SRE Americas | Real Estate Partner Office

Role of POC

Sept 1, 2015

Agenda

Topics

SRE Introduction

Engaging and Working with SRE

Real Estate POC Role

SRE Updates

- Industrial Flat Pricing
- Budget Process
- Reporting
- Miscellaneous

Collaboration/Discussion

Role of Siemens Real Estate

Stewards of Siemens real estate assets to protect and leverage asset value

Translates business unit requirements into real estate **strategy**

Defines the guidelines for Corporate Architecture, **Construction**, and Sustainability

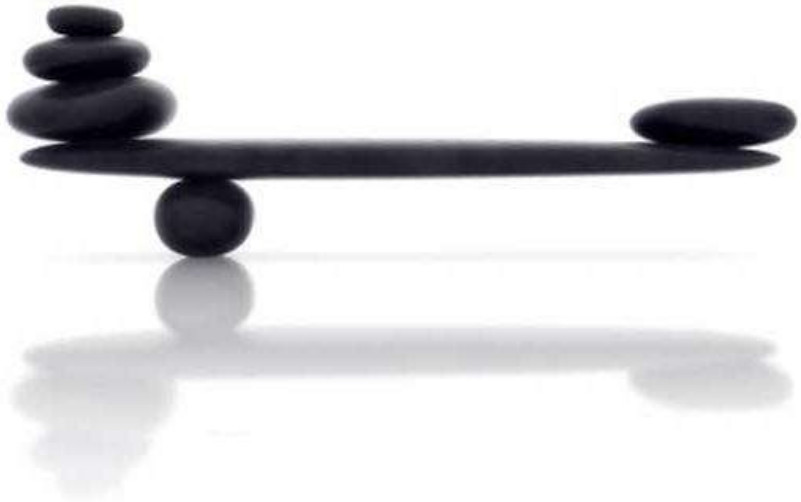
Oversees all **leasing and management** of Siemens real estate portfolio

Centrally procure FM related services for benefits from bundling Siemens spend to drive **savings**

Standardize services and building maintenance criteria to drive efficiency and common practices

Maintain database of assets to **manage life cycles** effectively and affordably

SRE receives feedback and direction from all levels of Siemens employees



Maintaining the balance of priorities spanning end users through the Managing Board presents challenges when bridging those interests.

Building Occupants / End Users

Site Decision Makers

POC is a Facilitator

BU & Division Management

Managing Board

Management of Real Estate
SRE's Business Model

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Profit-and-loss responsibility for the real estate business managed by GS SRE

Deliberate separation of real estate business from Siemens' operating business

Leasing to the Siemens units under the **lessor-lessee model**

Generation of profit from disposals, reported in the GS SRE **income statement**

Real estate risks reside with GS SRE

Pricing Model

- Market-led approach for owned office
- Cost-led approach for owned industrial space (Flat Price Industrial to be implemented FY16)
- Market-led approach for space leased from third party

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Real Estate Life Cycle

Business Strategy
Location Concepts

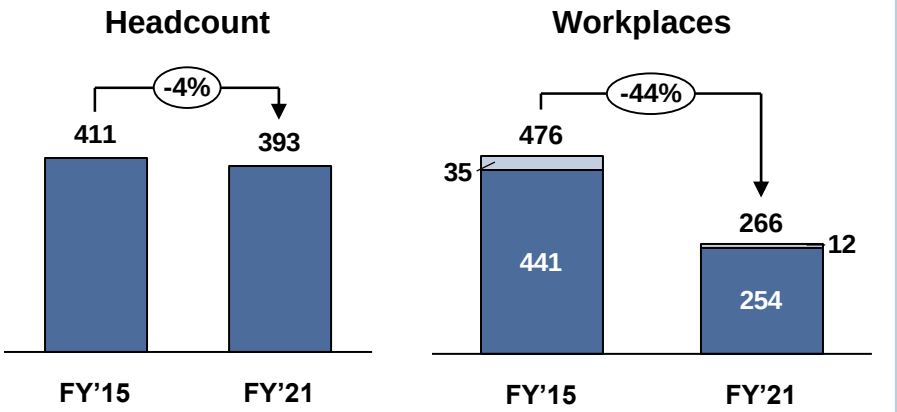
Business / Space Acquisition
Approval Process

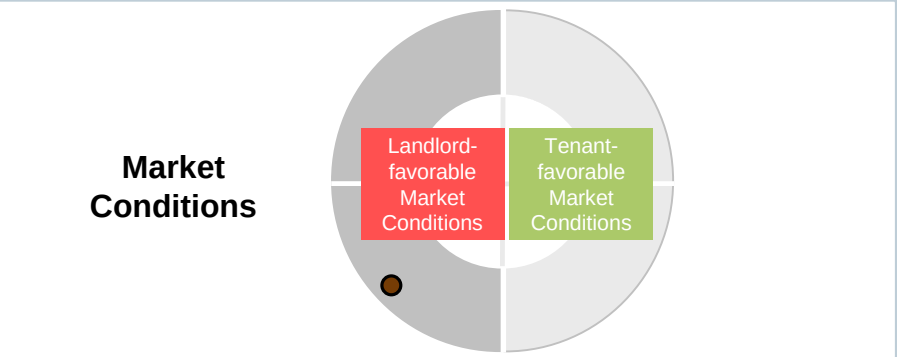
Lease Termination
Property Disposition

Space Contracts
Managing Changes / Maintenance

Real Estate Strategy
Location Concepts

Extensive Data Collection / Market Research





- Enable Siemens to make sound Real Estate Investments
- Sets long term strategic direction
- Aligns RE strategy with business strategy (requires customer "buy-in")
- Required for investment approvals

Triggering Events for Location Concepts

- Projects greater than ~5’ EUR OR complex/high-visibility projects
- Other potential triggering events: Lease expirations, changes in the portfolio (e.g. M&A activity), economic, business or market changes that may impact customer’s
- Executive customers may also request LCs due to long term business planning

Acquisition
New Business, Environmental Issues and Approvals

- **Mergers & Acquisitions:** Engage GS SRE during the business case development – the value of the real property may significantly affect the value of the deal
- **Environmental Issues**: GS SRE has the governance responsibility for Environmental projects.
- **CapEx Cards**: To ensure an efficient investment request process, BU's must align with GS SRE on real estate content for CapEx cards


Jacksonville, FL

Louisville, KY

Engaging SRE early will foster greater collaboration and a successful outcome for Siemens.

