

Key points of the 2001 Siemens Stock Option Plan (“Stock Option Plan”):

(1) Eligibility

The members of the Managing Board of Siemens AG, the members of the top managements of subsidiaries of Siemens AG, and other senior level executives of Siemens AG and its subsidiaries are eligible to receive stock options under the Stock Option Plan. A combined total of up to 55,000,000 stock options (“aggregate volume”) may be awarded to all groups under the Stock Option Plan, which shall have a duration of five years from the first-time grant of stock options under the plan. A breakdown of the stock options that may be awarded to the individual groups of eligible recipients (“optionees”) follows:

- (1.1) Up to 3,300,000 stock options to members of the Managing Board of Siemens AG;
- (1.2) up to 8,800,000 stock options to members of the top managements of domestic and foreign subsidiaries;
- (1.3) up to 42,900,000 stock options to senior level executives below Managing Board level of Siemens AG and below top management level of domestic and foreign subsidiaries.

(2) Terms of options

(2.1) Periods of grant

Stock options may be granted to optionees within a period of 30 days after the announcement of the results for the fiscal year or quarter then ended. The date of grant shall be uniformly determined for each of these periods by the Supervisory Board, if stock options are granted to members of the Managing Board, otherwise by the Managing Board. Option grants to members of the Managing Board may be made only once annually after the close of the fiscal year.

(2.2) Option period

Stock options are not exercisable until completion of a holding period of two years starting one week after the date such options are granted. They may be exercised at any time within the three years following such holding period (“option period”).

(2.3) Exercise price, performance target

The exercise price is equal to 120% of the reference price. The reference price corresponds to the average opening market price of Xetra trading (or comparable successor trading system) in the stock of Siemens AG during the five trading days preceding the date of stock option grant, provided that the exercise price is not less than the proportionate equity per share in the capital stock.

The exercise price is also the performance target.

(2.4) Restricted periods

Stock options may not be exercised during the period starting two weeks prior to the end of a quarter until two days after the announcement of quarterly results and during the period starting two weeks prior to the fiscal year-end until two days after announcement of the results for the fiscal year then ended ("restricted periods"). In addition, optionees are required to observe the restrictions imposed by the applicable laws and regulations, such as the German Securities Trading Act (WpHG) (insider trading laws).

(2.5) Transferability

The right of any optionee to exercise stock options granted under the Stock Option Plan shall, during such optionee's lifetime, be exercisable only by such optionee, and shall not be assignable or transferable. However, it may be transferred upon the death of the optionee to the optionee's spouse and children.

(2.6) Antidilution protection

If any change is made in the capital stock of Siemens AG during the term of the option rights, Siemens AG will appropriately adjust the exercise price per option and/or the number of shares receivable per option to reflect such change in accordance with the then current rules and regulations of Eurex Deutschland (German options and futures exchange, formerly Deutsche Terminbörse). The adjustment shall be made in a way to ensure that the overall value of stock options to which an optionee is entitled remains unchanged after implementation of the change in the capital stock. No adjustment by Siemens AG is made if such adjustment is mandated by law or results in a change of less than 1% of the exercise price of the options. The adjustment shall be made by the Supervisory Board if members of the Managing Board of Siemens AG are concerned, and by the Managing Board if employees of Siemens AG or company-wide principles and policies are concerned.

(3) Methods of exercise

Optionees may be offered no-par value treasury stock of Siemens AG or compensation in cash in lieu of receiving new shares of no-par value stock of Siemens AG from the Conditional Capital 2001 or from the Conditional Capital 1999 reserved for this purpose.

The alternatives offered to optionees shall be determined by the Managing Board, in each case as approved by the Supervisory Board. In reaching their decision, these boards shall focus solely on promoting the interests of the Company and all its shareholders. The Chairman of the Supervisory Board shall report on the decision at the Shareholders' Meeting following the close of the fiscal year. The

stock option terms shall be designed in a way to provide this alternative for Siemens AG.

Compensation in cash shall be equal to the difference between the exercise price and the opening market price of Xetra trading (or comparable successor trading system) in the stock of Siemens AG on the day of exercising the stock options.

(4) Miscellaneous provisions

Further details of the stock option grants and the additional methods of exercise shall be determined by the Supervisory Board if members of the Managing Board of Siemens AG are concerned, and by the Managing Board if employees of Siemens AG or company-wide principles and policies are concerned.

Where stock options are to be offered to the top managements of subsidiaries, further details shall be determined by the competent local compensation boards and committees in accordance with the company-wide principles and policies applicable to the Stock Option Plan, subject to approval by the Managing Board of Siemens AG. To the extent that employees of subsidiaries are involved, further details shall be determined by the respective local top managements in accordance with the company-wide principles and policies applicable to the Stock Option Plan, subject to approval by the Managing Board of Siemens AG.

Such further details include in particular

- the determination of the number of stock options to be granted to individual optionees or groups of optionees,
- the establishment of rules and regulations regarding the implementation of the Stock Option Plan,
- the methods of awarding and exercising the stock options,
- the rules for handling stock options in special situations, such as upon the optionee's cessation of service with the Company or any of its subsidiaries or upon the optionee's death,
- the rules concerning any taxes and charges incurred in connection with the exercise of stock options or the sale of shares by optionees, and
- the exclusion of subsidiaries offering a stock option plan of their own.

(5) Reporting requirements

The Managing Board shall report each fiscal year in its Annual Report on the utilization of the Stock Option Plan and the stock options granted.