

Corporate Governance Statement

Documents pursuant to § 289f (2) and § 315d German Commercial Code (HGB)

The documents referred to in the Corporate Governance statement pursuant to § 289f and § 315d of the German commercial code (HGB) can be found here. Each of the documents is as of September 30, 2019.

- German Corporate Governance Code
- Business Conduct Guidelines
- Bylaws for the Managing Board
- Bylaws of the Supervisory Board
- Management and control structure

German Corporate Governance Code

(as amended on 7 February 2017, convenience translation)



REGIERUNGSKOMMISSION

Deutscher Corporate Governance Kodex

1 Foreword

The German Corporate Governance Code (the “Code”) incorporates significant statutory requirements for the management and supervision (governance) of German listed corporations and contains internationally and nationally accepted standards of good and responsible governance. The objective of the Code is to make the German Corporate Governance system transparent and understandable. It aims to promote confidence in the management and supervision of German listed corporations by international and national investors, customers, employees and the general public.

The Code highlights the obligation of the Management and Supervisory Boards to ensure the continued existence of the company and its sustainable value creation in line with the principles of the social market economy (the company’s best interests). These principles not only require compliance with the law, but also ethically sound and responsible behaviour (the “reputable businessperson” concept, *Leitbild des Ehrbaren Kaufmanns*).

Institutional investors are of particular importance to companies. They are expected to exercise their ownership rights actively and responsibly, in accordance with transparent principles that also respect the concept of sustainability.

A dual board management system is required by law for German stock corporations.

The Management Board is responsible for managing the company. Its members are jointly accountable for managing the company. The Chair coordinates the work of the Management Board.

The Supervisory Board appoints, supervises and advises the members of the Management Board, and is directly involved in decisions of fundamental importance to the company. The Chair of the Supervisory Board coordinates the work of the Supervisory Board.

The members of the Supervisory Board are elected by the shareholders at the corporation’s General Meeting. 30% of Supervisory Board members of companies with more than 500 employees in Germany have to be employee representatives. The statutory percentage of employee representatives is 50% for companies with more than 2,000 employees in Germany. For companies with more than 2,000 employees, the Chair of the Supervisory Board, who is almost always a shareholder representative, has the casting vote in case of tied votes. Shareholder representatives and employee representatives are obliged in equal measure to act in the best interests of the company.

Alternatively, German corporations may choose the legal structure of the European Company (Societas Europaea, SE), an internationally widespread legal structure that provides for a one-tier system of governance (Administrative Board).

At European Companies, the extent and organisation of co-determination is generally subject to an arrangement established between management and employee representatives. All employees in the EU member states are covered by co-determination.

The financial reporting of German companies is governed by the “true and fair view” principle and must give a true and fair view of the net assets, financial status and results of operations of the company.

Recommendations of the Code are indicated in the text by using the word “**shall**”. Corporations may depart from recommendations, but in this case they are obliged to disclose and explain any departures each year (comply or explain). This enables corporations to reflect sector- or company-specific requirements. Well-justified departures from recommendations of the Code may be in the best interests of good corporate governance. Thus, the Code contributes to greater flexibility and more self-regulation in the German corporate constitution. Additionally, the Code contains **suggestions** from which corporations may depart without disclosure; suggestions are indicated in the text by using the word “**should**”. The remaining passages of the Code that do not use these words relate to descriptions of statutory requirements and explanations.

Code stipulations covering not only the corporation itself but also its group entities use the word “company” rather than “corporation”.

Primarily, the Code addresses listed corporations and corporations with access to capital markets pursuant to section 161 (1) sentence 2 of the Stock Corporation Act. Corporations whose securities are not publicly traded are also encouraged to follow the Code.

Listed credit institutions and insurance undertakings are subject to the applicable prudential requirements, which are not reflected in the Code.

As a rule, the Code is reviewed annually in light of national and international developments and is adapted if necessary.

2 Shareholders and the General Meeting

2.1 Shareholders

2.1.1 Shareholders exercise their rights before or during the General Meeting, as provided by law and the Articles of Association, and thereby exercise their voting rights.

2.1.2 In principle, each share carries one vote. There are no shares with multiple voting rights, preferential voting rights (“golden” shares) or maximum voting rights.

2.2. General Meeting

- 2.2.1 The Management Board submits to the General Meeting the annual financial statements, the management report, the consolidated financial statements and the group management report. The General Meeting adopts resolutions on the appropriation of net profit, approves the actions of the Management Board and the Supervisory Board by way of discharge and, as a rule, elects the shareholder representatives to the Supervisory Board and the auditor.

The General Meeting also adopts resolutions on the content of the Articles of Association, in particular the purpose of the corporation and essential structural measures such as inter-company agreements and transformations, the issuance of new shares, convertible bonds and bonds with warrants, as well as the authorisation to purchase own shares. It can adopt resolutions approving the remuneration system for members of the Management Board.

- 2.2.2 Shareholders generally have pre-emptive rights corresponding to their interest in the share capital when new shares are issued.
- 2.2.3 Every shareholder has the right to attend the General Meeting, to take the floor on matters on the agenda and to submit relevant questions and motions.
- 2.2.4 The Chair of the meeting is responsible for the expeditious progress of the General Meeting. In this context, the Chair should take into account that the Annual General Meeting be completed after four to six hours.

2.3 Invitation to the General Meeting, Proxies

- 2.3.1 The Management Board must convene the General Meeting at least once a year, disclosing the items on the agenda. Groups of minority shareholders are entitled to require the convening of a General Meeting and the extension of the agenda. The notice convening the General Meeting and the reports and other documents required by law, including the annual report, must be made easily accessible to the shareholders on the corporation's website, together with the agenda.
- 2.3.2 The corporation shall facilitate the exercise of shareholders' rights in person or by proxy. The Management Board shall be responsible for the appointment of a proxy to exercise shareholders' voting rights in accordance with their instructions; the proxy should also be reachable during the General Meeting.
- 2.3.3 The corporation should make arrangements to allow shareholders to follow the General Meeting using modern means of communication (e.g. via the Internet).

3 Cooperation between Management Board and Supervisory Board

- 3.1 The Management Board and Supervisory Board cooperate closely to the benefit of the company.
- 3.2 The Management Board coordinates the company's strategic approach with the Supervisory Board and discusses the current state of strategy implementation with the Supervisory Board at regular intervals.
- 3.3 The Articles of Association or – if applicable also in the case of individual transactions – the Supervisory Board stipulate that transactions of fundamental importance are subject to approval by the Supervisory Board. They include decisions or measures that fundamentally change the company's net assets, financial status or results of operations.
- 3.4 The Management Board is responsible for keeping the Supervisory Board informed. Nevertheless, the Supervisory Board must itself ensure that it obtains sufficient information. The Supervisory Board shall therefore specify the Management Board's information and reporting duties in greater detail.

The Management Board informs the Supervisory Board regularly, without delay and comprehensively about all issues that are relevant to the company regarding strategy, planning, business development, the risk situation, risk management and compliance. The Management Board addresses departures in the current business development from its existing projections and targets, indicating the reasons for any such departures.

The Management Board's reports to the Supervisory Board are, as a rule, to be submitted in text form. Wherever possible, documents required for decisions are sent to the members of the Supervisory Board in good time before the meeting.

- 3.5 Good corporate governance requires an open dialogue between the Management Board and Supervisory Board as well as between the members of these individual Boards. Comprehensive observance of confidentiality is of paramount importance in this regard.

All Board members ensure that the employees used by them in support functions comply with the obligation of confidentiality in the same way.

- 3.6 In Supervisory Boards governed by co-determination, shareholder representatives and employee representatives can prepare Supervisory Board meetings separately, involving members of the Management Board, if needed.

If necessary, the Supervisory Board shall meet without the Management Board.

- 3.7 In the event of a takeover offer, the Management Board and Supervisory Board of the target corporation must issue a statement of their reasoned position, enabling the shareholders to make an informed decision on the offer.

After the announcement of a takeover offer, the Management Board must not – until publication of the result – take any actions that could prevent the success of the offer,

unless such actions are permitted under applicable law. In making their decisions, the Management Board and Supervisory Board are bound to observe the best interests of the shareholders and the company.

In the event of a takeover offer, the Management Board should convene an Extraordinary General Meeting at which shareholders will discuss the takeover offer and, if appropriate, decide on corporate actions.

- 3.8 The members of the Management Board and Supervisory Board comply with the rules of proper corporate management. If they violate the duty of due care and diligence of a prudent and conscientious manager or Supervisory Board member, they will be held liable to the corporation for damages. However, a business decision is not regarded as a violation of duty if the member of the Management Board or Supervisory Board could reasonably presume that he or she was acting on an informed basis in the best interests of the corporation (business judgement rule).

If the corporation takes out a D&O (directors' and officers' liability insurance) policy for the Management Board, a deductible of at least 10% of the loss up to at least the amount of one and a half times the fixed annual remuneration of the Management Board member must be agreed.

A similar deductible shall be agreed in any D&O policy for the Supervisory Board.

- 3.9 Extending loans from the company to members of the Management Board or Supervisory Board or their relatives requires the approval of the Supervisory Board.
- 3.10 The Management Board and Supervisory Board shall report annually on Corporate Governance (Corporate Governance Report), and shall publish this report in connection with the Corporate Governance Statement. Comments should be provided on the suggestions made in the Code. The corporation shall keep previous Declarations of Conformity with the Code available on its website for a period of five years.

4 Management Board

4.1 Tasks and Responsibilities

- 4.1.1 The Management Board assumes full responsibility for managing the company in the best interests of the company, meaning that it considers the needs of the shareholders, the employees and other stakeholders, with the objective of sustainable value creation.
- 4.1.2 The Management Board develops the strategy for the company, agrees it with the Supervisory Board and ensures its implementation.
- 4.1.3 The Management Board ensures that all provisions of law and the company's internal policies are complied with, and endeavours to achieve their compliance by the group

entities (Compliance). It shall also institute appropriate measures reflecting the company's risk situation (Compliance Management System) and disclose the main features of those measures. Employees shall be given the opportunity to report, in a protected manner, suspected breaches of the law within the company; third parties should also be given this opportunity.

4.1.4 The Management Board ensures appropriate risk management and risk control in the company.

4.1.5 When appointing the company's executives, the Management Board shall consider the principle of diversity, and in particular endeavour to achieve the appropriate consideration of women for such positions. The Management Board lays down targets for increasing the share of women in the two management levels below the Management Board.

4.2 Composition and Remuneration

4.2.1 The Management Board shall consist of several members and shall have a Chair or Spokesperson. Rules of procedure shall govern the work of the Management Board, in particular the allocation of duties among individual Management Board members, matters reserved for the Management Board as a whole and the required majority for Management Board resolutions (unanimity or resolution by majority vote).

4.2.2 The full Supervisory Board determines the total remuneration for each Management Board member. If the contracts of Management Board members are dealt with by a committee, the committee submits its proposals to the Supervisory Board for approval in plenary session. The full Supervisory Board resolves the Management Board remuneration system and reviews it regularly.

The total remuneration of each Management Board member is determined by the Supervisory Board in plenary session based on a performance evaluation, taking into consideration any payments made by group entities. The criteria for determining the appropriateness of remuneration consist of the duties of the individual member of the Management Board, their personal performance, the economic situation, the performance and future prospects of the company as well as the customary level of remuneration that takes into account peer corporations as well as the remuneration structure in place elsewhere in the corporation. The Supervisory Board shall consider the ratio of Management Board remuneration to the remuneration paid to the senior management and entire staff, including its development over time, whereby the Supervisory Board determines how senior managers and other relevant staff are to be differentiated for the comparison.

If the Supervisory Board calls upon an external remuneration expert to evaluate the appropriateness of the remuneration, it shall ensure that the expert is independent from the Management Board and the company.

- 4.2.3 The total remuneration of Management Board members comprises monetary remuneration components, pension commitments, other commitments (especially in the event of termination of activity), fringe benefits of all kinds as well as benefits from third parties that were promised or granted during the financial year for the work performed on the Management Board.

The remuneration structure must be focussed on the sustainable growth of the company. Monetary remuneration shall comprise fixed and variable components. Variable remuneration components generally have a multiple-year assessment basis that shall have essentially forward-looking characteristics. Both positive and negative developments shall be taken into account when determining variable remuneration components. All remuneration components must be appropriate, both individually and in the aggregate, and in particular must not encourage the recipients to take unreasonable risks. The amount of remuneration shall be capped with maximum levels, both as regards variable components and in the aggregate. Variable remuneration components shall be based on demanding and relevant comparison parameters. Subsequent amendments to the performance targets or comparison parameters shall be excluded. Early disbursements of multiple-year, variable remuneration components should not be permitted.

The Supervisory Board shall establish the target level of pension benefits for every pension commitment – including based on the duration of membership of the Management Board – and shall consider the resulting annual and long-term expense incurred by the company.

When contracts are entered into with Management Board members, it shall be ensured that payments, including fringe benefits, made to a Management Board member due to early termination of their contract do not exceed twice the annual remuneration (Severance Cap) and do not constitute remuneration for more than the remaining term of the employment contract. If the employment contract of a Management Board member is terminated for good cause for which the Management Board member is responsible, no payments are made to that Management Board member. The severance cap shall be calculated on the basis of the total remuneration paid for the previous financial year and, if appropriate, shall take into account the expected total remuneration for the current financial year.

Benefit commitments made in connection with the early termination of a Management Board member's activity due to a change of control (Change of Control) shall not exceed 150% of the severance cap.

The Chair of the Supervisory Board shall outline to one General Meeting the salient points of the remuneration system and shall inform subsequent General Meetings about any amendments.

- 4.2.4 The total remuneration of every Management Board member is to be disclosed, indicating their name, and classified by fixed and variable remuneration components. The same applies to benefit commitments granted to Management Board members in the event of early or regular termination of Management Board activity, and to benefit

commitments amended during the respective financial year. There is no disclosure, if the General Meeting resolves this with a three-quarters majority.

- 4.2.5 Management Board remuneration is disclosed in the notes to the financial statements or the management report. The remuneration report, which is part of the management report, describes the principal features of the Management Board remuneration system. The description shall be made in a generally comprehensible way.

The remuneration report shall also include information on the nature of the fringe benefits provided by the corporation.

In addition, the remuneration report shall present the following information for every Management Board member:

- the benefits granted for the reporting period, including fringe benefits, supplemented in the case of variable remuneration components by the maximum and minimum remuneration achievable,
- the benefits received for the reporting period, consisting of fixed remuneration, short-term variable remuneration and long-term variable remuneration, broken down by the relevant reference years,
- the service cost incurred in/for the reporting period for pension benefits and other commitments.

The model tables provided as appendices to this document shall be used to disclose this information.

4.3 Conflicts of Interest

- 4.3.1 Members of the Management Board are bound to observe the best interests of the company. When taking decisions, they must not pursue any personal interests, they are subject to comprehensive non-competition arrangements during their term of office and they must not exploit for themselves business opportunities to which the company is entitled.

- 4.3.2 Members of the Management Board and employees must not demand or accept inappropriate benefits from third parties for themselves or for any other person in connection with their work rendered for the company, nor should they grant inappropriate benefits to third parties.

- 4.3.3 Every Management Board member shall disclose conflicts of interest to the Supervisory Board without undue delay and inform the other Management Board members. All transactions between the company and Management Board members, including their related parties, must comply with standards customary to the sector. The Supervisory Board represents the corporation in transactions with members of the Management Board. Significant transactions with a Management Board member's related parties shall be subject to Supervisory Board approval.

- 4.3.4 Members of the Management Board shall only assume sideline activities, especially Supervisory Board mandates outside the company, with the approval of the Supervisory Board.

5 Supervisory Board

5.1 Tasks and Responsibilities

- 5.1.1 The task of the Supervisory Board is to regularly advise and supervise the Management Board in its management of the company. It must be involved in all decisions of fundamental importance to the company.

- 5.1.2 The Supervisory Board appoints and dismisses the members of the Management Board. When appointing Management Board members, the Supervisory Board shall take diversity into account. The Supervisory Board determines targets for the share of female Management Board members. Together with the Management Board, it shall ensure that there is long-term succession planning. The Supervisory Board is free to delegate to committees the preparations for appointing Management Board members and the elaboration of the conditions in the employment contracts, including remuneration.

For first-time appointments, the maximum permissible appointment period of five years should not be applied as a rule. Any re-appointment prior to one year before the end of an appointment period at the same time as termination of the current appointment shall only happen if special circumstances apply. The Supervisory Board shall specify an age limit for the members of the Management Board.

- 5.1.3 The Supervisory Board shall adopt its own rules of procedure.

5.2 Duties and Authorities of the Supervisory Board Chair

The Supervisory Board Chair is elected by the Supervisory Board from among its members. The Chair coordinates the activities of the Supervisory Board, chairs its meetings and safeguards the matters of the Supervisory Board externally.

The Supervisory Board Chair should be available – within reasonable limits – to discuss Supervisory Board-related issues with investors.

Between meetings, the Supervisory Board Chair shall be in regular contact with the Management Board, in particular the Management Board Chair or Spokesperson, in order to discuss with them issues of strategy, planning, business development, the risk situation, risk management and compliance of the company. The Management Board Chair or Spokesperson informs the Supervisory Board Chair without undue delay of major events that are of material importance for the assessment of the company's status and performance, and for the management of the company. The Supervisory Board Chair

subsequently informs the Supervisory Board and, if required, shall convene an extraordinary Supervisory Board meeting.

5.3 Establishment of Committees

5.3.1 Depending on the specific circumstances of the company and the number of Supervisory Board members, the Supervisory Board shall form committees of members with relevant specialist expertise. The committee Chairs report regularly to the Supervisory Board on the work of their committees.

5.3.2. The Supervisory Board shall establish an Audit Committee that – provided no other committee has been entrusted with this work – addresses in particular the monitoring of the accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit and compliance.

The Audit Committee submits to the Supervisory Board a reasoned recommendation for the appointment of the auditor, which comprises at least two candidates if the audit engagement is put out to tender. The Audit Committee monitors the auditor's independence and concerns itself with the additional services rendered by the auditor, the issuance of the audit engagement, the determination of the key audit areas and the fee agreement.

The Chair of the Audit Committee shall have specific knowledge and experience in applying accounting principles and internal control procedures. The Chair shall be independent and shall not be a former member of the Management Board of the corporation whose term of office ended less than two years ago. The Chair of the Supervisory Board shall not chair the audit committee.

5.3.3 The Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which proposes suitable candidates to the Supervisory Board for its recommendations to the General Meeting.

5.4 Composition and Remuneration

5.4.1 The composition of the Supervisory Board has to ensure that its members collectively have the knowledge, skills, and professional expertise required to properly perform all duties.

The Supervisory Board shall determine concrete objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire Board. Within the company-specific situation the composition of the Supervisory Board shall reflect appropriately the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of number 5.4.2, an age limit and a regular limit to Supervisory Board members' term of office, both to be specified, as well as diversity. The specific requirements of the co-determination acts (*Mitbestimmungsgesetze*) in regard of the elected employee representatives have to be taken into account.

In listed corporations subject to the Co-determination Act, the Co-determination Act for the Coal, Iron and Steel Industry (*Montan-Mitbestimmungsgesetz*) or the Act Supplementing the Codetermination Act for the Coal, Iron and Steel Industry (*Mitbestimmungsergänzungsgesetz*), the Supervisory Board comprises at least 30% women and at least 30% men.* In other corporations subject to the Gender Equality Act (*Gleichstellungsgesetz*), the Supervisory Board determines targets for the share of female members.