Leasing and Management
Space Utilization, Maintenance and Asset Capitalization

- **Vacancy** – Hidden vs hard vacancy; tenant notification; provisions or impairments
- **Maintenance strategy** implemented with a focus on functional integrity – availability, efficiency and functionality


Houston, TX

For improvements and repairs and the treatment of Capital vs Expense:

- Consistent approach is applied globally
- Ensures assets are accurately valued on Siemens' balance sheets
- To claim **subsequent capitalization**, proof of a significant economic benefit to the existing asset must be provided

Houston, TX

Lease Termination and Disposals

SRE remains flexible to meet business requirements

- **Lease End at Lease Expiration (Closure):** Notify SRE of potential closure as early as possible; SRE confirms business requirements annually during the budget cycle
- **Early Termination:** Divisions are able to terminate leases prior to contract end with fee payment
- **Sale of Real Estate:** SRE is responsible for all sales and disposals of real estate; the corresponding impact on income (positive as well as negative) is borne by SRE

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For Discussion:
Division Point of Contact for GS Real Estate

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Overview

Divisional Points of Contact (POC) for real estate topics champions real estate programs and initiatives and facilitates timely divisional approvals. A POC should have an influential position in the Division; the role is highly collaborative and best suited for those with direct support of the Division CEO or CFO. This is an individual contributor role and not full time (most cases).

POC Key Responsibilities

- Real Estate Process Support
  - Facilitates execution of GOSA documents (or could be the executor for smaller leases)
  - Route/ facilitate I-Applications for approvals as needed
  - May review Customer Project Request forms in advance of execution to validate project scope; may execute when applicable
  - Participates in real estate budget prep sessions in advance of presenting to Divisional management
  - May participate in site selections for factories or high visibility Division office space
- Knowledge
  - In depth knowledge of function and business priorities of key sites
  - Extensive knowledge of BU/Division hierarchy and LOA

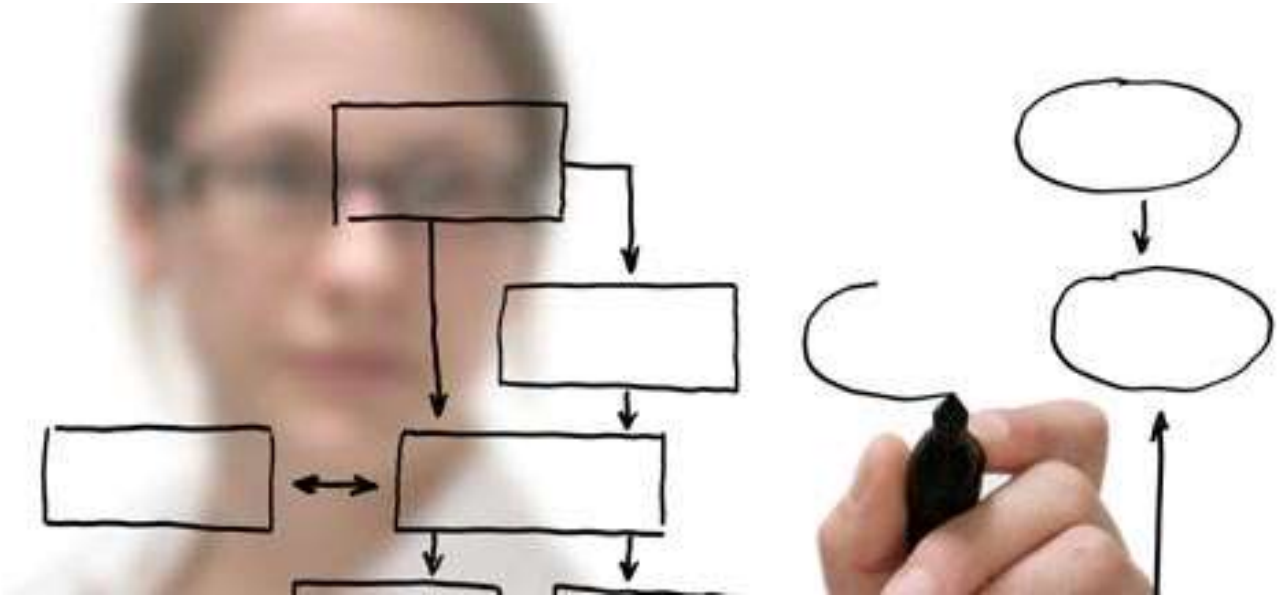
POC Capabilities

- Highly collaborative
- Effective communicator
- Works well within team structure
- Escalates appropriately
- Embraces “Siemens First”

SRE Responsibility

Tasks such as collecting division / site real estate requirements, completing programming related to space needs, engaging real estate brokers, technical experts or contractors, selecting leased locations for sales/service or traditional office, and overseeing FM supplier performance sit solely within SRE scope.

Open Discussion



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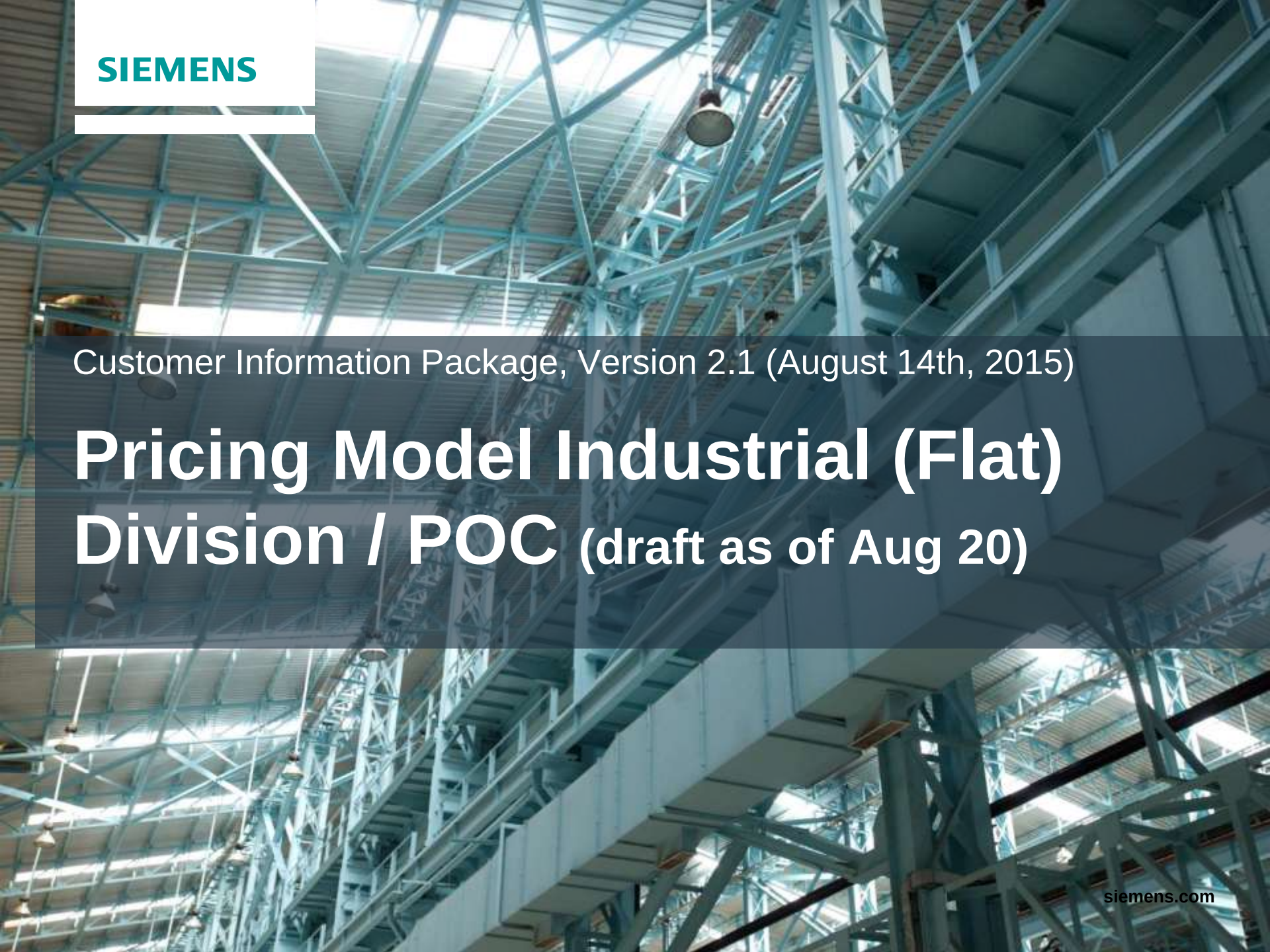

