healthineers AG	04
Summary of Managing Board compensation in fiscal year 2021	06
Determination of the compensation for fiscal year 2021	09
Target compensation and compensation structure	09
Appropriateness of Managing Board compensation	10
Maximum compensation	11
Variable compensation in fiscal year 2021	11
Short-term variable compensation (bonus)	13
Long-term variable compensation (Siemens Healthineers Stock Awards)	16
Malus and clawback provisions	21
Share Ownership Guidelines	21
Pension benefit commitments	22
Compensation awarded and due in fiscal years 2021 and 2020	22
Compensation of former Managing Board members in fiscal years 2021 and 2020	23
Compensation of the members of the Supervisory Board of Siemens Healthineers AG	24
Compensation system of the Supervisory Board	24
Supervisory Board compensation in fiscal years 2021 and 2020	25
Multiyear overview: Information on the development of Managing Board and Supervisory Board compensation in relation to the compensation of the overall workforce and to the Company's earnings performance	26
Other	28
Independent auditor's report	29

Compensation of the members of the Managing Board of Siemens Healthineers AG

The compensation described below for the members of the Managing Board of Siemens Healthineers AG (hereinafter: Managing Board members) for fiscal year 2021 is based on the compensation system applicable since October 1, 2020, which was developed pursuant to section 87a (1) of the AktG and approved with a majority of 98.91 % by the Annual Shareholders' Meeting on February 12, 2021. Pursuant to section 120a (1) sentence 1 of the AktG, the Annual Shareholders' Meeting of a listed company resolves to approve the compensation system for the Managing Board members presented by the Supervisory Board each time there is a material amendment to the compensation system, but at least every four years, i.e., at the latest at the 2025 Annual Shareholders' Meeting. The compensation system applied to all active Managing Board members in fiscal year 2021. A full description of the compensation system for Managing Board members is accessible to the public at → www.siemens-healthineers.com/investor-relations/corporate-governance/managing-board-compensation.

Highlights of fiscal year 2021

Despite the ongoing COVID-19 pandemic and the associated global uncertainties and exceptional challenges, both the Managing Board and all employees worldwide contributed to making fiscal year 2021 to the most successful year since the IPO in 2018. The Company had raised the outlook three times in a row and ended the fiscal year with revenue at a record high of around €18 billion, a comparable increase of approximately 19% compared with the prior year. Adjusted basic earnings per share (EPS) of €2.03 (2020: €1.61) was also significantly higher. The share price performance reflected this positive business development and the closing price of €56.18 at the end of the fiscal year was around 50% higher than the prior-year level (2020: €38.30) and double the price since the IPO in March 2018. The inclusion in the DAX 40 index should also be mentioned in this context. In mid-August, the share price reached a record high and has since settled at a stable high level.

Key factors in this performance, alongside a consistent increase in revenue from COVID-19 antigen rapid tests (from €100 million in fiscal year 2020 to more than €1 billion in fiscal year 2021), were further market share gains contributing to record growth and the success in maintaining supply chains. Despite the ongoing COVID-19 pandemic, the Company has successfully ensured the medical care through its products and services and reliably maintained production and supply chains at times of high additional demand.

Another key factor was the combination with Varian Medical Systems, Inc. (hereinafter: Varian) in April 2021. As a result of the business combination with cancer specialist Varian – one of the biggest acquisitions in the industry – Siemens Healthineers has further expanded its position as a holistic partner in healthcare, thereby completing the Upgrading Phase of Siemens Healthineers Strategy 2025 ahead of the original schedule. In addition, we have worked with our colleagues at Varian to set our strategic course for the years ahead and are starting the new fiscal year as a healthcare company with enhanced relevance and a record order backlog.

Moreover, we were able to successfully drive forward our research and development: To mention just one example, the photon-counting computed tomography scanner, in connection with which the U.S. Food and Drug Administration (FDA) has been referred to as the "first significant new technology for computed tomography in nearly a decade". The fundamentally new detector technology can not only increase image quality, but also has the potential to reduce the radiation and dosage of contrast media for our patients.

The rollout of our holistic global Sustainability Program, including the Sustainability Report and our commitment to the Science Based Target initiative (SBTi), further demonstrates that we are sharpening our focus on sustainable actions.

Highlights of fiscal year 2021



Strategy and Managing Board compensation

As a global leader in medical technology, we want to contribute to mastering global healthcare challenges by providing innovative products and services. To this end, the Managing Board has defined Siemens Healthineers Strategy 2025, which pursues the strategic goal of addressing new growth opportunities and securing our market leadership beyond 2025. The Upgrading Phase specified for the fiscal years 2020 through 2022 was aimed at continuous growth in existing markets as well as entry into new markets. At the same time, comparable revenue growth in excess of 5% p.a. and an increase in adjusted basic earnings per share growth of around 10% p.a. should be achieved. Supported by the acquisitions of ECG, Corindus, and Varian as well as by the successful Core Business, the Company was able to achieve all key goals of the Upgrading Phase ahead of the original schedule.

The compensation system for the Managing Board shall incentivize the implementation of the Company strategy as well as the value-creating, long-term development of the Company, while at the same time avoiding disproportionate risks. To this end, it shall provide the right incentives for increasing earnings and revenue growth as well as other relevant strategic topics aimed at the Company's sustainable development.

Compensation in fiscal year 2021

Since the Managing Board compensation is closely linked to the Company's success, the outstanding performance achieved in the fiscal year is directly reflected in the compensation of our Managing Board members. In accordance with the strong pay-for-performance principle anchored in the compensation system, extraordinary performance should be adequately rewarded and falling short of targets should lead to a noticeable reduction in compensation. This most successful year for Siemens Healthineers is therefore reflected in the Managing Board compensation – the integration of Varian had been set as one of the targets for the short-term variable compensation. Growth and the creation of value for our shareholders – measured in terms of adjusted basic EPS – were further key targets. Moreover, efforts undertaken in terms of environmental, social, and governance aspects were included in a number of sustainability targets for both short-term and long-term variable compensation. Due to the additional focus on sustainability, Managing Board compensation is even more closely aligned with the interests of our shareholders and stakeholders.

Changes in the compensation of the Managing Board and Supervisory Board

On February 1, 2021, Darleen Caron was appointed as Managing Board member and Chief Human Resources Officer. In the course of her appointment, the Managing Board was extended from three to four members. We are extremely pleased that Darleen Caron is further strengthening our management team. She is a global leader with over 30 years of international human resources experience at publicly listed companies in the industrial and service sectors. In the view of the Supervisory Board, her extensive experience in encouraging organizational and cultural change to support dynamic growth strategies make hers an excellent fit. During her first few months, she already gave fresh impetus to her area of responsibility, human resources, and thereby also to the team of Siemens Healthineers, and was significantly involved in shaping the New Ambition strategy.

Peer M. Schatz was elected to the Supervisory Board as an independent shareholder representative with effect from March 23, 2021. He is one of the world's most distinguished managers in the diagnostics sector. With his many years of sound international experience, he will make a particular contribution and complement the Supervisory Board's skills base. We are therefore very pleased that Peer M. Schatz will further strengthen our Supervisory Board and increase the number of independent Supervisory Board members at the same time.

Dr. Marion Helmes took over as Chair of the Audit Committee from Dr. Andreas C. Hoffmann on September 28, 2021. Dr. Helmes has been an independent member of the Supervisory Board and its Audit Committee since the Company's IPO in 2018.

Summary of Managing Board compensation in fiscal year 2021

Compensation of Managing Board members consists of fixed and variable compensation components. Fixed compensation, which is non-performance-based, comprises the base salary, fringe benefits, and pension benefit commitments. The performance-based and, therefore, variable compensation comprises the short-term variable compensation (bonus) and the long-term variable compensation (Siemens Healthineers Stock Awards). Malus and clawback provisions are in place for the variable compensation. Moreover, the annual total compensation of Managing Board members is limited to a maximum compensation.

In addition, the Share Ownership Guidelines form an integral supplemental part of the compensation system. They require the Managing Board members during their membership of the Board to permanently hold a specified multiple of their average annual base salary paid over the last four years in Siemens Healthineers shares and to purchase additional shares in the event that the value of their shares falls below the specified amount for which documentation has to be provided. Compliance with the Share Ownership Guidelines will be reviewed in March 2022 for the first time.

Moreover, the Managing Board compensation system is complemented by appropriate, market-related commitments in connection with the start and end of Board membership.

The graphic below provides an overview of the key components of the Managing Board compensation system, the underlying targets including their relevance to the strategy, as well as their specific structure in fiscal year 2021.

Fixed compensation components

	Base salary	Fringe benefits	Pension benefit commitment
Strategy linkage	<ul style="list-style-type: none"> Ensures an appropriate basic income to attract and retain the loyalty of qualified Managing Board members while avoiding inappropriate risk exposure Reflects the role, experience, and area of responsibility on the Managing Board as well as market conditions 	<ul style="list-style-type: none"> Awarding of market-related fringe benefits and (partial) assumption of costs that are directly related to and boost Managing Board work 	<ul style="list-style-type: none"> Building up and securing adequate post-employment benefits as part of a competitive compensation
Structure in the compensation system	<ul style="list-style-type: none"> Fixed contractually agreed compensation paid in 12 monthly installments 	<ul style="list-style-type: none"> Contractual commitment to (some of the) assumed costs and non-cash benefits and awarding of other fringe benefits, such as <ul style="list-style-type: none"> Expenses for the provision of a company car Contributions to insurance costs Regular preventive medical checkups Housing and relocation costs Tax advisory expenses 	<ul style="list-style-type: none"> In principle, annual addition of a fixed amount to the Siemens Healthineers contribution-based Siemens pension scheme (Siemens Healthineers BSAV) or, in special exceptional circumstances, provision of a fixed amount that can be used at the member's own discretion Commitment at the beginning of the fiscal year Credit or payout in January of the subsequent fiscal year Entitlement to benefits under the Siemens Healthineers BSAV upon reaching the age of 65, or earlier upon request Payout of Siemens Healthineers BSAV generally in 12 annual installments; other payment options are possible on request
Application for 2021	<ul style="list-style-type: none"> The annual base salary was paid in monthly installments 	<ul style="list-style-type: none"> Assumption of costs of non-cash and fringe benefits depending on benefits enjoyed 	<ul style="list-style-type: none"> Annual contribution to the Siemens Healthineers BSAV for Chief Executive Officer Dr. Bernhard Montag and Managing Board members Dr. Jochen Schmitz and Dr. Christoph Zindel For Darleen Caron, an annual fixed amount which can be used at her own discretion Credit or payout in January 2022