Proposals by the Supervisory Board to the General Meeting shall take these targets into account, while simultaneously aiming at fulfilling the overall profile of required skills and expertise of the Supervisory Board. The implementation status shall be published in the Corporate Governance Report. This report shall also provide information about what the Supervisory Board regards as the appropriate number of independent Supervisory Board members representing shareholders, and the names of these members.

When making its proposals to the General Meeting concerning the election of new members to the Supervisory Board, the Supervisory Board shall satisfy itself that the respective candidates are able to devote the expected amount of time required. The proposal for a candidate shall be accompanied by a curriculum vitae, providing information on the candidate's relevant knowledge, skills and experience; it shall be supplemented by an overview of the candidate's material activities in addition to the Supervisory Board mandate, and shall be updated annually for all Supervisory Board members and published on the company's website.

In its election proposals to the General Meeting, the Supervisory Board shall disclose the personal and business relationships of every candidate with the company, the governing bodies of the corporation and any shareholders with a material interest in the corporation.

The disclosure recommendation is limited to information and circumstances that, in the appraisal of the Supervisory Board, an objectively judging shareholder would consider decisive for their election decision.

A material interest in the meaning of this recommendation refers to shareholders who directly or indirectly hold more than 10% of the voting shares of the corporation.

- 5.4.2 The Supervisory Board shall include what it considers to be an appropriate number of independent members, thereby taking into account the shareholder structure. Within the meaning of this recommendation, Supervisory Board members are to be considered non-independent in particular if they have a personal or business relationship with the corporation, its governing bodies, a controlling shareholder or a company affiliated with

* With effect from 1 January 2016, the minimum share of 30 percent respectively for men and women members of the Supervisory Board must be observed in any new elections or delegations that become necessary for filling individual or several positions on a Supervisory Board (Law on Equal Participation of Men and Women in Private-Sector and Public-Sector Management Positions, Section 25 Subsection 1 EG-AktG (Introductory Law of the German Stock Corporation Act), German Federal Gazette I. 2015, 642, 656).

the controlling shareholder that may cause a substantial and not merely temporary conflict of interest. No more than two former members of the Management Board shall be members of the Supervisory Board. Members of the Supervisory Board shall not be members of governing bodies of, or exercise advisory functions at, significant competitors of the company.

5.4.3 Supervisory Board members shall be elected individually. Where an application is made for the appointment of a Supervisory Board member by the Court, the term of that member shall be limited until the next General Meeting. Proposed candidates for the Supervisory Board Chair shall be announced to the shareholders.

5.4.4 Management Board members may not become a member of the corporation's Supervisory Board before two years have lapsed since the end of their appointment, unless they were elected on the proposal of shareholders holding more than 25% of the corporation's voting rights. In the latter case, appointment as Chair of the Supervisory Board shall be an exception that has to be justified to the General Meeting.

5.4.5 Each Supervisory Board member must ensure that they have sufficient time available to discharge their duties. Members of the Management Board of a listed corporation shall not accept more than a total of three Supervisory Board mandates in non-group listed corporations or on supervisory bodies of non-group entities that make similar requirements.

The members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfil their duties. The corporation shall adequately support them in this regard.

5.4.6 The remuneration of Supervisory Board members is specified by resolution of the General Meeting or in the Articles of Association. The status as Chair or deputy Chair of the Supervisory Board, as well as Chair or membership of a committee, shall also be taken into consideration in this context.

The members of the Supervisory Board receive remuneration that is appropriate to their tasks and the status of the corporation. If members of the Supervisory Board are granted performance-related remuneration, it shall be linked to sustainable growth of the company.

The remuneration of Supervisory Board members shall be disclosed individually in the notes to the financial statements or the management report, classified by remuneration components. Payments made or benefits granted by the company to Supervisory Board members for personal services, particularly advisory or agency services, shall also be disclosed separately on an individual basis.

5.4.7 If, in any given financial year, any member of the Supervisory Board attended half or less than half of the meetings of the Supervisory Board or the committees of which they are a member, this fact shall be noted in the report of the Supervisory Board. Participation

by telephone or video conference also counts as attendance, but this should not be the rule.

5.5 Conflicts of Interest

- 5.5.1 Every member of the Supervisory Board is bound to observe the company's best interests. No member of the Supervisory Board may pursue personal interests in their decisions or exploit for themselves business opportunities to which the company is entitled.
- 5.5.2 Each member of the Supervisory Board shall inform the Supervisory Board of any conflicts of interest, particularly if they could arise as a result of an advisory or governing body function at clients, suppliers, lenders or other third parties.
- 5.5.3 In its report, the Supervisory Board shall inform the General Meeting of any conflicts of interest that have arisen and how they were addressed. Material conflicts of interest involving a member of the Supervisory Board that are not merely temporary shall result in the termination of that member's Supervisory Board mandate.
- 5.5.4 Advisory and other service agreements or contracts for work between a member of the Supervisory Board and the corporation are subject to the Supervisory Board's approval.

5.6 Efficiency Review

The Supervisory Board shall review the efficiency of its activities on a regular basis.

6 Transparency

- 6.1 All other things being equal, the corporation will ensure equal treatment of all shareholders in respect of information. The corporation shall disclose to shareholders, without undue delay, all material new facts made available to financial analysts and similar addressees.
- 6.2 As part of regular information policy, the corporation shall disclose in a "financial calendar" on its website, giving sufficient advance notice, the publication dates of the annual reports and interim financial information as well as the dates of the General Meeting, the annual report press conferences and analyst conferences.

7 Financial Reporting and Auditing

7.1 Financial Reporting

- 7.1.1 Shareholders and third parties are kept informed by the consolidated financial statements and the group management report, as well as by interim financial information. If the corporation is not required to publish quarterly statements, it shall still inform shareholders during the course of the year in an appropriate way –in addition to the half-year financial report – about business developments, and in particular about material changes in the business outlook and the risk situation.
- 7.1.2 The consolidated financial statements and the group management report are prepared by the Management Board and audited by the auditor and examined by the Supervisory Board. The Management Board shall reason interim financial information with the Supervisory Board or its Audit Committee before being published. The consolidated financial statements and the group management report shall be made publicly accessible within 90 days from the end of the financial year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.
- 7.1.3 The Corporate Governance Report shall contain specific information on stock option programmes and similar securities-based incentive systems of the corporation, unless this information is already provided in the annual financial statements, the consolidated financial statements or the remuneration report.
- 7.1.4 Relationships with shareholders classified as related parties within the meaning of the applicable financial reporting requirements shall be explained in the consolidated financial statements.

7.2 Auditing

- 7.2.1 Prior to submitting a proposal for election, the Supervisory Board or the Audit Committee shall obtain a statement from the proposed auditor stating whether and, where applicable, which business, financial, personal or other relationships exist between the auditor and its governing bodies and lead auditors on the one hand, and the company and the members of its governing bodies on the other, that could call its independence into question. This statement shall also include the extent to which other services were provided for the company over the past financial year, especially in the area of consulting, or that have been contracted for the following year.

The Supervisory Board shall agree with the auditor that the Chair of the Supervisory Board or the Audit Committee will be informed, without undue delay, of any grounds for exclusion or disqualification due to impairment of the auditor's independence that occur during the audit, unless any such grounds are eliminated immediately.

7.2.2 The Supervisory Board issues the engagement letter to the auditor and concludes with the auditor regarding the fee.

7.2.3 The Supervisory Board shall arrange for the auditor to report, without undue delay, on all findings and issues of importance for the tasks of the Supervisory Board which come to the knowledge of the auditor during the performance of the audit.

The Supervisory Board shall arrange for the auditor to inform it or note in the long-form audit report if, during the performance of the audit, the auditor identifies any facts that indicate an inaccuracy in the declaration on the Code issued by the Management Board and Supervisory Board.

7.2.4 The auditor takes part in the Supervisory Board's deliberations on the annual financial statements and consolidated financial statements and reports on the key findings of its audit.

APPENDIX

Model table 1 relating to section 4.2.5(3) (1st indent)

Value of benefits granted for the reporting period

This table shows the value of benefits granted for the reporting period. It also shows the minimum and maximum achievable values.

In contrast to the analysis of the amount disbursed (Table 2), the target value (i.e. the value in the event of 100% target achievement) granted for the year under review is disclosed for one-year variable remuneration and the deferred components of one-year variable remuneration (deferrals). If the system does not provide for a target value, e.g. as part of direct profit-sharing, a comparable value for an “average probability scenario” is disclosed.

In addition, the multi-year variable remuneration granted in the reporting period is broken down by different plans, disclosing the relevant terms. In the case of subscription rights and other share-based payments, the fair value of the remuneration at the grant date is calculated and reported, as before. If multi-year variable remuneration components comprise non-share-based payments, the target value or a comparable value for an “average probability scenario” must be disclosed at the time the commitment is made (if available). In the case of plans that are not granted annually but on a regular, multi-year basis, a pro-rated value for the year must be determined and disclosed.

For pension commitments and commitments of other related benefits, the pension expense, i.e. the service cost in accordance with IAS 19, is disclosed. This is included as a component of total remuneration, even if no new benefits in the narrower sense have been granted, but a Supervisory Board decision made in the past continues to apply.

Benefits granted by third parties to individual members of the Management Board with regard to that Management Board member’s work are also disclosed by adding such benefits to the fixed, one-year and multi-year variable remuneration components.

The information provided in the table does not replace other obligatory information to be disclosed in the remuneration report and the notes to the financial statements.

		I	II	III	IV				
a	Benefits granted	Name				Name			
b		Function				Function			
c		Date of appointment/retirement				Date of appointment/retirement			
d		n-1	n	n (Min)	n (Max)	n-1	n	n (Min)	n (Max)
1	Fixed remuneration								
2	Fringe benefits								
3	Total								
4	One-year variable remuneration								
5	Multi-year variable remuneration								
5a	Plan ID (plan term)								
...	Plan ID (plan term)								
6	Total								
7	Pension expense								
8	Total remuneration								

Explanatory notes:

- a Name of Management Board member
- b Function of Management Board member, e.g. Chief Executive or Chief Financial Officer
- c Management Board member's date of appointment/retirement, provided date is within the reporting periods (n = year under review), or (n-1 = previous year)
- d Year under review (n), or previous year (n-1)
- I Benefits granted during previous year (n-1)
- II Benefits granted during year under review (n)
- III Achievable minimum value of the respective remuneration component granted during the year under review (n), e.g. zero
- IV Achievable maximum value of the respective remuneration component granted during the year under review (n)
- 1 Fixed remuneration components, e.g. fixed salary, fixed annual one-off payments (amounts correspond to the amounts provided in Table 2 "benefits received"); values of columns II, III and IV are identical
- 2 Fixed remuneration components, e.g. benefits in kind or fringe benefits (amounts correspond to the amounts provided in Table 2 "benefits received"); values of columns II, III and IV are identical
- 3 Total of fixed remuneration components (1 + 2) (amounts correspond to the amounts provided in Table 2 "benefits received"); values of columns II, III and IV are identical
- 4 One-year variable remuneration, e.g. bonus, royalty, short-term incentive (STI), profit share, excluding deferrals
- 5 Multi-year variable remuneration (total of lines 5a-...), e.g. multi-year bonus, deferrals from one-year variable remuneration, long-term incentive (LTI) subscription rights, other share-based payments
- 5a-... Multi-year variable remuneration, broken down by different plans and terms
- 6 Total of fixed and variable remuneration components (1 + 2 + 4 + 5)
- 7 Service cost in accordance with IAS 19 from pension commitments and commitments of other related benefits (amounts correspond to the amounts provided in Table 2 "benefits received"); values of columns II, III and IV are identical
- 8 Total of fixed and variable remuneration components as well as pension expense (1 + 2 + 4 + 5 + 7)

Model table 2 relating to section 4.2.5(3) (2nd indent)

Benefits received for the reporting period

This table contains the same values for fixed remuneration and fringe benefits as provided in Table 1, which shows the value of the benefits granted for the reporting period. As before, the benefits received for the reporting period (amount disbursed) are disclosed for fixed remuneration and one-year variable remuneration.

The table also shows the benefits received (amount disbursed) for multi-year variable remuneration components under plans that ended in the reporting period. The amounts are broken down by different plans and terms. In the case of subscription rights and other share-based payments, the timing and value under German tax law apply to the date of receipt and the amount received.

Bonus/penalty arrangements must be reflected in the amount disbursed for both one-year and multi-year variable remuneration.

Clawbacks are entered into the "Other" row with a negative amount, with a reference to previous disbursements, and must be explained separately in the remuneration report, particularly if former members of the Management Board are concerned.

As in Table 1, the pension expense, i.e. the service cost in accordance with IAS 19, is disclosed for pension commitments and commitments of other related benefits. Although this is not a benefit received in the narrower sense, it is included in order to illustrate the total remuneration.

Benefits granted by third parties to individual members of the Management Board with regard to that Management Board member's work are also disclosed by adding such benefits to the fixed, one-year and multi-year variable remuneration components.

The information provided in the table does not replace other obligatory information to be disclosed in the remuneration report and the notes to the financial statements.

	Benefits received	Name		Name		Name		Name	
		Function		Function		Function		Function	
		Date of appointment/retirement		Date of appointment/retirement		Date of appointment/retirement		Date of appointment/retirement	
		n	n-1	n	n-1	n	n-1	n	n-1
1	Fixed remuneration								
2	Fringe benefits								
3	Total								
4	One-year variable remuneration								
5	Multi-year variable remuneration								
5a	Plan ID (plan term)								
...	Plan ID (plan term)								
6	Other								
7	Total								
8	Pension expense								
9	Total remuneration								

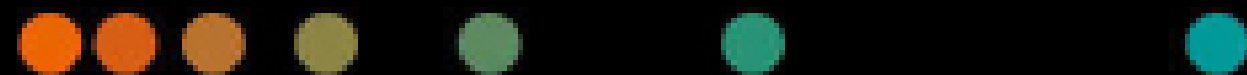
Explanatory notes:

- a Name of Management Board member
- b Function of Management Board member, e.g. Chief Executive or Chief Financial Officer
- c Management Board member's date of appointment/retirement, provided date is within the reporting periods (n = year under review), or (n-1 = previous year)
- d Year under review (n), or previous year (n-1)
- 1 Fixed remuneration components, e.g. fixed salary, fixed annual one-off payments (amounts correspond to the amounts provided in Table 1 "benefits granted")
- 2 Fixed remuneration components, e.g. benefits in kind or fringe benefits (amounts correspond to the amounts provided in Table 1 "benefits granted")
- 3 Total of fixed remuneration components (1 + 2) (amounts correspond to the amounts provided in Table 1 "benefits granted")
- 4 One-year variable remuneration, e.g. bonus, royalty, short-term incentive (STI), profit share, excluding deferrals
- 5 Multi-year variable remuneration (total of lines 5a-...), e.g. multi-year bonus, deferrals from one-year variable remuneration, long-term incentive (LTI), subscription rights, other share-based payments
- 5a-... Multi-year variable remuneration, broken down by different plans and terms
- 6 Other items, e.g. clawbacks, which are taken into consideration with a negative amount and a reference to previous disbursements
- 7 Total of fixed and variable remuneration components (1 + 2 + 4 + 5 + 6)
- 8 Service cost in accordance with IAS 19 from pension commitments and commitments of other related benefits (amounts correspond to the amounts provided in Table 1 "benefits granted"); these items do not represent benefits received during the year under review
- 9 Total of fixed, variable and other remuneration components as well as pension expense (1 + 2 + 4 + 5 + 6 + 8)

Siemens Healthineers Business Conduct Guidelines

Shaping the future of healthcare

siemens-healthineers.com/BCG



Business Conduct Guidelines

Contents

Preface

Bernd Montag
Dagmar Mundani & Benedikt Knothe

We shape the future of healthcare

Who we are

Our basic principles

A | We behave correctly

B | Our core values for successful collaboration

Respect
Trust

C | We protect our company

Our responsibility

D | Our responsibility as a leader

E | We look after each other and ourselves

Basic working conditions
Health, occupational safety, and
personal security

F | Our markets

We act fairly and reliably:
Fair competition

We are successful in fair competition:
Respecting antitrust law and fair
competition

We comply with regulations:
Trade and export controls

Our commitment to clean markets
pays off: Collective Action

G | Our company

We enable healthcare providers to
deliver high-value healthcare

Siemens Healthineers:
A premium/high value medtech brand

We only make business decisions in
the interest of Siemens Healthineers:
Conflicts of interest

Money laundering and the funding
of terrorism – not with us!

How do we strengthen the trust
placed in us? Financial integrity

Neither by us, nor for others!
Insider trading

How we responsibly protect
information and company assets
Data Privacy

H | Our portfolio

World-class products, services
and solutions

I | Our partners

We work with responsible partners

J | Society and environment

Our responsibility to society and
the environment

Our commitment to international
agreements and recommendations

Human Rights

Environment

Our reporting procedures

Index

Imprint



Business Conduct Guidelines

Preface

Dear Healthineers,

For more than 120 years our company has stood for a tradition of excellent products, innovation, committed people, and the common purpose of helping people live healthier and longer. From the very beginning, with the rise of modern medicine and fundamental advancements in science, visionaries like Erwin Reiniger, Max Gebbert or Emil von Behring were driven by this purpose. And around the world it still drives all of us each day to give the best we can.

On March 16, 2018, our company entered a new period in its history by debuting on the Frankfurt Stock Exchange. From a division of Siemens AG we have grown into a separate company – with our own brand and our own entrepreneurial freedom. However, such freedom comes with a responsibility that we all share – toward society, customers, patients, partners, shareholders, and employees. We want to be a fair player in competition, a reliable partner for customers and stakeholders and we strive for the highest ethical and moral standards every day. Only clean business is the business of Siemens Healthineers.

We have committed ourselves to the Principles of Healthineers and live them day by day. We are convinced that this will help us become more successful and a more relevant partner for our stakeholders. Whenever it comes to enabling customers to deliver high-value care, we want to be our clients' partner of choice. And we also want to be the company where people love to work and take pride in what they do for a common mission.

We are one of the largest and most successful medical technology firms with about 50,000 highly dedicated employees, operating in more than 70 countries. We strive to be a company that fosters talent and diversity and a company where people respect each other. Together around the globe it is up to us to make Siemens Healthineers a place to grow and excel – a place where a speak-up culture and honest discussions are fostered. Only in such a company will we be able to master all the challenges we face in an increasingly complex world and achieve our ambitions.

The following guidelines are the basic rules that everyone has to observe. They are non-negotiable and violations will not be accepted. The Business Conduct Guidelines support us in achieving our goals through fair play. Every employee must be familiar with these rules and I ask you personally to read them. If anything is unclear, please ask our Legal & Compliance team or any other relevant person for advice and support.


Bernd Montag
CEO Siemens Healthineers



Business Conduct Guidelines

Preface

Dear colleagues,

At Siemens Healthineers we now have our own Business Conduct Guidelines. They are the basic rules for our company, which we must observe each day – in everything we do for our company and everywhere that we are. It is up to us to protect the reputation of our company through the right behavior in the external world and internally towards our colleagues. It is not only because of reputation, it is because we want to do things right and we want to be proud of what we do.

The Business Conduct Guidelines are designed to be easy to understand and to guide us toward the right way of doing business. Whenever you have the feeling that something is not in line with our Business Conduct Guidelines you can report this to Legal & Compliance directly or, in an anonymous form, through our reporting tool “Let Us know”. Or you can reach out to the ombudswoman Sibylle von Coelln.

Please make yourself familiar with our common rules and let us protect our reputation and our company’s successful future.

With best regards

Dagmar Mundani
Head of Legal & Compliance
at Siemens Healthineers

Benedikt Knothe
Head of Compliance
at Siemens Healthineers



From left: Benedikt Knothe, Dagmar Mundani



We shape the future of healthcare

Who we are

Our purpose

Our products, services and solutions are at the center of clinical decision making. They help physicians, medical staff and healthcare providers keep people from getting sick or make the right diagnosis and decide for the right treatment helping them recover faster.