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Customer Information Package, Version 2.1 (August 14th, 2015)

Pricing Model Industrial (Flat) Division / POC (draft as of Aug 20)

siemens.com

SRE Pricing: Industrial (Flat) Base Rent
Division General Agreement – Structure & Alignment

As of August 13, 2015

Structure of General Agreements

Body of the Agreement

signed between Division and SRE Management; Covering pricing principles & implementation

Annex 1a

"Target Prices - Top Industrial Locations"

Annex 1b

"Remaining Industrial Locations"

Annex 2

"New Construction Locations"

Alignment with Division RE Coordinators

	DF:	Hässler, Ralf
✓	PD:	Schein, Andreas
✓	MO:	Schmöller, Andrea
✓	BT:	Meier, Axel
	EM:	Brückner, Alexander
	PG:	Brückner, Alexander
	PS:	Olson, Steve
	WP:	Kleinschmidt, Stefan

- Agreement reached on Pricing Model
- First signatures received on General Agreement (✓); remaining signatures to be received by 9/30/15

SRE Pricing: Industrial (Flat) Base Rent
Divisional Pricing Agreements - Preamble

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Currently Applied		Future Situation
“Cost Based Net Rent” Model	Transformation	**“Industrial Flat” Fixed Price Model**

Foster simplified RE management & reduce administrative effort

- SRE ensures **stable Real Estate Costs** for Divisions for existing portfolio on **global average**
- SRE will **compensate impacts from increasing maintenance demand (aging portfolio) and reduced Capital Costs** and balance maintenance (across factories)
- **SRE and Division Management sign a global agreement on Flat Pricing Principles** and **Target Prices for the Top Industrial Locations** of a Division
- **Target Prices agreed with Division Management for ~ 120 Top Locations to minimize friction during implementation** (no local negotiation – explanation of levers only)

SRE Pricing: Industrial (Flat) Base Rent
Key Elements of Change > Simplify

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Simplification

Flat Base Rent (excl. functional changes)
- ✓ Forward Pricing (based on cost estimate)
- ✓ Flat price for 5Y term
- ✓ No true-ups

Uniform Interest Rate approach
- ✓ Reduce volatility by change from spot rate to averaged 5Y rate

Simplified Calculation / Local Interface
- ✓ Uniform price calculation / frequency per location
- ✓ Limitation of pricing differentiation

Efficiency

Lifecycle Maintenance Approach
- ✓ Functional integrity over RE lifecycle
- ✓ Split into RE lifecycle & demand based portion

Impact Divisions

- Increase cost stability for products calculation
- SRE ensures Functional Integrity of buildings & infrastructure
- Simplified internal interface (roles & responsibilities)
- Influencing costs via functional change vol.

- SRE strategy ties to Divisional Footprint
- Limitation of increasing lifecycle mtn. demand

Communication Tools are available to support implementation

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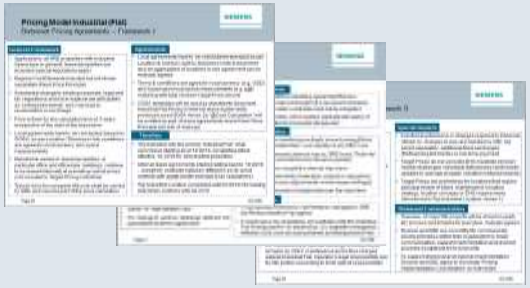
Documents will be shared with customer POC's

DPA Framework / Pricing Principles



Customer Information Package

Top Industrial Locations Americas		Division	Cost Based Net Rent BD15 (abs)	Cost Based Net Rent BD15 (m^2)	Cost Based Net Rent (Comp.) BD15 (abs)	Cost Based Net Rent (Comp.) BD15 (m^2)	Target Price / Flat (Final) FY16-20 (abs)	Target Price / Flat (Final) FY16-20 (m^2)	therein Refl. Elements as of FY15 (m^2)	Trend
Charlotte, NC; 5101 Westinghouse Boulevard (1)		PG	7'2	5.17	9'0	6.46	9'0	6.46	0.00	
Southaven, MS; 101 Airport Industrial Drive		DF	1'3	1.85	1'5	2.15	1'6	2.34	0.00	
Fort Madison, IA; 2597 Highway 61		WP			2'8	4.15	3'1	4.61	0.00	
Norwood, OH; 4620 Forest Avenue		PD	1'3	2.30	1'7	2.93	1'7	3.00	0.15	
Rural Hall, NC; 3050 Westinghouse Road	PS	PG	1'3	2.40	2'0	3.66	1'4	2.62	0.00	
New Kensington, St. Gate	PS	PG	1'2	2.52	1'4	2.94	1'5	2.98	0.00	
Alpharetta, GA; 100 Technology Drive		PD	0'9	2.70	1'2	3.65	1'0	2.96	0.00	
Hutchinson, KS; 1000 Commerce Street		WP			2'5	7.80	2'7	8.26	0.00	
Trenton, NJ; 840 Nottingham Way	PS	PG	0'8	3.82	1'0	4.57	0'9	4.33	0.29	
Suwanee, GA; 675 Old Peachtree Road NW	PS	PG	0'6	2.90	0'7	3.38	0'7	3.38	0.00	
Deer Park, TX; 405 Deerwood Glen Drive	PS	PG	1'1	6.38	1'3	7.43	1'4	7.80	0.37	
West Chicago, IL; 1500 West Harvester Road		DF	0'1	0.80	0'2	0.93	0'3	1.53	0.00	
Wichita, KS; 1090 E. 37th St. N.		WP			0'3	3.30	0'3	3.30	0.00	
Top Industrial Locations			31'4	3.10	46'8	4.61	47'1	4.63	0.02	

