

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2019</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>SIEMENS PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1965</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>10/01/1965</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>10/01/1965</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>SIEMENS CORPORATION</u> <u>170 WOOD AVENUE SOUTH</u> <u>ISELIN, NJ 08830</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>13-2623356</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>732-590-5366</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>551112</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>13-2623356</u>	2c Plan Sponsor's telephone number <u>732-590-5366</u>	2d Business code (see instructions) <u>551112</u>	
2b Employer Identification Number (EIN) <u>13-2623356</u>					
2c Plan Sponsor's telephone number <u>732-590-5366</u>					
2d Business code (see instructions) <u>551112</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	09/30/2020	EWOUT NAARDING
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

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3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 24775
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div> 6a(1) 9547 6a(2) 8802 6b 4876 6c 9722 6d 23400 6e 714 6f 24114 6g 6h 19
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 1C 1E 1I 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ 0 **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2019 This Form is Open to Public Inspection
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>SIEMENS PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SIEMENS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-2623356</u>	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I	Basic Information		
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2019</u>		
2	Assets:		
	a Market value	2a	<u>1907212556</u>
	b Actuarial value	2b	<u>1907212556</u>
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment.....	<u>5508</u>	<u>813283408</u>
	b For terminated vested participants.....	<u>10338</u>	<u>493890819</u>
	c For active participants	<u>8630</u>	<u>565395086</u>
	d Total.....	<u>24476</u>	<u>1872569313</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b	
5	Effective interest rate	5	<u>5.39</u> %
6	Target normal cost.....	6	<u>11660730</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Signature of actuary <u>JOSEPH GAMZON F.S.A., E.A.</u> Type or print name of actuary <u>WILLIS TOWERS WATSON US LLC</u> Firm name <u>200 LIBERTY STREET</u> <u>NEW YORK, NY 10281</u> Address of the firm	<u>09/17/2020</u> Date <u>20-06924</u> Most recent enrollment number <u>212-915-8888</u> Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

**Schedule SB (Form 5500) 2019
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Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	354134908
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	18541166
9 Amount remaining (line 7 minus line 8)	0	335593742
10 Interest on line 9 using prior year's actual return of <u>-6.03</u> %	0	-20236303
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.56</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	315357439

Part III Funding Percentages

14 Funding target attainment percentage	14	84.96 %
15 Adjusted funding target attainment percentage	15	101.37 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	97.81 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
3.74 %2nd segment:
5.35 %3rd segment:
6.11 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22**

63

23 Mortality table(s) (see instructions)☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Part VI Miscellaneous Items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6) **31a** 11660730**b** Excess assets, if applicable, but not greater than line 31a **31b** 0**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance 281729757 Installment 54298833**b** Waiver amortization installment 0 0**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) **34** 65959563

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	65959563	65959563

36 Additional cash requirement (line 34 minus line 35) **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 0**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2019 This Form is Open to Public Inspection
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan SIEMENS PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 SIEMENS CORPORATION	D Employer Identification Number (EIN) 13-2623356	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	0	285144
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	1915205601	2177308961
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	1915205601 2177594105
Liabilities			
g	Benefit claims payable	1g	818342 1450017
h	Operating payables	1h	2282622 119430
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	3100964 1569447
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	1912104637 2176024658

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	
	(B) Participants	2a(1)(B)	
	(C) Others (including rollovers)	2a(1)(C)	
	(2) Noncash contributions	2a(2)	
	(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	0
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	0
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
	(3) Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		382819885
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		285144
d Total income. Add all income amounts in column (b) and enter total	2d		383105029

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	119185008	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		119185008
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		119185008

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		263920021
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unmodified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		25000000
4e	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4225250. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2019</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan SIEMENS PENSION PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 SIEMENS CORPORATION		D Employer Identification Number (EIN) 13-2623356
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 25-1904503		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3 499
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2019 v. 190130		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****14c**

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year

b The corresponding number for the second preceding plan year

15a**15b**

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers

16a**16b**

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 21.0 % Investment-Grade Debt: 75.9 % High-Yield Debt: 0.1 % Real Estate: 0.0 % Other: 3.0 %

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

- a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No

- b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

FINANCIAL STATEMENTS

Siemens Pension Plans:
Siemens Pension Plan
Siemens Pension Plan for Union Employees
Years Ended December 31, 2019 and 2018
With Report of Independent Auditors

Ernst & Young LLP



Siemens Pension Plans

Financial Statements

Years Ended December 31, 2019 and 2018

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Report of Independent Auditors

The Plan Administrator
Siemens Pension Plan and the Siemens Pension Plan for
Union Employees and the Members of the Siemens Corporation
Administrative and Investment Committees

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Siemens Pension Plan and Siemens Pension Plan for Union Employees, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimers of Opinion paragraph, however, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified investment information described in Note 9, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the entity that certified the investment information meets the requirements of 29 CFR 2520.103-8. The plan administrator has obtained certifications as of December 31, 2019 and 2018, and for the years then ended, that the information provided to the plan administrator is complete and accurate.

Disclaimer of Opinion on Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Report on Compliance of Form and Content With Department of Labor's Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the certified investment information, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

September 14, 2020

Siemens Pension Plans

Individual Statements of Net Assets Available for Benefits

December 31, 2019

	<u>Pension Plan</u>	<u>Union Plan</u>
Assets		
Investments:		
Interest in the net assets of the Master Trust for Siemens Pension Plans	\$ 2,167,627,037	\$ 401,308,187
Interest in the net assets of the Master Trust for Siemens Pension Plans – net assets held in 401(h) account	9,681,924	–
Annuity refund receivable	285,144	–
Total assets	<u>2,177,594,105</u>	<u>401,308,187</u>
Liabilities		
Accrued plan expenses	119,430	43,107
Amounts related to obligation of 401(h) account	9,681,924	–
Total liabilities	<u>9,801,354</u>	<u>43,107</u>
Net assets available for benefits	<u><u>\$ 2,167,792,751</u></u>	<u><u>\$ 401,265,080</u></u>

See accompanying notes.

Siemens Pension Plans

Individual Statements of Net Assets Available for Benefits

December 31, 2018

	<u>Pension Plan</u>	<u>Union Plan</u>
Assets		
Investments:		
Interest in the net assets of the Master Trust for Siemens Pension Plans	\$ 1,905,196,625	\$ 356,817,994
Interest in the net assets of the Master Trust for Siemens Pension Plans – net assets held in 401(h) account	7,993,048	–
Total assets	<u>1,913,189,673</u>	<u>356,817,994</u>
Liabilities		
Accrued plan expenses	266,694	66,243
Amounts related to obligation of 401(h) account	7,993,048	–
Total liabilities	<u>8,259,742</u>	<u>66,243</u>
Net assets available for benefits	<u>\$ 1,904,929,931</u>	<u>\$ 356,751,751</u>

See accompanying notes.

Siemens Pension Plans

Individual Statements of Changes in Net Assets Available for Benefits

Year Ended December 31, 2019

	<u>Pension Plan</u>	<u>Union Plan</u>
Investment income and additions to net assets attributed to		
Investment income; – change in Plan’s interest in the net assets of the Master Trust for Siemens Pension Plans	\$ 390,219,104	\$ 72,931,890
Refund of annuity premium	285,144	–
Employee contributions	–	106,574
Total investment income and additions	<u>390,504,248</u>	<u>73,038,464</u>
 Deductions from net assets attributed to		
Benefits paid to participants	118,553,333	25,129,623
Plan expenses	9,088,095	3,395,512
Total deductions	<u>127,641,428</u>	<u>28,525,135</u>
 Net increase	 262,862,820	 44,513,329
 Net assets available for benefits:		
Beginning of year	<u>1,904,929,931</u>	<u>356,751,751</u>
End of year	<u>\$ 2,167,792,751</u>	<u>\$ 401,265,080</u>

See accompanying notes.

Siemens Pension Plans

Individual Statements of Changes in Net Assets Available for Benefits

Year Ended December 31, 2018

	<u>Pension Plan</u>	<u>Union Plan</u>
Investment loss and additions to net assets attributed to		
Investment loss – change in Plan’s interest in the net assets of the Master Trust for Siemens Pension Plans	\$ (154,477,768)	\$ (23,358,826)
Refund of annuity premium	5,527,450	–
Employee contributions	–	104,578
Total investment loss and additions	<u>(148,950,318)</u>	<u>(23,254,248)</u>
 Deductions from net assets attributed to		
Benefits paid	127,761,987	21,952,597
Plan expenses	3,172,719	857,937
Total deductions	<u>130,934,706</u>	<u>22,810,534</u>
 Net decrease	 (279,885,024)	 (46,064,782)
 Transfers out of net assets	 (1,057,374,418)	 (2,792,989)
 Net assets available for benefits:		
Beginning of year	3,242,189,373	405,609,522
End of year	<u>\$ 1,904,929,931</u>	<u>\$ 356,751,751</u>

See accompanying notes.

Siemens Pension Plans

Notes to Financial Statements

December 31, 2019 and 2018

1. Description of Plans

The following description of the Siemens Pension Plan (the Pension Plan) and the Siemens Pension Plan for Union Employees (the Union Plan) (collectively, the Plans or the Siemens Pension Plans) is provided for general information purposes only. Participants should refer to the respective plan document for a more complete description of plan provisions. Certain groups of employees who became eligible as a result of a plan merger into the Pension Plan or the Union Plan may be subject to terms and conditions that differ from those described below.

Participation in the Plans, at one time, had been available to all eligible employees of Siemens Corporation (the Company or Siemens), an indirectly wholly-owned subsidiary of Siemens Aktiengesellschaft (Siemens AG), and those affiliated companies that participated in the Plans. The Plans are subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The investment assets of the Plans are held in the Master Trust for Siemens Pension Plans (the Master Trust). The investment assets of the Master Trust were held by JPMorgan Chase Bank, N.A. (Trustee) at December 31, 2019 and 2018. The participating plans of the Master Trust have an undivided interest in the net assets of the Master Trust.

Benefits earned under the Pension Plan were frozen, effective December 31, 2010, so that no future benefit accruals after December 31, 2010 (except for interest credits under the cash balance formulas of the Pension Plan) will be earned. Similarly, as a result of changes agreed to with certain collective bargaining units during calendar year 2010, the Company froze benefits earned by the members of these collective bargaining units under the Union Plan so that no future benefit accruals after December 31, 2010 (except for interest credits under the cash balance formulas of the Union Plan) will be earned by these members.