Variable compensation components

	Short-term variable compensation (bonus)	Long-term variable compensation (Siemens Healthineers Stock Awards)
Strategy linkage	<ul style="list-style-type: none"> Provides an incentive to meet (financial and non-financial) company targets for the respective fiscal year Takes account of the contribution made to implementing the Company strategy and therefore the continuous and sustainable development of the Company as well as the specific individual challenges of each Managing Board member 	<ul style="list-style-type: none"> Provides an incentive to increase the Company's performance relative to competitors on a long-term and sustainable basis Links the interests of the Managing Board members to those of shareholders and stakeholders by promoting attractive and sustainable value creation as well as long-term sustainability targets
Structure in the compensation system	<ul style="list-style-type: none"> Plan type: Annual bonus based on a target amount Performance corridor: 0% to 200% of the target amount Performance criteria: <ul style="list-style-type: none"> 2/3 Company performance (2–3 equally weighted KPIs) 1/3 individual performance (2–4 equally weighted KPIs) Performance corridor per KPI: 0% to 200% Payout: In cash in the subsequent fiscal year Annual target amount corresponds to around 40% of the variable compensation 	<ul style="list-style-type: none"> Plan type: Performance Share Plan Performance corridor: 0% to 200% of the target amount (cap on number of shares) and 300% of the target amount (absolute payout cap) Performance criteria: <ul style="list-style-type: none"> 80% total shareholder return (TSR) relative to the two equally weighted indices, MSCI World Health Care and MSCI Europe Health Care Equipment & Services 20% sustainability, measured on the basis of 2–3 environmental, social, and governance (ESG) KPIs Performance corridor per KPI: 0% to 200% Vesting period: 4 years Payout: Generally, in the form of shares Annual target amount corresponds to around 60% of the variable compensation
Application for 2021	<ul style="list-style-type: none"> Performance criteria: <ul style="list-style-type: none"> 1/3 adjusted basic earnings per share (without major currency and portfolio effects) in the past fiscal year 1/3 comparable revenue growth 1/3 four individual targets for each Managing Board member 	<ul style="list-style-type: none"> 2021 tranche of Siemens Healthineers Stock Awards Allocation date: November 13, 2020 Performance criteria: <ul style="list-style-type: none"> 80% total shareholder return (TSR) relative to the two equally weighted indices, MSCI World Health Care and MSCI Europe Health Care Equipment & Services 20% sustainability, measured against three equally weighted ESG KPIs: <ol style="list-style-type: none"> Access to healthcare Reduction of carbon emissions Improvement of gender balance

Further key components of the compensation system

	Maximum compensation	Share Ownership Guidelines	Malus and clawback
Strategy linkage	<ul style="list-style-type: none"> Prevents inappropriately high payouts 	<ul style="list-style-type: none"> Strengthens the shareholder culture and encourages Managing Board members to identify with the Company Promotes alignment of Managing Board and shareholder interests and incentivizes sustainable value creation for the Company 	<ul style="list-style-type: none"> Reinforces incentives to meet material obligations and compliance requirements by avoiding inappropriate behavior and inappropriate risks
Structure in the compensation system	<ul style="list-style-type: none"> The maximum compensation per year is capped at: <ul style="list-style-type: none"> Chief Executive Officer: €9,700,000 Ordinary Managing Board member: €6,100,000 	<ul style="list-style-type: none"> Managing Board members are obligated to permanently hold Siemens Healthineers shares worth a multiple of their average annual base salary over the last four years prior to the fulfillment date: <ul style="list-style-type: none"> Chief Executive Officer: 250 % Managing Board member: 200 % 4-year build-up phase, afterwards annual reviews Fulfillment date: March of each year If the value of the shares held falls below the amount that must be proven to be held, due to a decline in the share price, the Managing Board member must acquire additional shares on their own initiative 	<ul style="list-style-type: none"> In the event of serious breaches of duty or violation of compliance rules during the performance period and/or in the event of a willful or grossly negligent breach of the duty of care, the Supervisory Board has the right to reduce in whole or in parts (down to zero if necessary) and/or claw back variable compensation (bonus and/or Siemens Healthineers Stock Awards) If compensation is clawed back, Managing Board members have to repay the appropriate net amount
Application for 2021	<ul style="list-style-type: none"> The maximum compensation for fiscal year 2021 is capped at: <ul style="list-style-type: none"> Chief Executive Officer: €9,700,000 Ordinary Managing Board member: €6,100,000 	<ul style="list-style-type: none"> First compliance review will take place in March 2022 for Dr. Bernhard Montag and Dr. Jochen Schmitz 	<ul style="list-style-type: none"> Not applied in fiscal year 2021

Further key components of the compensation system

	Commitment in the event of the start of employment	Commitment in the event of the termination of employment	Offsetting of compensation for secondary activities
Strategy linkage	<ul style="list-style-type: none"> Reimbursement of compensation forfeited at the previous employer to attract qualified Managing Board members and ensure competitive compensation 	<ul style="list-style-type: none"> Establishment of an upper limit for termination benefits in the event of a premature termination of the Managing Board activities to avoid inappropriately high severance payments 	<ul style="list-style-type: none"> Offsetting of compensation for secondary activities to ensure that neither the time spent nor the compensation received for the secondary activities conflicts with the duties for Siemens Healthineers AG
Structure in the compensation system	<ul style="list-style-type: none"> If compensation from a previous employer is forfeited due to the transfer to Siemens Healthineers AG (e.g., long-term variable compensation or pension benefits), the Supervisory Board can promise compensation in the form of (normally Phantom) Siemens Healthineers Stock Awards, pension commitments under the Siemens Healthineers BSAV, or cash payments 	<ul style="list-style-type: none"> Termination by mutual agreement: severance payment limited to remaining term of the service agreement, up to a maximum of two years of annual compensation (severance payment cap); payable in the month of departure Premature termination upon the Managing Board member's request/serious cause for the Company to terminate: no severance payment is paid and outstanding Siemens Healthineers Stock Awards allocated are forfeited without replacement 	<ul style="list-style-type: none"> Compensation for an intra-group supervisory board membership is set off against the Managing Board compensation For external supervisory board memberships, the Supervisory Board will take a case-by-case decision at its duty-bound discretion as to whether and to what extent compensation is to be set off (max. 2 external appointments)
Application for 2021	<ul style="list-style-type: none"> Not applied in fiscal year 2021 	<ul style="list-style-type: none"> Not applied in fiscal year 2021 	<ul style="list-style-type: none"> Not applied in fiscal year 2021

In exceptional cases, the Supervisory Board of Siemens Healthineers AG (hereinafter: Supervisory Board) may temporarily deviate from individual components of the compensation system for Managing Board members, if this is in the interest of the Company's long-term wellbeing. This option was not exercised in fiscal year 2021.

Determination of compensation for fiscal year 2021

Target compensation and compensation structure

In accordance with the compensation system, at the beginning of the fiscal year, the Supervisory Board, on the recommendation of the Chairman's Committee of the Supervisory Board, specified the target compensation for each Managing Board member for fiscal year 2021, as shown in the table below. In doing so, it ensured that the total target compensation is commensurate with the responsibilities and performance of the respective Managing Board member. In addition, the Supervisory Board took particular account of the financial situation, market environment, success, and future prospects of the Company and paid special attention to ensuring that the total target compensation is in line with the market.

The compensation of the Managing Board of Siemens Healthineers AG predominantly consists of fixed and variable compensation components. Total target compensation represents an intended amount of compensation that will apply if all predefined targets are met and is thereby meant to provide incentives for strong company performance as well as collective and individual performance. Since most of the compensation is variable, failure to meet the pre-defined targets will lead to a significant reduction in total compensation. If these targets are, however, overachieved, the compensation may be increased, although this is capped at the contractually agreed maximum compensation. The proportion of long-term variable compensation exceeds that of short-term variable compensation. The proportion of total variable compensation in the total target compensation will be higher than of fixed compensation. As a result, the compensation of the Managing Board is aligned with the long-term sustainable development of the Company.

In fiscal year 2021, the total target compensation consisted of the following components:

Total target compensation for the Managing Board in fiscal year 2021

Fixed compensation	Base salary	Siemens Healthineers Stock Awards will always account for the majority of the total variable compensation.
	Fringe benefits	
	Pension benefit commitment	
Variable compensation	Bonus	
	Siemens Healthineers Stock Awards	

In defining the absolute amount of target compensation as well as its structure, the Supervisory Board took into account each Managing Board member's function and therefore also the different requirements of the respective Managing Board function accordingly. In this context, in accordance with the requirements of the German Stock Corporation Act and recommendations of the GCGC, it ensured that the variable compensation exceeds the fixed compensation and has a long-term focus. The long-term variable compensation always exceeds short-term variable compensation, thereby putting the focus on the long-term and sustainable development of Siemens Healthineers without disregarding the annual operational targets. The ratio between fixed and variable compensation components and their respective relative share of total compensation are not defined exactly and may vary due to functional differentiation.

The Supervisory Board has differentiated the compensation of the Managing Board members on the basis of their individual functions. The amount of total target compensation was differentiated for the function of Chief Executive Officer (Dr. Bernhard Montag) and Chief Financial Officer (Dr. Jochen Schmitz) in all compensation components.

As Darleen Caron was appointed to the Managing Board as of February 1, 2021, and therefore during the course of the fiscal year, her compensation has been on a pro rata temporis basis.

The table below shows the contractually agreed target compensation and the compensation structure as percentages of total target compensation for fiscal year 2021. The compensation structure shown for the target compensation granted in fiscal year 2021 is in accordance with the compensation structure specified in the applicable compensation system pursuant to section 87a (1) no. 3 of the AktG.

Target compensation of the Managing Board members (amounts in tsd. € or in % of total target compensation)										
Current Managing Board members			Fixed compensation				Variable compensation			Total target compensation
			Base Salary	Fringe benefits	Pension benefit commitment ¹	Total	Bonus for the fiscal year	Siemens Healthineers Stock Awards Tranche 2021	Total	
Dr. Bernhard Montag Chief Executive Officer since March 1, 2018	2021	in tsd. €	1,380	23	494	1,897	980	1,640	2,620	4,517
		in %	31%	0%	11%	42%	22%	36%	58%	100%
	2020	in tsd. €	1,050	58	505	1,613	775	1,235	2,010	3,623
		in %	29%	2%	14%	45%	21%	34%	55%	100%
Dr. Jochen Schmitz Chief Finance Officer since March 1, 2018	2021	in tsd. €	860	20	342	1,222	640	1,000	1,640	2,862
		in %	30%	1%	12%	43%	22%	35%	57%	100%
	2020	in tsd. €	735	31	348	1,114	548	870	1,418	2,532
		in %	29%	1%	14%	44%	22%	34%	56%	100%
Dr. Christoph Zindel Member of the Managing Board since October 1, 2019	2021	in tsd. €	735	17	267	1,018	525	840	1,365	2,383
		in %	31%	1%	11%	43%	22%	35%	57%	100%
	2020	in tsd. €	600	35	267	902	380	550	930	1,832
		in %	33%	2%	14%	49%	21%	30%	51%	100%
Darleen Caron ² Chief Human Resources Officer since February 1, 2021	2021	in tsd. €	490	69	213	772	350	560	910	1,682
		in %	29%	4%	13%	46%	21%	33%	54%	100%
	2020	in tsd. €	–	–	–	–	–	–	–	–
		in %	–	–	–	–	–	–	–	–

¹ Corresponds to the service cost of the Siemens Healthineers BSAV or, for Darleen Caron, the fixed cash amount which can be used at her own discretion. Darleen Caron does not participate in the Siemens Healthineers BSAV and instead receives a fixed cash amount to use at her own discretion.

² Since Darleen Caron was appointed to the Managing Board as of February 1, 2021, her compensation is on a pro rata temporis basis.