Wave I Sites

Top Industrial Locations Americas		Division	Cost Based Net Rent BD15 (abs)	Cost Based Net Rent BD15 (m^2)	Cost Based Net Rent (Comp.) BD15 (abs)	Cost Based Net Rent (Comp.) BD15 (m^2)	Target Price / Flat (Final) FY16-20 (abs)	Target Price / Flat (Final) FY16-20 (m^2)	therein Refi. Elements as of FY16 (m^2)	Trend
Charlotte, NC; 5101 Westinghouse Boulevard	(1)	**PG**	7'2	**5.17**	9'0	**6.46**	9'0	**6.46**	0.00	➡
Southaven, MS; 101 Airport Industrial Drive		**DF**	1'3	**1.85**	1'5	**2.15**	1'6	**2.34**	0.00	⬆
Fort Madison, IA; 2597 Highway 61		**WP**			2'8	**4.15**	3'1	**4.61**	0.00	⬆
Norwood, OH; 4620 Forest Avenue		**PD**	1'3	**2.30**	1'7	**2.93**	1'7	**3.00**	0.15	➡
Rural Hall, NC; 3050 Westinghouse Road	PS	**PG**	1'3	**2.40**	2'0	**3.66**	1'4	**2.62**	0.00	⬇
New Kensington, St. Gate	PS	**PG**	1'2	**2.52**	1'4	**2.94**	1'5	**2.98**	0.00	➡
Alpharetta, GA; 100 Technology Drive		**PD**	0'9	**2.70**	1'2	**3.65**	1'0	**2.96**	0.00	⬇
Hutchinson, KS; 1000 Commerce Street		**WP**			2'5	**7.80**	2'7	**8.26**	0.00	⬆
Trenton, NJ; 840 Nottingham Way	PS	**PG**	0'8	**3.82**	1'0	**4.57**	0'9	**4.33**	0.29	⬇
Suwanee, GA; 675 Old Peachtree Road NW	PS	**PG**	0'6	**2.90**	0'7	**3.38**	0'7	**3.38**	0.00	➡
Deer Park, TX; 405 Deerwood Glen Drive	PS	**PG**	1'1	**6.38**	1'3	**7.43**	1'4	**7.60**	0.37	⬆
West Chicago, IL; 1500 West Harvester Road		**DF**	0'1	**0.80**	0'2	**0.93**	0'3	**1.53**	0.00	⬆
Wichita, KS; 1090 E. 37th St. N.		**WP**			0'3	**3.30**	0'3	**3.30**	0.00	➡
Top Industrial Locations			**31'4**	**3.10**	**46'8**	**4.61**	**47'1**	**4.63**	**0.02**	➡

Industrial Flat Pricing
Wave II

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Maintenance Steering for Wave II

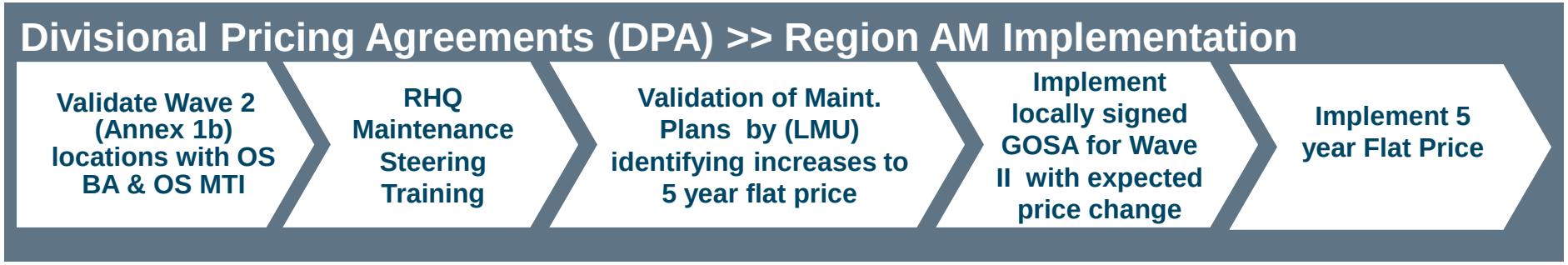
- **5 year maintenance plan update for Wave II**
  - Validation of Functional Integrity for 122+/- Real Estate Units – “As Is”
  - Validation and identification of Customer Specific Projects - “Differentiation”
  - Validation of the 5 year price as of BD16
  - Highlight Net Rent Maintenance (Basic & Project) vs OPEX (Operate the Bldg)

Functional Integrity (pricing aspects)

- SRE maintains the buildings in their current functional and technical condition as of “As Is”-condition at start of the contract
- SRE guarantees the functional integrity within the Industrial flat of industrial sites - decorative repairs and typical wear & tear does not impose a functional deficiency in general
- Measures are planned and documented in 5Y maintenance plans, which is the baseline for the evaluation of sustainable maintenance level per location
- Functional extensions or changes requested by customer or triggered by production related processes are not included in the maintenance flat and subject to separate refinancing

Industrial Flat Pricing
Wave II Implementation Plan

Wave II – Target Date: Dec 2015 – Phase I with Price Change



Wave II – Target Date March 2016 – Phase II without a Price Change

SRE Maintenance Guideline 2015

Selection out of 3 strategy types
Functional Integrity is the regular Maintenance Strategy