Benefit from our medical technology*

*1 day = 5 million people

“What connects us is the belief in improving patients’ lives through technology and data. What drives us is the will to increase value for our customers. We are pioneers, seeking new paths to better care.”

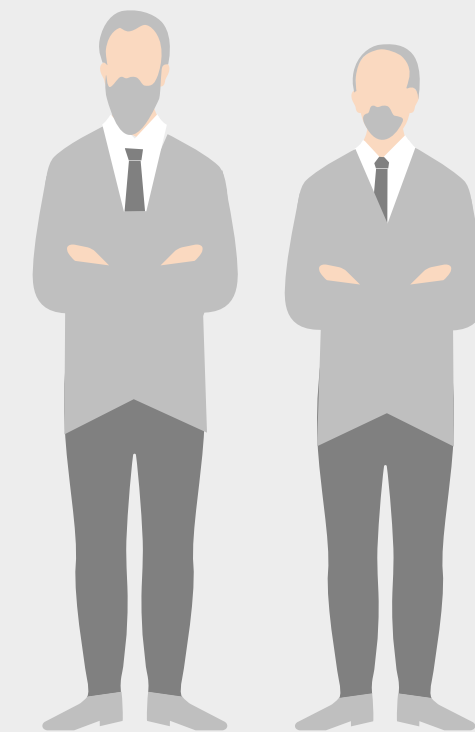
Bernd Montag
CEO Siemens Healthineers

Our heritage

We are pioneers in the healthcare industry with an ambition to lead in innovation.

We are a young company with a long tradition.

With our innovations we have been shaping progress in healthcare for over 120 years.



Röntgen & Behring
1901 Nobel prize winners
(Physics & Medicine)

Our mission

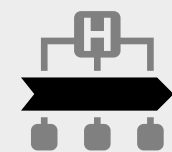
We enable healthcare providers to deliver high-value care.



Expanding precision medicine



Improving patient experience



Transforming care delivery



Digitalizing healthcare

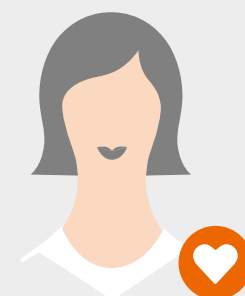


Our culture

Our sense of common culture is reflected in our “Principles of Healthineers” which guide our actions and decisions every day.

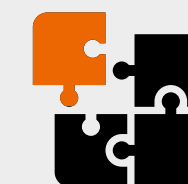
Principles of Healthineers

- A day without passion for healthcare is a lost day
- Missed opportunities are our biggest risk
- We don’t compromise on quality
- Today is about tomorrow
- We say what we do, we do what we say
- We listen more than we talk
- We lead by being lean



A day without passion for healthcare is a lost day

~ 50.000 employees



Our people

We value our people as the most important resource of our company. We believe they are inherently trustworthy, want positive impact and to be treated on eye level, like to learn and support and are willing to take the lead.

We embrace and value different viewpoints, backgrounds, experiences, expertise and individual qualities. We are the employer of choice for all those who seek to continuously learn and contribute to both business and society.

Our compliance compass

Our Business Conduct Guidelines provide orientation and guide our path. They set forth our behavioral expectations and obligations.



Foreword

We shape the future of healthcare

▼ **Our basic principles**

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

▼ **Our responsibility**

- Our leadership model | D
 - › Respect for each other | E
 - › Our markets | F
 - › Our company | G
- Our portfolio | H
- Our partners | I
 - › Society and environment | J

Our reporting procedures

Index

Imprint

Our basic principles

Our basic principles guide our decisions and overall conduct as employees of Siemens Healthineers





Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

A | Our behavior

We behave correctly

We comply with the applicable laws of the countries in which we operate and follow our internal rules, processes and controls.

Siemens Healthineers is a member of various leading industry associations around the world and both shapes and commits to follow their codes of conduct. While these codes are not law, they provide appropriate guidance to the industry and to employees for interaction with healthcare providers.

We must be aware of and comply with these laws, codes and our internal rules that govern our daily work. If we are uncertain or have questions, we contact Legal & Compliance.

When making decisions on behalf of Siemens Healthineers, we should always ask ourselves the following questions:

- Is it right for Siemens Healthineers? Is it consistent with the Principles of Healthineers?
- Is it legal?
- Is it consistent with applicable Industry Codes of Conduct and our internal rules?
- Could it negatively affect our brand, if our actions (or those of our agents) were made public?
- Is it something I am willing to be personally accountable for?

What is a “healthcare provider”?

The term “healthcare provider” includes individuals (healthcare professionals) as well as institutions (healthcare organizations) delivering healthcare services for patients.

Healthcare providers include physicians, nurses and laboratory technicians as well as hospitals, clinics or laboratories in accordance with applicable local law.



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

A | Our behavior

We behave correctly



What are potential consequences of violations for our company and us as employees?

Violations of the law or failure to comply with our internal rules can have serious consequences for our company and the responsible employee(s).

These consequences include, for each of us:

- Disciplinary action
- Fines and damages
- Imprisonment

For our company:

- Damage to our brand, reputation and market value
- Significant fines and damages
- Reduction of profit (disgorgement)
- Exclusion (debarment) from public and private contracts



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

B | Our teamwork

Our core values for successful collaboration

Respect

We respect the personal dignity, privacy and rights of everyone. We believe diversity and inclusion enrich our workplace. We work together without regard to ethnic origin, culture, religion, age, disability, gender, gender identity, gender expression, sexual orientation or any other legally protected characteristics.

We do not tolerate discrimination or any form of harassment, retaliation or inappropriate behavior toward individuals or groups.

We apply these principles of respect to each other and third parties with whom we interact, including our suppliers, customers and business partners. We expect these principles to be followed by such third parties.



What are some examples of unacceptable behavior?

- Material that is offensive to people of different ethnic groups, nationalities or cultural background and that is displayed within a work environment (including on desks and in lockers)
- Innuendos or comments that are hostile or disrespectful to disabled people
- Gender-specific harassment or violence, including assaults, unwanted advances, or improper remarks or jokes
- Displaying offensive or improper images or objects, including those with graphically explicit content (e.g. sexual, violent)





Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

B | Our teamwork

Our core values for successful collaboration

We interact with each other in a respectful and reliable manner.

Trust

In our daily work we are open and honest. We take our responsibilities seriously, we are reliable and we only make promises we can keep.

We are sincere. We help clarify and eliminate potential deficiencies, problems and misunderstandings. We strive to fulfill the trust placed in us by our customers and their patients.

We all make mistakes at work. We foster a culture where we learn from our mistakes and endeavor not to repeat them. We deal openly with mistakes and we continuously give and seek feedback – from and to managers, peers and employees. This is a highly effective way to learn from mistakes and help prevent them from recurring.

While most mistakes are minor, some can have potentially serious consequences and must be reported.

What do we do if we observe a violation of the Business Conduct Guidelines?

We do not look away when we recognize possible violations of the Business Conduct Guidelines, even if they do not involve us personally. The company has numerous outlets to report possible violations of the Business Conduct Guidelines (see chapter [“Our reporting procedures”](#)).

In many cases, timely reporting is important to avoid or minimize harm or negative consequences to the company and our employees.



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

C | Corporate protection

We protect our company

We protect and promote our reputation and principles. They are essential for our business success and ensure the sustainable future of our company. If we act illegally or inappropriately, we can cause considerable damage to the company.



Foreword

We shape the future of healthcare

▼ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

▼ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

Our responsibility





Foreword

We shape the future of healthcare

Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

Our responsibility

- Our leadership model | D
 - Respect for each other | E
 - Our markets | F
 - Our company | G
- Our portfolio | H
- Our partners | I
 - Society and environment | J

Our reporting procedures

Index

Imprint

D | Our leadership model

Our responsibility as a leader

With our Siemens Healthineers Leadership Model we take into account various aspects of leadership to create a trustful working environment for all employees. Leaders at Siemens Healthineers know how to best lead, support and develop their employees and they accept feedback.

Managers’ special responsibilities and duties do not release them from their own responsibilities as employees. We work together to comply with the law and our internal rules.

Our leadership model consists of the following four roles:

- Leader:** Provide direction, give and seek feedback, engage and inspire
- Expert:** Advise others, solve challenges, share experiences
- Coach:** Create autonomy, enable problem solving, support self-learning
- Manager:** Set goals and priorities, create accountability, take decisions and drive compliance

Our managers have special responsibilities towards employees by:

- Creating a working environment based on trust and collaboration and being available to discuss with our employees about uncertainties on compliance with legal or regulatory requirements, Industry Codes of Conduct or internal rules. The same applies to questions from employees or professional and personal concerns
- Setting a good example and ensuring the teams understand the importance of acting in accordance with the Business Conduct Guidelines
- Taking every credible indication of possible misconduct seriously while reporting in an appropriate form
- Protecting the identity of employees who report potential misconduct and not tolerating retaliation against them
- Fulfilling all organizational and supervisory duties



What are our organizational and supervisory duties?

- We carefully select employees based on their professional qualifications, skills and suitability. The duty of care increases with the importance of the employee’s task
- We define binding tasks precisely and completely, especially in regard to compliance with legal requirements
- We take care that compliance with legal requirements is continuously monitored
- In our day-to-day business, we consistently communicate the importance of responsible business conduct, compliance with legal requirements and the consequences of our misconduct



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

✓ Respect for each other | E

Basic working conditions

Health & Safety

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

E | Respect for each other

We look after each other and ourselves

Siemens Healthineers protects our fundamental rights as employees, our health, our personal security and occupational safety at all locations throughout the world and when we are on business travel.



“Appreciation for our employees also means providing a safe and motivating working environment. Only if we enjoy the work we do each day, we’ll be successful in the long term.”

Bernd Montag
CEO Siemens Healthineers



- Foreword
- We shape the future of healthcare
 - Our basic principles
 - Our behavior | A
 - Our teamwork | B
 - Corporate protection | C
 - Our responsibility
 - Our leadership model | D
 - Respect for each other | E
 - Basic working conditions
 - Health & Safety
 - Our markets | F
 - Our company | G
 - Our portfolio | H
 - Our partners | I
 - Society and environment | J
- Our reporting procedures
- Index
- Imprint

E | Respect for each other

Basic working conditions

Siemens Healthineers fosters fair cooperation among management, employees and employee representatives and protects the fundamental rights of its employees.

No discrimination or intimidation
The principles of equal opportunity and equal treatment are guaranteed without regard to ethnic or social origin, culture, religion, age, disability, gender, gender identity, gender expression, sexual orientation or any other legally protected characteristics. In accordance with the labor and employment laws of the countries in which Siemens Healthineers operates, discrimination or harassment based on these characteristics or any other legally protected characteristics, retaliation or other inappropriate behavior toward individuals or groups will not be tolerated.

Free choice of employment
No one should be employed or forced to work against their will. All forms of forced labor are prohibited.

Prohibition of child labor
Child labor is strictly prohibited.

Adequate compensation
Siemens Healthineers pays fair wages for labor and follows all applicable wage and compensation laws as well as equal pay principles.

Working hours
Siemens Healthineers globally adheres to applicable working-hours regulations.

Freedom of association and collective bargaining
Siemens Healthineers recognizes the legal rights of workers to form or join existing trade unions and to engage in collective bargaining. Members of employee organizations or trade unions are neither disadvantaged nor preferred. Siemens Healthineers constructively cooperates with employees, employee representatives, and trade unions.

Even in the event of disputes, Siemens Healthineers strives to ensure sustainable and constructive cooperation in the long term and for solutions that reflect the legitimate interests of the company and its employees.



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

✓ Respect for each other | E

Basic working conditions

Health & Safety

> Our markets | F

> Our company | G

Our portfolio | H

Our partners | I

> Society and environment | J

Our reporting procedures

Index

Imprint

E | Respect for each other

Health, occupational safety, and personal security

Siemens Healthineers cares about us as part of its corporate responsibility.

Our health

Siemens Healthineers protects and promotes our health and well-being, guards us from health threats and offers a wide range of support to maintain and promote our physical and mental health.

Our occupational safety

Our vision are accident-free, health-preserving workplaces. We achieve this through a safety culture that is lived by our employees and managers. Safe working conditions and procedures are a necessary prerequisite for this.



How can I report an incident/accident?

Always inform your manager and/or your responsible EHS person. Siemens Healthineers maintains various reporting tools that differ among our sites. However, if you are unsure, your EHS responsible will be able to support you. Please refer to the global QT EHS intranet page for more information.

This is what we do:

- We follow the safety rules and procedures
- We avoid risky behavior
- When we recognize unsafe situations, we timely take appropriate action
- We report unsafe conditions and behavior as well as near misses and incidents to our managers, facility manager or other responsible person for Environmental Protection, Health Management & Safety (EHS)
- We consider mistakes as learning opportunities for our safety culture



- Foreword
- We shape the future of healthcare
 - Our basic principles
 - Our behavior | A
 - Our teamwork | B
 - Corporate protection | C
 - Our responsibility
 - Our leadership model | D
 - Respect for each other | E
 - Basic working conditions
 - Health & Safety
 - Our markets | F
 - Our company | G
 - Our portfolio | H
 - Our partners | I
 - Society and environment | J
- Our reporting procedures
- Index
- Imprint

E | Respect for each other

Health, occupational safety, and personal security

Our personal security
Siemens Healthineers is active worldwide, including in areas and situations where the security situation is less predictable. To protect our employees, the company and our business in the best possible way, global security risks and their potential impact on the business are continually being monitored and analyzed.

- This is what we do:**
- We educate ourselves in advance about the security risks in the countries to which we will be traveling and follow prescribed security procedures and requirements
 - We do not expose ourselves nor our colleagues to unnecessary hazards through reckless behavior or by ignoring security regulations
 - We react quickly in a critical situation, contact the emergency hotline at +49 (89) 636 – 12345 (staffed 24x7), and follow the relevant security instructions
 - We report security incidents promptly to our manager or via defined reporting processes

How does Siemens Healthineers take care of its employees during business travel, especially into higher-risk countries?

There are processes in place to promote conditions for safe and secure business travel and delegations, particularly in countries with heightened security risks. These include a global travel security process, online trainings, guidances on various topics or pocket guides for certain countries.



Foreword

We shape the future of healthcare

Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

Our responsibility

- Our leadership model | D
 - Respect for each other | E
 - Our markets | F
 - Fair competition
 - Success in fair competition
 - Trade and export controls
 - Collective Action
 - Our company | G
 - Our portfolio | H
 - Our partners | I
 - Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

We act fairly and reliably

Fair competition

We place integrity at the heart of everything we do. Siemens Healthineers stands for fair competition in which only market economy criteria (quality, price, innovation, service, etc.) are the decisive factors for business decisions. Competition should not be distorted by unfair methods or means.



We reject all forms of corruption and bribery

We do not tolerate corruption in our business interactions anywhere in the world. This includes our business interactions through our external business partners.

Corruption includes dishonest or illegal behavior, especially by those in power or exercising decision-making. The most common forms of corruption are bribery, fraud and embezzlement.

Bribery is the act of offering, promising or giving money, gifts or other benefits to a healthcare provider, a public official, public or private employees with the aim of receiving improper advantages.

The term “public official” covers any person employed or mandated by a public authority. This includes all government officials and employees of non-governmental institutions who are regarded as public officials in accordance with applicable law.

Benefits – yes, but only to a reasonable extent

In many countries providing benefits, such as gifts, meals, travel and accommodations, is an important part of business interactions. If provided unreasonably or inappropriately, such benefits may affect the recipient’s decision-making or create the appearance of improper influence. Therefore, some jurisdictions do not allow benefits in business interactions at all or require that they be publicly reported under country specific transparency laws; or codes of conduct of industry associations (Industry Codes of Conduct) to which we commit may also require such disclosure.



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

✓ Our markets | F

Fair competition

Success in fair competition

Trade and export controls

Collective Action

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

We act fairly and reliably

Fair competition

Benefits must be in accordance with:

- Applicable laws
- Our internal rules
- Applicable Industry Codes of Conduct
- The internal rules of the recipient's organization

Our business counterparts, especially healthcare providers and public officials, typically have own internal rules that restrict their employees' ability to accept benefits (personally or on behalf of the employer). These rules can be very strict, and we must be aware of and adhere to them.

In the same way we are expected to follow our internal rules by:

- Being transparent and recording benefits correctly in the company's books and records
- Providing only benefits which are reasonable in terms of type, value, frequency, occasion as well as the position of the recipient
- Not offering, providing, demanding, or accepting benefits with the expectation of any type of improper advantage
- Not creating the appearance of dishonesty or inappropriateness





Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

✓ Our markets | F

Fair competition

Success in fair competition

Trade and export controls

Collective Action

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

We act fairly and reliably

Fair competition



What are facilitation payments?

A facilitation payment is the payment of a relatively small amount of money or the granting of any other benefit, usually to low-ranking public officials, for their personal benefit or to expedite the performance of a routine governmental action.

Facilitation payments are prohibited and can be prosecuted.

We do not:

- Provide or accept improper benefits in exchange for business or other benefits
- Provide invitations to entertainment events
- Give or accept inappropriate donations or sponsorships
- Give or accept inappropriate monetary payments
- Use third parties to conduct prohibited or inappropriate activities on our behalf
- Give or accept facilitation payments



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

✓ Our markets | F

Fair competition

Success in fair competition

Trade and export controls

Collective Action

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

We act fairly and reliably

Fair competition

Sponsorships, donations and charitable contributions – yes, but only to promote corporate goals

Sponsorships, donations and charitable contributions are important to our social commitment and the pursuit of our corporate goals.

This is what we do:

We report all suspected corrupt activity to our Legal & Compliance organization.

When the company provides sponsorships, donations and charitable contributions, these:

- Must be carefully examined to determine whether they promote our company's legitimate objectives
- May not be promised, offered or made to obtain improper business advantages or for other unethical purposes
- Must not support any religious group or political party
- Must be intended to strengthen our brand or advance our social commitments



Foreword

We shape the future of healthcare

▼ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

▼ Our responsibility

- Our leadership model | D
- Respect for each other | E

▼ Our markets | F

Fair competition

- Success in fair competition
- Trade and export controls
- Collective Action

➤ Our company | G

- Our portfolio | H
- Our partners | I

➤ Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

We act fairly and reliably

Fair competition

Political engagement

Continuous dialog with political decision-makers is highly relevant for the success of a global company. Our activities with respect to politicians, parties and positions will be non-partisan and solely in support of our legitimate business goals. We comply with the law and our internal rules.

Outgoing payments – yes, but only if used lawfully

Payments to third parties are made every day in the course of business at Siemens Healthineers. Processes and tools help us ensure these payments are properly documented and provided for proper purposes.

This is what we do:

- We only maintain accounts or funds for legitimate purposes
- We only make payments to third parties that are legal and have legitimate purposes
- We only make payments when there is proper documentation

While meeting with a potential customer in the United States you plan to present a branded gift of minor value as a welcome present. Is this allowed?

No. While a branded gift of minor value may be acceptable in other countries, the Anti-Kickback Statute in the United States prohibits such gifts from being given to healthcare providers.

Depending on the applicable federal or state laws, gifts may be provided to United States healthcare providers but these must relate to the benefit of patients or serve a genuine educational function.



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

➢ Respect for each other | E

✓ Our markets | F

Fair competition

Success in fair competition

Trade and export controls

Collective Action

➢ Our company | G

Our portfolio | H

Our partners | I

➢ Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

We are successful
in fair competition

Respecting antitrust law and fair competition

Antitrust law protects free, undistorted and effective competition for the benefit of customers, companies and society as a whole.