Appropriateness of Managing Board compensation

In accordance with the compensation system, the Supervisory Board conducts a regular review to establish whether the Managing Board compensation is in line with the market, which is always done on the basis of a horizontal and vertical comparison.

The horizontal assessment of whether the compensation is appropriate is conducted on the basis of a comparison with the 90 largest DAX or MDAX listed German companies. Although, due to its market capitalization, Siemens Healthineers AG was listed in the MDAX for virtually the entire fiscal year 2021, it is appropriate to use the companies listed on the DAX as an additional benchmark due to the size (e.g., in terms of number of employees and revenue) and complexity of the Company. Moreover, Siemens Healthineers AG has been listed in the DAX as of September 20, 2021. In addition, as part of the vertical assessment of the Managing Board compensation, the Supervisory Board takes account of the development of the Managing Board compensation as compared with the compensation of senior management (senior leaders as defined in section 5 (3) of the German Works Constitution Act (Betriebsverfassungsgesetz, BetrVG)), non-senior management (non-tariff employees), and the overall workforce of companies affiliated with Siemens Healthineers AG (hereinafter: Siemens Healthineers Group) in Germany as a whole in order to base the analysis on a benchmark group that is as broad as possible beyond Siemens Healthineers AG. In addition to the status quo analysis, the vertical comparison also takes the development of compensation ratios over time into account.

The assessment of the appropriateness of Managing Board compensation conducted as part of the revision of the compensation system in fiscal year 2020 revealed that the compensation of all Managing Board members in office on October 1, 2019, was below market. As a result of the appropriateness assessment, the compensation of the Managing Board was raised to a market-related level as of the beginning of fiscal year 2021 effective October 1, 2020.

While the 90 largest DAX or MDAX listed German companies are used to assess the appropriateness of the compensation, the relative performance measurement within the long-term variable compensation is measured on the basis of the two indices MSCI World Health Care and MSCI Europe Health Care Equipment & Services. These two indices have been selected to best represent the key markets, competitors, and areas of operation of Siemens Healthineers AG. The MSCI World Health Care index includes a large number of companies across the entire health care and medical technology sector and covers the globally relevant markets, including in particular the U.S.A. and Asia. The MSCI Europe Health Care Equipment & Services index takes account in particular of the field of medical technology devices and related services and emphasizes the importance of the European region at the same time.

Maximum compensation

In addition to limiting the respective variable compensation components (bonus and Siemens Healthineers Stock Awards), the Supervisory Board has embedded an annual maximum compensation in the compensation system pursuant to section 87a (1) sentence 2 no. 1 of the AktG which covers all fixed and variable compensation components. The maximum compensation for the respective Managing Board member corresponds to the maximum numerical cap and therefore to the highest possible actual payout that can be received for the relevant fiscal year. As a consequence, the final value of compensation paid for a particular fiscal year can only be determined once the Siemens Healthineers Stock Awards tranche conditionally allocated for the fiscal year has expired. For fiscal year 2021, the final review will be conducted when the 2021 tranche of the Siemens Healthineers Stock Awards is transferred at the end of the vesting period in November 2024. If the specified maximum compensation has been exceeded, a number of Siemens Healthineers Stock Awards corresponding to the amount by which the maximum is exceeded will be forfeited without replacement.

The maximum compensation applicable for fiscal year 2021 is €9,700,000 for the Chief Executive Officer and €6,100,000 for ordinary Managing Board members. Compliance with the maximum compensation for fiscal year 2021 will be reported in the Compensation Report for fiscal year 2025.

Maximum compensation (caps on variable compensation and maximum compensation)

Compensation element	Cap
Short-term variable compensation (bonus)	200% of the target amount
Long-term variable compensation (Siemens Healthineers Stock Awards)	200% of the target amount (cap on number of shares ¹) and/or 300% of the target amount (absolute payout cap ²)
Maximum compensation	Chief Executive Officer: €9,700,000 Ordinary Managing Board member: €6,100,000

¹ The final number of Siemens Healthineers Stock Awards can be up to a maximum of 200% of the originally conditionally allocated Siemens Healthineers Stock Awards.

² The actual amount, defined as the final number of Siemens Healthineers shares, multiplied by the Xetra closing price of Siemens Healthineers shares at the end of the vesting period, must not exceed 300% of the original target amount.

Variable compensation in fiscal year 2021

Variable compensation accounts for a large portion of the total compensation of Managing Board members. It has the following two components: (1) short-term variable compensation (bonus) and (2) long-term variable compensation (Siemens Healthineers Stock Awards). They are linked to the performance of the Managing Board and intended to incentivize the implementation of the Company strategy as well as the value-creating, long-term development of the Company, while at the same time avoiding disproportionate risks.

The performance criteria and key performance indicators (KPIs) applied in fiscal year 2021 for measuring performance within the framework of variable compensation are in line with the Company's strategy, have been derived from the Company's strategic objectives and operational performance indicators, and are consistent with the relevant compensation system. Essentially, the performance criteria measure core strategic topics of significance and, in accordance with social responsibility Siemens Healthineers, also include sustainability as a performance criterion.

An overview of the performance criteria and KPIs relevant for fiscal year 2021 as well as a presentation of how they foster the Company's long-term development are shown in the table below:

Variable compensation in fiscal year 2021

	Performance criterion	KPI	Bonus	Siemens Healthineers Stock Awards	Strategy linkage
Financial targets	Earnings	Adjusted basic earnings per share (without major currency and portfolio effects) ¹	✓		Adjusted basic earnings per share present the adjusted net income attributable to the shareholders of Siemens Healthineers AG and incentivize sustainable profitability, in particular by focusing on profitable growth. This KPI reflects the Company's holistic performance, which makes it an essential key performance indicator of Siemens Healthineers. For the purpose of measuring compensation, adjustments are also made for major currency and major portfolio effects against budget.
	Revenue growth	Comparable revenue growth ²	✓		A core element of our strategy is to further accelerate profitable growth. Growth is to be achieved both by strengthening the existing Core Business and sharpening its strategic focus on adjacent growth areas.
	Long-term value creation	Total shareholder return (TSR)		✓	Total shareholder return relative to the two equally weighted indices, MSCI World Health Care and MSCI Europe Health Care Equipment & Services, reflects the overall value creation for our shareholders in the form of share price increases and dividends earned. Siemens Healthineers AG wants to be an attractive capital investment for its investors and therefore incentivize above-average capital market performance. For this reason, total shareholder return is a benchmark for the sustainable increase in company value.
Non-financial targets	Implementation of the Company strategy	Various individual targets	✓		The individual targets focus primarily on short- and medium-term measures to implement the company strategy in order to ensure the Company's long-term development. They enable a focus on the strategic and operational challenges relevant for the fiscal year for each Managing Board member, depending on their respective responsibility. In fiscal year 2021, the individual targets were aimed at the operational aspects of implementing the Company strategy, in particular the business development, implementation of portfolio measures, and the implementation of important strategic targets.
	Sustainability	Various individual targets	✓		Sustainable actions are an integral part of our strategy and ensure the future viability of the Company from a social and economic perspective. To support the Company's sustainable development, Siemens Healthineers also sets sustainability targets; in fiscal year 2021 they related in particular to employee satisfaction and succession planning.
		ESG KPIs		✓	Social responsibility is a key element of our business activity; it is an integral part of our main internal processes. For this reason, the ESG KPIs take the impact of our business activities on social and environmental matters into account. As a global leader in medical technology, our innovative products and services help to address some of the most challenging issues worldwide: 1. enhancing quality of life by creating better access to healthcare 2. fostering a healthy environment by reducing carbon emissions, and 3. promoting diversity and integration by improving the gender balance.

¹ Adjusted basic earnings per share are defined as basic earnings per share, adjusted for expenses for mergers, acquisitions, disposals, and other portfolio-related measures, in particular amortization, depreciation, and other effects from IFRS 3, purchase price allocation adjustments, transaction, integration, retention, and carve-out costs, and gains and losses from divestments as well as severance charges, net after tax. For the purpose of measuring compensation, adjustments are also made for major currency and major portfolio effects against budget.

² Comparable revenue growth shows the development of the adjusted revenue, net of currency translation effects, which are beyond the control of Siemens Healthineers and portfolio effects, which involve business activities that are either new to our business or no longer a part of it. In this context, the revenue of Siemens Healthineers corresponds to the consolidated revenue as reported in the consolidated statement of income, adjusted for additional effects from the remeasurement of contract liabilities under IFRS 3 purchase price allocations.

The Supervisory Board is responsible for ensuring that the targets set for the variable compensation are demanding and ambitious. If the targets are not met, variable compensation can be as low as zero and therefore be canceled altogether. If the targets are significantly overachieved, target achievement is capped at 200% for short-term variable compensation and 300% for long-term variable compensation.

Short-term variable compensation (bonus)

The short-term variable compensation (bonus) rewards the contribution toward the operational implementation of the Company strategy made in the fiscal year and thus to the Company's long-term development. In this context, the bonus takes account of the Company's financial performance in the past fiscal year (company performance) and the specific individual challenges of each Managing Board member (individual performance). Company performance is measured exclusively on the basis of financial KPIs. Individual performance is always measured using non-financial, qualitative performance criteria.

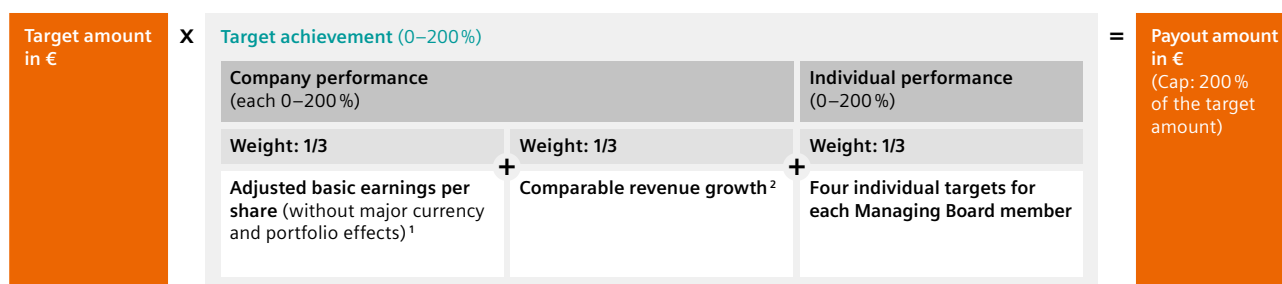
Two thirds of the bonus are based on the Company's financial performance and one third on the Managing Board member's individual performance.

- **Company performance** takes account of the Managing Board's overall responsibility and measures the performance of Siemens Healthineers AG as a whole. The main focus here is on the short-term measures for the operational implementation of the Company strategy, including in particular boosting earnings performance and promoting the Company's growth.
- **Individual performance** enables a differentiation to be made depending on the respective responsibility and the specific strategic and operational challenges of each Managing Board member. By setting two to four individual targets for each Managing Board member, the Supervisory Board sets incentives for strategic relevance topics aimed at the sustainable development of the Company. The individual targets are based in particular on the operational aspects of implementing the Company's strategy, for example the implementation of major merger and acquisition projects or continuous business development, as well as on sustainability aspects, such as employee and customer satisfaction.