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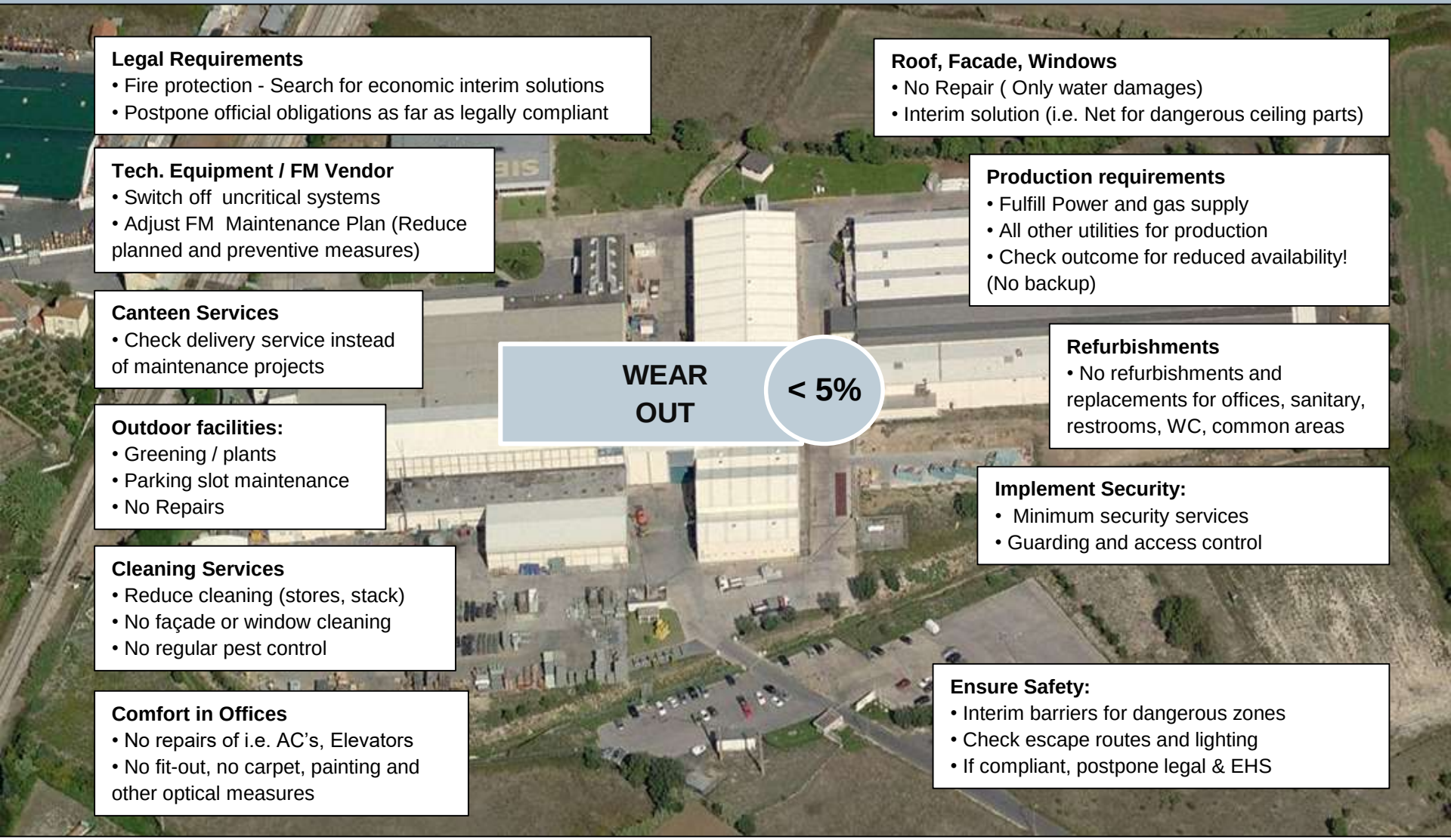
Only variance due to significant changes in location concept, divisional footprint, space demand and market circumstances. Basis shall be the maintenance demand defined in the Building Pass

Strategy		Focus aspects	SRE‘s to ensure
VALUE RETENTION Location Concept or PSB*	**< 5%**	• holistic improvement /refurbishment/ modernization • Increased customer demand	• State of the art building
FUNCTIONAL INTEGRITY Regular Strategy	**> 90%**	• Stable customer demand • Preservation of basic functionalities • No value increase • Single maintenance projects only	• Stable Availability • Stable EHS / Security • Stable Efficiency • Stable Functions • Legal aspects
WEAR OUT Location Concept or PSB*	**< 5%**	• Reduced customer demand (downgraded usage) • High vacancy rates • Value reduction accepted • Minimized maintenance expenses	• EHS / Security • Business Availability • Legal aspects

SRE Maintenance Guideline 2015

Real Estate Unit with no Siemens demand - Site ready for exit



Legal Requirements
- Fire protection - Search for economic interim solutions
- Postpone official obligations as far as legally compliant

Tech. Equipment / FM Vendor
- Switch off uncritical systems
- Adjust FM Maintenance Plan (Reduce planned and preventive measures)

Canteen Services
- Check delivery service instead of maintenance projects

Outdoor facilities:
- Greening / plants
- Parking slot maintenance
- No Repairs

Cleaning Services
- Reduce cleaning (stores, stack)
- No façade or window cleaning
- No regular pest control

Comfort in Offices
- No repairs of i.e. AC's, Elevators
- No fit-out, no carpet, painting and other optical measures

WEAR OUT **< 5%**

Roof, Facade, Windows
- No Repair (Only water damages)
- Interim solution (i.e. Net for dangerous ceiling parts)

Production requirements
- Fulfill Power and gas supply
- All other utilities for production
- Check outcome for reduced availability! (No backup)

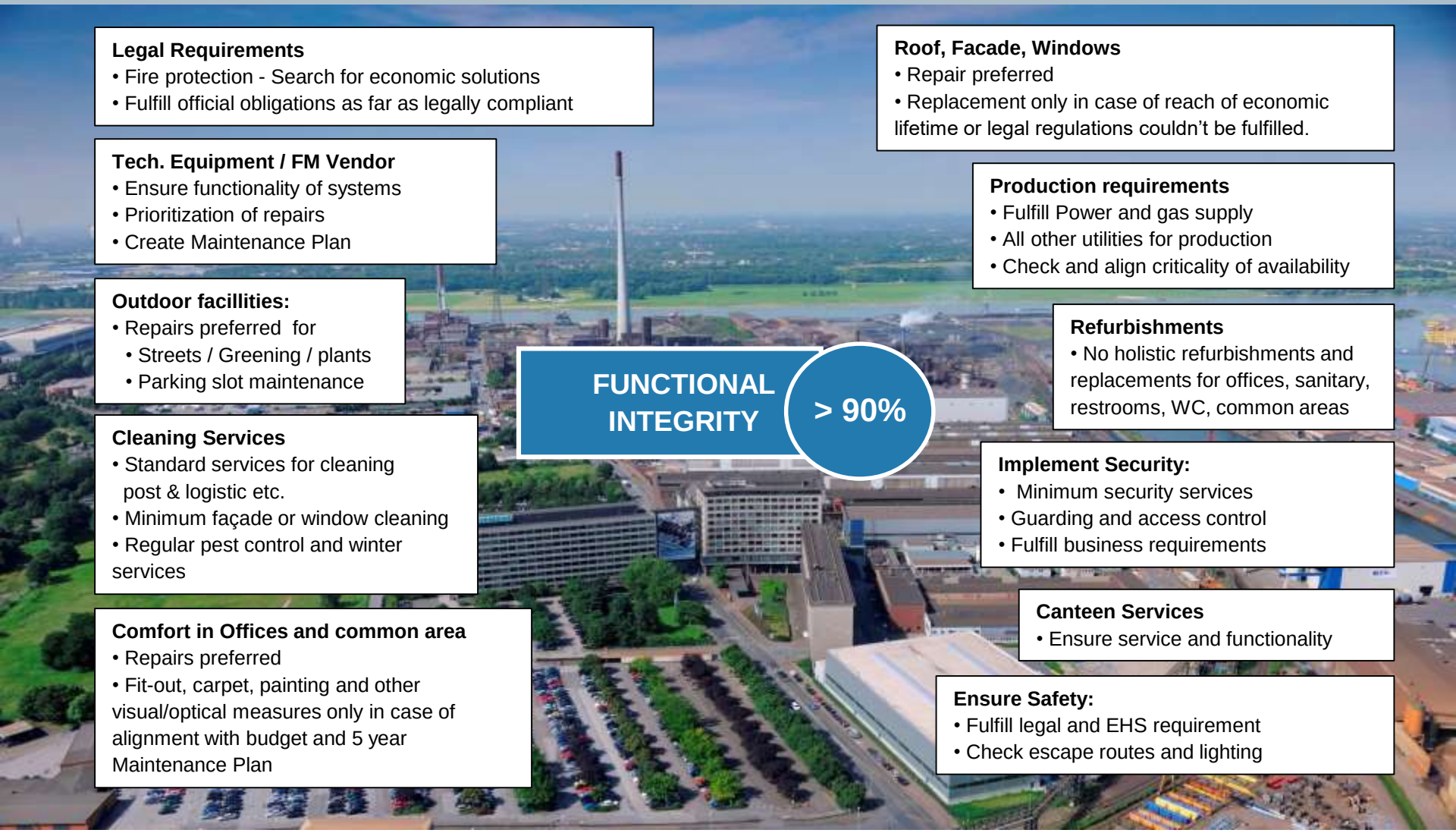
Refurbishments
- No refurbishments and replacements for offices, sanitary, restrooms, WC, common areas