On January 1, 2018, employees of Siemens Medical Solutions USA, Inc. (SMS) who had been participating in the Plans were transferred out of the Plans and into the newly created Siemens Medical Solutions USA, Inc. Pension Plan (SMS Plan), a defined benefit plan sponsored by SMS. Accordingly, on June 1, 2018, the accrued benefits and the related investments pertaining to affected participants were transferred to the newly created Master Trust for Siemens Medical Solutions USA, Inc. Pension Plans (SMS Master trust).

Siemens Pension Plans

Notes to Financial Statements (continued)

1. Description of Plans (continued)

Administration

The Administrative Committee of the Company is responsible for administering the Plans' operations and the Investment Committee of the Company is responsible for selecting and monitoring investments held by the Plans.

Siemens Pension Plan

General

The Pension Plan, which commenced on October 1, 1965, is a defined benefit plan sponsored by the Company. The Pension Plan was amended to include a cash balance formula, effective January 1, 2001, in addition to the final average pay formula which was in effect prior to January 1, 2001. Participation in the Pension Plan for new participants was frozen in 2006. No individual who was initially hired or rehired on or after April 1, 2006, was eligible to participate in the Pension Plan. With respect to individuals hired prior to April 1, 2006, an employee became eligible to enter the Pension Plan on January 1 or July 1 of any year, provided he/she had completed at least six full months of employment. A temporary employee became eligible to enter the Pension Plan on January 1 or July 1, provided he/she had completed at least one year of eligible service (1,000 hours of service in a 12 month period). The Pension Plan defines an employee as any person employed by the Company or affiliated companies that participate in the Pension Plan who receives regular compensation other than a pension, retirement allowance, retainer or fee under contract. However, the Pension Plan excludes (i) employees covered by collective bargaining agreements entered into with the Company or one of the affiliated companies for which the agreements do not prescribe inclusion of such employees in the Pension Plan, (ii) hourly-paid or salary-paid employees specifically excluded from coverage by a participating company and (iii) leased employees and independent contractors.

Pension Benefits

For participants who became covered under the cash balance formula as of January 1, 2001, the lump-sum value of their accrued pension benefit as of December 31, 2000, under the Pension Plan's final average pay formula became their opening cash balance account value as of January 1, 2001. Currently under the cash balance formula, the Company credits each eligible participant's balance each month with an interest credit. The interest credit, which is a percentage of the

Siemens Pension Plans

Notes to Financial Statements (continued)

1. Description of Plans (continued)

participant's monthly beginning balance, is based on the annual interest rate of the 30-year U.S. Treasury bonds as of August of the previous year, subject to a minimum rate of 4.06% for both 2019 and 2018. The minimum rate was the interest rate that applied for the Pension Plan. The pay credit which is frozen was based on the participant's years of vesting service pay and the level of contribution applicable to his or her employing company. Pay credits increased as the participant's pay and service increased. Participants who have a vested benefit under the cash balance formula may elect either a lump-sum payment or, if the amount of the benefit is greater than \$5,000, monthly annuity payments.

Under the final average pay formula, participants with at least five years of employment are entitled to annual pension benefits beginning at normal retirement age, which is the later of (i) attainment of age 65 or (ii) generally the completion of at least five years of employment or at least five years of participation. The annual pension under the final average pay formula is the greater of (i) 1.125% of the first \$12,000 of the participant's average final compensation, as defined by the Pension Plan, plus 1.5% of the portion of the participant's average final compensation in excess of \$12,000, multiplied by the number of years and completed months, expressed as a fraction of a year, of benefit service or (ii) the minimum benefit, as defined by the Pension Plan, for employees entitled to such benefit.

Alternate benefits are available to certain participants who qualify based on certain provisions, as specified in the Pension Plan. If the present value of the vested benefit under the final average pay formula is less than \$5,000, the Pension Plan provides for the automatic lump-sum payments of pension benefits to participants. If the amount of the distribution is between \$1,000 and \$5,000 and if the participant does not elect to receive the distribution directly or to have the amount distributed as an eligible roll over, the plan administrator will direct that the amount be directly rolled over to an individual retirement plan designated by the plan administrator.

The final average pay formula of the Pension Plan permits early retirement at a reduced benefit provided the participant has reached age 55 and has completed at least ten years of employment at the time of retirement. The reduction factors for early retirement under the final average pay formula are shown in the table below. There is no reduction in benefits for early retirement for participants that are age 62 and older when payments start.

Siemens Pension Plans

Notes to Financial Statements (continued)

1. Description of Plans (continued)

Final Average Pay Reduction Factors	
Age When Payments Start	Total Monthly Reduction %
62 or later	—%
61	5
60	10
59	16
58	22
57	28
56	34
55	40

Death and Disability Benefits

Under the cash balance formula, if a participant dies while employed, his/her benefit automatically becomes 100% vested. The benefit can be left in the Pension Plan until a later date, or the surviving beneficiary can receive the benefit as a lump sum or as a single-life annuity payable for the life of the beneficiary based on the beneficiary's age when benefits begin.

Under the final average pay formula, if a participant dies while still employed or before Pension Plan benefits commence, having a vested right to any portion of his/her accrued benefits, the participant's spouse will receive an annuity payment for life equal to the 50% joint and survivor annuity benefit, not to be less than \$360 per year. If the spouse is more than 15 years younger than the participant, the minimum yearly pension benefit of \$360 is reduced by 1% point for each year, or fraction thereof, by which the difference in age exceeds 15 years. If a retired participant receiving benefits dies, the surviving spouse shall receive 50% of the pension which the participant would receive unless the participant has chosen one of the other optional forms of payment provided under the Pension Plan. Effective January 1, 2020, the Pension Plan was amended to provide this benefit to qualified domestic partners.

When a participant becomes disabled and ends his/her employment, the cash balance account can be payable as a monthly annuity or a lump-sum payment. If a disabled participant begins to receive a benefit from the Pension Plan while receiving a long-term disability benefit, the disability benefit will be reduced by the Pension Plan benefit. If a lump-sum payment is elected from the Pension Plan, the disability payment will be reduced each month by the single-life annuity value of the Pension Plan benefit.

Siemens Pension Plans

Notes to Financial Statements (continued)

1. Description of Plans (continued)

Under the final average pay formula, before December 31, 2010, an active participant who incurs a total and permanent disability, as defined by the Pension Plan, and (a) has worker's compensation payable in connection with the disability or (b) has completed at least ten years of employment with the Company, had the period of the disability treated as benefit service and employment under the Pension Plan. Disability ended on the earliest of (a) the date on which the participant recovers from the disability, (b) the date of the participant's death, or (c) the date of commencement of retirement benefit payments. Effective December 31, 2010, any Participant who is out on a total and permanent disability ceased accruing any benefits under the Pension Plan but will, up to the earlier of the time the participant starts to receive his or her benefit from the Pension Plan or reaches age 65, continue to receive credit towards meeting any early retirement requirements under the final average pay formula of the Pension Plan.

Union Plan

General

The Union Plan, which commenced on January 1, 2001, is a defined benefit pension plan sponsored by the Company covering participating union groups. Certain terms of the Union Plan vary by participating union group. Generally, the Union Plan provides benefits to participants pursuant to a cash balance formula or alternative formula specific to the participating union group. Some union groups began participating in the Union Plan as a result of defined benefit plan mergers from acquired companies. The Union Plan defines an "employee" as any person who is employed by the Company or an affiliated company, receives regular compensation, and who is covered by a collective bargaining agreement that provides for participation in the Union Plan. The Union Plan excludes leased employees or independent contractors. All of the collective bargaining agreements applicable to employees covered by this Plan provide that employees hired or rehired after certain dates are not eligible for participation in the Union Plan. Participation in the Union Plan is closed to new entrants.

Pension Benefits

Currently under the cash balance formula, the Company credits each eligible participant's balance each month with an interest credit. The interest credit, which is a percentage of the participant's monthly beginning balance, is based on the annual interest rate of 30-year U.S. Treasury bonds as of August of the previous year and the rate was 3.04% in 2019 and 2.8% in 2018 for the Union Plan.

Siemens Pension Plans

Notes to Financial Statements (continued)

1. Description of Plans (continued)

The pay credit (which was frozen as of December 31, 2010, for participants of the Union Plan who were members of certain collective bargaining units) was based on the participant's years of service, pay, and the level of contribution applicable to his/her company. Pay credits increased as the participant's pay and service increased. Participants with three years of service may elect either a lump-sum payment or monthly annuity payments. If the present value of a participant's vested benefit is less than \$5,000, the Union Plan provides for a lump-sum payment of the accumulated pension benefit to the participant. If the amount of the distribution is between \$1,000 and \$5,000, and if the participant does not elect to receive the distribution directly or to have the amount distributed as an eligible roll over, the plan administrator will direct that the amount be directly rolled over to an individual retirement plan designated by the plan administrator.

Death and Disability Benefits

If a participant dies while employed, his/her benefit automatically becomes 100% vested. The benefit under the cash balance formula can be left in the Union Plan until a later date, or the surviving beneficiary can receive the benefit as a lump sum or as a single-life annuity payable for the life of the beneficiary based on the beneficiary's age when benefits begin.

If an active participant incurs a total and permanent disability, as defined by the Union Plan, benefits under the cash balance formula will continue to be credited with interest during the period of disability up to the time the participant starts to receive his or her benefit from the Union Plan. When a participant becomes disabled and ends his/her employment, the cash balance account can be payable as a monthly annuity or a lump-sum payment. If a disabled participant begins to receive a benefit from the Union Plan while receiving a long-term disability benefit, the disability benefit will be reduced by the Union Plan benefit. If a lump-sum payment is elected from the Union Plan, the disability payment will be reduced each month by the single-life annuity value of the Union Plan benefit.

Siemens Pension Plans

Notes to Financial Statements (continued)

2. Summary of Accounting Policies

Basis of Accounting

The accompanying financial statements and notes are intended to present the separate statements of net assets available for benefits and changes therein of both the Pension Plan and the Union Plan on the accrual basis of accounting. The Plans, while having different participants, have generally consistent terms unless otherwise noted and are both sponsored by the Company. The statements of net assets available for benefits, changes in net assets available for benefits and notes to the financial statements (collectively, the financial statements) have been presented herein separately for the Pension Plans. The Pension Plans are legally separate plans and individually file Form 5500. These separate financial statements are presented in this combined document for ease of presentation to the Company.