Depending on the strategic focus applicable for the fiscal year and the responsibilities of the individual Managing Board members, the Supervisory Board sets performance criteria and ambitious operations targets (KPIs) on an annual basis.

In fiscal year 2021, the bonus was structured as follows:

Structure of the bonus



¹ Adjusted basic earnings per share are defined as basic earnings per share, adjusted for expenses for mergers, acquisitions, disposals, and other portfolio-related measures, in particular amortization, depreciation, and other effects from IFRS 3, purchase price allocation adjustments, transaction, integration, retention, and carve-out costs, and gains and losses from divestments as well as severance charges, net after tax. For the purpose of measuring compensation, adjustments are also made for major currency and major portfolio effects against budget.

² Comparable revenue growth shows the development of the adjusted revenue, net of currency translation effects, which are beyond the control of Siemens Healthineers and portfolio effects, which involve business activities that are either new to our business or no longer a part of it. In this context, the revenue of Siemens Healthineers corresponds to the consolidated revenue as reported in the consolidated statement of income, adjusted for additional effects from the remeasurement of contract liabilities under IFRS 3 purchase price allocations.

Company performance

For fiscal year 2021, the Supervisory Board has defined two equally weighted performance criteria for measuring the company performance for all Managing Board members: "earnings", measured on the basis of adjusted basic earnings per share (without major currency and portfolio effects) and "revenue growth", measured on the basis of comparable revenue growth. Target achievement for each KPI can be between 0% and 200%.

The Supervisory Board uses the adjusted basic earnings per share because it is a key financial performance indicator of Siemens Healthineers, which reflects the Company’s holistic performance and is used to manage performance at the company level. It presents the adjusted net income attributable to the shareholders and incentivizes sustainable profitability. Adjusted basic earnings per share are defined as basic earnings per share, adjusted for expenses for mergers, acquisitions, disposals, and other portfolio-related measures, in particular amortization, depreciation, and other effects from IFRS 3, purchase price allocation adjustments, transaction, integration, retention, and carve-out costs, and gains and losses from divestments as well as severance charges, net after tax. For the purpose of measuring compensation, adjustments are also made for major currency and major portfolio effects against budget.

Another core element of the Siemens Healthineers strategy is accelerated profitable growth. Growth is to be achieved both by strengthening its existing Core Business and sharpening its strategic focus on adjacent growth areas. For this reason, the Supervisory Board uses comparable revenue growth as an additional KPI to manage and monitor growth in adjusted revenue of the segments and of Siemens Healthineers as a whole. Comparable revenue growth shows the development of the adjusted revenue, net of currency translation effects, which are beyond the control of Siemens Healthineers and portfolio effects, which involve business activities that are either new to our business or no longer a part of it. In this context, the revenue of Siemens Healthineers corresponds to the consolidated revenue as reported in the consolidated statement of income, adjusted for additional effects from the remeasurement of contract liabilities under IFRS 3 purchase price allocations.

Individual performance

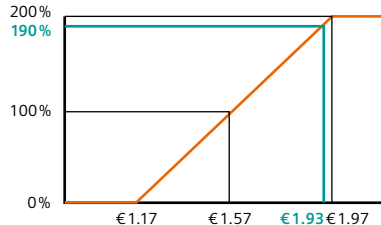
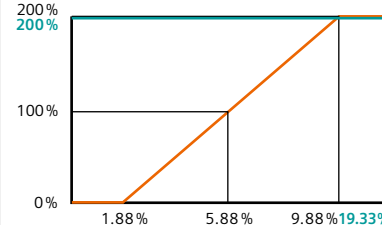
For fiscal year 2021, the Supervisory Board defined four equally weighted individual targets for each Managing Board member, selected from the performance criteria of “sustainability” and “implementation of the Company strategy”. Target achievement can be between 0% and 200%. In fiscal year 2021, they are aimed in particular at the integration of Varian, the continued enhancement of business, driving the Upgrading strategy, as well as employee development and employee satisfaction. The individual targets set for each Managing Board member are listed in the table below:

Individual targets fiscal year 2021			
Current Managing Board members	KPI	Specific Target	Target achievement
Dr. Bernhard Montag Chief Executive Officer since March 1, 2018	Implementation of portfolio measures	Integration of Varian	140 %
	Implementation of other strategic targets	Drive the Upgrading strategy and the ECG integration	
	Business development	Further development of Laboratory Diagnostics	
	Employee satisfaction	Maintain a high level of employee engagement	
Dr. Jochen Schmitz Chief Finance Officer since March 1, 2018	Implementation of portfolio measures	Integration of Varian	150 %
	Implementation of other strategic targets	Foster free cash flow generation	
	Business development	Further development of Laboratory Diagnostics	
Dr. Christoph Zindel Member of the Managing Board since October 1, 2019	Optimization/Efficiency improvement	Drive productivity mindset	100 %
	Implementation of portfolio measures	Integration of Corindus	
	Implementation of other strategic targets	Drive the Upgrading strategy	
	Business development	Further development of the Ultrasound business	
Darleen Caron Chief Human Resources Officer since February 1, 2021	Implementation of other sustainability targets	Implementation and execution of the sustainability project	120 %
	Implementation of portfolio measures	Integration of Varian	
	Implementation of other strategic targets	Drive main strategic HR projects	
	Employee satisfaction	Maintain a high level of employee engagement	
	Succession planning	Revision of the concept for the continuous development of managers	

Determination of the target achievement

Target achievement for the financial KPIs and individual targets is determined by the Supervisory Board on the recommendation of the Chairman's Committee and combined into a weighted average after the end of the fiscal year. In this process, target achievement for the financial KPIs is determined on the basis of the performance corridors defined at the beginning of the fiscal year. For the individual targets, the Supervisory Board specifies a level of target achievement for each Managing Board member. To this end, the Supervisory Board obtains a presentation on the target achievement from the departments, on the basis of which it makes a decision on the target achievement of each Managing Board member after careful consideration following the recommendation of the Chairman's Committee of the Supervisory Board. The percentage of weighted target achievement, multiplied by the individual target amount, produces the amount to be paid out for the fiscal year just ended. The bonus to be paid out is capped at 200% of the target amount; it is paid in cash together with the regular compensation at the end of February of the following fiscal year at the latest.

Structure of the bonus

Target amount in tsd. €				
Dr. Bernhard Montag €980	Dr. Jochen Schmitz €640	Dr. Christoph Zindel €525	Darleen Caron ¹ €350	
X				
Company performance		Individual performance		
Weight: 1/3	Weight: 1/3	Weight: 1/3		
Adjusted basic earnings per share (without major currency and portfolio effects) ² Target achievement in %  Adjusted basic earnings per share (without major currency and portfolio effects) in € Target achievement: 190%	+	Comparable revenue growth³ Target achievement in %  Comparable revenue growth in % Target achievement: 200%	+	Individual targets (For details see table "Individual targets for fiscal year 2021") <ul style="list-style-type: none"> • Dr. Bernhard Montag 140% • Dr. Jochen Schmitz 150% • Dr. Christoph Zindel 100% • Darleen Caron 120% Target achievement: 100%–150%
=				
Payout amount in tsd. €				
Dr. Bernhard Montag €1,731	Dr. Jochen Schmitz €1,152	Dr. Christoph Zindel €858	Darleen Caron ¹ €595	

¹ Since Darleen Caron was appointed to the Managing Board as of February 1, 2021, her compensation is on a pro rata temporis basis.

² Adjusted basic earnings per share are defined as basic earnings per share, adjusted for expenses for mergers, acquisitions, disposals, and other portfolio-related measures, in particular amortization, depreciation, and other effects from IFRS 3, purchase price allocation adjustments, transaction, integration, retention, and carve-out costs, and gains and losses from divestments as well as severance charges, net after tax. For the purpose of measuring compensation, adjustments are also made for major currency and major portfolio effects against budget.

³ Comparable revenue growth shows the development of the adjusted revenue, net of currency translation effects, which are beyond the control of Siemens Healthineers and portfolio effects, which involve business activities that are either new to our business or no longer a part of it. In this context, the revenue of Siemens Healthineers corresponds to the consolidated revenue as reported in the consolidated statement of income, adjusted for additional effects from the remeasurement of contract liabilities under IFRS 3 purchase price allocations.

The table below provides a detailed summary of the KPIs relevant for the bonus for fiscal year 2021, their performance corridors, as well as the respective target achievement and the resulting overall target achievement, including the corresponding payout amounts.

Bonus of the current Managing Board members

KPI	Weight	Performance Corridor			Target achievement	
		Min (± 0 %)	Target (± 100 %)	Max (± 200 %)	Actual value	in %
Adjusted basic earnings per share (without major currency and portfolio effects) ¹	1/3	€ 1.17	€ 1.57	€ 1.97	€ 1.93	190 %
Comparable revenue growth ²	1/3	1.88 %	5.88 %	9.88 %	19.33 %	200 %
Individual targets Dr. Bernhard Montag						140 %
Individual targets Dr. Jochen Schmitz	1/3	For details see table "Individual targets fiscal year 2021"				150 %
Individual targets Dr. Christoph Zindel						100 %
Individual targets Darleen Caron						120 %

(Amounts in tsd. € or in % of the target amount)	Performance Corridor			Actual compensation	
	Min (± 0 %)	Target (± 100 %)	Max (± 200 %)	Overall target achievement	Payout amount
Dr. Bernhard Montag Chief Executive Officer since March 1, 2018	0	980	1,960	177 %	1,731
Dr. Jochen Schmitz Chief Finance Officer since March 1, 2018	0	640	1,280	180 %	1,152
Dr. Christoph Zindel Member of the Managing Board since October 1, 2019	0	525	1,050	163 %	858
Darleen Caron ³ Chief Human Resources Officer since February 1, 2021	0	350	700	170 %	595

¹ Adjusted basic earnings per share are defined as basic earnings per share, adjusted for expenses for mergers, acquisitions, disposals, and other portfolio-related measures, in particular amortization, depreciation, and other effects from IFRS 3, purchase price allocation adjustments, transaction, integration, retention, and carve-out costs, and gains and losses from divestments as well as severance charges, net after tax. For the purpose of measuring compensation, adjustments are also made for major currency and major portfolio effects against budget.

² Comparable revenue growth shows the development of the adjusted revenue, net of currency translation effects, which are beyond the control of Siemens Healthineers and portfolio effects, which involve business activities that are either new to our business or no longer a part of it. In this context, the revenue of Siemens Healthineers corresponds to the consolidated revenue as reported in the consolidated statement of income, adjusted for additional effects from the remeasurement of contract liabilities under IFRS 3 purchase price allocations.

³ Since Darleen Caron was appointed to the Managing Board as of February 1, 2021, her compensation is on a pro rata temporis basis.

Outlook: targets in the short-term variable compensation (bonus) in fiscal year 2022

At its meeting in November 2021, the Supervisory Board specified adjusted basic earnings per share (without major currency and portfolio effects) and comparable revenue growth as the KPIs for the Company's financial performance in fiscal year 2022. At the same time, up to four individual performance targets were decided for each Managing Board member. As in the current fiscal year, two thirds of the bonus is again determined by the Company's financial performance and one third by individual performance. Performance criteria measuring individual performance, however, are disclosed and explained from an ex-post perspective just like the specific targets set for the financial KPIs in order to avoid communicating internal strategic considerations of relevance to the competition from an ex-ante perspective.