Implement Security:
- Minimum security services
- Guarding and access control

Ensure Safety:
- Interim barriers for dangerous zones
- Check escape routes and lighting
- If compliant, postpone legal & EHS

SRE Maintenance Guideline 2015

Real Estate Unit with Siemens regular demand



Legal Requirements
- Fire protection - Search for economic solutions
- Fulfill official obligations as far as legally compliant

Tech. Equipment / FM Vendor
- Ensure functionality of systems
- Prioritization of repairs
- Create Maintenance Plan

Outdoor facillities:
- Repairs preferred for
  - Streets / Greening / plants
  - Parking slot maintenance

Cleaning Services
- Standard services for cleaning post & logistic etc.
- Minimum façade or window cleaning
- Regular pest control and winter services

Comfort in Offices and common area
- Repairs preferred
- Fit-out, carpet, painting and other visual/optical measures only in case of alignment with budget and 5 year Maintenance Plan

FUNCTIONAL INTEGRITY > 90%

Roof, Facade, Windows
- Repair preferred
- Replacement only in case of reach of economic lifetime or legal regulations couldn't be fulfilled.

Production requirements
- Fulfill Power and gas supply
- All other utilities for production
- Check and align criticality of availability

Refurbishments
- No holistic refurbishments and replacements for offices, sanitary, restrooms, WC, common areas

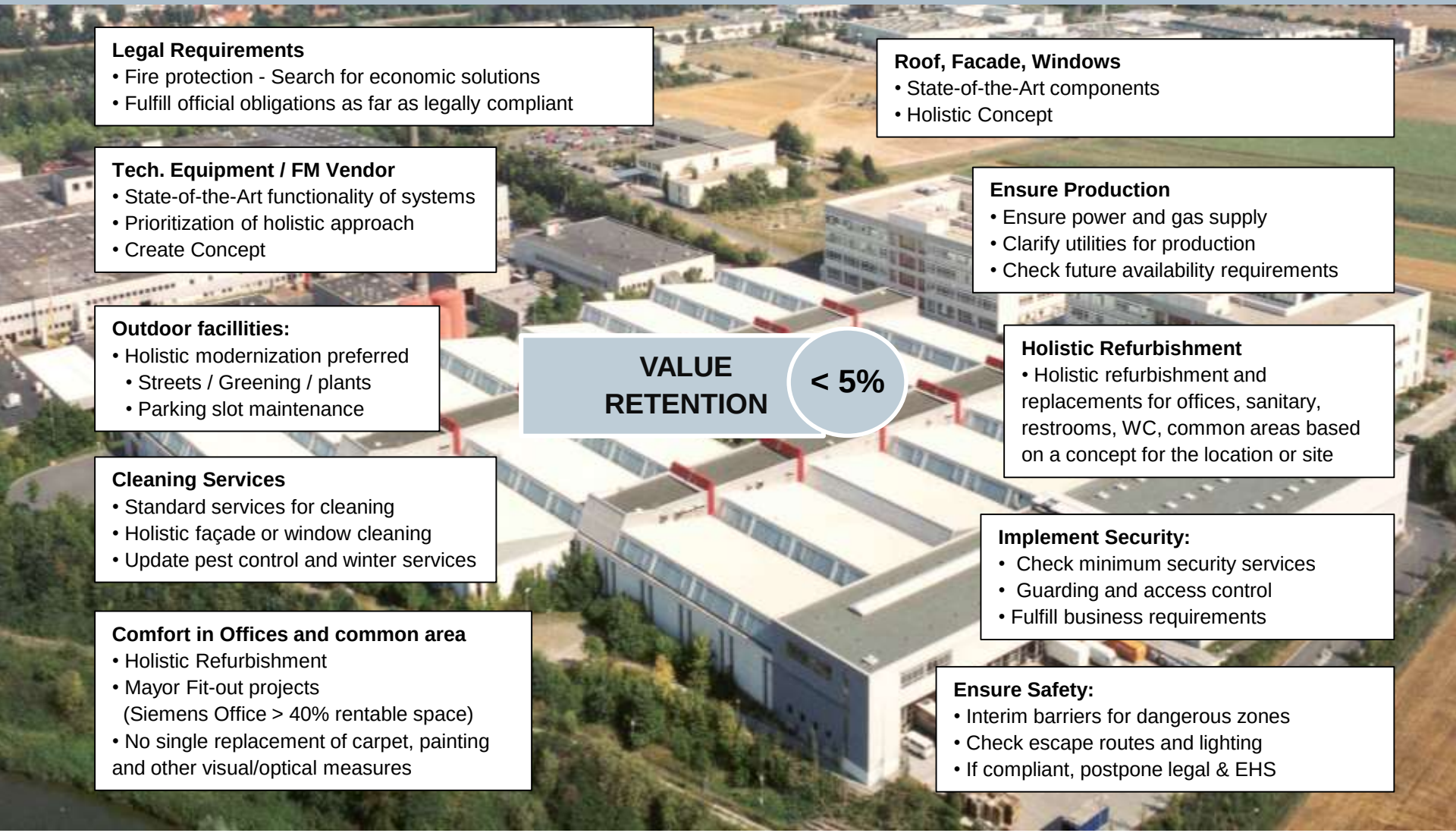
Implement Security:
- Minimum security services
- Guarding and access control
- Fulfill business requirements