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the 2018 reported net assets available for benefits or changes therein.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits and changes therein in the individual financial statements and accompanying notes. Actual results could differ from those estimates.

Risks and Uncertainties

The Plans invest in various types of investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the individual statement of net assets available for benefits.

The Investment Committee has diversified the net assets of the Master Trust with the intention of appropriately addressing significant concentrations of risk. The Master Trust's net assets were managed as separate investment funds by 16 investment managers as of December 31, 2019 and 17 investment managers as of December 31, 2018.

Siemens Pension Plans

Notes to Financial Statements (continued)

2. Summary of Accounting Policies (continued)

Contributions to the Plans are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect amounts reported and disclosed in the financial statements.

New Accounting Pronouncements

In February 2017, the FASB issued Accounting Standards Update (ASU) 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960); Defined Contribution Pension Plans (Topic 962); Health and Welfare Benefit Plans (Topic 965); Employee Benefit Plan Master Trust Reporting*. ASU 2017-06 changes reporting and disclosure requirements for plans with master trusts. ASU 2017-06 is effective for the fiscal periods beginning after December 15, 2018 and shall be applied retrospectively to all periods presented. The Plans adopted ASU 2017-06 for the 2019 plan year, and prior year disclosures have been revised to reflect the retrospective application.

In July 2018, the FASB issued ASU 2018-09, *Codification Improvements*, which, among other things, amends an illustrative example of a fair value hierarchy disclosure to avoid the interpretation that a certain type of investment would never have a readily determinable fair value, and therefore, would always use the net asset value per share practical expedient. Rather, it clarifies that an entity should evaluate whether a readily determinable fair value exists to determine whether those investments may qualify for the practical expedient to measure at net asset value in accordance with ASC 820, *Fair Value Measurement*. Adoption of ASU 2018-09 affects the fair value disclosures, but does not change the fair value measurement of the investments. The Plans adopted ASU 2018-09 for the 2019 plan year. In connection with the adoption, the Plans have prospectively included certain investments in the fair value hierarchy disclosure that were previously excluded from such disclosure because those investments previously used the net asset value per share practical expedient. These investments now meet the criteria of readily determinable fair value.

Siemens Pension Plans

Notes to Financial Statements (continued)

2. Summary of Accounting Policies (continued)

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*, which eliminates, adds and modifies certain disclosure requirements for fair value measurements. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019, but entities are permitted to early adopt either the entire standard or only the provisions that eliminate or modify the fair value disclosures. The Plans will adopt ASU 2018-13 in their 2020 financial statements. The Plans do not believe the disclosure requirements will have a significant impact to their financial statements.

Investment Valuation and Income Recognition

The investments of the Master Trust are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Investment Committee determines the Plans' valuation policies utilizing information provided by the Trustee and investment advisers. See Note 10 for discussion of the Master Trust's fair value measurements.

The Plans determine the fair value of their interest in the Master Trust on a daily weighted-average basis. Each Plans' interest is calculated as follows: the Plans' beginning value; plus contributions invested and assets transferred in; less distributions paid and assets transferred out; and is adjusted for allocated total investment income (loss). Total investment income (loss) of the Master Trust, net of investment expenses, is allocated to the Plans based on the daily weighted-average basis of the Plans' interest in the Master Trust.

Total investment income (loss) is reduced for certain investment-related fees and expenses of the Master Trust, as described herein. The Master Trust's significant accounting policies related to total investment income (loss) are as follows: purchases and sales of securities are recorded on a trade-date basis; interest income is recorded on the accrual basis; dividends on the applicable ex-dividend date; and net appreciation (depreciation) in fair value of investments based on gains and losses on investments bought and sold as well as held during the year.

Siemens Pension Plans

Notes to Financial Statements (continued)

2. Summary of Accounting Policies (continued)

Payment of Benefits

Benefit payments to participants are recorded when paid.

Annuity Arrangements

From time to time, the Plans will enter into annuity purchase transactions with insurance companies. The transactions consist of annuity contracts that are purchased from an insurance company in an amount equal to accumulated plan benefits of certain participants. The obligation for payment of such benefits transfers to the insurance company. Accordingly, transactions related to annuity contracts, other than those related to the purchase of annuity contracts from the Plans' assets are excluded from these financial statements. In 2018, an insurance company provided a refund to the Pension Plan in the amount of \$5,527,450 in connection with the finalization of an annuity purchase transaction that commenced in 2017. In 2020, the Pension Plan was refunded \$285,144 related to this same transaction, which has been recorded as a receivable at December 31, 2019.

Plan and Master Trust Expenses

Only expenses of the Plans that are permitted to be charged to the Plans and Master Trust, in accordance with applicable law and with the provisions of the respective plan documents and Master Trust Agreement, are charged to the Plans and Master Trust. Expenses related to the Master Trust are recorded as direct expenses of the Master Trust and not as direct expenses of the Plans. The Plans' direct expenses primarily are related to insurance premiums paid to the Pension Benefit Guaranty Corporation (PBGC), recordkeeping, benefit processing and certain other administrative items. Master Trust direct expenses primarily relate to investment management, trustee and custodial services. Expenses attributed to a specific Plan are charged to that Plan only. Expenses that are paid directly by the Company are excluded from these financial statements.

Siemens Pension Plans

Notes to Financial Statements (continued)

3. 401(h) Account

As a result of the December 31, 2000 merger of the Siemens ElectroCom L.P. Retirement Plan (the ElectroCom Plan) into the Pension Plan, the Pension Plan's financial statements reflect the net asset balance of a separate 401(h) account with a corresponding payable at December 31, 2019 and 2018. The 401(h) account is a component of the Pension Plan's undivided interest in the Master Trust and is maintained solely with respect to a health benefit component of the ElectroCom Plan established to fund a portion of the postretirement obligations of Siemens ElectroCom L.P. for retirees and their beneficiaries in accordance with Section 401(h) of the

Internal Revenue Code (the Code). In accordance with Code Section 401(h), the Pension Plan's investment in the 401(h) account may not be used for, or diverted to, any purpose other than providing health and welfare benefits for retirees and participants who had been employed by ElectroCom. Pension Plan participants did not contribute to the 401(h) account.

4. Funding Policy

The Plans are generally funded solely by contributions made by the Company and its affiliates whose employees participated in the Plans. Employee contributions are no longer required or permitted under the Plans, except by participants of the Union Plan who are required to make employee contributions as a condition of membership under the Jackson Retirement Plan formula of the Union Plan.

Contributions are determined annually based on actuarial valuations of the Plans by Willis Towers Watson, an independent consulting actuary. Willis Towers Watson determines the maximum amount permitted by law or regulation as a Federal income tax deduction and the minimum amount necessary during any plan year to avoid an accumulated funding deficiency as defined by ERISA. The minimum funding requirements of ERISA were met for the years ended December 31, 2019 and 2018.

The Company did not make any employer contributions with respect to the years ended December 31, 2019 or 2018.

Siemens Pension Plans

Notes to Financial Statements (continued)

5. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits represent the actuarial present value of estimated future periodic payments, including lump-sum distributions that are attributable under the Plans' provisions for employee services already rendered. Accumulated plan benefits include benefits expected to be paid to (i) retired or terminated employees or their beneficiaries; (ii) beneficiaries of employees who have died and (iii) present employees or their beneficiaries. Benefits under each Plan are based on employees' average compensation during the last five years of credited service or the total cash compensation during the year. The accumulated plan benefits for active employees are based on their average compensation during the four years ending on the date as of which the benefit information is presented (the valuation date) or the total cash compensation during the year. Benefits payable under all circumstances (i.e., retirement, death, disability and termination of employment) are included, to the extent they are deemed attributable to employees' service rendered and compensation received up to the valuation date.

The actuarial present value of accumulated plan benefits for each of the Plans was determined by Willis Towers Watson, and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The more significant actuarial assumptions used in the December 31, 2018 and 2017 valuation were:

1. Life expectancy of active participants:

For the Pension Plan, the Pri-2012 mortality table with a fully generational projection from the 2012 base tables using the 2020 US SSA Intermediate long-term rate of improvement scale was used for 2018. For 2017, the RP-2014 mortality table with a fully generational projection using the 2019 USA SSA Intermediate long-term rate of improvement scale was used.

For the Union Plan, the Pri-2012 mortality table with blue collar adjustment and a fully generational projection using the 2020 US SSA Intermediate long-term rate of improvement scale was used for 2018. For 2017, the RP-2014 mortality table with blue collar adjustment and a fully generational projection using the 2019 US SSA Intermediate long-term rate of improvement scale was used.

Siemens Pension Plans

Notes to Financial Statements (continued)

5. Actuarial Present Value of Accumulated Plan Benefits (continued)

2. Interest crediting rate – 5.50% and 6.05% as of December 31, 2018 and 2017, respectively.
3. Weighted-average retirement age – 63 for the Pension Plan and 62 for the Union Plan.

The foregoing actuarial assumptions are based on the presumption that the Plans will continue even though benefits are frozen. If either or both of the Plans terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2019. Had the valuations been performed as of December 31, 2018, there would be no material differences. The actuarial present value of accumulated plan benefits as of December 31, 2018, is as follows:

	Pension Plan	Union Plan
Vested benefits:		
Active participants	\$ 558,106,916	\$ 87,238,647
Participants and beneficiaries currently receiving payments	788,722,123	207,230,675
Terminated vested participants	491,692,582	48,997,196
Nonvested benefits	1,600,897	1,469,963
Total actuarial present value of accumulated plan benefits	<u>\$1,840,122,518</u>	<u>\$ 344,936,481</u>

The changes in the actuarial present value of accumulated plan benefits during the year ended December 31, 2018, are as follows:

	Pension Plan	Union Plan
Actuarial present value of accumulated plan benefits at beginning of year	\$2,703,783,641	\$ 329,366,102
Increase (decrease) during the year attributable to:		
Benefits accumulated	—	3,641,697
Actuarial loss	3,082,057	566,064
Decrease in discount period	104,447,010	19,348,103
Actual benefits paid	(127,761,987)	(21,952,597)
Assumption changes	71,015,612	16,356,440
Transfer to SMS Plan	(914,443,815)	(2,389,328)
Net increase (decrease)	<u>(863,661,123)</u>	<u>15,570,379</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$1,840,122,518</u>	<u>\$ 344,936,481</u>

Siemens Pension Plans

Notes to Financial Statements (continued)

5. Actuarial Present Value of Accumulated Plan Benefits (continued)

The change in the assumptions are generally related to change in mortality improvements and the interest crediting rate.