Antitrust violations can have serious consequences for our company and the employees involved, such as high fines, exclusion from public tenders (debarment), claims for damages, damage to reputation and imprisonment.

*"I will not sell the future
for instant profit."*

Werner von Siemens



What are anticompetitive agreements?

Anticompetitive agreements (tacit or express, formal or informal, written or verbal) include price agreements, market, customer or territory allocations between competitors and bid-rigging agreements with competitors. While simply having a high market position is not problematic, abuse of a dominant position (indicator: more than 30 to 50 percent market share) is prohibited.

This is what we do:

- We do not enter into anticompetitive agreements with competitors, customers, distributors, sales agents or suppliers
- We do not engage in unfair and discriminatory conduct impacting either our customers or competitors in the market
- We only communicate with competitors when we have a compelling business reason to do so and when there are no antitrust concerns



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

➢ Respect for each other | E

✓ Our markets | F

Fair competition

Success in fair competition

Trade and export controls

Collective Action

➢ Our company | G

Our portfolio | H

Our partners | I

➢ Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

We are successful
in fair competition

Respecting antitrust law and fair competition

We never communicate with
competitors about:

- Prices, price components or other conditions
- Market, customer or territory allocation
- Business opportunities or incoming orders
- Capacities, production volumes or quotas
- Corporate strategies or future market behavior; for example, sales strategies, current and future product developments, investments and boycotts
- Offers and tenders (unless we have clearance from Legal & Compliance for the specific business model or tender)
- Conduct during tenders or the submission of rigged offers

This is what we do:

- We support open competition in our relationships with customers, sales partners and suppliers
- We never communicate with customers, sales partners or suppliers about:
 - Maintaining a level of resale prices. In certain jurisdictions, however, non-binding recommendations, without pressure or incentives, regarding resale prices and the establishment of maximum sale prices are permissible
 - Obstruction of exports or re-imports
- We handle confidential information from Siemens Healthineers and third parties, such as competitors, customers, sales partners and suppliers, with care
- We do not solicit or accept any information in circumstances raising antitrust concerns (competitively sensitive information or confidential information)
- We treat sensitive information from third parties confidentially, share it only with authorized personnel on a “need-to-know” basis and use it exclusively for the purpose for which it is provided
- We fully respect the main objectives of public tendering laws: transparency of tendering processes and fair and equal treatment of all bidders



Foreword

We shape the future of healthcare

✓ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

✓ Our responsibility

- Our leadership model | D
- Respect for each other | E

✓ Our markets | F

- Fair competition
- Success in fair competition**
- Trade and export controls
- Collective Action
- Our company | G
- Our portfolio | H
- Our partners | I
- Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

We are successful in fair competition

Respecting antitrust law and fair competition

A few examples of what we need
to consider:

- We never obtain confidential information from third parties without justification and use it in an unlawful manner, for example in the bidding process
- We do not collect or use confidential documents from previous employers or store them on our networks



What is confidential (competitively sensitive) information
that deserves special protection?

Confidential information is information that is not intended to be made public. This may include non-public information from or about Siemens Healthineers, suppliers, customers, employees, agents, consultants or other third parties (including but not limited to competitors) that is protected under legal and contractual requirements.

This can for example include:

- Details of a company's organization and facilities, prices, sales, profits, markets, customers and other business matters
- Offer documents
- Information on manufacturing, research and development processes
- Technical information
- Know-how
- Internal reporting figures



Foreword

We shape the future of healthcare

Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

Our responsibility

- Our leadership model | D
- Respect for each other | E

Our markets | F

- Fair competition
- Success in fair competition
- Trade and export controls
- Collective Action

Our company | G

- Our portfolio | H
- Our partners | I

Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

We are successful in fair competition

Respecting antitrust law and fair competition

This is what we do:

- To ensure that business is conducted in compliance with applicable laws, we contact Legal & Compliance when presented with the following types of conduct regarding products or services where Siemens Healthineers may have a dominant position (indicator: greater than 30 to 50 percent market share):
 - Exclusivity agreements
 - Rebate or discount schemes
 - Excessively high or low prices
 - Tying sale of a “strong market” product with other products
 - Unequal treatment of business partners (except where there is an objective justification)
 - Refusal of delivery or license (without an objective justification)
- We have potential business relationships examined in advance by Legal & Compliance, such as:
 - Working/bidding partnerships, consortia
 - Joint research and development
 - Specialization/joint production
 - Standardization and harmonization
 - Joint purchasing
 - Exclusive distribution/exclusive procurement
 - Market information systems/benchmarking
 - Exclusivity agreements and exclusive territory allocation in distribution and licensing agreements
- We only participate in association meetings with other competitors if there is a written invitation with an agenda, representatives of the association are present, and minutes are kept. In the case of antitrust issues or discussion of competitively sensitive topics, we leave under protest and have this recorded in the minutes. We inform Legal & Compliance immediately. Further information can be found in the “Recommendations for action in working with associations” on the Legal & Compliance intranet page



Foreword

We shape the future of healthcare

✓ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

✓ Our responsibility

- Our leadership model | D
- Respect for each other | E
- ✓ Our markets | F
 - Fair competition
 - Success in fair competition
 - Trade and export controls**
 - Collective Action
- Our company | G
- Our portfolio | H
- Our partners | I
- Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

We comply with regulations

Trade and export controls

As a company with international operations where our products help patients around the world, it is essential for Siemens Healthineers to comply with the export control and customs regulations applicable to national and international trade.

We expect all functions in our company to know and follow the requirements that apply to the movement of our products, services and technologies.

We only sign documents related to foreign traffic, if we are trained and authorized to do so.



Can I sign a certificate of origin?

Do not sign a certificate of origin unless you have been trained to do so. A knowingly incorrect statement may result in false declarations to the customs authorities and may lead to fines and penalties. In case of doubts or questions, contact your export control and customs department.

This is what we do:

- We take care that the applicable customs and foreign trade regulations, including regulations on security in the supply chain, are checked, implemented and followed when goods are traded or transported, services are provided, or other technical know-how or software is transferred
- We thoroughly monitor and audit our business activities in sanctioned countries
- We check and follow applicable export control regulations (such as those of the European Union and the United States) in our business activities, even outside the respective territories
- When we see any indications of possible infringements or unauthorized use of our products, services, or industry solutions, we alert export control and customs (ECC) and, if problematic, do not pursue the transaction



Foreword

We shape the future of healthcare

✓ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

✓ Our responsibility

- Our leadership model | D
- › Respect for each other | E

✓ Our markets | F

- Fair competition
- Success in fair competition
- Trade and export controls**
- Collective Action
- › Our company | G
- Our portfolio | H
- Our partners | I
- › Society and environment | J

Our reporting procedures

Index

Imprint



“Export Control and Customs is an integral part of our international trade efforts and performs an important governance role. As part of our value chain, ECC requires the alignment with and cooperation of almost all functions within our company.”

Jochen Schmitz
CFO Siemens Healthineers



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

➤ Respect for each other | E

✓ Our markets | F

Fair competition

Success in fair competition

Trade and export controls

Collective Action

➤ Our company | G

Our portfolio | H

Our partners | I

➤ Society and environment | J

Our reporting procedures

Index

Imprint

F | Our markets

Our commitment to clean markets pays off

Collective Action

Siemens Healthineers faces significant compliance risks in numerous markets. Collective Action is our strategic response to this challenge. Together with other responsible companies, the public sector and civil society, we enter into integrity and compliance pacts with our partners for business conduct standards and support binding agreements for individual sectors and markets in healthcare.

Through these joint efforts, we aim to create fair, level and clean market conditions for all participants and thereby reduce levels of corruption.





Foreword

We shape the future of healthcare

✓ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

✓ Our responsibility

- Our leadership model | D
- › Respect for each other | E
- › Our markets | F

✓ Our company | G

- Siemens Healthineers
- Conflicts of interest
- Money laundering prevention
- Financial integrity
- Insider trading
- Company assets
- Data privacy

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

We enable healthcare providers to deliver high-value care

“Our brand is what we make of it. We influence its value every day, with everything we do. Every single one of us is an ambassador for Siemens Healthineers. So, I’m counting on you.”

Bernd Montag
CEO Siemens Healthineers



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Unsere Märkte | F

✓ Our company | G

Siemens Healthineers

Conflicts of interest

Money laundering prevention

Financial integrity

Insider trading

Company assets

Data privacy

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

Siemens Healthineers

A premium/high value medtech brand

Positioning Siemens Healthineers as a premium/high value brand underlines the value of our offerings. It addresses our strengths like 'innovation leadership' and 'enabling digitalization'. Our long heritage and the name Siemens give us tailwind and open doors.



What is a brand?

A brand is the sum of all experience, information and expectations that define an organization or offering for its target audiences. Brands differentiate, influence choice, build relationships, create value, add to the bottom line and drive stock market performance.





Foreword

We shape the future of healthcare

✓ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

✓ Our responsibility

- Our leadership model | D
 - › Respect for each other | E
 - › Unsere Märkte | F
- ✓ Our company | G
 - Siemens Healthineers
 - Conflicts of interest
 - Money laundering prevention
 - Financial integrity
 - Insider trading
 - Company assets
 - Data privacy
- Our portfolio | H
- Our partners | I
 - › Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

Siemens Healthineers

A premium/high value medtech brand



How do I handle the brand Siemens Healthineers as we should?

The brand Siemens Healthineers is an asset of great value. In January 2019, it was valued at EUR 6.4 bn.

We are all held accountable for ensuring consistency and discipline in all applications. Brandville contains all specifications and requirements for implementation.





Foreword

We shape the future of healthcare

▼ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

▼ Our responsibility

- Our leadership model | D
- Respect for each other | E
- Unsere Märkte | F

▼ Our company | G

- Siemens Healthineers
- Conflicts of interest
- Money laundering prevention
- Financial integrity
- Insider trading
- Company assets
- Data privacy

Our portfolio | H

Our partners | I

➢ Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

Siemens Healthineers

A premium/high value medtech brand

We avoid every behavior which is not in line with the Business Conduct Guidelines and endangers our reputation and the value of our brand.

In addition to the brand Siemens Healthineers, intellectual property rights, such as patents, utility models, trademarks, designs, copyrights and trade secrets and their protection, are essential for our business success.

This is what we do:

- We, as inventors, support Siemens Healthineers by disclosing inventions in a timely manner in order to enable early protection
- We report suspected violations of our intellectual property rights
- We use computer software only in accordance with applicable license terms and ensure compliance with all license requirements of integrated third parties software, commercial, and open source software, in our products and solutions
- We respect the intellectual property rights of third parties

Handling of our brand and other intellectual property rights

Why are intellectual property rights so important to Siemens Healthineers?

If our innovations are not protected, third parties can copy our products, which leads to a loss of competitive advantage. When our innovations are jeopardized, we lose the value of our investments in research and development unless we enforce our rights.



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Unsere Märkte | F

✓ Our company | G

Siemens Healthineers

Conflicts of interest

Money laundering prevention

Financial integrity

Insider trading

Company assets

Data privacy

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

We only make business decisions in the interest of Siemens Healthineers

Conflicts of interest

We are not influenced by personal interests when making business decisions. Such conflicts of interest hinder the success of Siemens Healthineers, especially if economically irresponsible decisions are taken. Reputational damage or loss of trust by customers can be the result.

There is a potential conflict of interest in day-to-day business if our personal interests differ from those of Siemens Healthineers.

Conflicts of interest may, for example:

- Harm Siemens Healthineers if contracts are awarded on the basis of personal relationships, but not on objective evaluation of offers
- Lead to reputational damage if they are made public

This is what we do:

- We make business decisions in the best interest of our company and not based on personal interests
- We anticipate and avoid situations in which the appearance of a conflict of interest may arise
- Without disclosing the potential conflict, we do not, as part of our work for Siemens Healthineers, engage companies with which we have a personal interest if it could personally benefit us, whether or not we have or can exert direct or indirect influence on the business decision of Siemens Healthineers
- We inform our managers of any personal interest that might exist in connection with the performance of our duties in the company





Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

✓ Our company | G

Siemens Healthineers

Conflicts of interest

Money laundering prevention

Financial integrity

Insider trading

Company assets

Data privacy

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

We only make business decisions in the interest of Siemens Healthineers

Conflicts of interest

To protect ourselves and our company, we pay close attention to possible conflicts of interest.

The following questions help us assess whether there is a conflict or an appearance of a conflict:

- Is the decision we make for Siemens Healthineers influenced by personal interests?
- What impression would the situation make on third parties, such as customers, business partners or investors?
- How would the public react to my business decision?

Competition with Siemens Healthineers

A conflict of interest may also arise in business relationships with or through involvement with or investments in a competitor or customer of Siemens Healthineers.

Typical examples of a competitive situation:

- The employee also works for or advises a competitor of Siemens Healthineers
- The employee himself competes directly with products or services of Siemens Healthineers
- There are personal or family ties to competitors

This is what we do:

- We do not operate or work for a company that competes with Siemens Healthineers
- We do not engage in any activity that competes with Siemens Healthineers

Here is a classic example of an internal conflict of interest:

There is an intimate relationship between an employee and a manager. The manager is obliged to disclose the conflict of interest at an early stage and change the reporting relationship.



Foreword

We shape the future of healthcare

▼ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

▼ Our responsibility

- Our leadership model | D
- › Respect for each other | E
- › Our markets | F

▼ Our company | G

- Siemens Healthineers
- Conflicts of interest
- Money laundering prevention
- Financial integrity
- Insider trading
- Company assets
- Data privacy

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

We only make business decisions in the interest of Siemens Healthineers

Conflicts of interest

Secondary employment

A conflict may also arise in the performance of secondary employments that prevent us from properly performing our duties at Siemens Healthineers.

Secondary employment can be prohibited, and previously granted permission can be revoked, if it leads to an impairment of the employee's work performance, interferes with his or her duties within the company or if there is a risk of a conflict of interest.

Investment in third-party companies

Conflicts of interest can also arise through investments in third-party companies.

This is what we do:

- Before we engage in paid secondary employment, we consult with our managers. We inform Human Resources in writing that we would like to take up paid secondary employment and will only do so after obtaining written consent

We inform Human Resources in writing of any direct or indirect investment in companies that:

- are business partners of Siemens Healthineers if we are engaged in business with the company or have a board or management role in the company. With respect to publicly traded companies this only applies if the investment exceeds three percent of the total capital
- compete with our company if we can influence the management of the competitor through this investment. This is presumed if the interest exceeds three percent of the total capital of the company



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

✓ Our company | G

Siemens Healthineers

Conflicts of interest

Money laundering prevention

Financial integrity

Insider trading

Company assets

Data privacy

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

Money laundering and the funding of terrorism – not with us!

Money laundering prevention

Delivery and supply activities entail the risk of being abused for money laundering or terrorist financing.

Siemens Healthineers strives to maintain business relationships only with reputable customers, partners and companies whose business activities comply with legal requirements and whose financial resources are of legitimate origin.

Money laundering is the disguising of the origin of money or other assets derived from criminal activities and moving them into the legitimate economy to launder them. In addition to monetary support, the funding of terrorism may include other asset such as goods or merchandise.

This is what we do:

- We use a risk-based approach to verify the identity and economic background of customers, business partners and other third parties and the origin of payments to ensure they come from legitimate sources
- We immediately inform Legal & Compliance and/or our manager in the event of suspicious activity. When necessary, Siemens Healthineers reports suspicious activity to law enforcement authorities





Foreword

We shape the future of healthcare

Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

Our responsibility

- Our leadership model | D
 - Respect for each other | E
 - Our markets | F
- Our company | G
 - Siemens Healthineers
 - Conflicts of interest
 - Money laundering prevention
 - Financial integrity
 - Insider trading
 - Company assets
 - Data privacy
- Our portfolio | H
- Our partners | I
 - Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

How do we strengthen the trust placed in us?

Financial integrity

As an international company, Siemens Healthineers is committed to accurate and truthful reporting to investors, employees, customers, business partners, the public and government agencies. We follow applicable laws, regulations, standards and practices.

This is what we do:

- We ensure that our books and records are kept completely, accurately and truthfully. They are prepared on time and in accordance with the applicable rules and standards
- We comply with the Financial Reporting Guidelines and follow internal control processes
- We provide correct and complete information for financial reporting purposes
- Our accounts and records include all data, certificates and other written materials provided for financial reporting and disclosure purposes





Foreword

We shape the future of healthcare

✓ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

✓ Our responsibility

- Our leadership model | D
- Respect for each other | E
- Our markets | F
- ✓ Our company | G
 - Siemens Healthineers
 - Conflicts of interest
 - Money laundering prevention
 - Financial integrity
 - Insider trading
 - Company assets
 - Data privacy
- Our portfolio | H
- Our partners | I
- Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

How do we strengthen the trust placed in us?

Financial integrity

We are all responsible for tax matters in the context of our business activities. The correct fiscal representation of a business activity is not only the responsibility of the Finance or Tax department. All transactions must be reflected correctly for tax purposes. For example, a customer invoice must contain, among other things, accurate information about the content of the service provided and the correct VAT.



I am planning a business transaction with a customer abroad. What do I have to do from a tax perspective?

If you are unsure about the tax consequences of the transaction, contact the Tax department for advice.

This is what we do:

- When applying tax laws, or in the event of conflicts between tax regulations, we ensure the tax result is consistent with the relevant economic and legal circumstances and our business models
- We do not use artificial structures or letterbox companies whose sole purpose is to obtain unlawful tax advantages
- We provide tax authorities with transparent information on our tax strategy and business activities in accordance with existing regulations



Foreword

We shape the future of healthcare

▼ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

▼ Our responsibility

- Our leadership model | D
 - › Respect for each other | E
 - › Our markets | F
 - ▼ Our company | G
 - Siemens Healthineers
 - Conflicts of interest
 - Money laundering prevention
 - Financial integrity
 - Insider trading
 - Company assets
 - Data privacy
- Our portfolio | H
- Our partners | I
 - › Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

Neither by us, nor for others!

Insider trading

Trading stocks based on insider information is prohibited. Further, insider information shall not be disclosed without authorization.

What is an insider and what are the consequences of being an insider?

An insider is someone who has insider information. This person is subject to strict legal requirements. In almost all countries in which Siemens Healthineers operates, there are severe sanctions for misusing insider information.

Such misuse could have considerable consequences for the insider and the company concerned and result in personal and criminal liability, which may include imprisonment.



What is insider information?

In our work, we often encounter confidential information. If it becomes public, some of this information may even be important enough to have a material effect on the stock market price of Siemens Healthineers AG, Siemens AG or other companies, such as publicly listed customers, suppliers or joint venture partners. Such confidential information is called insider information as long as it continues to have importance for the stock market price and has not yet been published. Insider information can also consist of an aggregation of individual pieces of information that we have gained, for example from discussions or documents inside or outside the company or that we have received accidentally.

It is always our individual knowledge of the situation that matters.



Foreword

We shape the future of healthcare

✓ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

✓ Our responsibility

- Our leadership model | D
 - › Respect for each other | E
 - › Our markets | F
- ✓ Our company | G
 - Siemens Healthineers
 - Conflicts of interest
 - Money laundering prevention
 - Financial integrity
 - Insider trading
 - Company assets
 - Data privacy
- Our portfolio | H
- Our partners | I
 - › Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

Neither by us, nor for others!

Insider trading

Can we be sure that we are not violating the prohibition against insider trading when participating in employee stock ownership programs?