Canteen Services
- Ensure service and functionality

Ensure Safety:
- Fulfill legal and EHS requirement
- Check escape routes and lighting

SRE Maintenance Guideline 2015

Real Estate Unit with increased Siemens demand



Legal Requirements
- Fire protection - Search for economic solutions
- Fulfill official obligations as far as legally compliant

Tech. Equipment / FM Vendor
- State-of-the-Art functionality of systems
- Prioritization of holistic approach
- Create Concept

Outdoor facillities:
- Holistic modernization preferred
  - Streets / Greening / plants
  - Parking slot maintenance

Cleaning Services
- Standard services for cleaning
- Holistic façade or window cleaning
- Update pest control and winter services

Comfort in Offices and common area
- Holistic Refurbishment
- Mayor Fit-out projects
  (Siemens Office > 40% rentable space)
- No single replacement of carpet, painting and other visual/optical measures

VALUE RETENTION **< 5%**

Roof, Facade, Windows
- State-of-the-Art components
- Holistic Concept

Ensure Production
- Ensure power and gas supply
- Clarify utilities for production
- Check future availability requirements

Holistic Refurbishment
- Holistic refurbishment and replacements for offices, sanitary, restrooms, WC, common areas based on a concept for the location or site

Implement Security:
- Check minimum security services
- Guarding and access control
- Fulfill business requirements

Ensure Safety:
- Interim barriers for dangerous zones
- Check escape routes and lighting
- If compliant, postpone legal & EHS

SRE Maintenance Guideline 2015

Case Studies to develop a understanding about the deviation in the Maintenance Strategy

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Case Study (Customer request)	Regularly	Alternatively
Windows - Office Building (1981) • Old Windows / Low employee satisfaction • Cold air due to leaks i.e. gasket, frame leaks 	**„Functional Integrity“** 1. **Repairs are the preferred solution** for broken windows, frame and gasket leaks 2. No replacement due to old technology and progress in comfort 3. Change of single components	**„Wear out“** 1. **Interim solutions are preferred** 2. Further loss of comfort acceptable **„Value Retention “** 1. Comprehensive solutions out of concept e.g. façade modernization 2. Replacement of old windows into State of the Art glasses and Core Standards
Switch gear - Industrial Building (1977) • Old switch gear • Missing safety equipment 	**„Functional Integrity“** 1. **Repairs are the preferred solution** 2. **Addition of safety equipment mandatory!** 3. Minor risk to fail due to old components and equipment will be no argument for replacement of equipment 4. Changes due to new production requirements allocated to customer specific demand (Net Rent II)	**„Wear out“** 1. **Interim solutions to fulfill EHS standards are preferred** 2. Further loss of availability acceptable 3. Accept customer demand only in case of production failure **„Value Retention “** 1. Comprehensive solutions out of concept e.g. façade modernization 2. Replacement of electrical equipment

SRE Maintenance Guideline 2015

Case Studies to develop a understanding about the deviation in the Maintenance Strategy

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Case Study (Customer request)	Regularly	Alternatively
Lighting - Industrial Building (1981) • Old florescence lighting • Partly not fulfill legal obligations  	**“Functional Integrity“** 1. **Repairs are the preferred solution** for additional safety equipment are the preferred solution. E.g. local workplace lighting. 2. No replacement due to old technology and progress in comfort 3. Replacement only if functionality is not longer given and with positive Business Case	**“Wear out“** 1. **Interim solutions are preferred** 2. Further loss of comfort acceptable 3. Accept customer demand only in case of production needs **„Value Retention “** 1. Comprehensive solutions out of concept e.g. modernization 2. Replacement of old lighting with modernization
Air exchange rate (New AHU) - Industrial Building (1977) • Old Air Handling Unit (AHU) • Air exchange rate not sufficient  	**“Functional Integrity“** 1. **Repairs and extension are the preferred solution.** 2. Change of old single components if repairs are not possible 3. Replacement only if functionality is not longer given and with positive Business Case	**“Wear out“** 1. **Interim solutions are preferred** 2. Further loss of comfort acceptable 3. Accept customer demand only in case of production needs **„Value Retention “** 1. Comprehensive solutions out of concept e.g. modernization 2. Replacement & modernization of AHU

SRE Maintenance Guideline 2015

Case Studies to develop a understanding about the deviation in the Maintenance Strategy

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Case Study (Customer request)	Regularly	Alternatively
Elevator - Office Building (1985) • Old surfaces and control panel • Partly not fulfill legal obligations • Energy efficiency  	**Functional Integrity“** 1. **Repairs are the preferred solution and additional retrofit equipment for safety equipment** 2. No replacement due to old technology and progress in comfort 3. Replacement only in case of reach of economic lifetime or legal regulations couldn’t be fulfilled.	**Wear out“** 1. **Interim solutions are preferred** 2. Further loss of comfort acceptable 3. Accept customer demand only in case of production needs **„Value Retention “** 1. Comprehensive solutions out of concept e.g. Refurbishment, modernization 2. Replacement of elevator
Roof - Industrial Building (1973) • Old roof partly leaking and blistering • Insulation not state of the art  	**Functional Integrity“** 1. **Repairs are the preferred solution and add additional safety equipment** 2. Replacement only in case of reach of economic lifetime or legal regulations couldn’t be fulfilled. 3. Improvement of insulation only in case of roof modernization	**Wear out“** 1. **Small repairs or interim solutions are preferred** 2. Further loss of comfort acceptable 3. Accept customer demand only in case of production needs **„Value Retention “** 1. Comprehensive solutions out of concept e.g. Refurbishment, modernization 2. Roof modernization

SRE Maintenance Guideline 2015

Case Studies to develop a understanding about the deviation in the Maintenance Strategy

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Case Study (Customer request)	Regularly	Alternatively
Carpet - Office Building (1985) • Old surfaces and design • Small damages	**Functional Integrity“** **1. Cleaning and small repairs are the preferred solution** 2. If applicable, functional interim solution 3. No replacement due to old design	**Wear out“** **1. Interim solutions are preferred** 2. Reduced comfort acceptable **„Value Retention “** 1. Comprehensive solutions out of concept e.g. Refurbishment, modernization 2. Replacement of modular carpet tiles and surfaces
Restroom - Industrial Building (1973) • Old surfaces and design • Non efficient water flushing system • Small damages	**Functional Integrity“** **1. Repairs are the preferred solution** 2. If applicable, functional interim solution 3. No replacement due to old technology and progress in comfort 4. Add. equipment for water efficiency separately by EEP Project	**Wear out“** **1. Small repairs or interim solutions are preferred** 2. Reduced comfort acceptable **„Value Retention “** 1. Comprehensive solutions out of concept e.g. Refurbishment, modernization 2. Toilet modernization