As discussed in Note 1, on January 1, 2018, certain accrued benefits within the Pension Plan and the Union Plan were spun-off from the Plans to the SMS Plan, representing \$914,443,815 and \$2,389,328 of accumulated plan benefits of the Pension Plan and the Union Plan, respectively.

6. Plan Termination

Even though for the most part the Plans are frozen, the Company intends to continue the Plans indefinitely without interruption, but reserves the right to discontinue either of the Plans at any time. In the event either or both of the Plans terminate, the net assets of the terminated Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- (a) Benefits attributable to employee contributions, taking into account those paid out before termination.
- (b) Annuity benefits that former participants or their beneficiaries have been receiving for at least three years, or that participants eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plans. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under each Plan's provisions in effect at any time during the five years preceding a Plan's termination.
- (c) Other vested benefits insured by the PBGC up to the applicable limitations
- (d) All other vested benefits (that is, vested benefits not insured by the PBGC).
- (e) All nonvested benefits.

Siemens Pension Plans

Notes to Financial Statements (continued)

6. Plan Termination (continued)

Certain benefits under the Plans are insured by the PBGC if either of the Plans terminate. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plans, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plans are guaranteed at the level in effect on the date of the Plans' termination. However, there is a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees. That ceiling, which is adjusted periodically, applies to pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward. Whether all participants receive their benefits should either or both of the Plans terminate at some future time will depend on the sufficiency, at the time, of that Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

7. Parties-in-Interest

A party-in-interest is defined under the Department of Labor's regulations as any fiduciary of a plan, any party rendering services to a plan, the employer, certain participants, and others.

The Trustee serves as the custodian for certain investments in which the Master Trust participates. Therefore, transactions within these investments and transactions with the Trustee qualify as party-in-interest transactions.

Alight Solutions, LLC provides recordkeeping services to the Plans and, in addition to various other service providers, provides certain other administrative services to the Plans. Willis Towers Watson provides actuarial services to the Plans. The Master Trust receives investment advisory services and certain other trust and custodial administrative services from various service providers. Therefore, transactions with these various service providers qualify as party-in-interest transactions.

Siemens Pension Plans

Notes to Financial Statements (continued)

8. Tax Status

The IRS has issued determination letters dated August 16, 2017, for both the Pension Plan and the Union Plan advising that the Plans qualify for tax-exempt status pursuant to the provisions of Section 401(a) of the Internal Revenue Code (the Code) and therefore, the related Trust is exempt from taxation. Subsequent to these determination letters by the IRS, the Plans were amended. Once qualified, the Plans are required to operate in conformity with the Code to maintain their qualified status. The Plan Sponsor believes the Plans are designed and operated in compliance with the Code. Accordingly, no provision has been made for federal income taxes.

U.S. GAAP require plan management to evaluate uncertain tax positions taken by the Plans. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plans, and has concluded that there are no uncertain positions taken or expected to be taken. The Plans have recognized no interest or penalties related to uncertain tax positions. The Plans are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

9. Information Certified by the Trustee

The Plans' administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plans' administrator instructed the Plans' independent auditors not to perform any auditing procedures with respect to the following investment information certified by the Trustee of the Plans, as complete and accurate, except for comparing such information certified by the Trustee to information included in the Plans' financial statements.

Siemens Pension Plans

Notes to Financial Statements (continued)

9. Information Certified by the Trustee (continued)

The Trustee has certified to the accuracy and completeness of investment information as of and for the years ended December 31, 2019 and 2018 as summarized below:

	<u>Pension Plan</u>	<u>Union Plan</u>
As of December 31, 2019:		
Interest in the net assets of the Master Trust for Siemens Pension Plans	\$ 2,169,327,684	\$ 401,621,640
Interest in the net assets of the Master Trust for Siemens Pension Plans – net assets held in 401(h) account	9,681,924	–
	<u>\$ 2,179,009,608</u>	<u>\$ 401,621,640</u>
Year ended December 31, 2019:		
Change in Plans' interest in the net assets of the Master Trust	<u>\$ 394,486,861</u>	<u>\$ 73,691,171</u>
	<u>Pension Plan</u>	<u>Union Plan</u>
As of December 31, 2018:		
Interest in the net assets of the Master Trust for Siemens Pension Plans	\$ 1,907,212,553	\$ 357,195,550
Interest in the net assets of the Master Trust for Siemens Pension Plans – net assets held in 401(h) account	7,993,048	–
	<u>\$ 1,915,205,601</u>	<u>\$ 357,195,550</u>
Year ended December 31, 2018:		
Change in Plans' interest in the net assets of the Master Trust	<u>\$ (147,700,172)</u>	<u>\$ (22,215,063)</u>

The statements of net assets available for benefits report each plans' interest in the net assets of the Master Trust, which includes certain accrued expenses of the master trust that are not included in the amount certified. The statements of changes in net assets available for benefits report the change in each plans' interest in the net assets of the Master Trust, which includes certain master trust expenses that are not included in the amount certified.

10. Investment in the Master Trust

Each Plan, including the 401(h) component of the Pension Plan, has a proportionate interest in the Master Trust as calculated in accordance with Note 1. The Pension Plan's proportionate interest in the Master Trust's net assets at December 31, 2019 and 2018 was 84.44% and 84.23%, respectively. The Union Plan's proportionate interest in the Master Trust's net assets at December 31, 2019 and 2018, was 15.56% and 15.77%, respectively.

Siemens Pension Plans

Notes to Financial Statements (continued)

10. Investment in the Master Trust (continued)

Financial Information of the Master Trust

The following tables present the net assets of the Master Trust at December 31:

	2019		
	Pension Plan	Union Plan	Total Master Trust
Assets			
Cash	\$ 840,341	\$ 154,886	\$ 995,227
Investments at fair value:			
Equity securities:			
U.S. common stocks	77,263,395	14,240,714	91,504,109
Foreign common stocks	78,706,155	14,506,634	93,212,789
Preferred stocks	3,641,541	671,186	4,312,727
	159,611,091	29,418,534	189,029,625
Fixed income securities:			
U.S. government bonds and notes	94,769,357	17,467,305	112,236,662
U.S. corporate bonds	1,253,927,805	231,116,256	1,485,044,061
Foreign corporate bonds	160,248,213	29,535,964	189,784,177
Foreign government bonds	2,647,504	487,972	3,135,476
	1,511,592,879	278,607,497	1,790,200,376
Commingled funds	399,495,908	73,632,627	473,128,535
Registered investment funds	98,333,955	18,124,309	116,458,264
Total investments at fair value	2,169,033,833	399,782,967	2,568,816,800
Receivables for securities sold and accrued income	16,384,022	3,019,802	19,403,824
Total assets	2,186,258,196	402,957,655	2,589,215,851
Liabilities			
Payables for securities purchased and accrued liabilities	(8,949,235)	(1,649,468)	(10,598,703)
Net assets	\$ 2,177,308,961	\$ 401,308,187	\$ 2,578,617,148

Siemens Pension Plans

Notes to Financial Statements (continued)

10. Investment in the Master Trust (continued)

	2018		
	Pension Plan	Union Plan	Total Master Trust
Assets			
Investments at fair value:			
Equity securities:			
U.S. common stocks	\$ 55,639,574	\$ 10,377,063	\$ 66,016,637
Foreign common stocks	58,853,083	10,976,398	69,829,481
Preferred stocks	2,923,468	545,242	3,468,710
	117,416,125	21,898,703	139,314,828
Fixed income securities:			
U.S. government bonds and notes	74,060,660	13,812,688	87,873,348
U.S. corporate bonds	1,117,513,030	208,421,843	1,325,934,873
Foreign corporate bonds	164,661,181	30,710,145	195,371,326
Foreign government bonds	2,434,403	454,029	2,888,432
	1,358,669,274	253,398,705	1,612,067,979
Commingled funds	339,077,975	63,239,761	402,317,736
Registered investment funds	83,973,645	15,661,510	99,635,155
Limited partnership	4,078,438	760,649	4,839,087
Total investments at fair value	1,903,215,457	354,959,328	2,258,174,785
Receivables for securities sold and accrued income	17,903,759	3,339,142	21,242,901
Total assets	1,921,119,216	358,298,470	2,279,417,686
Liabilities			
Payables for securities purchased and accrued liabilities	(7,929,543)	(1,480,476)	(9,410,019)
Net assets	\$ 1,913,189,673	\$ 356,817,994	\$ 2,270,007,667

Siemens Pension Plans

Notes to Financial Statements (continued)

10. Investment in the Master Trust (continued)

The following presents total investment income (loss) of the Master Trust for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ 388,757,950	\$(253,299,561)
Other investment income	79,448,133	81,491,218
	<u>468,206,083</u>	<u>(171,808,343)</u>
Less investment expenses	5,055,089	7,921,359
Total investment income (loss)	<u>\$ 463,150,994</u>	<u>\$(179,729,702)</u>

The investment loss presented for the year ended December 31, 2018 includes the investment loss of plans sponsored by SMS prior to the transfer to the SMS Master Trust on June 1, 2018.

Fair Value Measurements

The Company defines fair value as the exchange price that would be received for an asset or paid for a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The Company utilizes a fair value hierarchy which requires each Plan to maximize the use of observable inputs and minimize unobservable inputs when determining fair value and also establishes three levels of classifications.

As such, the hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy in ASC 820 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets

Siemens Pension Plans

Notes to Financial Statements (continued)

10. Investment in the Master Trust (continued)

- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019, as compared to December 31, 2018.

Equity Securities: Equity securities primarily consist of common and preferred stocks in which the Master Trust holds a share directly. These assets are valued at the closing price reported on the active market on which the individual securities are traded (Level 1). In other circumstances, security pricing is based on significant unobservable inputs (Level 3).

Fixed Income Securities: Investments are valued utilizing data furnished by an independent pricing service (Level 2), incorporating various inputs such as benchmark curves, benchmarking of like securities, matrix pricing, model processes such as the Option Adjusted Spread model to assess interest rate impact of and develop prepayment scenarios. Both models and processes take into account market conventions.

