

Munich, October 2, 2006

Distribution:

Chairmen of the Supervisory and Managing Boards;  
Executive Vice Presidents, Senior Vice Presidents;  
Group Executive Management, Vice Presidents;  
Mgmt. of Corporate Centers, Services; Mgmt. of  
Regional Companies, Representative Offices;  
Siemens Corporation; Mgmt. of Divisions; RD;  
Mgmt., Sales Regions Mgmt., LB/KB; Plant Mgmt.;  
Heads of Accounting / Audit worldwide; Org.; Kr.17

## Company donations

Donations are part of our commitment to society and reflect our identity as a responsible corporate citizen (see Annex 1). We consider it important that our donations be transparent and comply with uniform principles.

By "donations," we understand voluntary contributions (cash benefits and benefits in kind) made by the company, without recompense, to external parties for cultural, scientific or humanitarian purposes as well as fees for membership in social and cultural organizations.

For details, see the attached guidelines (Annex 2).

The following applies to responsibilities and reporting:

- The Groups, Regional Companies and Corporate Units can make donations from their own resources.
- Company units will report individual donations with a value of €5,000 or above to CF R 2 on a twice-yearly basis. For details, see Annex 2. The heads of business administration of company units will be responsible for ensuring that donations comply with this Circular.
- By November 30 of each year, Corporate Communications (CC) will report to the Corporate Executive Committee regarding all donations made by the company in the previous fiscal year.
- Information for the general public regarding company donations will be included in our corporate responsibility reporting.

Annexes

sgd. Kaeser

sgd. Radomski

## Our commitment to society focuses on the following areas:

- Education and science

We support public and private educational institutions as well as external research institutes – especially in the natural sciences and engineering. Fostering young people is a key priority for us.

Examples:

- Contributions to schools and universities (excluding endowments of professorships)
- Support for research awards by scientific societies
- Memberships in non-profit organizations in order to promote research and education.

- Culture and the arts

We support culture and the arts in four areas: the fine arts, the visual arts, music, and contemporary and cultural history.

Examples:

- Contributions to foundations, e.g. for art prizes
- Contributions to museums, e.g. for acquiring works of art
- Memberships in non-profit organizations in order to promote culture and the arts.

- Social and humanitarian projects

We try to help in emergencies and natural disasters. Environmental protection and the conservation of natural resources are also important issues for us.

Examples:

- Memberships in non-profit organizations in order to promote social, environmental and humanitarian causes
- Contributions to social institutions
- Disaster relief, e.g. via donations to Siemens Caring Hands e.V.

## Guidelines for company donations

By “donations,” we understand voluntary contributions (cash benefits and benefits in kind) made by the company, without recompense, to external parties for cultural, scientific or humanitarian purposes as well as fees for membership in social and cultural organizations.

Sponsoring activities are not donations when the related expenditures are compensated in the form of advertising, nor are contributions to industry associations or fees for memberships in organizations that serve business interests.

Like the company, the Siemens family foundations are involved in philanthropic activities. These foundations are independent and separate from the company. We support them with donations.

### The following principles are to be observed:

- The company does not make political contributions (donations to politicians, political parties or political organizations).  
The possibility for employees in the U.S. to make political donations via the Siemens Corporation Political Action Committee does not violate this principle.
- We do not make donations to:
  - individuals
  - for-profit organizations
  - organizations that do not have a tax-exempt status
  - organizations whose goals are not compatible with our Corporate Principles as set out in the Business Conduct Guidelines.
- Donations must be transparent. The names of recipients and the concrete uses to which they put donations must be disclosed. It must be possible at all times to justify the reasons for a donation and to certify that it is being used for the purposes for which it was intended.
- Donations should be tax-deductible and made in a form that ensures their tax-deductible status (e.g. donation receipt).
- Since donations made from Germany to recipients outside the country are, as a rule, not tax-deductible, the tax department should be contacted in advance in such cases.
- In the case of benefits in kind, the relevant tax department must be involved in advance. This also applies to doubtful cases.
- Payments to private accounts are not permitted.
- Duplicate donations are to be avoided. For this reason, major donation transactions and donations to international organizations are to be coordinated with CC CR 1 (CC Corporate Citizenship) in advance.
- Company units will use the Adstar form DON\_6635\_R to report their individual donations with a value of €5,000 or above to CF R 2 on a twice-yearly basis (March 31, September 30). For every donation, the initiator (name / position), the recipient (name of organization, city and country), the amount (in the case of benefits in kind, the book value including, where appropriate, the VAT is to be stated), the area (education and science, culture and the arts, social and humanitarian projects) and the concrete purpose (e.g. computers for a school, acquisition of a work of art by a museum or disaster relief for earthquake victims) must be entered on the form.