Industrial Flat Pricing
Discussion Points

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1 **Wave II**

- Sites have been identified
- AMU heads will review potential impact and classify according to Phase I (by Dec 2015) /Phase II (Mar 2016)
- REP Office will review full division list with each POC

2 **Escalations**

- LMU Heads will be initial contact point for sites and POCs for site specific questions
- POCs may also contact REP as a heads up where concerns may be escalated beyond local levels

3 **Questions / Feedback**

- POCs encouraged to bring questions and feedback to the REP Office

Annual Budget Process (budget calendar to be developed)

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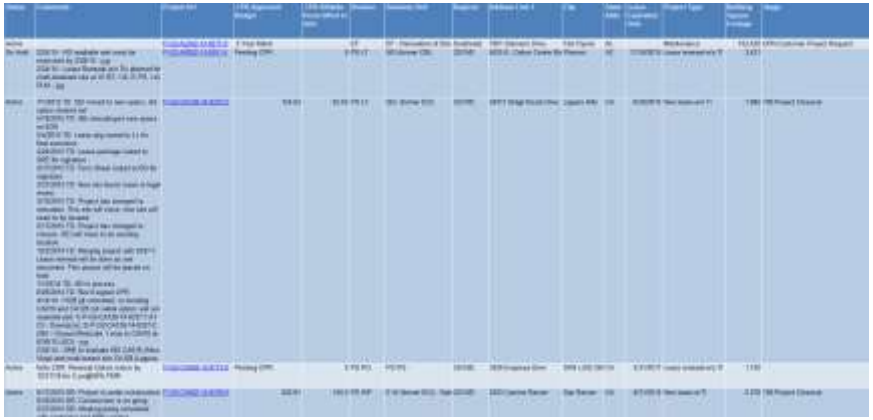
Understanding the SRE Budget Process

- SRE gathers input from each site and then compiles for review
- With feedback from these reviews, final budgets are completed
- Changes made during the review process at the divisional level need to be communicated directly to the sites by respective customer financial POCs / division CFOs

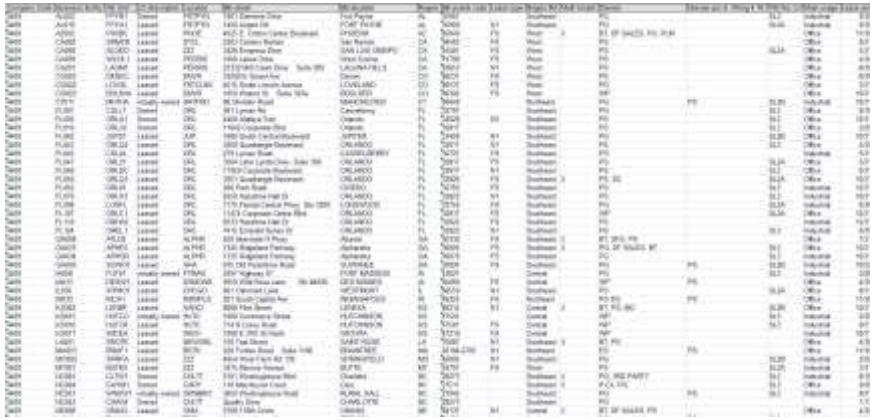
Communication of Budget Timeline	Site Budget Reviews	Divisional Budgets Prepared	Division Budget Reviews	Division Budget Reviews
▪ Communication to Customer about budget deliverables & timelines	▪ LMU to meet w/ customers to update their portfolio budgets. ▪ Preliminary sign off of full site budgets (FM, TI, project maintenance, new sites, etc.)	▪ Divisional budgets are prepared	▪ Delivery and review of divisional budgets to Division CFO‘s	▪ Revisions made as needed by SRE following division reviews ▪ Delivery of final budgets ▪ Financial POCs or division CFOs distribute updates to the sites

Project and location reports will continue to be provided quarterly

Activity Report



Location Report



Miscellaneous

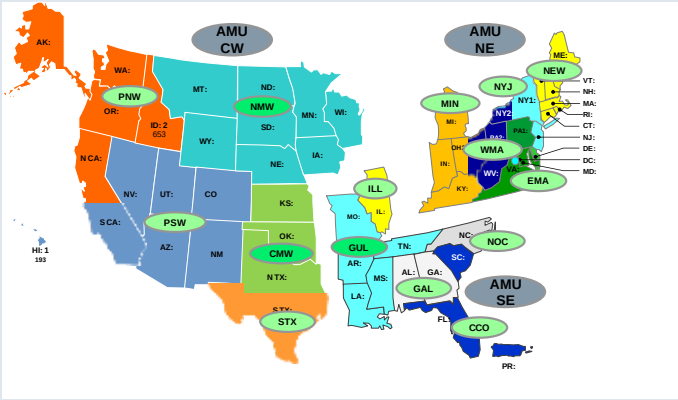
Virtual Asset Transfer

CSS

Timing of FM CSAT Survey

CBRE

SRE Org Update



Agenda

Topics

SRE Introduction and Updates

Engaging and Working with SRE

Real Estate POC Role

SRE Updates

- Industrial Flat Pricing
- Budget Process
- Reporting
- Miscellaneous

Collaboration/Discussion

Accelerate Collaboration
Engage REP Office quickly

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SRE Americas | Real Estate Partner

Back-up

SRE Pricing: Industrial (Flat) Base Rent
Divisional Pricing Agreements - Definition

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Definition Industrial Flat

- **Forward Pricing applied to Base Rent fixed for 5 year calculation term** (Fixed Price Principle; no true-ups)
- **Regular Cost Elements are included but not shown separately** (e.g. Depreciation, Interest, Maintenance, Mgmt. Fee, External Rent)
- **SRE ensures functional integrity of buildings and infrastructure (managed by SRE);** existing laws, regulations and corporate standards (EHS) are fulfilled and included
- **Divisional Footprint and Maintenance Strategy closely aligned in REP Meetings**
- **SRE supports Divisions to consolidate underutilized Industrial Space; partial early lease termination whenever a positive business case for Siemens can be obtained** (case-by-case decision) > standard applies even if Industrial Flat GOSA agreements are signed
- **New calculation / surcharge in case of unforeseen events (force majeure, changes of law/tax)**
- **Ongoing and upcoming Portfolio changes (**Ongoing / upcoming New Construction, M&A projects, New Ext. Leases / Lease Terminations) **and future Functional changes / extensions are not anticipated in the Industrial Flat** > price / volume changes