Commingled Funds: Commingled funds are investments similar to mutual funds in that the fair value of these investments are quoted at the net asset value (NAV) per share at each valuation date which is also the basis for current transactions (Level 1). These funds can also provide diversification by holding various equity and debt securities. Prior to the adoption of ASU 2018-09, NAV was used as a practical expedient to estimate fair value.

Siemens Pension Plans

Notes to Financial Statements (continued)

10. Investment in the Master Trust (continued)

Registered Investment Funds: Registered investment funds are open-end mutual funds valued at the daily closing price as reported by the fund. These funds are required to publish their daily NAV and to transact at that price. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The funds held by the Plans are deemed to be actively traded (Level 1).

Limited Partnership: Limited partnership is valued based on the information provided by the manager. Quarterly data is usually received one to three months after quarter end. This creates a “lag” as the data is updated when it is received. There is no material impact as a result of this lag as of December 31, 2018 (Level 3).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plans believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level within the fair value hierarchy the Master Trust’s investments at fair value as of December 31, 2019 and 2018, respectively:

Master Trust Investments at Fair Value as of December 31, 2019				
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 189,029,625	\$ –	\$ –	\$ 189,029,625
Fixed income securities	–	1,790,200,376	–	1,790,200,376
Commingled funds	473,128,535	–	–	473,128,535
Registered investment funds	116,458,264	–	–	116,458,264
Total assets in the fair value hierarchy at fair value	<u>\$ 778,616,424</u>	<u>\$ 1,790,200,376</u>	<u>\$ –</u>	<u>\$ 2,568,816,800</u>

Siemens Pension Plans

Notes to Financial Statements (continued)

10. Investment in the Master Trust (continued)

Master Trust Investments at Fair Value as of December 31, 2018				
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 139,311,558	\$ —	\$ 3,270	\$ 139,314,828
Fixed income securities	—	1,612,067,979	—	1,612,067,979
Registered investment funds	99,635,155	—	—	99,635,155
Limited partnership	—	—	4,839,087	4,839,087
Total assets in the fair value hierarchy at fair value	<u>\$ 238,946,713</u>	<u>\$ 1,612,067,979</u>	<u>\$ 4,842,357</u>	1,855,857,049
Investments measured at NAV per share practical expedient				<u>402,317,736</u> <u>\$2,258,174,785</u>

The table below presents a reconciliation of gains and losses for all assets measured at fair value annually using the significant unobservable inputs (Level 3) for the years ended December 31, 2019 and 2018.

Reconciliation of Level 3 Investments

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Limited Partnership and Other
Beginning balance at January 1, 2019	\$ 4,842,357
Realized (loss), net	(2,553,885)
Unrealized (loss), net	(708,582)
Sales and settlements, net	(1,579,890)
Ending balance at December 31, 2019	<u>\$ —</u>
Beginning balance at January 1, 2018	\$ 4,803,733
Realized gain, net	5,084
Unrealized gain, net	38,359
Sales and settlements, net	(4,819)
Ending balance at December 31, 2018	<u>\$ 4,842,357</u>

Siemens Pension Plans

Notes to Financial Statements (continued)

10. Investment in the Master Trust (continued)

401(h) Account

Included within the assets of the Master Trust is a separate 401(h) account which is maintained with respect to a retiree health-benefit component of the ElectroCom Plan as described in Note 3. A liability equal to the assets of the 401(h) account has been recorded in the statements of net assets available for benefits of the Pension Plan and is not reflected in Master Trust net assets above. The 401(h) assets are not available to the Union Plan.

11. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the Pension Plan statements of net assets available for benefits to the Pension Plan Form 5500 for the years ended December 31,:

	<u>2019</u>	<u>2018</u>
Net assets available for benefits per the financial statements	\$ 2,167,792,751	\$ 1,904,929,931
Less amounts allocated to withdrawing participants	(1,450,017)	(818,342)
Add net assets in 401(h) account included in net assets in the Form 5500	9,681,924	7,993,048
Net assets available for benefits per Form 5500	<u>\$ 2,176,024,658</u>	<u>\$ 1,912,104,637</u>

The following is a reconciliation of net assets available for benefits per the Union Plan statements of net assets available for benefits to the Union Plan Form 5500 for the years ended December 31,:

	<u>2019</u>	<u>2018</u>
Net assets available for benefits per the financial statements	\$ 401,265,080	\$ 356,751,751
Less amounts allocated to withdrawing participants	(14,934)	(32,449)
Net assets available for benefits per Form 5500	<u>\$ 401,250,146</u>	<u>\$ 356,719,302</u>

Siemens Pension Plans

Notes to Financial Statements (continued)

11. Reconciliation of Financial Statements to Form 5500 (continued)

The following is a reconciliation of the net increase (decrease) per the Pension Plan statements of changes in net assets to the Pension Plan Form 5500 for the years ended December 31,:

	<u>2019</u>	<u>2018</u>
Net increase (decrease) per the financial statements	\$ 262,862,820	\$ (279,885,024)
Change in amounts allocated to withdrawing participants	(631,675)	400,147
Change in net assets of 401(h) account	1,688,876	(541,303)
Net increase (decrease) per Form 5500	<u>\$ 263,920,021</u>	<u>\$ (280,026,180)</u>

The following is a reconciliation of the net increase (decrease) per the Union Plan statements of changes in net assets to the Union Plan Form 5500 for the years ended December 31,:

	<u>2019</u>	<u>2018</u>
Net increase (decrease) per financial statements	\$ 44,513,329	\$ (46,064,782)
Change in amounts allocated to withdrawing participants	17,515	318,899
Net increase (decrease) per Form 5500	<u>\$ 44,530,844</u>	<u>\$ (45,745,883)</u>

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date. The change in amounts allocated to withdrawing participants represent the reconciling item related to benefits paid from these financial statements to the Form 5500.

Siemens Pension Plans

Notes to Financial Statements (continued)

12. Transfers

The source and amount of assets transferred into/(out) of the Pension Plan for the plan year ended December 31, 2018 is shown below:

Pension Plan

Dresser Rand Pension Plan	\$ 1,107
Siemens Medical Solution USA, Inc. Pension Plan	(1,057,375,525)
	<u>\$(1,057,374,418)</u>

Union Plan

Dresser Rand Pension Plan	\$ 1,538
Siemens Medical Solution USA, Inc. Pension Plan	(2,794,527)
	<u>\$ (2,792,989)</u>

13. Subsequent Events

Management evaluated subsequent events for the Plans through September 14, 2020, the date the financial statements were available to be issued.

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a global pandemic. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations. This coronavirus outbreak has severely restricted the level of global economic activity. As a result of the economic impact from COVID-19, investment security values have declined significantly in 2020. These economic and market conditions, as a result of the effects of the COVID-19 outbreak, may continue to adversely affect the Plans and the amounts reported in the statements of net assets available for benefits.

On May 22, 2020, Siemens AG resolved to legally separate worldwide Gas and Power operations and spin-off the applicable operations to the newly created Siemens Energy Group (the Spin-off). The Spin-off was approved by a large majority of Siemens AG shareholders on July 9, 2020. As a result of the anticipated Spin-off, certain participants will no longer be eligible to participate in the Plans and will be eligible to participate in a plan sponsored by Siemens Energy Inc., a member of Siemens Energy Group. The net assets and the accumulated pension obligations related to these participants are expected to be transferred to newly formed defined benefit plans sponsored by Siemens Energy Inc. (the Transfer). The Spin-off and Transfer is expected to occur in September of 2020. The Plans are determining the amounts to be transferred and expect the Transfer to be significant to the Plans' financial statements.

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Plan Name: Siemens Pension Plan
 EIN / PN: 13-2623356 / 001
 Plan Sponsor: Siemens Corporation
 Valuation Date: January 1, 2019

Schedule SB, Line 26 - Schedule of Active Participant Data as of January 1, 2019*

Number distributed by attained age and attained years of credited service

Attained Age	Attained Years of Credited Service ¹										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	
Under 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0
30-34	4	16	7	0	0	0	0	0	0	0	27
35-39	18	117	192	1	0	0	0	0	0	0	328
40-44	39	187	583	81	3	0	0	0	0	0	893
45-49	37	264	814	201	24	3	0	0	0	0	1,343
50-54	43	291	1,078	318	88	40	3	0	0	0	1,861
55-59	44	239	1,069	353	173	63	50	7	0	0	1,998
60-64	38	154	754	288	126	78	47	35	2	0	1,522
65-69	21	39	290	90	50	27	16	9	5	2	549
70 & over	2	8	58	11	5	10	5	4	3	3	109
Total	246	1,315	4,845	1,343	469	221	121	55	10	5	8,630

¹ Age and service for purposes of determining category are based on exact (not rounded) values.

* The above participants include only those that are active in SPP.

Plan Name: Siemens Pension Plan
 EIN / PN: 13-2623356 / 001
 Plan Sponsor: Siemens Corporation
 Valuation Date: January 1, 2019

Schedule SB, Line 26

Schedule of Active Participant Data for Cash Balance Plans as of January 1, 2019*

Number and average account balance distributed by attained age and attained years of credited service

Attained Age	Attained Years of Credited Service ²										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	
Under 25	0	0	0	0	0	0	0	0	0	0	0
	-	-	-	-	-	-	-	-	-	-	-
25-29	0	0	0	0	0	0	0	0	0	0	0
	-	-	-	-	-	-	-	-	-	-	-
30-34	4	16	7	0	0	0	0	0	0	0	27
	-	-	-	-	-	-	-	-	-	-	4,534
35-39	17	117	192	1	0	0	0	0	0	0	327
	-	7,351	15,848	-	-	-	-	-	-	-	12,315
40-44	38	185	583	81	2	0	0	0	0	0	889
	12,317	12,782	27,298	54,041	-	-	-	-	-	-	26,157
45-49	34	245	795	197	24	3	0	0	0	0	1,298
	20,721	16,022	33,391	64,224	101,894	-	-	-	-	-	35,954
50-54	41	268	1,013	300	88	40	3	0	0	0	1,753
	23,483	19,315	43,217	80,118	114,065	160,650	-	-	-	-	51,778
55-59	37	223	1,011	323	149	60	47	7	0	0	1,857
	38,421	22,507	53,811	87,280	111,679	203,365	216,709	-	-	-	69,813
60-64	30	144	728	250	86	62	43	34	2	0	1,379
	56,935	25,060	77,009	114,502	131,554	153,151	224,470	298,989	-	-	95,032
65-69	19	36	282	81	30	14	12	9	5	2	490
	-	16,263	90,146	115,230	168,301	-	-	-	-	-	109,660
70 & over	2	8	57	8	2	8	4	3	3	3	98
	-	-	112,594	-	-	-	-	-	-	-	156,237
Total	222	1,242	4,668	1,241	381	187	109	53	10	5	8,118
	35,954	17,540	49,622	87,579	119,882	174,962	219,894	310,867	-	-	60,923

² Age and service for purposes of determining category are based on exact (not rounded) values.