Siemens Healthineers strives to offer the opportunity to participate in employee stock ownership programs where possible. However, the prohibition of insider trading applies also to any transactions under such programs if the respective employee has insider information when making or altering the selection in the online tool to participate in the employee stock ownership programs. When actively participating in employee stock programs, particularly in connection with making buy or sell decisions or altering purchasing or selling selections, every employee should always ask themselves whether they can make the buy or sell decisions without making use of potential insider information. The same applies if they wish to make a selection in the context of share matching (i.e. if they wish to deviate from the standard selection “sell to cover” as further explained in the selection process, since “hold all and pay taxes via payroll” qualifies as a purchase of shares).

How do we know if we are an insider?

Each of us must consider whether they have or receive information that can have, if disclosed to the public, a significant impact on the stock market price of Siemens Healthineers AG, Siemens AG or the share price of another publicly listed company, such that it qualifies as insider information. Siemens Healthineers cannot make this decision for us. Being an insider does not require the person to be formally included in an insider list, it is sufficient to actually have insider information. Whether an insider list is opened and who is included in it has to be seen as a separate decision which is to be made by the respective company.

This is what we do:

- We neither purchase nor sell shares or options based on insider information. If we have insider information, we also refrain from other securities transactions, such as the cancellation of a share purchase
- We neither enable nor induce others, such as family members, friends or bank advisors, to engage in securities transactions based on insider information and we do not recommend such transactions to them
- We treat insider and potential insider information with strict confidentiality and take appropriate precautions that unauthorized persons do not gain access to it



Foreword

We shape the future of healthcare

Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

Our responsibility

- Our leadership model | D
 - Respect for each other | E
 - Our markets | F
 - Our company | G
 - Siemens Healthineers
 - Conflicts of interest
 - Money laundering prevention
 - Financial integrity
 - Insider trading
 - Company assets
 - Data privacy
- Our portfolio | H
- Our partners | I
 - Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

How we responsibly protect information and company assets

Information and other company assets are essential to our business success. For this reason, each of us ensures that they are handled responsibly. We systematically identify and evaluate our critical information and company assets to adequately protect them.

Furthermore, our own identities (at work, at home or online, for instance on Social Media) are at risk as they are the target of attackers to gain access to information.

We handle company equipment and facilities with due care

We treat with care the company equipment and facilities at our disposal for our daily work.

We take responsibility for ensuring that the company equipment and facilities provided to us, such as telephones, laptops, e-mail and intranet, internal Social Media platforms, copiers, mailrooms and tools, are only used for business purposes consistent with local company policy.

We are permitted to use company internet access for private purposes – including external Social Media – consistent with local company policy.

We are aware that our communication on Social Media sites can pose significant legal, regulatory or other risks to the company and/or the employees using Social Media and identifiable as affiliated with Siemens Healthineers. This also holds true for communication that was intended to be private (not purely business-related). In addition, non-compliant communication can also damage the reputation of Siemens Healthineers.

We do not retrieve or share information that supports or encourages behavior or content prohibited in Chapter B “Respect”.

We do not use company equipment for any illegal downloads, recording or copying.

This is what we do:

- We identify and classify critical information and other company assets according to their potential impact to the business
- We all help develop and implement holistic protection measures
- We ensure their sustainable protection by regular reviews and audits

We treat company information with due care

Siemens Healthineers attaches great importance to ensuring that sensitive information cannot fall into the hands of unauthorized persons or third parties. In this way, we create the trust required for worldwide cooperation with customers and partners.



Foreword

We shape the future of healthcare

Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

Our responsibility

- Our leadership model | D
 - Respect for each other | E
 - Our markets | F
- Our company | G
 - Siemens Healthineers
 - Conflicts of interest
 - Money laundering prevention
 - Financial integrity
 - Insider trading
 - Company assets
 - Data privacy
- Our portfolio | H
- Our partners | I
 - Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

How we responsibly protect information and company assets

Siemens Healthineers can suffer serious consequences if for example,

- important know-how or information is disclosed to unauthorized parties like competitors (breach of confidentiality)
- important information is not delivered, such as fiscal year closure (lack of availability)
- we cannot rely on the information we use for decision making or production (integrity of information)
- the physical security of sites and facilities is breached

Therefore these risks must be avoided or minimized.

Ground Rules of Communication

- We take the confidentiality of internal company information into account in all communications
- We check non-public information for its potential status as insider information prior to publication
- We adhere to the defined core messages to ensure the company-wide consistency and reliability of the messages

- We are particularly cautious with forecasts and other forward-looking statements
- We respond to rumors and speculation with “No comment”
- We are careful during our private conversations
- We do not communicate within the “quiet period”. At Siemens Healthineers, the quiet periods last from the start of each subsequent quarter or fiscal year until the publication of the respective quarterly or fiscal-year-end results

We embrace and promote the principles of the Charter of Trust:

- Protecting the data of individuals and companies
- Preventing harm to people, companies and infrastructures
- Establishing a reliable foundation on which confidence in a networked digital world can take root and grow

More information about the Charter of Trust can be found at: www.charter-of-trust.com

This is what we do:

- We classify information and treat it in accordance with its classification as “unrestricted”, “restricted”, “confidential”, or “strictly confidential”
- We manage access controls and permissions to ensure information is accessed by authorized individuals only
- We do not share personal passwords and access codes with third parties
- We always adhere to the Ground Rules of Communication when dealing with company information. This also applies to business and personal use of Social Media



Foreword

We shape the future of healthcare

Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

Our responsibility

- Our leadership model | D
 - Respect for each other | E
 - Our markets | F
- Our company | G
 - Siemens Healthineers
 - Conflicts of interest
 - Money laundering prevention
 - Financial integrity
 - Insider trading
 - Company assets
 - Data privacy
- Our portfolio | H
- Our partners | I
 - Society and environment | J

Our reporting procedures

Index

Imprint

G | Our company

Data Privacy

The protection of personal data plays an important role in our ever more digitized world. We handle personal data carefully and responsibly, respecting individuals’ privacy. The loss or improper use of personal data can have serious consequences for the individuals concerned. We expect all our employees to notify the Data Privacy organization of potential data privacy incidents.

Special categories of personal data:

We may process special categories of personal data, in particular health data. We respect the limitations of use and comply with the data privacy requirements in that regard.

We are aware that violations of confidentiality or data secrecy can not only have serious consequences for the affected individuals but can also have consequences for us under criminal law and labor law.



What is “personal data”?

Personal data is any information relating to an identified or identifiable natural person, such as a name, an identification number, location data or one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity.

This is what we do:

We take care to collect and process personal data only

- in a secure and confidential manner
- as long and to the extent required for legitimate, predetermined purposes
- in a transparent manner
- if it is protected against loss, modification and unauthorized use or disclosure by appropriate technical and organizational measures

How do I report potential data privacy incidents?

We encourage our employees to use our “Let Us Know Data Privacy” portal and follow the instructions. All notifications will be treated confidentially, and they can be made anonymously.

All of us who handle personal data of employees, customers, patients or other third parties bear a high level of responsibility.



Foreword

We shape the future of healthcare

✓ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

✓ Our responsibility

- Our leadership model | D
 - › Respect for each other | E
 - › Our markets | F
 - › Our company | G
- Our portfolio | H
- Our partners | I
 - › Society and environment | J

Our reporting procedures

Index

Imprint

H | Our portfolio

World-class products, services and solutions

Technical compliance

Siemens Healthineers stands for world-class quality and strives to inspire its customers with excellent and innovative products, services, and solutions.

We place very high priority on the security of our portfolio, its legal conformity, quality and environmental aspects, for customers and all those who come into contact with it. Compliance with applicable technical regulations for approval and marketing in our markets is a fundamental requirement for the design and distribution of our products and services. We keep our technical promises (technical compliance).

In a world of “smart products” and ever increasing digitalization, our aim is to fulfill the trust placed in Siemens Healthineers.

This is what we do:

- In our areas of responsibility, we help ensure that our products, services and industry solutions are safe and comply with applicable legal requirements in our market countries for their safety, approval, marketing and use
- We keep our technical promises
- If we become aware of quality, safety or other conformity defects in our area of responsibility, or if there are credible indications of such defects, we will follow-up and report them to the quality organization

Where can violations occur in the area of technical compliance?

- Active deception: Making declarations that contain false product information
- Deception by omission: Omitting material information about product defects at any point in their development, marketing or use (even if these only occur after production start or market entry)



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

I | Our partners

We work with responsible partners

Business relationships with our customers, suppliers and other business partners are fundamental to Siemens Healthineers.

We maintain business relationships only with reputable partners who are committed to comply with the law.

We protect the interests of our customers by carefully selecting suppliers and other business partners and through the standards we set for our own actions.

That is why we cooperate with responsible partners worldwide.

Involvement of third parties – yes, but without bribery

The integrity and careful selection of business partners is important to protect our company. Inappropriate influence on public officials or private individuals to secure any improper advantage is not tolerated. We therefore evaluate business partners and monitor them throughout the course of the complete business relationship.





Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

I | Our partners

We work with responsible partners

This is what we do:

- We carefully select our suppliers and other business partners
- We contractually oblige our suppliers and business partners to adhere to a uniform Code of Conduct for Suppliers and Third Party Intermediaries
- Sustainability is a core element of our supplier management

The following principles apply to cooperation with our partners:

- We work closely with our suppliers and other business partners
- We work closely with our suppliers and help them enable mutual improvement
- We constantly analyze our current business relationships and react promptly to emerging risks
- We only work with suppliers who are prepared to mitigate problems or implement risk reduction measures
- We conduct appropriate due diligence reviews, including compliance with export controls and anti-money laundering laws and other important principles
- We assess project risks when deciding whether to pursue a project



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

I | Our partners

We work with responsible partners



We want to engage a new distributor or sales agent, what do we need to do?

Compliance due diligence for this company needs to be conducted and approved in the Business Partner Compliance Tool (BPC tool). Further steps related to the business partner on-boarding processes have to be taken into consideration.

The BPC tool can be found on the Legal & Compliance intranet page.

Here are some alert signs we must examine and clarify:

- Inconsistencies in records and payments
- High prices with deep discounts or oddly high profit margins
- Contractual partners with unclear responsibilities or questionable qualifications
- Suspicious personal relationships or business arrangements
- Unusually high fees, commissions, gifts, entertainment or hospitality
- The rejection of compliance contract clauses
- The demand for prepayment without plausible business reasons
- Demands for cash payments or transfers to offshore bank accounts or third parties

This is what we do:

- We evaluate and monitor business partners and take into account their respective risks
- We demand that our partners know and adhere to our values and compliance standards
- We insist on contractual commitments requiring our business partners to act in compliance with all applicable rules and regulations



Foreword

We shape the future of healthcare

▼ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

▼ Our responsibility

- Our leadership model | D
 - › Respect for each other | E
 - › Our markets | F
 - › Our company | G
- Our portfolio | H
- Our partners | I

▼ Society and environment | J

Our responsibility to society and the environment

- Human Rights
- Environment

Our reporting procedures

Index

Imprint

J | Society and environment

Our responsibility to society and the environment

Siemens Healthineers respects society around the world. As a globally active company with innovation and investment competency, Siemens Healthineers holds itself to a high standard for sustainable development worldwide and makes a variety of contributions to this development. In addition, Siemens Healthineers is voluntarily and purposefully committed to advancing social issues and meeting needs.





Foreword

We shape the future of healthcare

▼ Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

▼ Our responsibility

- Our leadership model | D
 - › Respect for each other | E
 - › Our markets | F
 - › Our company | G
- Our portfolio | H
- Our partners | I

▼ Society and environment | J

Our responsibility to society and the environment

- Human Rights
- Environment

Our reporting procedures

Index

Imprint

J | Society and environment

Our commitment to international agreements and recommendations

Siemens AG is participant of the United Nations Global Compact. Its ten principles and the Global IndustriALL Union framework agreement are considered binding for the entire group of companies.

We as Siemens Healthineers are committed to promoting these principles within our sphere of influence. Respect for human rights, fundamental employee rights, environmental protection and the ban on corruption are an integral part of our business.

In line with the commitment of Siemens AG under the United Nations Global Compact, we and our suppliers and business partners worldwide are expected to comply with the following guidelines:

- International Bill of Human Rights, consisting of:
 - Universal Declaration of Human Rights
 - International Covenant on Civil and Political Rights
 - International Covenant on Economic, Social and Cultural Rights
- European Convention on Human Rights
- ILO (International Labour Organization) Tripartite Declaration of Principles on Multinational Enterprises and Social Policy and ILO Declaration on Fundamental Principles and Rights at Work (in particular, on the following topics: elimination of child labor, abolition of forced labor, prohibition of discrimination, freedom of association, and the right to collective bargaining), and fundamental freedoms
- OECD Guidelines for Multinational Enterprises
- Agenda 21 on sustainable development (final document of the fundamental UN Conference on Environment and Development, Rio de Janeiro)
- UN Convention against Corruption
- OECD Convention against Bribery of Foreign Public Officials



- Foreword
- We shape the future of healthcare
 - Our basic principles
 - Our behavior | A
 - Our teamwork | B
 - Corporate protection | C
 - Our responsibility
 - Our leadership model | D
 - Respect for each other | E
 - Our markets | F
 - Our company | G
 - Our portfolio | H
 - Our partners | I
 - Society and environment | J
 - Our responsibility to society and the environment
 - Human Rights
 - Environment
- Our reporting procedures
- Index
- Imprint

J | Society and environment

Human Rights

Siemens Healthineers is committed to human rights as a core element of responsible business conduct and advocates human rights throughout its operation and value chain. Siemens Healthineers operates in close alignment with the United Nations’ Guiding Principles for Business and Human Rights.

Compliance with the human rights laws and regulations is essential. Siemens Healthineers expects us to act in accordance with the principles of the UN Global Compact.

Key principles of the UN Global Compact are:

- Principle 1: Businesses support and respect the protection of internationally recognized human rights
- Principle 2: Businesses should ensure that they are not complicit in human rights abuses
- Principles 3-6: Businesses recognize the essential requirements regarding workers’ rights

This is what we do:

- We examine decisions that we make on behalf of our company at an early stage for possible adverse effects on the human rights of others inside and outside Siemens Healthineers
- We strive to avoid or mitigate negative effects on human rights that occur in connection with our business activities, regardless of whether Siemens Healthineers has caused or contributed to these effects
- We respect the human rights of local communities and of people who are particularly vulnerable or belong to a group that is particularly in need of protection

Which groups are particularly in need of protection?

These include – depending on the specific facts and legal circumstances – members of indigenous peoples, children, people with disabilities and people who are disadvantaged or exposed to special risks because of ethnic origin, culture, religion, age, disability, gender, gender identity, gender expression, sexual orientation or any other legally protected characteristics.



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

✓ Society and environment | J

Our responsibility to society
and the environment

Human Rights

Environment

Our reporting procedures

Index

Imprint

J | Society and environment

Environment

Environmental protection is a corporate responsibility, our social responsibility, and also an important success factor for Siemens Healthineers. In all units of the company and in all countries in which we operate, it is our goal to protect the environment and conserve resources.

We work on environmental protection within the company and together with our customers, for example by continuously improving energy and resource efficiency.

Siemens Healthineers expects us to engage in environmentally conscious behavior every day. We should be aware of our exemplary roles when it comes to the environment.

Our environmental programs are designed to conserve resources throughout the entire product life-cycle, reduce disposal waste, and reduce carbon emissions.

Our environmental portfolio is our and our company's response to climate change, resource scarcity and threats to the environment.

Our company meets the ecological demands of its partners by developing future-oriented and resource-efficient solutions, products and business models. Consistent and innovative environmental protection management is an integral part of our business processes and goes beyond legal requirements. We exert influence on environmental impacts at an early stage in product and production planning, not only in the manufacturing phase, but also in the design, sales, utilization, service and disposal phases. Climate protection plays a particularly important role for our company.

This is what we do:

- Climate protection is closely linked to energy consumption. We use energy rationally and efficiently
- We minimize or recycle waste if avoidance is not possible
- We design our processes to achieve optimal environmental compatibility of products and plants and avoid unnecessary emissions and noise pollution



Foreword

We shape the future of healthcare

✓ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

✓ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

Our reporting procedures

What to do if there are signs of possible misconduct?

Siemens Healthineers expects us to report possible violations of the Business Conduct Guidelines. In doing so, we help to identify and eliminate misconduct and grievances and protect ourselves and the company against risks or damages that may result.

We may report circumstances that indicate a violation of the Business Conduct Guidelines to the following persons or entities:

- Managers (who shall advise on how to further report to Legal & Compliance or to alternative reporting channels listed below);
- Head of Compliance
- Legal & Compliance personnel
- Human Resources personnel
- Global whistleblower-hotline "Let Us Know"
- Siemens Healthineers ombudswoman
- Employee representatives

Information on possible violations of the Business Conduct Guidelines can be provided confidentially and anonymously as needed.

Siemens Healthineers will examine all reports and take appropriate measures.

Siemens Healthineers does not tolerate any retaliation against complainants or whistleblowers. Violations of this prohibition of retaliation will be treated as compliance violations.

All allegations of possible violations of the Business Conduct Guidelines are responded to in accordance with formal company-wide processes. These processes take into account the presumption of innocence and the participation rights of employee representatives where required by local policy.

Siemens Healthineers will take appropriate disciplinary action in the event of demonstrable violations.

Siemens Healthineers will apply the same principles to allegations of wrongdoing brought by third parties, to the extent legally permissible.

Contact information

Dr. Sibylle von Coelln

E-mail: shs-ombudsfrau@hvc-strafrecht.de

Phone: +49 (0)211 - 44 03 57 78

Possible misconduct can be reported via the ombudswoman Dr. Sibylle von Coelln.

The ombudswoman can be contacted via e-mail or phone in a spirit of trust, anonymously and free of charge.

The ombudswoman will not disclose the identity of the reporter to Siemens Healthineers; unless the reporter explicitly wishes and approves a disclosure. Dr. Sibylle von Coelln speaks German and English.

"Let Us Know" provides a secure channel for reporting suspected non-compliant or otherwise problematic actions:

- 24 hours a day
- online (and via phone in the U.S.)
- anonymously if desired
- in several languages

Technical administration of "Let Us Know" is maintained by the independent company Business Keeper AG which stores the application on secured servers in Germany.