Long-term variable compensation (Siemens Healthineers Stock Awards)

The long-term variable compensation (Siemens Healthineers Stock Awards) is intended to reward the Company's long-term success compared with the competition as well as the long-term development of Siemens Healthineers shares price and thus the attractive, sustainable return for our shareholders. The return is expressed specifically in the form of dividend payments and share price development. Sustainable business conduct is another important strategic point of reference for Siemens Healthineers. This is why selected sustainability targets are also part of Siemens Healthineers Stock Awards, demonstrating the social responsibility of Siemens Healthineers. Siemens Healthineers Stock Awards incentivize the Managing Board members to commit themselves to the Company's long-term development, promote sustainable growth, and generate lasting value creation.

At the beginning of a fiscal year, the Managing Board members are conditionally allocated forfeitable Siemens Healthineers Stock Awards. A Siemens Healthineers Stock Award is the right to receive one share of Siemens Healthineers AG – subject to achieving predefined targets – after the end of a period of around four years (“vesting period”). The vesting period for the 2021 tranche of Siemens Healthineers Stock Awards started on November 13, 2020, and will end at the end of the day of publication of the preliminary fiscal year results in the fourth calendar year after the allocation date.

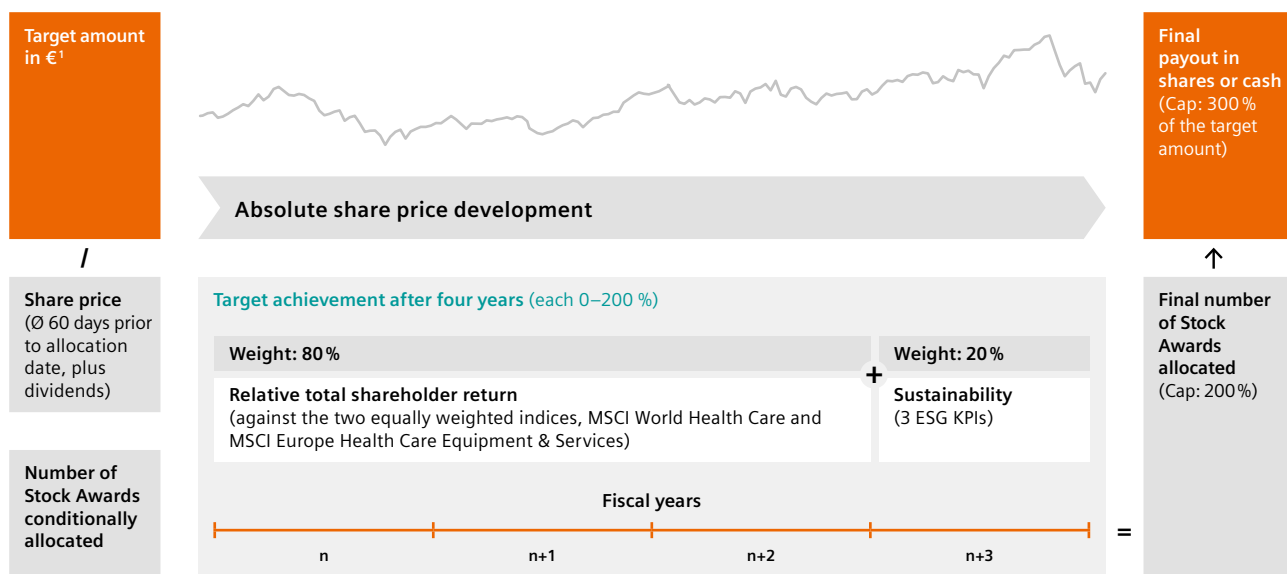
At the beginning of each fiscal year, the Supervisory Board specifies for each Managing Board member a target amount in euro based on a target achievement of 100%. This individual target amount is then divided by the arithmetic mean of the Xetra closing prices of Siemens Healthineers shares over the last 60 stock exchange trading days immediately prior to the start of the vesting period, less the discounted estimated dividends, (“allocation price”), which results in the number of conditionally allocated Siemens Healthineers Stock Awards. The conditional allocation is initially made based on the assumption of 200% target achievement (“maximum allocation”). Upon allocation of Siemens Healthineers Stock Awards, a vesting period of around four years begins, after which Siemens Healthineers shares will be transferred, depending on the target achievement of the KPIs. The Managing Board members are not entitled to dividends during the corresponding vesting period.

Since Darleen Caron was appointed to the Managing Board in the year effective February 1, 2021, and therefore after the allocation date, the target amount was determined on a pro rata temporis basis and an appropriate number of Phantom Siemens Healthineers Stock Awards was allocated conditionally. For these Phantom Siemens Healthineers Stock Awards, a cash settlement will be made at the end of the vesting period instead of transferring Siemens Healthineers shares. In all other respects, the rules for Siemens Healthineers Stock Awards apply accordingly.

A total of 80% of Siemens Healthineers Stock Awards is based on “long-term value creation”, measured in terms of the **total shareholder return (TSR)** of Siemens Healthineers AG relative to the two equally weighted indices, MSCI World Health Care and MSCI Europe Health Care Equipment & Services, and 20% is based on “**sustainability**”, measured in terms of two to three equally weighted targets tracking the performance of Siemens Healthineers AG in the environmental, social and governance (ESG) categories. The Supervisory Board defines the specific ESG KPIs and their targets at the beginning of the fiscal year. The specific KPI targets are disclosed and explained ex-post in order to avoid communicating internal strategic considerations of relevance to the competition in advance.

The structure of the 2021 tranche of Siemens Healthineers Stock Awards is as follows:

Structure of Siemens Healthineers Stock Awards



¹ The conditional allocation is initially made based on the assumption of 200% target achievement. For illustrative purposes and to make the system of Siemens Healthineers Stock Awards easier to understand, the target amount is used here in relation to 100% target achievement.

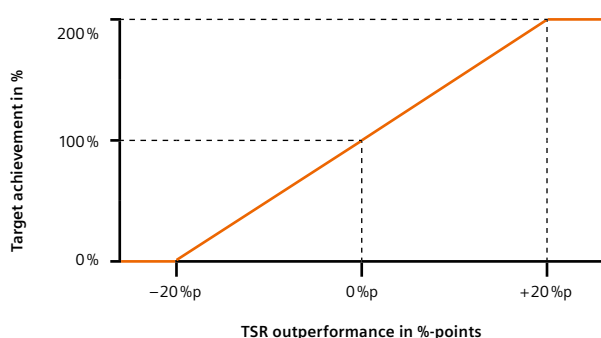
Relative total shareholder return (TSR)

Relative total shareholder return (TSR) is a benchmark for the sustainable increase in company value. Siemens Healthineers AG seeks to remain an attractive capital investment for its investors and therefore incentivize above-average capital market performance. For this reason, a large portion of Siemens Healthineers Stock Awards is based on relative total shareholder return, which reflects the changes in the value of Siemens Healthineers as a whole during the vesting period of around four years, tracking both absolute share price development and the dividends earned during the period.

Relative total shareholder return is measured and determined in each case separately as compared to the two reference indices: the MSCI World Health Care (or a comparable successor index) and the MSCI Europe HealthCare Equipment & Services (or a comparable successor index). These two indices have been selected to best represent the key markets, competitors, and areas of operation of Siemens Healthineers AG. The MSCI World Health Care index includes a large number of companies across the entire health care and medical technology sector and covers the globally relevant markets, including in particular the U.S.A. and Asia. The MSCI Europe Health Care Equipment & Services index takes account in particular of the field of medical technology devices and related services and emphasizes the importance of the European region at the same time. Siemens Healthineers AG is included in both reference indices.

Target achievement is calculated by comparing the TSR performance of Siemens Healthineers shares during the vesting period of around four years to the respective reference index. To this end, the difference between the TSR performance of Siemens Healthineers AG and the TSR performance of the respective reference index is calculated (outperformance).

Linear target achievement curve of TSR outperformance



- If the difference is 0 percentage points – i.e., performance is the same as that of the index – the level of target achievement is 100%.
- If the difference is –20 percentage points or greater (underperformance), the level of target achievement is 0%.
- If the difference is +20 percentage points or greater (outperformance), the level of target achievement is 200% (cap).
- If the change in TSR is between 20 percentage points better and 20 percentage points worse than the reference index, the target achievement levels are interpolated on a linear basis.

Sustainability

Sustainable actions are an integral part of our strategy and ensure the future viability of the Company from a social and economic perspective. As a global leader in medical technology, we strive to help master some of the most challenging global issues through our innovative products and services. For this reason, the sustainability target takes account of the impact our business activities have on social and environmental issues; it is measured on the basis of two to three equally weighted ESG KPIs. Target achievement for each of the ESG KPIs can be between 0% and 200%.

At the beginning of the fiscal year, based on the Siemens Healthineers sustainability strategy, the Supervisory Board specified the following three equally weighted ESG KPIs for the 2021 tranche of Siemens Healthineers Stock Awards applicable to all Managing Board members for measuring performance against the sustainability target:

1. **Access to healthcare**, measured in terms of volume growth of installed devices in underserved countries
2. **Reduction in carbon emissions**, measured in terms of kilotons of CO₂e emitted, and
3. **Improvement of gender balance**, measured in terms of the share of females among senior management.

Determination of the total target achievement

At the end of the vesting period of around four years, the Supervisory Board determines the specific target achievement against the KPIs and combines the results into a weighted average. Hereby, the target achievement for each of these KPIs – relative TSR and the three ESG KPIs – can have a value between 0% and 200% (cap). This means that the final number of Siemens Healthineers Stock Awards can likewise be between 0% and 200% of Siemens Healthineers Stock Awards originally allocated conditionally (cap on number of shares). The final number of Siemens Healthineers Stock Awards is calculated on the basis of the percentage of weighted target achievement multiplied by the number of Siemens Healthineers Stock Awards conditionally allocated at the beginning of the vesting period. Siemens Healthineers Stock Awards are allocated for 200% target achievement. If the target achievement is below 200%, a number of Siemens Healthineers Stock Awards proportionate to the shortfall from the target is forfeited without replacement.

For the final number of Siemens Healthineers Stock Awards at the end of the vesting period, one share of Siemens Healthineers AG will then be transferred to the Managing Board members, at no cost to them, for each Siemens Healthineers Stock Award they hold. Here, the actual amount, defined as the final number of Siemens Healthineers shares multiplied by the Xetra closing price of Siemens Healthineers shares at the end of the vesting period, must not exceed 300% of the original target amount (absolute payout cap). If the actual amount is higher, the corresponding number of stock awards is forfeited without replacement.

Siemens Healthineers Stock Awards allocated in fiscal year 2021

The table below shows Siemens Healthineers Stock Awards allocated in fiscal year 2021; they are contractually guaranteed to Managing Board members but will only be transferred after the end of the four-year vesting period in November 2024, subject to achieving the KPIs specified as targets for fiscal year 2021. The table includes the target amounts, maximum allocations, and maximum number of Siemens Healthineers Stock Awards allocated, as well as the fair value at allocation date of Siemens Healthineers Stock Awards of the individual Managing Board members.