* The above participants only include those active records in SPP with a cash balance amount.

Plan Name: Siemens Pension Plan
 EIN / PN: 13-2623356 / 001
 Plan Sponsor: Siemens Corporation
 Valuation Date: January 1, 2019

Schedule SB, Line 26

Schedule of Active Participant Data for Frozen Plans as of January 1, 2019*

Number and average annual frozen benefit distributed by attained age and attained years of credited service

Attained Age	Attained Years of Credited Service ²										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	
Under 25	0	0	0	0	0	0	0	0	0	0	0
	-	-	-	-	-	-	-	-	-	-	-
25-29	0	0	0	0	0	0	0	0	0	0	0
	-	-	-	-	-	-	-	-	-	-	-
30-34	0	0	0	0	0	0	0	0	0	0	0
	-	-	-	-	-	-	-	-	-	-	-
35-39	6	4	0	0	0	0	0	0	0	0	10
	-	-	-	-	-	-	-	-	-	-	-
40-44	15	46	9	0	1	0	0	0	0	0	71
	-	2,355	-	-	-	-	-	-	-	-	2,567
45-49	10	97	66	12	0	0	0	0	0	0	185
	-	2,130	6,344	-	-	-	-	-	-	-	4,211
50-54	20	121	140	59	12	1	0	0	0	0	353
	1,096	2,794	5,226	12,590	-	-	-	-	-	-	6,212
55-59	23	97	149	92	70	6	4	0	0	0	441
	1,971	2,625	6,424	12,215	23,421	-	-	-	-	-	9,744
60-64	17	66	91	72	72	41	7	2	0	0	368
	-	3,058	6,453	11,464	21,989	25,994	-	-	-	-	12,621
65-69	7	19	45	23	27	17	6	0	0	0	144
	-	-	7,411	9,916	21,543	-	-	-	-	-	10,730
70 & over	0	2	7	3	5	5	3	1	0	0	26
	-	-	-	-	-	-	-	-	-	-	16,937
Total	98	452	507	261	187	70	20	3	0	0	1,598

² Age and service for purposes of determining category are based on exact (not rounded) values.

* The participants above only include those active in SPP with a frozen benefit amount.

Plan Name: Siemens Pension Plan
 EIN / PN: 13-2623356/001
 Plan Sponsor: Siemens Corporation
 Valuation Date: January 1, 2019

Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis

- Applicable month September 2018
- Interest rate basis Segment Rates

Interest rates

	Reflecting Stabilization	Not Reflecting Stabilization
■ First segment rate	3.74%	2.28%
■ Second segment rate	5.35%	3.81%
■ Third segment rate	6.11%	4.46%
■ Effective interest rate	5.39%	3.88%

Annual rates of increase

- Cash balance interest crediting rate 4.06%
- Employee contribution interest rate 2.00%
- Compensation N/A
- Future Social Security wage bases N/A
- Statutory limits on compensation N/A

Administrative expenses

\$11,660,730. Based on prior year's actual payments, adjusted for the change in expected PBGC premium from the prior to the current year.

Demographic Assumptions

Inclusion date

The valuation date coincident with or next following the date on which the employee is hired

New or rehired employees

It was assumed there will be no new or rehired employees.

Mortality

Separate IRS-prescribed non-annuitant and annuitant tables based on RP-2014 "Employees" and "Healthy Annuitants" tables without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2017.

Termination

Rates vary by age

Representative Termination Rates

Percentage leaving during the year	
Attained Age	Rate
21	13.1%

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25	10.7%
30	9.7%
35	8.3%
40	6.4%
45	5.9%
50	5.4%
55	5.3%

■ Former Dresser-Rand Employees

Representative Termination Rates

Percentage leaving during the year	
Attained Age	Rate
20	14.9%
25	9.9%
30	6.9%
35	4.9%
40	2.8%
45	1.7%
50	0.4%

Disability

Rates vary by age and gender

Representative Disability Rates

Percentage becoming disabled during the year		
Age	Males	Females
25	0.03%	0.03%
30	0.03%	0.04%
35	0.04%	0.07%
40	0.08%	0.13%
45	0.16%	0.24%
50	0.33%	0.40%
55	0.69%	0.64%
60	1.15%	0.90%
65	0.00%	0.00%

■ Former Dresser-Rand Employees

Employees are assumed to become disabled in accordance with the 1985 Wyatt Pension Disability Study Unisex Class Three rates of disablement.

Retirement for active participants

Rates vary by age, average age 63.

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Percentage retiring during the year	
Age	Rate
55	5.00%
56	5.00%

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57	5.00%
58	8.00%
59	8.00%
60	8.00%
61	10.00%
62	12.00%
63	15.00%
64	15.00%
65	25.00%
66	25.00%
67	25.00%
68	20.00%
69	20.00%
70	100.00%

■ Former Dresser-Rand employees

Active employees are assumed to retire in accordance with the following rates:

Employees with less than 30 years of service:

Percentage retiring during the year	
Age	Rate
55-56	2.0%
57-58	2.1%
59	2.2%
60-61	0.0%
62	44.4%
63	10.0%
64-69	11.1%
70	100.0%

Employees with more than 30 years of service:

Percentage retiring during the year	
Age	Rate
55	8.0%
56-57	4.0%
58-59	5.0%
60	12.0%
61	14.0%
62	34.0%
63	32.0%
64	24.0%
65	88.0%
66	20.0%
67	25.0%
68	33.0%
69	50.0%
70	100.0%

Plan Name:	Siemens Pension Plan
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Plan Sponsor:	Siemens Corporation
Valuation Date	January 1, 2019

Benefit commencement date:

- | | |
|-------------------------------|---|
| ■ Preretirement death benefit | The later of the death of the active participant or the date the participant would have attained age 55 |
| ■ Deferred vested benefit | The later of age 63 or termination of employment

For former Dresser-Rand employees, age 65, or current age if later. |
| ■ Disability benefit | Upon disablement |
| ■ Retirement benefit | Upon termination of employment |

Form of payment for active participants

For Cash Balance participants who terminate after retirement age eligibility, 30% are assumed to elect an immediate lump sum payment, 15% elect an immediate life annuity, 50% elect a lump sum payable at age 63, and 5% elect a life annuity payable at age 63. Lump sums were valued using the substitution of annuity form under IRS Regulation §1.430(d)-1(f)(4) without application of generational mortality.

For Cash balance participants who terminate prior to retirement age eligibility, 30% are assumed to elect an immediate lump sum payment, 63% elect a lump sum payment at age 63, and 7% elect a life annuity payable at age 63. All other participants are assumed to elect a single life annuity. Annuities were calculated from the cash balance accounts using the required methodology in IRS regulation §1.430(d)-1(f)(5).

For former Dresser-Rand employees, it is assumed that the participant elects the single life annuity.

Form of payment for terminated vested participants

For Cash Balance participants, 50% of those who terminated within two years of the valuation date are assumed to elect an immediate lump sum payment, 45% elect a lump sum payable at age 63, and 5% elect a life annuity payable at age 63.

For all other Cash balance participants, it is assumed that 90% elect a lump sum payment at age 63 and the remaining 10% elect a life annuity payable at age 63.

All other participants are assumed to elect a life annuity payable at age 63.

For former Dresser-Rand participants, it is assumed that the participant elects the single life annuity.

Late retirement actuarial increase

For former Dresser-Rand participants, we assume active and terminated vested participants working past their Normal Retirement Age are provided with actuarial increases, and that the Company has not and will not issue suspension of benefits notices.

Percent married

80% of males; 80% of females. Used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement.

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Plan Sponsor:	Siemens Corporation
Valuation Date	January 1, 2019

For former Dresser-Rand participants, 85% of males and 55% of females are assumed to be married at retirement.

Spouse age	Wife three years younger than husband
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.
Actuarial value of assets for determining minimum required contributions	The actuarial value of assets is equal to the market value of assets as of the valuation date plus the discounted present value of contributions made after the valuation date for the prior plan year, discounted using the effective interest rate for the prior plan year.
Benefits not valued	Willis Towers Watson has reviewed the plan provisions with the plan sponsor and, based on that review, is not aware of any other significant benefits required to be valued that were not.

Sources of Data and Other Information

The plan sponsor through its third party administrator, furnished participant data as of January 1, 2019. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data were adjusted to reflect any significant events that occurred between the date the data were collected and the measurement date. We are not aware of any errors or omissions that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Cash Balance Interest crediting rate	The plan credits interest to cash balance accounts using the 30-year Treasury rate for the August immediately preceding the plan year, but with a minimum interest credit rate of 4.06%. Our long term estimate of the 30-year Treasury rate, based on current conditions and future economic expectations and the minimum interest credit results in a final assumed interest credit rate of 4.06%.
Lump sum conversion rate	As required by IRC §430, lump sum benefits are valued using “annuity substitution”, so that the interest rates assumed are effectively the same as described above for the discount rate.

Plan Name:	Siemens Pension Plan
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Plan Sponsor:	Siemens Corporation
Valuation Date	January 1, 2019

Assumptions Rationale - Significant Demographic Assumptions

Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Termination	<p>Termination rates were based on an experience study conducted in 2013, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.</p> <p>For former Dresser-Rand employees, the termination rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by termination patterns different than assumed.</p>
Disability	<p>Disability rates are based on an experience study conducted in 2013, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.</p> <p>For former Dresser-Rand employees, the disability rates were based a published table for pension participants believed to have reasonably similar characteristics participating in pension plans with similar disability provisions.</p>
Retirement	<p>Retirement rates were based on an experience study conducted in 2013, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.</p> <p>For former Dresser-Rand employees, the retirement rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by retirement patterns different than assumed.</p>
Benefit commencement date for deferred vested benefit	Deferred vested participants' assumed commencement age is a single age intended to capture the average age at commencement. Deferred vested early commencement factors are not subsidized so that the difference between this approach and using assumed commencement rates at multiple ages is not expected to be significant.