"Let Us Know" contact:

www.bkms-system.net/healthineers



Foreword

We shape the future of healthcare

Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

Our responsibility

Our leadership model | D

Respect for each other | E

Our markets | F

Our company | G

Our portfolio | H

Our partners | I

Society and environment | J

Our reporting procedures

Index

Imprint

Index

A		D	
Agenda 21	50	Damages	8, 23
Antitrust Law	23-26	Data Privacy	44
B		Donations	20, 21
Benefits	18-20	E	
Books and records	19, 38	Employee representatives	15, 53
Brand Siemens Healthineers	32, 33	Employee stock ownership programs	41
Bribery	18, 46, 50	Environmental compatibility	52
Business decisions	18, 34-36	Environmental programs	52
Business partner	9, 18, 26, 35-38, 46-48, 50	Environmental protection	16, 50, 52
C		Equal treatment	15
Charter of Trust	43	European Convention on Human Rights	50
Child labor	15, 50	Export control	27, 28, 47
Collective Action	29	F	
Company assets	42, 43	Facilitation payments	20
Company equipment	42	Fair competition	18-26
Company information	42, 43	Financial integrity	38, 39
Compliance violations	53	Financial Reporting	38
Computer software	33	Funding of terrorism	37
Conflicts of interest	34-36	Fines	8, 23, 27
Copyrights	33	Freedom of association and collective bargaining	15
Corruption	18, 29, 50		



Foreword

We shape the future of healthcare

Our basic principles

- Our behavior | A
- Our teamwork | B
- Corporate protection | C

Our responsibility

- Our leadership model | D
 - Respect for each other | E
 - Our markets | F
 - Our company | G
- Our portfolio | H
- Our partners | I
 - Society and environment | J

Our reporting procedures

Index

Imprint

Index

G		L	
Gifts	18, 22, 48	Leadership Model	13
Global Compact	50, 51	Legal & Compliance	3, 4, 7, 21, 24, 26, 37, 48, 53
Ground Rules of Communication	43	Let Us Know	4, 53
H		Let Us Know Data Privacy	44
Health	14, 16, 17	M	
Health data	44	Manager	10, 13, 16, 17, 34, 35-37, 53
Healthcare professional	7	Market position (dominant)	23, 26
Healthcare provider	5, 7, 18, 19, 22, 30	Money laundering	37, 47
Healthcare organization	7	O	
Human Rights	50, 51	Occupational safety	14, 16, 17
I		OECD-Convention Against Bribery of Foreign Public Officials	50
Insider	40, 41	OECD-Guidelines for Multinational Enterprises	50
Insider information	40, 41, 43	Ombudswoman	4, 53
Insider list	41	Organizational and supervisory duties	13
Insider trading	40, 41	Outgoing payments	22
Integrity	18, 29, 38, 39, 43, 46		
Integrity and compliance pacts	29		
Intellectual property	33		
International agreements and recommendations	50		
International Labour Organisation (ILO)	50		
Inventions	33		
Investment in third-party companies	36		
Involvement of third parties	46		



- Foreword
- We shape the future of healthcare
 - Our basic principles
 - Our behavior | A
 - Our teamwork | B
 - Corporate protection | C
 - Our responsibility
 - Our leadership model | D
 - Respect for each other | E
 - Our markets | F
 - Our company | G
 - Our portfolio | H
 - Our partners | I
 - Society and environment | J
- Our reporting procedures
- Index**
- Imprint

Index

P	
Patents	33
Personal data	44
Personal rights	9
Personal security	14, 16, 17
Portfolio	45, 52
Privacy	9, 44
Products	3, 5, 24, 26, 27, 33, 35, 45, 52
Proper documentation	22
Public official	18-20, 46, 50
Q	
Quality	5, 18, 45
Quiet period	43
R	
Reporting procedures	10, 53
Reputational damage	34
S	
Secondary employment	36
Social Media	42, 43
Sponsorship	20, 21
Suppliers	9, 23-25, 40, 46, 47, 50
T	
Tax Laws	39
Technical compliance	45
Trade and export controls	27
U	
UN-Convention against Corruption	50
Universal Declaration of Human Rights (UN)	50
V	
Violations of the law	8
W	
Whistleblower	53
Whistleblower hotline „Let Us Know“	53
Working conditions	15, 16
Working hours	15



Foreword

We shape the future of healthcare

▼ Our basic principles

Our behavior | A

Our teamwork | B

Corporate protection | C

▼ Our responsibility

Our leadership model | D

› Respect for each other | E

› Our markets | F

› Our company | G

Our portfolio | H

Our partners | I

› Society and environment | J

Our reporting procedures

Index

Imprint

Imprint

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This edition of our Bylaws (Rules of Procedure) for the Managing Board, prepared for the convenience of English-speaking readers, is a translation of the German original. In the event of any conflict the German version shall prevail.

Bylaws (Rules of Procedure)

for the Managing Board
of
Siemens Healthineers AG

Version dated February 26, 2018

Rules of Procedure for the Managing Board of Siemens Healthineers AG

§ 1

General

- (1) The Managing Board shall manage the Company's businesses in accordance with the law, the Articles of Association as amended, the resolutions of the Annual General Meeting and of the Supervisory Board as well as these Bylaws (Rules of Procedure).
- (2) The Managing Board shall ensure that all applicable statutory provisions and internal company guidelines are observed and shall also endeavor to ensure their observation by subsidiary companies (compliance). It shall ensure an adequate Controlling, Audit, Risk Management, and Internal Control System.
- (3) Due to its affiliation with the Siemens Group, the Company is included in its consolidated financial statements. Against this background, it has an interest in a functioning cooperation within the group of companies. To the extent the Company is included in the consolidated financial statements, the Managing Board shall provide to Siemens AG any information and documents necessary for the preparation of the consolidated financial statements and management report and, to the extent legally permissible and if the Company does not suffer a disadvantage, provide the Managing Board of Siemens AG with any other information and perform all measures to enable the Managing Board of Siemens AG to meet its obligations in connection with the management of Siemens Group, including the principles of Group Governance applicable within Siemens Group, in particular regarding the establishment and maintenance of a group-wide compliance and risk management system. To the extent the Managing Board is of the opinion that the Company or a dependent entity (§§ 15 ff. AktG) cannot meet this requirement on an individual basis, the Managing Board shall report this to the Supervisory Board.
- (4) When filling management positions within the Healthineers Group, the Managing Board shall take into account diversity and particularly aim at appropriate consideration of women.

§ 2

Conflicts of Interest; Competition

- (1) In reaching their decisions the members of the Managing Board may neither pursue their own personal interests nor make personal use of business opportunities available to the Healthineers Group. During their membership in the Managing Board and for the duration of their employment contract, they shall be subject to a comprehensive ban on competition beyond the provisions under § 88 AktG. Members of the Managing Board shall engage in secondary activities, in particular supervisory board mandates outside the Healthineers Group, only with the Supervisory Board's approval.
- (2) In connection with their work, members of the Managing Board must not solicit or accept improper benefits for themselves or for other individuals or provide third parties with improper benefits.
- (3) Each member of the Managing Board shall disclose conflicts of interest to the Chair of the Supervisory Board without delay and notify the other members of the Managing Board accordingly. All transactions between the Company or a company affiliated thereto on the one hand and the members of the Managing Board or persons, companies or associations closely related thereto on the other hand shall be subject to the same standards which would be relevant for transactions with external third parties. If involvement of the Supervisory Board is not required anyway in accordance with § 112 AktG, such transactions shall be subject to the Supervisory Board's approval if their transaction value exceeds the amount of €10,000 on an individual basis.

§ 3

Overall Responsibility and Allocation of Duties

- (1) The members of the Managing Board are jointly accountable for the entire management of the Company. The arrangement of the Managing Board into functions as well as the allocation of duties to the individual members of the Managing Board shall be stipulated in a schedule of duties to be resolved by the Supervisory Board.
- (2) The members of the Managing Board shall work together in a cooperative manner and shall constantly keep one another informed of significant actions and events within their executive functions. Each member shall arrange for a resolution to be passed by the Managing Board if he or she has serious reservations about an affair of

another executive function if these reservations remain even after discussion with the other member of the Managing Board. In such case, the measure shall be refrained from until a resolution by the Managing Board is executed.

- (3) The overall interests of the Healthineers Group take priority over the interests of the individual executive functions, unless provided otherwise by legal regulations.
- (4) A resolution passed by the Managing Board shall be required in all affairs in which such a resolution is prescribed under the law, the Articles of Association or these Bylaws (Rules of Procedure) for the Managing Board, in particular regarding
 - a) Questions of principle regarding the corporate policy and company strategy,
 - b) the Company's annual budget, including the financial and investment budget and the personnel development derived thereof as well as the multi-year planning,
 - c) the preparation of the annual financial statements and the consolidated financial statements, the management report and the group management report as well as their presentation to the Supervisory Board,
 - d) the convening of the Annual General Meeting,
 - e) suggestions on passing of resolutions of the Annual General Meeting,
 - f) the submittals to the Supervisory Board and the Annual General Meeting as required by law or the Articles of Association,
 - g) transactions subject to the Supervisory Board's approval,
 - h) all issues presented to the Managing Board by the Chair or a member for passing a resolution.
- (5) Individual members of the Managing Board shall independently manage the executive functions assigned to them within the scope of the Managing Board's resolutions. To the extent measures and transactions of an executive function concern one or several other executive functions at the same time, the member of the Managing Board shall first coordinate with the other members involved. If an agreement cannot be reached, each involved member of the Managing Board shall be obliged to initiate a passing of resolution by the Managing Board. In such case, the

measure shall be refrained from until a resolution by the Managing Board is executed.

- (6) Measures and transactions of an executive function that are of extraordinary importance for the Company or that involve an extraordinary economic risk shall require the prior consent of the Managing Board. The same shall apply to measures and transactions for which a member of the Managing Board requests a prior resolution from the Managing Board.
- (7) The member of the Managing Board may perform measures and transactions of the type as designated in Paragraph 5 Sentence 2 and Paragraph 6 without prior approval of the Managing Board or – in the case of Paragraph 5 Sentence 2 – without prior approval of the other members involved if according to such member's professional judgment, this is required in order to avoid directly imminent and severe disadvantages to the Company. The Managing Board shall be notified of any such event without delay.

§ 4

Chair of the Managing Board

- (1) The Chair of the Managing Board shall be responsible for coordination of all Managing Board responsibilities. He or she shall endeavor to ensure that the management of all executive functions is uniformly oriented towards the goals as set forth by the Managing Board's resolutions.
- (2) The Chair shall be regularly informed by the members of the Managing Board on all material matters of their executive functions and can demand that he or she be informed of certain transactions or types of transactions in advance.
- (3) The Chair of the Managing Board shall represent the Managing Board towards the general public, in particular towards authorities, associations, economic organizations and media. For matters of a specific nature or in individual cases, he or she may assign these tasks to another member of the Managing Board.
- (4) The Chair of the Managing Board shall be responsible for the general management of the Managing Board regarding cooperation with the Supervisory Board and its members. He or she shall regularly report to the Chair of the Supervisory Board on the progress of transactions and the situation of the Healthineers Group. On important occasions and for business matters which might have substantial influence

on the situation of the Healthineers Group, he or she shall immediately report to the Chair of the Supervisory Board.

- (5) If the Chair of the Managing Board is prevented, his or her Deputy shall perform the rights and duties of the Chair. If there is no Deputy Chair, the duties in the Chair's responsibility shall be performed by a member of the Managing Board designated by the Chair if the Chair is prevented. The respective representative does not have the right to a casting vote under § 5 Paragraph 6 Sentence 3.

§ 5

Meetings and Resolutions

- (1) The meetings of the Managing Board shall be convened by the Chair of the Managing Board. The Managing Board shall stipulate the Board Calendar. Any member can demand convening of a meeting, stating the items to be addressed.
- (2) The convening which shall take place no later than one week before the meeting shall include the agenda and the suggestions for resolutions on the items on the agenda. The Chair of the Managing Board may reasonably reduce the deadlines for convening, notification of the agenda and the suggestions for resolutions if he or she is of the opinion that the matter cannot be delayed. Any member can demand additions to the agenda. Such request has to be communicated to the Chair of the Managing Board by the fifth day before the meeting at the latest, unless an urgent matter justifies later notification. The Chair informs the other members of the Board without delay.
- (3) The Chair of the Managing Board shall preside over the meetings. He or she may instruct another member of the Managing Board to preside over the meeting. The chair of the meeting shall determine the order in which the items of the agenda are discussed as well as the type and order of the votes. The chair of the meeting may postpone discussions and passing of resolutions on individual items of the agenda, unless the majority of the members of the Managing Board are of the opinion that the item of the agenda cannot be delayed.
- (4) The Chair of the Managing Board can decide that individuals which are not members of the Managing Board can be involved in discussions on individual items.
- (5) The Managing Board has a quorum if at least two thirds of the members participate in the passing of the resolution. Members participating by phone or video conferencing are deemed present. Absent members can cast their votes in writing, by

phone, fax, e-mail or other commonly used means of communication. The absent members shall be informed on the resolutions taken in their absence without any delay. Discussions and decisions on matters within the function of an absent member may only take place with such member's approval – this provision does not apply to urgent cases.

- (6) Resolutions by the Managing Board shall be unanimous if possible. If this cannot be realized, the resolution by the Managing Board shall be subject to a simple majority of the votes cast. In the event of a tie vote, the Chair of the Managing Board is entitled to cast a deciding vote.
- (7) Upon the instruction of the Chair of the Managing Board, resolutions can also be taken in a phone or video conference or outside of meetings by votes cast in writing, by phone, fax, e-mail or other commonly used means of communication. In deviation from Paragraph 6 Sentence 2, a resolution taken in such manner shall be valid if at least two thirds of the members of the Managing Board voted in favor thereof.
- (8) Minutes indicating the place and date of the meeting, the participants, the form of participation, the agenda and the verbatim of the resolutions shall be prepared for each meeting of the Managing Board (for evidence purposes, not as prerequisite for validity). The minutes shall be signed by the keeper of the minutes as designated by the Chair of the Managing Board and transmitted to all members of the Managing Board. The minutes shall be presented at the next meeting of the Managing Board for approval and shall be deemed approved of if no member of the Managing Board objects to the minutes until the end of such meeting. Resolutions by the Managing Board taken according to Paragraph 7 shall be recorded in minutes; the minutes shall be transmitted to each member of the Managing Board without any delay.

§ 6

Approval by the Supervisory Board

- (1) The Managing Board requires the Supervisory Board's approval for the following transactions and measures:
 - a) Acquisition, sale and reorganization of companies, equity investments and parts of companies if the fair market value or – if the fair value is not known or is exceeded by the book value – the book value of the individual transaction exceeds the amount of €100 million – or a loss on sale reaches or exceeds the amount of €100 million;

- b) Measures or transactions leading to the initiation of new or restriction or discontinuation of existing businesses or to a material deviation from the existing strategy to the extent this affects revenue equivalent to at least 5% of the revenue generated by Healthineers Group in the most recently completed fiscal year, costs for internal restructuring connected thereto reach or exceed the amount of €100 million or this affects more than 500 employees;
- c) Investments or divestments regarding movable assets, intangible assets and external renting if the value of the investment or divestment reaches or exceeds the amount of €100 million;
- d) Acquisition, development, sale, and encumbrance of land, rights equivalent to land, and rights to land, if the value of the individual transaction is equal to or exceeds an amount of €100 million;
- e) Financial measures, if the value of the individual transaction is equal to or exceeds an amount of €100 million; the approval requirement shall not apply to
 - aa) Financial transactions in day-to-day business used to manage liquidity and other financial risks, such as foreign exchange, interest rate and, if applicable equity risks as well as the repurchase of own debt issuances in accordance with the terms of issue as well as
 - bb) Measures planned as part of the annual budget approved by the Supervisory Board;
- f) Assumption of sureties, guarantees, letters of comfort or similar liabilities to the extent their value reaches or exceeds the amount of €100 million on an individual basis;
- g) Entering into settlement agreements in court or arbitration proceedings with a settlement value exceeding €50 million;
- h) The annual budget of the Company;
- i) Appointment and dismissal of the owners of the following executive functions on the first level under the Managing Board:
 - CEOs of the segments or, if a segment is led by a member of the Managing Board, of the sub-segments;
 - CEOs of the Regions;

- Heads of the Strategy, Legal and Compliance and Human Resources functions;
 - j) Fundamental principles of the remuneration and incentive system for employees of the Company and its dependent entities (§§ 15 ff. AktG);
 - k) Changes or measures in the course of or in connection with the strategy regarding the corporate, brand and design image of the Company and its dependent entities (§§ 15 ff. AktG), in particularly regarding or with relevance to its image as a company within the Siemens Group (“Siemens Brand”).
- (2) When calculating the thresholds mentioned in Paragraph 1, individual measures that are related in substance shall be combined. The Managing Board shall ensure that the measures mentioned in Paragraph 1 are implemented by dependent entities (§§ 15 ff. AktG) in which the Company participates directly or indirectly only with the approval of the respective governing body controlled by the Company. The Managing Board may in turn approve such transactions in dependent entities (§§ 15 ff. AktG) only with the approval of the Supervisory Board.
 - (3) The Supervisory Board's approval may be granted in advance for individual transactions or for a defined group or category of measures.
 - (4) For the granting of loans to members of the Managing Board, § 89 AktG shall apply.
 - (5) The Supervisory Board's right to make the performance of other measures subject to its approval shall remain unaffected by this § 6.

§ 7

Reporting Obligation towards the Supervisory Board

- (1) In order to ensure that the Supervisory Board is provided with sufficient information, the Managing Board shall report to the Supervisory Board regularly, promptly and comprehensively on all issues of relevance to the Company in terms of strategy, planning, business performance, risk situation, risk management and compliance. It shall provide the Supervisory Board with the annual budget and the multi-year planning and shall report to it on any discrepancies between the actual course of business and the plans and objectives prepared, stating reasons.

- (2) The Supervisory Board or individual members thereof shall address requests for information to the Managing Board via the Chair of the Supervisory Board or the Audit Committee.



This edition of our Bylaws (Rules of Procedure) for the Supervisory Board, prepared for the convenience of English-speaking readers, is a translation of the German original. In the event of any conflict the German version shall prevail.

Bylaws (Rules of Procedure)

of the Supervisory Board
of
Siemens Healthineers AG

Version dated February 26, 2018

Rules of Procedure of the Supervisory Board of Siemens Healthineers AG

§ 1

General

- (1) The Supervisory Board shall regularly advise the Managing Board in running the Company and supervise its management activities.
- (2) The Supervisory Board shall conduct its activities in accordance with the legal provisions, the Articles of Association, and these Rules of Procedure. It shall observe the recommendations and suggestions of the German Corporate Governance Code.
- (3) All members of the Supervisory Board shall act in the interests of the Company. They shall not be bound by orders and instructions and shall in their decisions neither pursue their own personal interests nor make personal use of business opportunities available to the Company. Any conflicts of interest, especially those that may arise as a result of advisory roles with or service on the governing bodies of customers, suppliers, lenders, or other third parties or significant competitors, shall be disclosed to the Chair of the Supervisory Board. The Chair of the Supervisory Board shall disclose his or her own conflicts of interest to the Chairman's Committee. For substantial conflicts of interests connected to his or her personal circumstances which are not only temporary, the Supervisory Board member concerned shall resign his or her Supervisory Board mandate.
- (4) The Supervisory Board checks the efficiency of its activities on a regular basis.
- (5) The Supervisory Board shall take care to ensure that the Managing Board and employees of the Company are subject to standards of conduct (Business Conduct Guidelines). The members of the Supervisory Board shall comply with these guidelines in their current form insofar as they are transferable to members of the Supervisory Board and compatible with their duties.

§ 2

Composition of the Supervisory Board

- (1) The Supervisory Board shall be composed in a manner in which its members collectively possess the required knowledge, skills and professional experience necessary for proper performance of their duties and, as a whole, are familiar with the

sector in which the Company is operating. In due consideration of the recommendations of the German Corporate Governance Code, the Supervisory Board shall name concrete goals for its composition and establish a competency profile for the overall body.

- (2) As a rule, only individuals who are not older than 70 years shall be recommended for election or appointment as Supervisory Board member. The recommendation for election or appointment shall take into account the regular limit for the length of membership in the Supervisory Board of three full terms of office (15 years).
- (3) A Supervisory Board member whose professional activities change substantially towards the point in time of their election shall discuss possible termination of his or her mandate with the Chair of the Supervisory Board.

§ 3

Secrecy

- (1) The members of the Supervisory Board shall maintain secrecy on confidential information, reports and consultations as well as secrets of the Company, namely trade and business secrets that came to their knowledge as a result of their work within the Supervisory Board. This obligation shall continue to apply even after the individual concerned resigns.
- (2) If a member of the Supervisory Board intends to pass on to third parties information for which it cannot be ruled out with certainty that it is confidential or relates to secrets of the Company, he or she shall inform the Chair of the Supervisory Board (or, if applicable, the Chairman's Committee) in advance and give him or her the opportunity to comment. The Supervisory Board members shall ensure that the employees involved by them for support observe the obligation of secrecy to the same extent.

§ 4

Chair and Deputy Chair

- (1) The Supervisory Board will appoint a Chair and a Deputy Chair from among their number.
- (2) If the Chair or his/her Deputy resigns from office before expiry of the term of office, the Supervisory Board shall perform a re-election immediately, no later than during the next meeting of the Supervisory Board prior to any other decision.