The Supervisory Board specified November 13, 2020, as the allocation date for the 2021 tranche of Siemens Healthineers Stock Awards for all Managing Board members. The allocation price relevant for the 2021 tranche was €33.30, which is equal to the arithmetic mean of the Xetra closing prices of Siemens Healthineers shares over the last 60 stock exchange trading days immediately prior to the beginning of the vesting period, less the discounted estimated dividends.

Overview of Siemens Healthineers Stock Awards conditionally allocated in fiscal year 2021 – 2021 tranche

Current Managing Board members	Target amount in tsd. € (corresponds to 100% target achievement)	Maximum allocation amount in tsd.€ (corresponds to 200% target achievement)	Allocation price in €	Maximum number of Siemens Healthineers Stock Awards (corresponds to 200% target achievement)	Fair value at allocation date in tsd. €
Dr. Bernhard Montag Chief Executive Officer since March 1, 2018	1,640	3,280	33.30	98,498	2,109
Dr. Jochen Schmitz Chief Finance Officer since March 1, 2018	1,000	2,000	33.30	60,060	1,286
Dr. Christoph Zindel Member of the Managing Board since October 1, 2019	840	1,680	33.30	50,450	1,080
Darleen Caron ¹ Chief Human Resources Officer since February 1, 2021	560	1,120	33.30	33,634	888
Total	4,040	8,080		242,642	5,362

¹ Since Darleen Caron was appointed to the Managing Board as of February 1, 2021, her compensation is on a pro rata temporis basis.

Determination of the target achievement

Since the first transfer of Siemens Healthineers Stock Awards from the 2018 tranche will be made in November 2021, there is no "award" (amount payable) from Siemens Healthineers Stock Awards yet in fiscal year 2021.

Performance of Siemens Healthineers Stock Awards in fiscal year 2021

The table below shows the performance of the portfolio of Siemens Healthineers Stock Awards held by Managing Board members in fiscal year 2021.

Development of Siemens Healthineers Stock Awards in fiscal year 2021 (amounts in number of shares)

Current Managing Board members	Balance at beginning of fiscal year 2021 ¹	during the fiscal year			Balance at end of fiscal year 2021
		Conditionally allocated ²	Vested and settled	Other changes	
Dr. Bernhard Montag Chief Executive Officer since March 1, 2018	165,710	98,498	–	–	264,208
Dr. Jochen Schmitz Chief Finance Officer since March 1, 2018	115,837	60,060	–	–	175,897
Dr. Christoph Zindel Member of the Managing Board since October 1, 2019	28,796	50,450	–	–	79,246
Darleen Caron Chief Human Resources Officer since February 1, 2021	0	33,634	–	–	33,634
Total	310,343	242,642	–	–	552,985

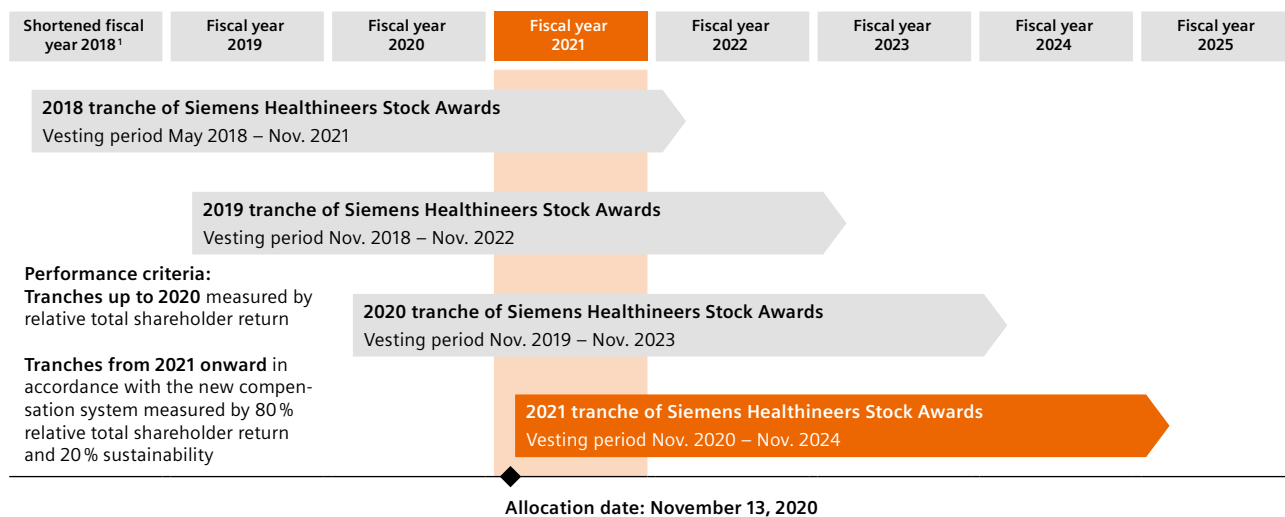
¹ For the 2019–2021 tranches, the maximum allocation of 200% of the target amount as of the allocation dates in November is taken into consideration. For the 2018 tranche, an allocation of 100% is assumed, since target achievements in excess of 100% are paid out in cash. For this reason, the portfolios held at the beginning of the fiscal year by Dr. Bernhard Montag contained 231,166 (33,042) and by Dr. Jochen Schmitz 153,216 (22,681) Siemens Healthineers Stock Awards, which had been conditionally allocated for a target achievement of 200% (respectively 100%).

² The number of conditionally allocated Siemens Healthineers Stock Awards corresponds to the maximum allocation of 200% of the target amount. At the end of the vesting period, the final number of Siemens Healthineers Stock Awards is determined on the basis of the actual target achievement, taking the maximum compensation into account; if target achievement is below 200%, a corresponding number of Siemens Healthineers Stock Awards is forfeited without replacement.

Vesting periods of Siemens Healthineers Stock Awards tranches

The vesting period of Siemens Healthineers Stock Awards tranches is around four years (with the exception of the 2018 tranche of Siemens Healthineers Stock Awards; its period was reduced slightly to reflect the shortened fiscal year 2018). Up to and including fiscal year 2020, the final number of Siemens Healthineers Stock Awards is measured on the basis of total shareholder return relative to 12 competitors. A total of 80% of the tranche conditionally allocated in fiscal year 2021 is measured on the basis of **total shareholder return** relative to the two equally weighted indices, MSCI World Health Care and MSCI Europe Health Care Equipment & Services, and 20% is based on **sustainability**, measured in terms of three ESG targets.

Vesting periods of Siemens Healthineers Stock Awards tranches



¹ Due to the IPO, fiscal year 2018 was a shortened fiscal year, from March 1, 2018 to September 30, 2018.

Outlook: Targets set for long-term variable compensation (Siemens Healthineers Stock Awards) in fiscal year 2022

At its meeting in November 2021, the Supervisory Board resolved the following performance criteria and KPIs for the 2022 tranche of Siemens Healthineers Stock Awards:

- “Long-term value creation”, measured on the basis of total shareholder return (TSR) relative to the two equally weighted indices, MSCI World Health Care and MSCI Europe Health Care Equipment & Services (each weighted at 40%)
- “Sustainability”, measured on the basis of the following three equally weighted ESG KPIs (total weighting of 20%):
 1. **Access to healthcare**, measured in terms of volume growth of installed devices in underserved countries
 2. **Reduction in carbon emissions**, measured in terms of kilotons of CO₂e emitted, and
 3. **Improvement of gender balance**, measured in terms of the share of females among senior management.

Malus and clawback provisions

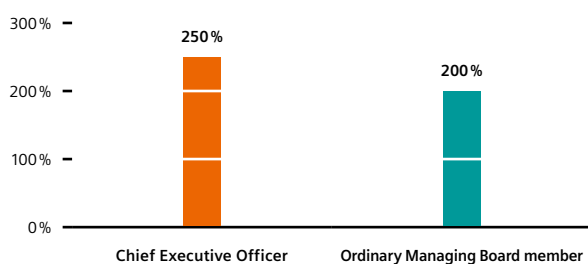
Malus and clawback provisions are in place for variable compensation, which allow the Supervisory Board, in the event of serious breaches of duty or violation of compliance rules during the performance period and/or in the event of a willful or grossly negligent breach of the duty of care of a diligent and conscientious business manager pursuant to section 93 (1) of the AktG by the Managing Board member and/or if the variable compensation was unduly paid out on the basis of incorrect data, variable compensation (bonus and/or Siemens Healthineers Stock Awards) may be reduced in whole or in parts (down to zero if necessary) and/or clawed back. If compensation is clawed back, the Managing Board members have to repay the appropriate net amount.

In fiscal year 2021, the Supervisory Board of Siemens Healthineers AG did not exercise the option to reduce or claw back variable compensation.

Share Ownership Guidelines

The Share Ownership Guidelines form an integral part of the compensation system for the Managing Board. They require Managing Board members, during their term of office, to permanently hold Siemens Healthineers shares worth a multiple of their average annual base salary during the past four years – for the Chief Executive Officer, this multiple is 250%, and for the other Managing Board members, this multiple is 200%. Each Managing Board member must prove that he or she is complying with this requirement after a build-up phase of up to four years after their appointment (but not before March 2022) and every year thereafter. If, for example, due to a fall in the price of Siemens Healthineers Shares, the value of the shares held falls below the minimum amount that must be proven to be held, the Managing Board member must acquire additional shares.

Share Ownership Target based on an annual base salary



Overview of the first fulfillment dates of the current Managing Board members:

- | | |
|------------------------|----------|
| • Dr. Bernhard Montag | March 22 |
| • Dr. Jochen Schmitz | March 22 |
| • Dr. Christoph Zindel | March 23 |
| • Darleen Caron | March 25 |

Different dates apply for the individual Managing Board members for proving that they comply with the Share Ownership Guidelines, depending on the date of their appointment. The first date for proving compliance is in March 2022.

Pension benefit commitments

In principle, the Managing Board members participate in the Siemens Healthineers contribution-based Siemens pension scheme ("Siemens Healthineers BSAV"). Under this plan, Managing Board members receive contributions that are credited to their pension accounts. The Supervisory Board reviews the appropriateness of the contribution every year and determines the amount of the contribution to the Siemens Healthineers BSAV as a fixed amount in euros. The new Managing Board member, Ms. Darleen Caron, receives a fixed cash amount that can be used at her own discretion, instead of a Siemens Healthineers BSAV contribution.

For fiscal year 2021, the Managing Board members were promised contributions under the Siemens Healthineers BSAV totaling €1.31 million (2020: € 1.15 million) based on the resolution by the Supervisory Board in October 2020.

The service cost recognized in accordance with IFRS in fiscal year 2021 for Managing Board members' entitlements under the Siemens Healthineers BSAV that arose in fiscal year amounted to € 1.10 million (2020: € 1.12 million).

The Siemens Healthineers BSAV contributions are added to their respective pension accounts in January of the subsequent fiscal year. Until the beneficiary's date of retirement, their pension account is credited with an annual interest payment (guaranteed interest) on January 1 of each year. The interest rate is currently 0.9%. The summary below shows details of the individual contributions (additions) as well as the defined benefit obligations for pension commitments for fiscal years 2020 and 2021.