Source of Prescribed Methods

Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.
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Plan Name: Siemens Pension Plan
EIN / PN: 13-2623356/001
Plan Sponsor: Siemens Corporation
Valuation Date: January 1, 2019

Changes in Assumptions and Methods

Change in assumptions since prior valuation

The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC §430.

The mortality table used to calculate the funding target and target normal cost was updated to reflect the new tables, based on RP-2014 and subsequent Society of Actuaries studies, published by the IRS in October 2017 in regulation §1.430(h)(3)-1.

The assumed plan-related expenses added to the target normal cost were changed from \$5,605,506 for the prior valuation to \$11,660,730 for the current valuation to account for higher expected expenses to be paid from the trust.

Change in methods since prior valuation

There have been no changes in methods since the prior valuation.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>SIEMENS PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SIEMENS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-2623356</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2019</u>			
2 Assets:			
a Market value.....		2a	<u>1,907,212,556</u>
b Actuarial value		2b	<u>1,907,212,556</u>
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	<u>5,508</u>	<u>813,283,408</u>	<u>813,283,408</u>
b For terminated vested participants	<u>10,338</u>	<u>493,890,819</u>	<u>493,890,819</u>
c For active participants	<u>8,630</u>	<u>565,395,086</u>	<u>566,410,647</u>
d Total	<u>24,476</u>	<u>1,872,569,313</u>	<u>1,873,584,874</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate	5	<u>5.39%</u>	
6 Target normal cost	6	<u>11,660,730</u>	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>9/17/2020</u>
Signature of actuary		Date
<u>Joseph Gamzon F.S.A., E.A.</u>		<u>2006924</u>
Type or print name of actuary		Most recent enrollment number
<u>Willis Towers Watson US LLC</u>		<u>212-915-8888</u>
Firm name		Telephone number (including area code)
<u>200 Liberty Street</u>		
<u>New York</u>	<u>NY</u>	<u>10281</u>
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

**Schedule SB (Form 5500) 2019
v. 190130**

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	354,134,908
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	18,541,166
9 Amount remaining (line 7 minus line 8).....	0	335,593,742
10 Interest on line 9 using prior year's actual return of <u>-6.03%</u>	0	-20,236,303
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.56%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	315,357,439

Part III Funding Percentages

14 Funding target attainment percentage	14	84.96%
15 Adjusted funding target attainment percentage.....	15	101.37%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	97.81%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?..... ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?..... ☒ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year				
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th	
0	0	0		0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
3.74 %2nd segment:
5.35 %3rd segment:
6.11 %☐ N/A, full yield curve used**b** Applicable month (enter code) **21b** 4**22** Weighted average retirement age **22** 63**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment **27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6) **31a** 11,660,730**b** Excess assets, if applicable, but not greater than line 31a **31b** 0**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance 281,729,757 Installment 54,298,833**b** Waiver amortization installment 0 0**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) **34** 65,959,563

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	65,959,563	65,959,563

36 Additional cash requirement (line 34 minus line 35) **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 0**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

Schedule SB Attachment (Form 5500) - 2019 Plan Year

Siemens Pension Plan

EIN: 13-2623356 PN: 001

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

(1)	(2)	(3)	(4)	(5)
Age	Exposure	Retirement Rate	Assumed Number Retiring (2) * (3)	Product (1) x (4)
55	1,000	5.0%	50	2,750
56	950	5.0%	48	2,688
57	902	5.0%	45	2,565
58	857	8.0%	69	4,002
59	788	8.0%	63	3,717
60	725	8.0%	58	3,480
61	667	10.0%	67	4,087
62	600	12.0%	72	4,464
63	528	15.0%	79	4,977
64	449	15.0%	67	4,288
65	382	25.0%	96	6,240
66	286	25.0%	72	4,752
67	214	25.0%	54	3,618
68	160	20.0%	32	2,176
69	128	20.0%	26	1,794
70	102	100.0%	102	7,140
Weighted Average				62,738

Former Dresser-Rand employees:

Employees with less than 30 years of service

(1)	(2)	(3)	(4)	(5)
Age	Exposure	Retirement Rate	Assumed Number Retiring (2) * (3)	Product (1) x (4)
55	1,000	2.0%	20	1,100
56	980	2.0%	20	1,120
57	960	2.1%	20	1,140
58	940	2.1%	20	1,160
59	920	2.2%	20	1,180
60	900	0.0%	0	0
61	900	0.0%	0	0
62	900	44.4%	400	24,800
63	500	10.0%	50	3,150
64	450	11.1%	50	3,200
65	400	11.1%	44	2,860
66	356	11.1%	40	2,640
67	316	11.1%	35	2,345
68	281	11.1%	31	2,108
69	250	11.1%	28	1,932
70	222	100.0%	222	15,540
Weighted Average				64,275

Former Dresser-Rand employees:

Employees with more than 30 years of service

(1)	(2)	(3)	(4)	(5)
Age	Exposure	Retirement Rate	Assumed Number Retiring (2) * (3)	Product (1) x (4)
55	1,000	8.0%	80	4,400
56	920	4.0%	37	2,072
57	883	4.0%	35	1,995
58	848	5.0%	42	2,436
59	806	5.0%	40	2,360
60	766	12.0%	92	5,520
61	674	14.0%	94	5,734
62	580	34.0%	197	12,214
63	383	32.0%	123	7,749
64	260	24.0%	62	3,968
65	198	88.0%	174	11,310
66	24	20.0%	5	330
67	19	25.0%	5	335
68	14	33.0%	5	340
69	9	50.0%	5	345
70	4	100.0%	4	280
Weighted Average				61,388

Total Weighted Average Age at Retirement:

62.748707

Total Weighted Average Age at Retirement (rounded):

63

Plan Name:	Siemens Pension Plan
EIN / PN:	13-2623356/001
Plan Sponsor:	Siemens Corporation
Valuation Date	January 1, 2019

Schedule SB, Part V

Summary of Plan Provisions

1.1 Plan provisions for Siemens Pension Plan

Plan Provisions

The pension plan became effective October 1, 1965. Effective December 31, 2010, all benefits accrued under the plan (final average pay and cash balance) were frozen for all participants.

Eligibility	January 1 st or July 1 st coincident with or following completion of six months of employment. Employees hired or rehired after April 1, 2006 are not eligible for the Plan.
--------------------	--

Definitions

Vesting service	Elapsed time from date of hire.
Benefit Service	Years and completed months from participation date. Benefit service is frozen as of December 31, 2010.
Compensation	<p>All cash compensation including base pay, bonuses, overtime, shift differential, commissions, salary continuation payments, tax-deferred contributions to the Siemens Savings Plan.</p> <p>Compensation earned after December 31, 2010 is not included since the plan is frozen.</p>
Average final compensation (AFC)	The average of the highest four consecutive plan years of compensation during the ten-year period preceding the participant's termination or retirement date
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with three years of vesting service.
Average final compensation benefit	<p>1.125% of AFC up to \$12,000 plus 1.50% of AFC in excess of \$12,000, multiplied by Benefit Service.</p> <p>Subject to a minimum benefit for participants as of October 2, 1987, as summarized in Appendix XXV of the Siemens Pension Plan document.</p> <p>All benefits are frozen as of December 31, 2010.</p>

Plan Name: Siemens Pension Plan
EIN / PN: 13-2623356/001
Plan Sponsor: Siemens Corporation
Valuation Date: January 1, 2019

Cash balance benefit

Account balance established at the later of January 1, 2001 and participation date. Account balance is increased monthly with Pay and Interest Credits.

Interest Credits are based on the 30-year Treasury rate for August immediately preceding the calendar year, but no less than 4.06%.

Pay Credits are based on the contribution level of each operating company and vesting service, as follows:

Service	Low	Middle	High
<5	2.00%	3.00%	4.00%
5 - 9	2.50%	3.75%	5.00%
10 - 14	3.00%	4.50%	6.00%
15 - 19	4.00%	6.00%	8.00%
20 - 24	5.00%	7.50%	10.00%
25 - 29	6.00%	9.00%	12.00%
30 +	7.50%	11.25%	15.00%

If a participant was a member of the Plan prior to January 1, 2001, then the participant will not receive a benefit less than the minimum benefit accrued under the Final Average Pay formula or any other grandfathered prior plan as of December 31, 2000.

Effective December 31, 2010, Pay Credits will no longer be credited to the account balances. Interest Credits will continue to be earned.

Eligibility for Benefits

Normal retirement

Retirement on NRD.

Early retirement

Age 55 with 10 years of vesting service for average final compensation benefits. Vested cash balance benefits are immediately payable.

Postponed retirement

Retirement after NRD.

Deferred vested termination

100% vested with three years of vesting service.

Disability

Ten years of vesting service for average final compensation benefits. Cash balance benefits, if not already vested, are vested after 12 months of disability.

Plan Name: Siemens Pension Plan
EIN / PN: 13-2623356/001
Plan Sponsor: Siemens Corporation
Valuation Date: January 1, 2019

Preretirement death benefit Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse. Cash balance benefits are immediately vested upon death of an active participant.

Benefits Paid Upon the Following Events

Normal retirement The average final compensation benefit or cash balance benefit, whichever is applicable.

Early retirement For average final compensation benefits, the accrued benefit is reduced by 5/12% for each of the first 24 months by which the early retirement date precedes age 62 and by 1/2% for each additional month in excess of 24 months. There is no reduction for payments commencing on or after age 62.

For cash balance benefits, an actuarially equivalent annuity is payable.

Postponed retirement The monthly pension benefit determined as of the actual retirement date.

Deferred vested termination For average final compensation benefits, the benefit paid at NRD, but actuarially reduced if payments begin after age 55 but before age 65.

For cash balance benefits, account balance or actuarially equivalent annuity.

Disablement For average final compensation benefits, the annual pension that is deferred to age 65 is the accrued benefit (based on benefit paid at NRD). The participant shall be credited with Vesting and Benefit Service during the period of disability until the earliest of commencement of retirement benefits, death, or recovery from disability. The disability benefit is payable from age 55 until the earlier of the date on which the participant recovers from disability or the date of the participant's death.

For cash balance benefits, account balance is fully vested after 12 months of disability. Interest Credits granted until the account is paid out or an annuity payment is elected. No Pay Credits granted unless pay is received.