- (3) The Deputy Chair shall have the same rights as the Chair in all cases in which he or she, while the Chair is unable to perform his or her office, acts in substitution of the Chair, but with the exception of the casting vote granted to the Chair in accordance with § 5 Paragraph 8 Sentence 3.
- (4) In case both the Chair and the Deputy Chair are unable to perform their duties, these duties shall be taken over by the most senior member or, in the case of equal seniority, by the oldest member of the Supervisory Board who is not unable to attend. He or she shall not be entitled to the casting vote under § 5 Paragraph 8 Sentence 3.
- (5) The Chair of the Supervisory Board shall coordinate the work within the Supervisory Board and represent the Supervisory Board's interests externally. Declarations of intent by the Supervisory Board and the Committees thereof shall be issued on behalf of the Supervisory Board by the Chair or his or her Deputy if the Chair is not available. The Chair or, if the Chair is not available, his or her Deputy shall be entitled to receive declarations for the Supervisory Board.
- (6) The Chair of the Supervisory Board shall be entitled to conduct discussions with investors on topics relevant to the Supervisory Board. He/she shall inform the Supervisory Board or its Committees of such discussions.

§ 5

Meetings; Convening of Meetings; Resolutions

- (1) The meetings shall be called by the Chair with a notice period of at least fourteen days, not counting the day on which the invitation is sent or the day on which the meeting is to be held. This notice period may be shortened in urgent cases. Meetings may be called in writing, verbally, by phone, by fax, by e-mail, or using other commonly used means of communication. The individual calling the meeting shall determine the format of the meeting. The Chair may cancel or move a called meeting that has been called at his or her due discretion.
- (2) The invitation shall make known the agenda of the meeting. Additions to the agenda shall be notified by the third day before the meeting, unless an urgent matter justifies later notification. Proposed resolutions relating to items on the agenda and the documents necessary to prepare for the meeting shall be distributed by the fifth day before the meeting, unless an urgent matter justifies later notification.

- (3) The Chair shall conduct the meetings and determine the working language of the meeting as well as the method and order in which the items on the agenda are dealt with.
- (4) The Supervisory Board has a quorum if at least half of the members that the Supervisory Board must comprise take part in the passing of resolutions. Absent Supervisory Board members who request a Supervisory Board member personally attending the meeting to submit written votes (including by e-mail or fax), Supervisory Board members who cast their votes in accordance with § 5 Paragraph 7, and members who abstain from casting their votes during a resolution, shall be deemed to be in attendance within the meaning of preceding Sentence.
- (5) The passing of a resolution on an agenda item that was not included in the invitation convening the meeting or notified in accordance with § 5 Paragraph 2 Sentence 2 shall only be permitted if no member of the Supervisory Board objects to passing the resolution. Absent members shall be given the opportunity, within a reasonable period of time to be determined by the Chair of the Supervisory Board, to oppose to the resolution or to send a written vote or to cast their vote subsequently, in writing, verbally, by phone, fax, or e-mail, or using other commonly used means of communication. The resolution shall only enter into force if none of the absent Supervisory Board members notify the Chair of the Supervisory Board of their opposition within said period of time. Members of the Supervisory Board attending by conference call or using electronic means of communication shall be deemed present.
- (6) If a motion relating an item on the agenda is submitted or amended fewer than three days before the Supervisory Board meeting in such a way that a vote can be cast only with knowledge of the motion or amendment, absent members shall be given the opportunity, within a reasonable period of time to be determined by the Chair of the Supervisory Board, to cast their vote subsequently, in writing, verbally, by phone, fax, or e-mail, or using other commonly used means of communication. When determining the result of the vote on the resolution, the votes cast shall be included, if they have been received by the Chair of the Supervisory Board within the specified period of time. The passing of the resolution shall only be concluded, when the votes have been received or the specified period of time has expired without the votes having been received. Members of the Supervisory Board attending by conference call or using electronic means of communication shall be deemed present.
- (7) On the Chair's instruction and provided adequate notice is given, meetings may in individual circumstances be held and resolutions passed in writing, verbally, by phone, fax, or e-mail, or using other commonly used means of communication or a combination of such forms of communication, and individual members of the

Supervisory Board may be allowed to participate in meetings and resolutions by conference call or using electronic means of communication (in particular video transmission). The option to cast votes in writing within the meaning of § 5 Paragraph 4 shall remain unaffected. The members of the Supervisory Board shall not be entitled to a right to object the instruction of the Chair.

- (8) The resolutions shall be passed with simple majority of the votes cast, unless the law determines otherwise in a mandatory manner. Abstention shall not be counted as votes cast in this sense. In the event of a tie, the vote shall be repeated, and if the repeated vote again results in a tie, the Chair of the Supervisory Board is entitled to the casting vote; these votes may also be cast in writing within the meaning of § 5 Paragraph 4 or by conference call or using electronic means of communication (in particular video transmission).
- (9) Minutes shall be taken down of the meetings and resolutions of the Supervisory Board (for the purpose of record-keeping rather than entry into force) and shall be signed by the person presiding over the respective meeting and his or her selected keeper of the minutes or, if the resolutions were passed outside of a meeting, by the Chair of the Supervisory Board.

§ 6

Third-party attendance at meetings; involvement of third parties

- (1) The meetings of the Supervisory Board shall be attended by members of the Managing Board, unless the Chair of the Supervisory instructs otherwise on an individual basis. The Supervisory Board shall meet at least once per fiscal year without the Managing Board.
- (2) To perform its duties, the Supervisory Board may, at its discretion, involve auditors, legal, or other external or internal advisors. The Chair of the Supervisory Board may allow such individuals as well as experts and knowledge bearers, especially auditors and/or the Company's legal or tax advisors, to attend meetings of the Supervisory Board. Attendance by third parties required by law shall remain unaffected. The cost of involving the aforementioned individuals shall be borne by the Company.

§ 7
General Rules for Committees

- (1) The Supervisory Board shall establish and appoint from among its number the following committees:
 - a) a Chairman's Committee,
 - b) an Audit Committee and
 - c) an Innovation and Finance Committee.
- (2) The Supervisory Board may establish other committees and appoint members to them from amongst its members. To the extent legally permissible, decision-making authorities of the Supervisory Board may be transferred to the Committees or individual members of the Supervisory Board.
- (3) The term of office of the committee members shall correspond to their term of office as members of the Supervisory Board, unless a shorter period of office has been determined at the time of election by the Supervisory Board.
- (4) The Committee may elect a chair from amongst its members, unless the Supervisory Board specifies a chair. A committee shall only have a quorum if half of the committee's members, but at least three members, take part in the passing of resolutions. Each committee's chair shall provide the Supervisory Board with regular reports on the activities of the relevant committee.
- (5) The members of the Managing Board shall attend the meeting of the committees, if requested by the chair of the committee or a majority of the committee members.
- (6) To perform their respective duties, the committees of the Supervisory Board may exercise the special inspection and examination rights assigned to the Supervisory Board in accordance with § 111 Paragraph 2 of the AktG.
- (7) If the Chair of the Supervisory Board is member of a committee and in the event of a tie in such committee, the vote shall be repeated, and if the repeated vote again results in a tie, the Chair of the Supervisory Board is entitled to a casting vote; if the Chair of the Supervisory Board is not a member of a committee, then the entitlement falls to the Chair of the committee in such cases as described above.

- (8) In other respects, the proceedings of the committees shall be subject to the provisions of § 5, unless the Supervisory Board determines otherwise for the committee.

§ 8

Chairman's Committee

- (1) The Chairman's Committee shall consist of the Chair of the Supervisory Board, the Deputy Chair elected in accordance with § 4 Paragraph 1 and one further member to be elected by the Supervisory Board. The Chairman's Committee shall be chaired by the Chair of the Supervisory Board.
- (2) The Chairman's Committee shall coordinate the work within the Supervisory Board, prepare the meetings of the Supervisory Board and the assessment of its efficiency and monitor the execution of the resolutions taken by the Supervisory Board or its committees.
- (3) The Chairman's Committee shall substitute for the Supervisory Board in passing resolutions on
- a) the entry into transactions between the Company or an affiliated company on the one hand and a member of the Managing Board or individuals, enterprises, and associations closely related to a member of the Managing Board on the other, provided they require the Supervisory Board's approval in accordance with § 112 of the AktG or another requirement;
 - b) the approval of secondary activities of a member of the Managing Board under § 88 AktG as well as of Supervisory Board mandates outside the Healthineers Group;
 - c) the granting of loans to the group of individuals named in § 89, 115 of the AktG;
 - d) approval of contracts with members of the Supervisory Board in accordance with § 114 of the AktG;
 - e) legal representation of the Company in litigious procedures in which the Company is represented by the Managing Board together with the Supervisory Board or by the Supervisory Board alone, in particular in the event of an action for annulment or rescission (§ 246 Paragraph 2 Sentence 2, § 249 Paragraph 1 Sentence 1 AktG);

- f) approval of transactions and measures for which approval is required under § 6 Paragraph 1 letters i) and j) of the Bylaws (Rules of Procedure) for the Managing Board.
- (4) The Chairman's Committee shall be competent for suggestions to the Supervisory Board for the appointment and dismissal of members of the Managing Board as well as extension of their mandates. In the case of suggestions for initial appointments, it is to be taken into consideration that the duration of appointment is not to exceed three years in general.
 - (5) Within the framework of the remuneration system and the remuneration of individual members of the Managing Board resolved by the full Supervisory Board, the Chairman's Committee shall be competent for entering into, amending, extending and terminating contract of employment with members of the Managing Board.
 - (6) The Chairman's Committee shall submit to the full Supervisory Board proposals for determining the respective compensation of the individual members of the Management. The Chairman's Committee shall prepare resolutions of the full Supervisory Board on the remuneration system for the Managing Board as well as regular review thereof.
 - (7) The Chairman's Committee shall, taking into account the defined targets for its appointment suggestions to the Annual General Meeting as stipulated under § 2, suggest to the Supervisory Board suitable candidates as new members of the Supervisory Board.

§ 9

Audit Committee

- (1) The Audit Committee shall comprise four members to be elected by the Supervisory Board. The Audit Committee has to include at least one member of the Supervisory Board with expertise in the areas of accounting or auditing.
- (2) The Audit Committee shall have the following duties:
 - a) Monitoring of the annual audit, in particular of the selection, independence and qualification of the auditor as well as their services, including the additional services rendered by them; for this purpose, it shall observe the legal provisions, in particular the requirements under EU Regulation No. 537/2014 on annual audits.

- b) Recommendation for the suggestion of the Supervisory Board to the Annual General Meeting on the election of the auditor and the group auditor as well as the auditor for the condensed financial statements and the interim management report for the group (half-year financial report for the group) to the extent they are audited or reviewed by the auditor;
- c) Issuing the audit engagement to the auditors, determining areas of emphasis for the audit, and stipulating the fee with the auditors;
- d) Preparation of the Supervisory Board's audit of the annual and consolidated financial statements and the Managing Board's suggestion on the appropriation of profits;
- e) Discussion of half-year and, if applicable, quarterly reports with the Managing Board before publication thereof;
- f) Issues of accounting and risk management, including the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system, and the internal audit system;
- g) Monitoring compliance with legal requirements, official regulations, and Company-internal guidelines (Compliance);
- h) Dealing with the non-financial declaration or the separate non-financial report and, if applicable, assignment of an external audit under § 111 Paragraph 2 Sentence 4 AktG.

§ 10

Innovation and Finance Committee

- (1) The Innovation and Finance Committee shall consist of the Chair of the Supervisory Board, the Deputy Chair elected in accordance with § 4 Paragraph 1 and two further members to be elected by the Supervisory Board.
- (2) The Innovation and Finance Committee shall be entrusted with the duties as stipulated by resolution of the Supervisory Board. In particular, it is responsible – based on the Company's overall strategy, which is the focus of the strategic discussions in the Supervisory Board – for discussions of the Company's innovation strategy and the preparation of negotiations and resolutions of the Supervisory Board on the financial situation and resources of the Company, including the annual budget, as well as

investments in tangible assets and financial measures. In addition, in accordance with § 6 Paragraph 1 letters a), c), d), e), f) and g) of the Bylaws (Rules of Procedure) of the Managing Board, the Innovation and Finance Committee shall resolve instead of the Supervisory Board on the approval of transactions and measures for which approval is required to the extent their value does not reach the amount of €300 million. Moreover, the Innovation and Finance Committee shall regularly deal with the corporate, brand and design image of the Company and its dependent companies (§§ 15 ff. AktG), in particularly regarding its image as a company within the Siemens Group (“Siemens Brand”). Accordingly, the Innovation and Finance Committee shall resolve on the approval of measures for which approval is required under § 6 Paragraph 1 letter k) of the Bylaws (Rules of Procedure) for the Managing Board instead of the Supervisory Board.

C.3 Corporate Governance

C.3.1 Management and control structure

Siemens Healthineers AG is subject to German stock corporation law. It therefore has a two-tier board structure, consisting of a Managing Board and a Supervisory Board.

C.3.1.1 Managing Board

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

The Managing Board prepares the quarterly statements and the half-year financial report, the annual financial statements of Siemens Healthineers AG, the consolidated financial statements of the Group, and the combined management report of Siemens Healthineers AG and the Group. In addition, the Managing Board ensures that the Company adheres to the requirements of legislation, government regulations and internal Company guidelines, and works to ensure the Company's compliance with these provisions and guidelines. The Managing Board has established a comprehensive compliance management system. Details are available on the website → www.corporate.siemens-healthineers.com/compliance.

The Managing Board and the Supervisory Board cooperate closely for the Company's benefit. The Managing Board informs the Supervisory Board regularly, comprehensively and without delay on all issues of importance to the Company with regard to strategy, planning, business development, risk situation, risk management, and compliance. When filling managerial positions at the Company, the Managing Board takes diversity into consideration and, in particular, aims for an appropriate consideration of women and internationality.

The Supervisory Board has defined a target for the share of women on the Managing Board of Siemens Healthineers AG, and has set a deadline for its attainment. The Managing Board has defined a target for the share of women at the management level immediately below the Managing Board, and has set a deadline for its attainment. Details are set out in → **C.3.2.4 Targets for the share of women on the Managing Board and at the management level immediately below the Managing Board; target for the share of women on the Supervisory Board.**

Information on the areas of responsibility and the curricula vitae of the members of the Managing Board are available on the Company's website at → www.corporate.siemens-healthineers.com/about/management. Information on the compensation paid to members of the Managing Board is provided in → **A.8 Compensation report.**

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

As of September 30, 2019, the Managing Board comprised the following members:

Name	Year of birth	First appointed	Term expires	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises	
				External positions (as of September 30, 2019)	Group company positions (as of September 30, 2019)
Dr. Bernhard Montag Chief Executive Officer	1969	2018	2021	None	None
Michael Reitermann (until September 30, 2019)	1962	2018	original term ended 2021	Positions outside Germany: • Siemens Foundation, USA	None
Dr. Jochen Schmitz	1966	2018	2021	German positions: • Universitätsklinikum Augsburg	None

Michael Reitermann left the Managing Board as of the end of the day on September 30, 2019. Effective October 1, 2019, the Supervisory Board appointed Dr. Christoph Zindel (born 1961) for a three-year term as a Managing Board member.

C.3.1.2 Supervisory Board

The Supervisory Board oversees and advises the Managing Board in its management of the Company's business. At regular intervals, the Supervisory Board discusses business development, planning, strategy and strategy implementation. It reviews the annual financial statements of Siemens Healthineers AG, the consolidated financial statements and the combined management report, as well as the proposal for the appropriation of net income. It approves the annual financial statements of Siemens Healthineers AG as well as the consolidated financial statements, based on the results of the preliminary review conducted by the Audit Committee and taking into account the reports of the independent auditors. The Supervisory Board decides on the Managing Board's proposal for the appropriation of net income and the Report of the Supervisory Board to the Annual Shareholders' Meeting. In addition, the Supervisory Board or the Audit Committee, as the case may be, concern themselves with monitoring the Company's compliance with the requirements of legislation, government regulations and internal Company guidelines (Compliance). The Supervisory Board also appoints the members of the Managing Board and determines each member's business responsibilities. Important Managing Board decisions – such as those regarding major acquisitions, divestments, investments in property, plant and equipment, or financial measures – are subject to Supervisory Board approval, unless the bylaws for the Supervisory Board specify that such authority is delegated to the Innovation and Finance Committee of the Supervisory Board. In the bylaws for the Managing Board, the Supervisory Board has established the rules that govern the Managing Board's work.

Detailed information on the work of the Supervisory Board is provided in → **Report of the Supervisory Board**. The curricula vitae of the members of the Supervisory Board are available on the Siemens Healthineers website at → www.corporate.siemens-healthineers.com/about/supervisory-board. Information to the compensation paid to the members of the Supervisory Board is provided in → **A.8 Compensation report**.

The Supervisory Board of Siemens Healthineers AG has nine members. It is composed entirely of shareholder representatives. The terms of office of the members of the Supervisory Board will expire at the conclusion of the Annual Shareholders' Meeting in 2023.

Citing Section 98 of the German Stock Corporation Act, a shareholder petitioned Munich Regional Court I for a declaratory judgment that the German Co-Determination Act must be applied in appointing the Supervisory Board. Siemens Healthineers AG's Managing Board believes that the Supervisory Board is properly formed in its current composition, with representatives of the shareholders alone. Siemens Healthineers AG asked the court to reject the shareholder's petition for a declaratory judgment.

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

As of September 30, 2019, the Supervisory Board comprised the following members:

Name	Occupation	Year of birth	Member since	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises
				(as of September 30, 2019)
Michael Sen Chairman	Member of the Managing Board of Siemens Aktiengesellschaft	1968	2018	German positions: • Siemens Healthcare GmbH (Chairman) Positions outside Germany: • Siemens Gamesa Renewable Energy, S.A., Spain
Dr. Norbert Gaus Deputy Chairman	Executive Vice President Corporate Technology of Siemens Aktiengesellschaft	1961	2018	German positions: • evosoft GmbH (Chairman) Positions outside Germany: • evosoft kft, Hungary (Chairman)
Dr. Marion Helmes	Supervisory board member	1965	2018	German positions: • ProSiebenSat.1 Media SE (Vice Chairwoman) • Uniper SE Positions outside Germany: • British American Tobacco p.l.c., United Kingdom • Heineken N.V., The Netherlands
Dr. Andreas C. Hoffmann	General Counsel of Siemens Aktiengesellschaft	1964	2018	Positions outside Germany: • Siemens Ltd., China
Dr. Philipp Rösler	Supervisory board member	1973	2018	German positions: • Arabesque S-Ray GmbH • Bertelsmann Stiftung • Jacobs University Bremen Positions outside Germany: • Fortum Corporation, Finland
Dr. Nathalie von Siemens	Managing Director and Spokesperson of Siemens Stiftung	1971	2018	German positions: • Messer Group GmbH • Siemens Aktiengesellschaft • Siemens Healthcare GmbH
Dr. Gregory Sorensen	CEO, DeepHealth, Inc. and Executive Chairman, IMRIS (Deerfield Imaging, Inc.)	1962	2018	Positions outside Germany: • Fusion Healthcare Staffing, LLC, USA (Chairman) • Invicro, LLC, USA • DFB Healthcare Acquisitions Corp., USA
Karl-Heinz Streibich	President of acatech – Deutsche Akademie der Technikwissenschaften	1952	2018	German positions: • Dürr AG (Chairman) • Deutsche Telekom AG • Münchener Rückversicherungs-Gesellschaft AG
Prof. Dr. Ralf P. Thomas	Member of the Managing Board of Siemens Aktiengesellschaft (Chief Financial Officer)	1961	2018	German positions: • Siemens Healthcare GmbH Positions outside Germany: • Siemens Aktiengesellschaft Österreich, Austria • Siemens Gamesa Renewable Energy, S.A., Spain

Targets for the Supervisory Board's composition and profile of required skills and expertise

Taking into account the recommendations of the German Corporate Governance Code ("Deutscher Corporate Governance Kodex", hereinafter "DCGK"), the Supervisory Board has adopted targets for its composition, including a profile of the skills and expertise that the Supervisory Board should possess; these are described in → C.3.2.6 *Targets for the composition, profile of required skills and expertise, and diversity concept for the Supervisory Board*.