Siemens Healthineers BSAV commitment of the Managing Board members (amounts in tsd. €)						
Current Managing Board members	Contribution in		Pension expensed (Service Cost) in accordance with IFRS for		Defined benefit obligations for all pension commitments on Sept. 30.	
	2021	2020	2021	2020	2021	2020
Dr. Bernhard Montag Chief Executive Officer since March 1, 2018	600	511	494	505	4,671	3,768
Dr. Jochen Schmitz Chief Finance Officer since March 1, 2018	385	359	342	348	3,404	2,864
Dr. Christoph Zindel Member of the Managing Board since October 1, 2019	320	274	267	267	1,238	875
Total	1,305	1,145	1,103	1,120	9,313	7,507

Instead of a contribution to the Siemens Healthineers BSAV, Darleen Caron receives a fixed cash amount of €213,333 that can be used at her own discretion for the months from February to September 2021. This amount at her own discretion will be paid in January 2022; it is disclosed under "Pension benefit commitment (amount at own discretion)" in the table "Compensation awarded and due pursuant to section 162 of the AktG." The Supervisory Board based its determination of the amount on the level of contributions to the Siemens Healthineers BSAV of the other ordinary Managing Board members.

Compensation awarded and due in fiscal years 2021 and 2020

The tables below show the compensation awarded and due to the Managing Board members in office in fiscal year 2021 pursuant to section 162 (1) sentence 1 of the AktG. The table therefore includes all amounts actually paid to individual Managing Board members ("compensation awarded") and/or all amounts of compensation that have become legally due but have not yet been paid out ("compensation due") in the reporting period.

The amounts shown for the short-term variable compensation (bonus) correspond to the bonus payments for the fiscal year, since the underlying service had been rendered in full by the end of the fiscal year on September 30, 2021, and had therefore been earned in full (performance period: October 2020 through September 2021, payment: February 2022). The bonus for fiscal year 2021 is therefore considered to be "compensation due". This allows for clear, transparent reporting and establishes the link between compensation and company performance during the fiscal year (pursuant to section 162 (1) sentence 1 of the AktG, pay-for-performance).

The amounts shown for the long-term variable compensation (Siemens Healthineers Stock Awards) reflect the payments made in the fiscal year. Since the first transfer of Siemens Healthineers Stock Awards from the 2018 tranche will be made in November 2021, there was no payment yet in fiscal year 2021.

As part of the IPO in 2018, the Managing Board members received a one-time IPO incentive with a vesting period of three years, divided into two tranches. The first half of the IPO incentive was allocated directly on completion of the IPO in 2018, and the second half followed one year later. The first tranche (2018 tranche) vested in the course of fiscal year 2021 and is reported under "other compensation".

Section 162 (1) sentence 1 of the AktG requires disclosure of not only the amount of compensation, but also the relative proportions of total compensation attributable to all fixed and variable compensation components. The relative proportions disclosed here refer to the compensation components awarded and due in the respective fiscal year pursuant to section 162 (1) sentence 1 of the AktG, taking actual target achievement into consideration. In contrast, the relative proportions of the individual compensation components disclosed in the chapter entitled "Target compensation and compensation structure" pursuant to section 87a (1) no. 3 of the AktG refer to the total target compensation for 100% target achievement and exclude any special compensation (such as the IPO incentive) for fiscal years 2020 and 2021. For this reason, the relative proportions of compensation awarded and due disclosed here may differ from those of the target compensation. Moreover, the IPO incentive is not included in the target compensation since it represents one-time compensation from fiscal year 2018. Since the first transfer of Siemens Healthineers Stock Awards will be made in fiscal year 2022, the table does not show any amounts yet. As a result, the relative proportions of the other compensation components have shifted accordingly.

Awarded and due compensation of the Managing Board members of Siemens Healthineers pursuant to section 162 of the AktG
(amounts in tsd. € or in % of total compensation incl. Siemens Healthineers BSAV)

Current Managing Board members			Fixed compensation			Variable compensation		Awarded & due total compensation (pursuant to section 162 of the AktG)	Siemens Healthineers BSAV ²	Total compensation (incl. Siemens Healthineers BSAV)	
			Base Salary	Fringe benefits	Pension benefit commitment (amount at own discretion)	Bonus for the fiscal year	Siemens Healthineers Stock Awards ¹				Other compensation
Dr. Bernhard Montag Chief Executive Officer since March 1, 2018	2021	in tsd. €	1,380	23	0	1,731	–	860	3,994	494	4,489
		in %	31%	1%	0%	38%	–	19%		11%	100%
	2020	in tsd. €	1,050	58	0	367	–	0	1,475	505	1,980
		in %	53%	3%	0%	19%	–	0%		25%	100%
Dr. Jochen Schmitz Chief Finance Officer since March 1, 2018	2021	in tsd. €	860	20	0	1,152	–	581	2,614	342	2,955
		in %	29%	1%	0%	39%	–	20%		11%	100%
	2020	in tsd. €	735	31	0	250	–	0	1,016	348	1,364
		in %	54%	2%	0%	18%	–	0%		26%	100%
Dr. Christoph Zindel Member of the Managing Board since October 1, 2019	2021	in tsd. €	735	17	0	858	–	0	1,609	267	1,876
		in %	39%	1%	0%	46%	–	0%		14%	100%
	2020	in tsd. €	600	35	0	148	–	0	784	267	1,051
		in %	57%	3%	0%	14%	–	0%		26%	100%
Darleen Caron ³ Chief Human Resources Officer since February 1, 2021	2021	in tsd. €	490	69	213	595	–	0	1,367	0	1,367
		in %	36%	5%	16%	43%	–	0%		0%	100%
	2020	in tsd. €	–	–	–	–	–	–	–	–	–
		in %	–	–	–	–	–	–	–	–	–

¹ The first transfer of Siemens Healthineers Stock Awards will be made in fiscal year 2022.

² In addition to the total compensation awarded and due pursuant to section 162 of the AktG, the table includes the service cost of the Siemens Healthineers BSAV for Dr. Bernhard Montag, Dr. Jochen Schmitz, and Dr. Christoph Zindel.

³ Since Darleen Caron was appointed to the Managing Board as of February 1, 2021, her compensation is on a pro rata temporis basis.

Compensation of former Managing Board members in fiscal years 2021 and 2020

In fiscal year 2021, payments totaling €20 thousand were made to former Managing Board members.

The table below shows the compensation awarded to former Managing Board members pursuant to section 162 (1) sentence 1 of the AktG.

Awarded and due compensation of the Managing Board members of Siemens Healthineers pursuant to section 162 of the AktG
(amounts in tsd. € or in % of total compensation incl. Siemens Healthineers BSAV)

Former Managing Board members			Fixed compensation		Variable compensation		Other compensation	Awarded & due total compensation (pursuant to section 162 of the AktG)	Siemens Healthineers BSAV	Total compensation (incl. Siemens Healthineers BSAV)
			Fringe Benefits		Siemens Healthineers Stock Awards ¹					
Michael Reitermann Member of the Managing Board from March 1, 2018 to September 30, 2019	2021	in tsd. €		20		0	0	20	0	20
		in %		100%		0%	0%		0%	100%
	2020	in tsd. €		37		0	0	37	0	37
		in %		100%		0%	0%		0%	100%

¹ The first transfer of Siemens Healthineers Stock Awards will be made in fiscal year 2022.


Compensation of the members of the Supervisory Board of Siemens Healthineers AG

Compensation system of the Supervisory Board

The currently applicable compensation arrangements for the Supervisory Board are defined in section 12 of the Articles of Association of Siemens Healthineers AG. They are based on a resolution of the extraordinary Shareholders' Meeting on February 19, 2018; they were amended by the Annual Shareholders' Meeting on February 12, 2020, only with regard to the compensation of the Related-Party Transactions Committee, which had been newly established at the time. The compensation of the Supervisory Board members, including the system on which this compensation is based, was confirmed pursuant to section 113 (3) of the AktG by way of a resolution of the Annual Shareholders' Meeting on February 12, 2021, which was passed with a majority of 99.37% of the valid votes cast. The resolved compensation system is accessible to the public at → www.siemens-healthineers.com/investor-relations/corporate-governance/supervisory-board-compensation. The provisions set out in the Articles of Association can be accessed at → www.siemens-healthineers.com/investor-relations/corporate-governance/bylaws.

In accordance with the rules applicable to fiscal year 2021, members of the Supervisory Board receive annual fixed base compensation, and the members of the committees of the Supervisory Board receive additional compensation for their work on the respective committees:

Compensation of the members of the Supervisory Board and its Committees

Base compensation for Supervisory Board				
				
Chair €220,000		Member €110,000		
Additional compensation for Committee work				
Audit Committee	Innovation and Finance Committee	Chairman's Committee	Related-Party Transactions Committee	
Chair €80,000	Chair €60,000	Chair €40,000	Chair €20,000	
Member €40,000	Member €30,000	Member €20,000	Member €10,000	

Supervisory Board members who did not serve as a member or chair of the Supervisory Board or of a committee for the full (12-month) fiscal year receive prorated compensation, rounded up to full months.

If a Supervisory Board member fails to attend a Supervisory Board meeting, one-third of the total compensation entitlement described above is reduced by a percentage equal to the percentage of the meetings that the Supervisory Board member did not attend relative to the total number of Supervisory Board meetings held in the fiscal year. Compensation is payable to members of the Related-Party Transactions Committee only in fiscal years in which the committee convenes at least once or adopts at least one resolution.

In addition to the above, the members receive €1,500 for each attendance at meetings of the Supervisory Board or its committees. Siemens Healthineers AG reimburses all Supervisory Board members for their expenses and for value-added tax levied on their salaries.

No loans or advances from the Company are provided to Supervisory Board members.

The structure of Supervisory Board compensation, which almost exclusively comprises fixed compensation, strengthens the independence of the Supervisory Board and serves as a counterweight to the structure of Managing Board compensation, which is primarily variable and aligned with the growth strategy of Siemens Healthineers.

Supervisory Board compensation in fiscal years 2021 and 2020

The table below shows the compensation of Supervisory Board members in fiscal years 2021 and 2020 pursuant to section 162 (1) sentence 1 of the AktG, as follows. Accordingly, the Supervisory Board compensation for fiscal year 2021 is regarded as compensation due, while the compensation for fiscal year 2020 is regarded as compensation awarded.

		Awarded and due compensation of the Supervisory Board members of Siemens Healthineers pursuant to section 162 of the AktG (amounts in tsd. € or in % of total compensation)				
Current Supervisory Board members			Base compensation	Additional compensation for committee work	Meeting attendance fee	Total compensation
Prof. Dr. Ralf P. Thomas ^{1,2}	2021	in €	0	0	0	0
		in %	-	-	-	-
	2020	in €	0	0	0	0
		in %	-	-	-	-
Dr. Norbert Gaus ²	2021	in €	110,000	50,000	31,500	191,500
		in %	57%	26%	17%	100%
	2020	in €	110,000	50,000	36,000	196,000
		in %	56%	26%	18%	100%
Dr. Roland Busch ^{1,2}	2021	in €	0	0	0	0
		in %	-	-	-	-
	2020	in €	0	0	0	0
		in %	-	-	-	-
Dr. Marion Helmes	2021	in €	110,000	63,333	21,000	194,333
		in %	57%	32%	11%	100%
	2020	in €	110,000	53,333	21,000	184,333
		in %	60%	29%	11%	100%
Dr. Andreas C. Hoffmann ²	2021	in €	110,000	110,000	36,000	256,000
		in %	43%	43%	14%	100%
	2020	in €	110,000	93,333	42,000	245,333
		in %	45%	38%	17%	100%
Dr. Philipp Rösler	2021	in €	110,000	-	10,500	120,500
		in %	91%	-	9%	100%
	2020	in €	110,000	-	12,000	122,000
		in %	90%	-	10%	100%
Peer M. Schatz (since March 23, 2021 ¹)	2021	in €	64,167	17,500	7,500	89,167
		in %	72%	20%	8%	100%
	2020	in €	-	-	-	-
		in %	-	-	-	-
Dr. Nathalie von Siemens	2021	in €	110,000	-	10,500	120,500
		in %	91%	-	9%	100%
	2020	in €	110,000	-	12,000	122,000
		in %	90%	-	10%	100%
Dr. Gregory Sorensen	2021	in €	110,000	30,000	16,500	156,500
		in %	70%	19%	11%	100%
	2020	in €	110,000	30,000	15,000	155,000
		in %	71%	19%	10%	100%
Karl-Heinz Streibich	2021	in €	110,000	40,000	18,000	168,000
		in %	65%	24%	11%	100%
	2020	in €	110,000	36,667	16,500	163,167
		in %	67%	23%	10%	100%
Former Supervisory Board members						
Michael Sen ¹ (until February 12, 2020)	2021	in €				
		in %				
	2020	in €	0	0	0	0
		in %	-	-	-	-

¹ In their capacity as Managing Board members of Siemens AG, Dr. Roland Busch, Michael Sen, and Prof. Ralf P. Thomas have waived compensation for their Supervisory Board membership at Siemens Healthineers AG.

² In their capacity as members of governing bodies or employees of Siemens AG, Dr. Roland Busch, Dr. Norbert Gaus, Dr. Andreas C. Hoffmann, and Prof. Dr. Ralf P. Thomas receive compensation for their governing body membership or employment at Siemens AG.

Multiyear overview: Information on the development of Managing Board and Supervisory Board compensation in relation to the compensation of the overall workforce and to the Company's earnings performance

The overview below shows, pursuant to section 162 (1) sentence 2 no. 2 of the AktG, the relative development of the compensation awarded and due to Managing Board and Supervisory Board members in the respective fiscal years compared with the average compensation of employees in Germany on a full-time equivalent basis as well as selected key earnings indicators for the Siemens Healthineers Group. The indicators used correspond to the KPIs relevant for Company management control, which also form the basis for the KPIs relevant for Managing Board and management compensation ("pay-for-performance").

Comparative overview – Managing Board and Supervisory Board compensation compared with to the employee compensation and Company performance

(Compensation amounts in tsd. € or change in %)	2019	Change in %	2020	Change in %	2021
Company performance					
Adjusted basic earnings per share ¹ (in €)	1.70	–5%	1.61	26%	2.03
Comparable revenue growth ² (in %)	5.8%	n/a	–0.2%	n/a	19.3%
Workforce compensation					
Workforce of the Siemens Healthineers Group in Germany	99	–2%	97	7%	104
Managing board compensation					
Current Managing Board members					
Dr. Bernhard Montag (Chief Executive Officer since March 1, 2018)	1,907	–23%	1,475	171%	3,994
Dr. Jochen Schmitz (Chief Finance Officer since March 1, 2018)	1,334	–24%	1,016	157%	2,614
Dr. Christoph Zindel (Member of the Managing Board since October 1, 2019)	–	n/a	784	105%	1,609
Darleen Caron (Chief Human Resources Officer since February 1, 2021) ³	–	n/a	–	n/a	1,367
Former Managing Board Members					
Michael Reitermann (Member of the Managing Board from March 1, 2018 to September 30, 2019)	881	–96%	37	–47%	20
Supervisory board compensation					
Current Supervisory Board members					
Prof. Dr. Ralf P. Thomas ^{4,5}	0	n/a	0	n/a	0
Dr. Norbert Gaus ⁵	193	2%	196	–2%	192
Dr. Roland Busch ^{4,5}	0	n/a	0	n/a	0
Dr. Marion Helmes	171	8%	184	5%	194
Dr. Andreas C. Hoffmann ⁵	202	21%	245	4%	256
Dr. Philipp Rösler	124	–2%	122	–1%	121
Peer M. Schatz (since March 23, 2021)	–	n/a	–	n/a	89
Dr. Nathalie von Siemens	118	3%	122	–1%	121
Dr. Gregory Sorensen	163	–5%	155	1%	157
Karl-Heinz Streibich	148	10%	163	3%	168
Former Supervisory Board members					
Michael Sen ⁴ (until February 12, 2020)	0	n/a	0	n/a	–

¹ Adjusted basic earnings per share are defined as basic earnings per share, adjusted for expenses for mergers, acquisitions, disposals, and other portfolio-related measures, in particular amortization, depreciation, and other effects from IFRS 3, purchase price allocation adjustments, transaction, integration, retention, and carve-out costs, and gains and losses from divestments as well as severance charges, net after tax. Deviating definition of the adjusted basic earnings per share for fiscal year 2019: Adjusted basic earnings per share are defined as basic earnings per share, adjusted for amortization of intangible assets acquired in business combinations, severance charges and acquisition-related transaction costs, net after tax. There is comparability in the fiscal year 2019 definition and the definition from fiscal year 2020 onwards, as the change in definition does not have a material impact on the earnings figures in fiscal year 2019.

² Comparable revenue growth shows the development of the adjusted revenue, net of currency translation effects, which are beyond the control of Siemens Healthineers and portfolio effects, which involve business activities that are either new to our business or no longer a part of it. In this context, the revenue of Siemens Healthineers corresponds to the consolidated revenue as reported in the consolidated statement of income, adjusted for additional effects from the remeasurement of contract liabilities under IFRS 3 purchase price allocations.

³ Since Darleen Caron was appointed to the Managing Board as of February 1, 2021, her compensation is on a pro rata temporis basis.

⁴ In their capacity as Managing Board members of Siemens AG, Dr. Roland Busch, Michael Sen, and Prof. Ralf P. Thomas have waived compensation for their Supervisory Board membership at Siemens Healthineers AG.

⁵ In their capacity as members of governing bodies or employees of Siemens AG, Dr. Roland Busch, Dr. Norbert Gaus, Dr. Andreas C. Hoffmann, and Prof. Dr. Ralf P. Thomas receive compensation for their governing body membership or employment at Siemens AG.

According to the information presented in the tables "Compensation awarded and due to Managing Board members pursuant to section 162 of the AktG" (Managing Board) and "Compensation awarded and due to Supervisory Board members of Siemens Healthineers pursuant to section 162 of the AktG" (Supervisory Board), the compensation for Managing Board and Supervisory Board members included represents the total compensation awarded and due in the fiscal year within the meaning of section 162 (1) sentence 1 of the AktG.

Company's earnings performance is presented on the basis of the comparable revenue growth and adjusted basic earnings per share of Siemens Healthineers AG. As essential key performance indicators of the Company, these KPIs also form the basis of the financial targets in the short-term variable compensation of the Managing Board and thus to a significant extent also determine the amount of Managing Board compensation.

The presentation of average compensation of employees on a full-time equivalent basis is based on the total workforce of the Siemens Healthineers Group in Germany.

The compensation actually awarded and due to the Managing Board members and to employees may vary from year to year, depending on the actual bonus payout in a given year and on the target achievement of the Siemens Healthineers Stock Awards in a given year, as well as the current share price.

The positive Company earnings performance compared with the prior year shows that fiscal year 2021 was a very successful year for Siemens Healthineers. This success is also reflected in the increase in the average compensation of employees and of the Managing Board members. The above-average increase in Managing Board compensation is primarily due to the larger proportion of variable compensation in total compensation. The very good company performance in the fiscal year is also having a clear impact here: in fiscal year 2021, the Managing Board members obtained a target achievement of the bonus between 167% and 180%. By contrast, due to COVID-19, the prior-year target achievement was between 39% and 47%. In addition, the first transfer of the IPO incentive in fiscal year 2021 resulted in the higher total compensation of the Managing Board members.

Other

Siemens AG provides a group insurance policy for the Supervisory Board and Managing Board members of Siemens AG and certain other board members and employees of the Siemens Group, including Siemens Healthineers AG and its subsidiaries. The policy is taken out for one year at a time or renewed annually. The related costs are charged by Siemens to Siemens Healthineers. The insurance covers the personal liability of the insured persons in cases of financial loss associated with their activities on behalf of the Siemens Group. The insurance policy for fiscal year 2021 includes a deductible for the members of the Managing Board that complies with the provisions of the German Stock Corporation Act. In line with the new version of the GCGC, as of fiscal year 2021, the insurance policy no longer includes a deductible for Supervisory Board members.

Independent auditor's report

To Siemens Healthineers AG, Munich

We have audited the attached Compensation Report of Siemens Healthineers AG, Munich, prepared to comply with Sec. 162 AktG [“Aktiengesetz”: German Stock Corporation Act] for the fiscal year from October 1, 2020 to September 30, 2021 and the related disclosures. We have not audited the content of disclosures regarding appropriateness and marketability of the compensation in chapter “Appropriateness of Managing Board compensation” and in the third paragraph of chapter “ Summary of Managing Board compensation in fiscal year 2021”, that is beyond the scope of Sec. 162 AktG.

Responsibilities of management and the Supervisory Board

Management and the Supervisory Board of Siemens Healthineers AG are responsible for the preparation of the Compensation Report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, management and the Supervisory Board are responsible for such internal control as they determine is necessary to enable the preparation of a Compensation Report and the related disclosures that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this Compensation Report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Compensation Report and the related disclosures are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts in the Compensation Report and the related disclosures. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Compensation Report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the Compensation Report and the related disclosures in order to plan and perform audit procedures that are appropriate under the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the Compensation Report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the Compensation Report for the fiscal year from October 1, 2020 to September 30, 2021 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG. Our opinion on the Compensation Report does not cover the content of the abovementioned disclosures in the Compensation Report that is beyond the scope of Sec. 162 AktG.

Other matter – formal audit of the Compensation Report

The audit of the content of the Compensation Report described in this auditor's report comprises the formal audit of the Compensation Report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the Compensation Report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the Compensation Report in all material respects.

Limitation of liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on January 1, 2017, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement → www.de.ey.com/general-engagement-terms.

Munich, November 23, 2021

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Keller
Wirtschaftsprüfer
[German Public Auditor]

Dr. Eisele
Wirtschaftsprüfer
[German Public Auditor]

Siemens Healthineers AG

Henkestr. 127
91052 Erlangen, Germany
siemens-healthineers.com

Investor Relations

Phone: +49 (9131) 84-3385
Email: ir.team@siemens-healthineers.com

Press

Email: press.team@siemens-healthineers.com