Supervisory Board committees

The Supervisory Board has three committees, whose duties, responsibilities and procedures fulfill the requirements of the German Stock Corporation Act (Aktiengesetz) and the DCGK. The chairpersons of these committees provide the Supervisory Board with regular reports on the committees' activities.

The **Chairman's Committee** coordinates the work of the Supervisory Board, prepares the meetings of the Supervisory Board and the evaluation of its efficiency, and monitors the execution of the resolutions adopted by the Supervisory Board or its committees. It makes proposals regarding the appointment and dismissal of Managing Board members and handles contracts with members of the Managing Board. When making recommendations for first-time appointments, it takes into account that the term of these appointments is not, as a rule,

to exceed three years. In preparing recommendations on the appointment of Managing Board members, the Chairman's Committee takes into account the candidates' professional qualifications, international experience and leadership qualities, the age limit specified for Managing Board members, the long-range plans for succession, and diversity. It also takes into account the targets that the Supervisory Board has specified for the share of women on the Managing Board. It decides on approving contracts and transactions with members of the Managing Board and their related parties, whether individuals or entities. The Chairman's Committee submits proposals to the Supervisory Board for setting the compensation of the individual Managing Board members. The Chairman's Committee prepares resolutions of the Supervisory Board regarding the system of Managing Board compensation, including the regular review of that system. The Chairman's Committee furthermore has the task of providing the Supervisory Board with recommendations of suitable candidates for the board to nominate for election by the Annual Shareholders' Meeting as new members of the Supervisory Board. It therefore has the tasks of a nominating committee. In preparing these recommendations, the targets defined by the Supervisory Board for its composition are to be given due consideration, along with the proposed candidates' required knowledge, abilities and professional experience. Fulfillment of the profile of required skills and expertise is also to be aimed for. The Chairman's Committee has furthermore been authorized by the Supervisory Board to decide on the approval of the Managing Board's proposals regarding the appointment and dismissal of persons in certain management positions at the first level below the Managing Board, and the main principles of the compensation and incentivization system for employees.

In fiscal year 2019, the Chairman's Committee comprised Michael Sen (Chairman), Dr. Norbert Gaus and Dr. Andreas C. Hoffmann.

The **Audit Committee** oversees, in particular, accounting and the accounting process and conducts a preliminary review of the annual financial statements of Siemens Healthineers AG, the consolidated financial statements and the combined management report, as well as the report on relationships with affiliated companies. On the basis of the independent auditors' report on their audit of the financial statements, the Audit Committee makes, after its own preliminary review, recommendations regarding the Supervisory Board's approval of the annual financial statements of Siemens Healthineers AG and the consolidated financial statements. The Audit Committee discusses the quarterly statements and half-year financial report with the Managing Board and the independent auditors and deals with the auditors' report on the review of the Group's half-year consolidated financial statements and interim management report. It concerns itself with questions of risk management and oversees the effectiveness of the systems for internal control, risk management and internal auditing. The Audit Committee receives regular reports from the internal audit department. It prepares the Supervisory Board's

recommendation to the Annual Shareholders' Meeting concerning the election of the independent auditors and submits the corresponding proposal to the Supervisory Board. It awards the audit contract to the independent auditors elected by the Annual Shareholders' Meeting and monitors the independent audit of the financial statements, particularly the auditors' selection, independence, and qualification, as well as their work, including the additional services they provide; in this regard, the committee complies with the applicable terms of law, including the requirements for statutory audits under the EU Audit Regulation (Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC). The Audit Committee furthermore concerns itself with monitoring compliance, and with nonfinancial reporting and exemptions from such reporting.

In fiscal year 2019, the Audit Committee comprised Prof. Dr. Ralf P. Thomas (Chairman), Dr. Marion Helmes, Dr. Andreas C. Hoffmann and Michael Sen. The members of the Audit Committee are, as a group, familiar with the sector in which the Company operates. Pursuant to the German Stock Corporation Act, the Audit Committee must include at least one Supervisory Board member with knowledge and experience in the areas of accounting or the auditing of financial statements. Pursuant to the DCGK, the chairperson of the Audit Committee shall have specific knowledge and experience in applying accounting principles and internal control procedures, shall be independent and shall not be a former Managing Board member whose term of office ended less than two years ago. The Chairman of the Audit Committee, Prof. Dr. Ralf P. Thomas, fulfills these requirements, with the exception of the requirement of independence, as the DCGK does not view representatives of a controlling shareholder as independent.

The **Innovation and Finance Committee** particularly has the task, based on the Company's overall strategy, of discussing the innovation strategy and preparing the Supervisory Board's discussions and resolutions relating to the Company's financial situation and resources – including annual planning (budget) – as well as the Company's investments in property, plant and equipment and its financial measures. In addition, the Innovation and Finance Committee has been authorized by the Supervisory Board to decide on the approval of transactions and measures that require Supervisory Board approval and have a value of less than €300 million. The Innovation and Finance Committee furthermore deals with Siemens Healthineers AG's corporate, brand and design image and that of its dependent companies, particularly its image as a Siemens company (the Siemens Brand), and is authorized by the Supervisory Board to decide on changes or other measures in this regard.

In fiscal year 2019, the Innovation and Finance Committee comprised Michael Sen (Chairman), Dr. Norbert Gaus, Dr. Gregory Sorensen and Karl-Heinz Streibich.

Disclosure of participation by individual Supervisory Board members in meetings of the Supervisory Board and its committees in fiscal year 2019

Supervisory Board Members	Supervisory Board and Committee meetings	Participation	Presence
Michael Sen Chairman	27	27	100 %
Dr. Norbert Gaus Deputy Chairman	22	22	100 %
Dr. Marion Helmes	14	14	100 %
Dr. Andreas C. Hoffmann	21	21	100 %
Dr. Philipp Rösler	9	9	100 %
Dr. Nathalie von Siemens	9	8	89 %
Dr. Gregory Sorensen	15	15	100 %
Karl-Heinz Streibich	15	12	80 %
Prof. Dr. Ralf P. Thomas	14	14	100 %

C.3.1.3 Share transactions by members of the Managing and Supervisory Boards

Pursuant to Article 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, members of the Managing Board and the Supervisory Board are required by law to disclose all transactions conducted on their own account relating to the shares or debt instruments of Siemens Healthineers AG or to derivatives or other financial instruments linked thereto, if the total value of such transactions entered into by a board member or any related party of that member reaches or exceeds €5,000 in any calendar year. All transactions reported during the past fiscal year to Siemens Healthineers AG in accordance with this requirement have been duly published and are available on the Company's website at → www.corporate.siemens-healthineers.com/investor-relations/corporate-governance/directors-dealings.

C.3.1.4 Annual Shareholders' Meeting and investor relations

Shareholders exercise their rights at the Annual Shareholders' Meeting. The ordinary Annual Shareholders' Meeting takes place within the first eight months of each fiscal year. The Annual Shareholders' Meeting decides, among other things, on the appropriation of unappropriated net income, the ratification of the acts of the Managing and Supervisory Boards, and the appointment of the independent auditors. Amendments to the Articles of Association and measures that change Siemens Healthineers AG's capital stock are approved at the Annual Shareholders' Meeting and are implemented by the Managing Board. The Managing Board facilitates shareholder participation in this meeting through electronic communications – in particular, via the Internet – and enables shareholders who are unable to attend the meeting to vote by proxy. Furthermore, shareholders may exercise their right to vote in

writing or by means of electronic communications (absentee voting). The Managing Board may enable shareholders to participate in the Annual Shareholders' Meeting without the need to be present at the venue and without a proxy and to exercise some or all of their rights fully or partially by means of electronic communications. Shareholders may submit motions regarding the resolutions proposed by the Managing and Supervisory Boards and may contest decisions of the Annual Shareholders' Meeting. Shareholders owning an aggregate value of €100,000 or more of the issued capital may also demand a court appointment of special auditors to examine specific issues. The reports, documents and information required by law for the Annual Shareholders' Meeting, including the Annual Report, may be downloaded from our website. The same applies to the agenda for the Annual Shareholders' Meeting and to any opposing motions or shareholders' nominations that are required to be disclosed.

As part of our investor relations activities, we inform our investors comprehensively about developments within the Company. For reporting purposes, Siemens Healthineers also makes extensive use of the Internet. At → www.corporate.siemens-healthineers.com/investor-relations, we publish quarterly statements, half-year financial and annual reports, earnings releases, ad hoc announcements, analyst presentations and press releases as well as the financial calendar for the current year, which contains the publication dates of significant financial communications and the date of the Annual Shareholders' Meeting.

Our articles of association, the bylaws for the Supervisory Board and its committees, the bylaws for the Managing Board, the declaration of conformity with the DCGK and a variety of other corporate governance related documents are posted on our website at → www.corporate.siemens-healthineers.com/investor-relations/corporate-governance.

C.3.2 Corporate Governance statement pursuant to Sections 289f and 315d of the German Commercial Code

The Corporate Governance statement pursuant to Sections 289f and 315d of the German Commercial Code (Handelsgesetzbuch) is an integral part of the combined management report. Pursuant to Section 317 (2) sentence 6 of the German Commercial Code, the independent auditor's review of the disclosures made within the scope of Sections 289f and 315d of the German Commercial Code is to be limited to ascertaining whether the disclosures were made.

C.3.2.1 Declaration of conformity with the German Corporate Governance Code

The Managing Board and the Supervisory Board of Siemens Healthineers AG approved the following declaration of conformity pursuant to Section 161 of the German Stock Corporation Act as of September 30, 2019:

"Declaration of conformity by the Managing Board and the Supervisory Board of Siemens Healthineers AG with the German Corporate Governance Code

Siemens Healthineers AG fully complies and will continue to comply with the recommendations of the German Corporate Governance Code ("Code") in the version of February 7, 2017, published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette ("Bundesanzeiger"), with the exception of the recommendation in section 5.3.2 (3) sentence 2 of the Code regarding the independence of the Chairman of the Audit Committee.

Since the issuance of its last Declaration of Conformity dated September 30, 2018, Siemens Healthineers AG has complied with the recommendations of the Code, with the exception mentioned herein.

The Chairman of the Audit Committee has specific knowledge and experience in the application of accounting principles and internal control procedures, in particular due to his work as Chief Financial Officer of Siemens Aktiengesellschaft, which particularly enables him to chair the Audit Committee of Siemens Healthineers AG. The company is included in Siemens' consolidated financial statements because it is a member of the Siemens Group. Against this background, the functions of the Audit Committee of Siemens Healthineers AG are strengthened by the fact that the Chief Financial Officer of the majority shareholder chairs the Audit Committee.

Munich, September 30, 2019
Siemens Healthineers AG

The Managing Board

The Supervisory Board"

C.3.2.2 Information on corporate governance practices

Suggestions of the DCGK

Siemens Healthineers AG also voluntarily complies with the DCGK's nonbinding suggestions, with the following exceptions:

Pursuant to Section 2.3.2 of the DCGK, the proxy appointed by the Managing Board to exercise shareholders' voting rights as instructed should also be reachable during the Shareholders' Meeting. The proxies appointed by the Siemens Healthineers AG are personally available to the attending shareholders during the Shareholders' Meeting. However, instructions on voting cannot be given to the proxies over the Internet throughout the end of the general debate.

Pursuant to Section 3.7 (3) of the DCGK, in the case of a takeover offer, a management board should convene an extraordinary general meeting at which shareholders discuss the takeover offer and may decide on corporate actions. The convening of a shareholders' meeting, even taking into account the shortened time limits stipulated in the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz), is an organizational challenge for large publicly listed companies. It appears doubtful whether the associated effort is also justified in cases where no relevant decisions by the shareholders' meeting are intended. Therefore, extraordinary shareholders' meetings are convened only in appropriate cases.

Further corporate governance practices applied beyond legal requirements are contained in the business conduct guidelines.

Business conduct guidelines

The Siemens Healthineers business conduct guidelines provide the ethical and legal framework within which we intend to operate and to remain on course for success. They contain the basic principles and rules for the conduct of all Siemens Healthineers employees within the Company and in relation to our external partners and the general public. They set out how Siemens Healthineers meets its ethical and legal responsibilities as a company.

C.3.2.3 Operation of the Managing Board and the Supervisory Board, and composition and operation of their committees

The composition and operation of the Managing Board and Supervisory Board, and of the committees of the Supervisory Board, are described in → C.3.1 *Management and control structure*. Further details can be derived from the bylaws for the corporate bodies concerned.

The mentioned information and documents, including the DCGK and the business conduct guidelines, are available at:
→ www.corporate.siemens-healthineers.com/investor-relations/presentations-financial-publications.

C.3.2.4 Targets for the share of women on the Managing Board and at the management level immediately below the Managing Board; target for the share of women on the Supervisory Board

Pursuant to the German Stock Corporation Act, the Supervisory Board is to set targets for the share of women on the Managing Board and Supervisory Board. The Managing Board is to set targets for the share of women in the two levels of management immediately below the Managing Board. If the share of women is less than 30% when the targets are set, the targets cannot be below the level that has already been achieved.

At Siemens Healthineers AG, targets have been set for the Managing Board to include at least one woman by June 30, 2023, and for the first management level below the Managing Board to include at least 25% women by June 30, 2022. There is only one level of management below the Managing Board. A target has been set for the Supervisory Board to be composed of at least 2/9 of women by June 30, 2023.

C.3.2.5 Diversity concept for the Managing Board

With the support of the Chairman's Committee, and in consultation with the Managing Board, the Supervisory Board performs long-term succession planning for members of the Managing Board. The aim is for the Managing Board as a whole to have all the knowledge and experience that are considered essential in light of the activities of Siemens Healthineers. The Supervisory Board has decided that in nominating individuals for appointment to the Managing Board, the Chairman's Committee is to give special attention to the following aspects:

- professional qualification;
- international experience;
- leadership qualities;
- the age limit set for members of the Managing Board. In general, an appointment or a renewal of an appointment to the Managing Board is permitted only for persons below the age of 63;
- long-term succession planning;
- diversity.

The target set by the Supervisory Board for the share of women on the Managing Board is explained in → **C.3.2.4 Targets for the share of women on the Managing Board and at the management level immediately below the Managing Board; target for the share of women on the Supervisory Board**.

The decisive factor for the decision on the filling of a specific Managing Board position is always the Company's interest, taking into account all circumstances of the individual case.

Implementation of the diversity concept for the Managing Board

The diversity concept is implemented as part of the procedure for the Supervisory Board's appointment of the Managing Board. In selecting candidates, the Supervisory Board is to take account of the requirements set out in the diversity concept for the Managing Board.

For the appointment for one Managing Board position made during the reporting period, the Supervisory Board and the engaged corporate consultants took account of the diversity concept in their selection of candidates.

C.3.2.6 Targets for the composition, profile of required skills and expertise, and diversity concept for the Supervisory Board

The diversity concept for the Supervisory Board was adopted by the Supervisory Board together with the targets for the Board's own composition, including the profile of the skills and expertise that the Supervisory Board should possess. This framework requires the composition of the Supervisory Board of Siemens Healthineers AG to be such as to ensure that its members collectively are qualified to supervise and advise the Managing Board.

Profile of required skills and expertise

The candidates proposed for election to the Supervisory Board should have the knowledge, skills and experience that enable them to perform the duties of a supervisory board member at an international enterprise and bolster the public image of Siemens Healthineers. The character, integrity, motivation and professionalism of the persons proposed for election should be given particular consideration.

The aim is for the Supervisory Board as a whole to have all the knowledge and experience considered essential in view of the activities of Siemens Healthineers. This includes among others knowledge and experience of medical and healthcare technology (including information technology and digitalization), transformation processes, entrepreneurship, procurement, production and sales, finance, legal (including compliance), and human resources. The Supervisory Board should also have knowledge and experience of the lines of business important to Siemens Healthineers, in particular (diagnostic) imaging, laboratory diagnostics and clinical therapy. The Supervisory Board in its entirety should be familiar with the sector in which Siemens Healthineers operates. At least one member of the Supervisory Board must have accounting or auditing expertise. The Chair of the Audit Committee should have specific knowledge and experience of applying accounting principles and internal control procedures. In particular, the Supervisory Board members should also include persons who have management experience at a large international enterprise as a result of performing an executive function or as a member of a supervisory board or similar body.

When a new member is about to be appointed, a review should be undertaken to determine which of the desirable skills on the Supervisory Board ought to be enhanced.

International profile

In light of the Company's international profile, it should be ensured that the Supervisory Board has a sufficient number of members with many years' international experience.

Diversity

It should be ensured that the Supervisory Board is sufficiently diverse in its composition. In addition to an appropriate quota of women, this also includes diversity with regard to cultural origin, religion and ethnic background as well as diversity of professional background, experience and mindset. When examining potential candidates for new elections or appointment to vacant Supervisory Board positions, diversity should be given appropriate consideration early on in the selection process.

The Supervisory Board has set a target for the share of women among its members, together with a deadline for achieving that target. The details of this target are presented in **→C.3.2.4 Targets for the share of women on the Managing Board and at the management level immediately below the Managing Board; target for the share of women on the Supervisory Board.**

Independence

The Supervisory Board should include an appropriate number of independent members. Conflicts of interest that are substantial and not merely temporary, for example as a result of a person serving as a member of a governing body or performing an advisory role at a significant competitor, should be avoided. The composition of the Supervisory Board should ensure that its members include at least three independent shareholder representatives as defined in Section 5.4.2 of the DCGK.

The Supervisory Board members should have sufficient time to enable them to discharge their duties with the necessary regularity and care.

Age limit and length of membership

Observing the age limit laid down by the Supervisory Board in the bylaws, only persons no more than 70 years of age should usually be proposed for election as a member of the Supervisory Board. The proposal for election should take into account the regular limit on length of Supervisory Board membership, of three full terms of office (15 years), set by the Supervisory Board. The aim is for the Supervisory Board to have an appropriate structure of experience and age.

Implementation of targets for composition, including profile of required skills and expertise and diversity concept; independent members of the Supervisory Board

In the process of selecting and nominating candidates for the Supervisory Board, the Supervisory Board takes account of the targets for its composition and the requirements laid down in the diversity concept.

With its current membership, the Supervisory Board meets all the targets for its composition and fulfills the profile of required skills and expertise and the diversity concept. The Supervisory Board members have the professional and personal qualifications considered necessary. As a group, they are familiar with the sector in which the Company operates and have the knowledge, skills and experience essential for Siemens Healthineers. A considerable number of Supervisory Board members are engaged in international activities and/or have many years of international experience. Appropriate consideration has been given to diversity in the Supervisory Board. In fiscal year 2019, the Supervisory Board had two female members.

The Supervisory Board also has an adequate number of independent members. In the opinion of the Supervisory Board, there are currently at least four Supervisory Board members who are independent within the meaning of Section 5.4.2 of the DCGK – namely, Dr. Marion Helmes, Dr. Philipp Rösler, Dr. Gregory Sorensen and Karl-Heinz Streibich. The regulations establishing limits on age and limiting membership in the Supervisory Board to three full terms of office (15 years) are complied with.