Plan Name: Siemens Pension Plan
EIN / PN: 13-2623356/001
Plan Sponsor: Siemens Corporation
Valuation Date: January 1, 2019

Preretirement death For average final compensation benefits, return of accumulated employee contributions (if any); or if vested, annual pension payable for life to spouse is 50% of reduced joint and 50% survivor benefit, but not less than \$360. If spouse is more than 15 years younger than the member, the minimum is reduced by 1% for each year or fraction thereof, by which the difference in age exceeds 15 years.

For cash balance benefits, return of accumulated employee contributions (if any); or account balance or actuarially equivalent annuity payable to beneficiary. Paid regardless of Vesting Service accrued by the participant.

Other Plan Provisions

Forms of payment Normal form of payment is a single life annuity for unmarried participants, and a 50% Joint and Survivor annuity for married participants.

Optional forms: 66 2/3% Joint and Survivor, 75% Joint and Survivor, 100% Joint and Survivor, 10 Year Certain and Life, and Lump Sum (for average final compensation benefits less than \$5,000 or \$50 per month, and for Cash Balance participants).

Other Benefits Certain operating companies receive special minimum benefits based on the terms of agreement when they entered the plan. In addition, certain benefit provisions from prior plans that were subsequently merged into this plan continue.

Pension Increases None.

Plan participants' contributions Some participants have an accumulated contribution balance from a prior plan. This balance is increased with interest annually.

Maximum limits on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code.

Future Plan Changes

Willis Towers Watson is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Plan Name:	Siemens Pension Plan
EIN / PN:	13-2623356/001
Plan Sponsor:	Siemens Corporation
Valuation Date	January 1, 2019

1.2 Plan provisions for Furnas Controls Restated Employees' Pension Plan

Plan Provisions

The pension plan became effective January 1, 1984. Effective September 30, 2009, the Siemens-Furnas Controls Restated Employees' Pension Plan was merged into the Siemens Pension Plan. Effective December 31, 2010, all benefits accrued were frozen.

Eligibility

Prior to January 1, 1985: Date of employment.

After January 1, 1985: Date employee has attained age 21 and completed one year of service with at least 1,000 hours.

Definitions

Credited service

One year of credited service is granted for each calendar year in which the participant worked at least 1,000 hours. No credited service is earned after December 31, 2010.

Average Monthly Compensation (AMC)

Average monthly compensation during highest five consecutive of last ten calendar years, or last 60 months of employment, whichever is higher. No compensation earned after December 31, 2010 is used in the calculation of benefits.

Normal retirement date (NRD)

Age 65 with five years of participation.

Monthly pension benefit

50% of Average Monthly Compensation, less 50% of Primary Social Security Benefit, prorated for less than 30 years of Credited Service.

Eligibility for Benefits

Normal retirement

Retirement on NRD.

Early retirement

Age 55 with 15 years of service.

Postponed retirement

Retirement after NRD.

Deferred vested termination

Full vesting after five years of service.

Disability

Ten years of service.

Preretirement death benefit

Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Plan Name: Siemens Pension Plan
EIN / PN: 13-2623356/001
Plan Sponsor: Siemens Corporation
Valuation Date: January 1, 2019

Benefits Paid Upon the Following Events

Normal retirement	The monthly pension benefit determined as of NRD.
Early retirement	The accrued benefit reduced by 1/15 th for each of the first five years, and by 1/30 th for each of the next five years that payment commences prior to NRD.
Postponed retirement	The monthly pension benefit determined as of the actual retirement date.
Deferred vested termination	The monthly pension benefit deferred to age 65 or, if the participant elects, a reduced pension to begin any time between age 60 and 65. The reduction for early commencement is described in the Early Retirement section above.
Disablement	The Accrued Benefit is payable immediately with no reduction for payment before Normal Retirement Date.
Preretirement death	<p>After eligible for early or normal retirement: Benefit payable to surviving spouse as if participant retired on date of death with 75% joint and survivor option. Not reduced for early retirement if participant over age 60 and entitled to a disability benefit.</p> <p>After completion of 15 years of service: Benefit payable to surviving spouse as if participant elected 50% joint and survivor option deferred to age 55.</p> <p>After completion of five years of service: Benefit payable to surviving spouse as if participant elected 50% joint and survivor option deferred to age 65.</p>

Other Plan Provisions

Forms of payment	<p>Normal form of payment is a single life annuity for unmarried participants, and a 50% Joint and Survivor annuity for married participants.</p> <p>Optional forms: 50% Joint and Survivor, 66 2/3% Joint and Survivor, 75% Joint and Survivor, 100% Joint and Survivor, 10 Year Certain and Life, Level Income Option.</p>
Pension Increases	None.
Plan participants' contributions	None.

Plan Name: Siemens Pension Plan
EIN / PN: 13-2623356/001
Plan Sponsor: Siemens Corporation
Valuation Date: January 1, 2019

Maximum limits on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code

Future Plan Changes

Willis Towers Watson is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Plan Name:	Siemens Pension Plan
EIN / PN:	13-2623356/001
Plan Sponsor:	Siemens Corporation
Valuation Date	January 1, 2019

1.3 Plan provisions for Siemens Building Technologies (“SBT Plan”)

Plan Provisions

The pension plan became effective April 1, 1975. Effective December 31, 2009, the Retirement Income Plan for Salaried Employees of Siemens Building Technologies, Inc., Landis Division, (SBT Plan) was merged into the Siemens Pension Plan. Effective December 31, 2010, all benefits accrued were frozen.

Eligibility	First of the month following attainment of age 21 and completion of one year of service. Employees hired on or after January 1, 2005 are not eligible for the plan.
--------------------	---

Definitions

Vesting service	The sum of an employee’s service prior to January 1, 1997 plus all years and months after January 1, 1997, in which the employee was employed plus any service with Staefa Control Systems, Inc. not already included in his service if the employee began to participate before September 1, 1997, plus any period of severance of less than twelve consecutive months. Periods in which an employee is eligible to contribute but fails to do so are excluded.
------------------------	--

Benefit service	An employee’s periods of plan participation expressed in completed years and months. Benefit service was frozen as of December 31, 2004.
------------------------	--

Compensation	Total cash compensation, excluding certain special payments. Compensation shall not exceed the limit described in IRC Section 401(a)(17). No compensation after December 31, 2010 is used in the calculation of benefits.
---------------------	---

Final average compensation (FAC)	Average compensation paid to a participant during the highest 60 consecutive months out of the last 120 months immediately preceding termination.
---	---

Covered Compensation (CC)	Average FICA taxable wage bases under the Social Security Act for the 35-year period ending on the earlier of Social Security retirement age or termination of employment.
----------------------------------	--

Normal retirement date (NRD)	Later of age 65 or five years of participation.
-------------------------------------	---

Plan Name:	Siemens Pension Plan
EIN / PN:	13-2623356/001
Plan Sponsor:	Siemens Corporation
Valuation Date	January 1, 2019

Annual pension benefit	<p>The annual pension is the greater of (a) or (b), plus (c) plus (d):</p> <p>(a) \$17.50 per month for each year of Benefit Service earned between December 31, 1993 and December 31, 2004</p> <p>(b) 1% of FAC plus 0.5% of FAC in excess of CC, multiplied by Benefit Service earned between December 31, 1993 and December 31, 2004</p> <p>(c) Accrued benefit as of December 31, 1993, under the prior plan, indexed by the ratio of FAC at December 31, 2010 to FAC at December 31, 1993.</p> <p>(d) Frozen benefit as of December 31, 1993 under the Retirement Income Plan for Hourly Factory Employees of Skokie Plant of MCC Powers.</p>
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Eligibility for Benefits

Normal retirement	Retirement on NRD.
Early retirement	Latest of age 55, completion of five years of Vesting Service, and completion of ten years of employment.
Postponed retirement	Retirement after NRD.
Deferred vested termination	Completion of five years of Vesting Service.
Disability	Total and Permanent Disability.
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Benefits Paid Upon the Following Events

Normal retirement	The annual pension benefit determined as of NRD.
Early retirement	The accrued benefit is reduced by 6-2/3% for each of the first five years and 3-1/3% for each of the next five years by which benefit commencement precedes NRD.
Postponed retirement	The annual pension benefit determined as of the actual retirement date.
Deferred vested termination	Accrued benefit deferred to NRD or, if eligible, an early retirement benefit as described above.

Plan Name:	Siemens Pension Plan
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Plan Sponsor:	Siemens Corporation
Valuation Date	January 1, 2019

Disablement	The annual pension benefit, with benefit service continuing to accrue during the period of disability, until the earlier of NRD and commencement of benefits. Benefit service was frozen as of December 31, 2004, however, participants who were disabled on December 31, 2004 were eligible to earn benefit service up to June 30, 2005.
Preretirement death	Return of accumulated employee contributions (if any), if not married; if married, annual pension payable for life to spouse is 50% of reduced 50% Joint and Survivor benefit payable at the earliest retirement date.

Other Plan Provisions

Forms of payment	<p>Normal form of payment is a single life annuity for unmarried participants, and a 50% Joint and Survivor annuity for married participants.</p> <p>Optional forms: 50% Joint and Survivor, 66 2/3% Joint and Survivor, 75% Joint and Survivor, 100% Joint and Survivor, 5 Year, 10 Year, and 15 Year Certain and Life.</p> <p>Lump sum cash-out: Benefit paid immediately to participant as a lump sum if the actuarial equivalent of the age-65 monthly retirement benefit payable as a Life Annuity is less than \$5,000.</p>
Other Benefits	Employees who terminate without a vested right to their accrued benefit will receive a lump sum equal to their accumulated employee contributions with interest.
Pension Increases	None.
Plan participants' mandatory contributions	½% of Compensation up to \$20,000, plus 1% of Compensation in excess of \$20,000 up to Social Security Wage Base, plus 3% of Compensation above the Social Security Wage Base. As of January 1, 2005, no further mandatory participant contributions are made to the Plan. Interest is credited at an annual rate of 120% of the Federal mid-term rate for the first month of the plan year.
Maximum limits on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code.

Future Plan Changes

Willis Towers Watson is not aware of any future plan changes that are required to be reflected.

Plan Name: Siemens Pension Plan
EIN / PN: 13-2623356/001
Plan Sponsor: Siemens Corporation
Valuation Date January 1, 2019

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Plan Name: Siemens Pension Plan
 EIN / PN: 13-2623356/001
 Plan Sponsor: Siemens Corporation
 Valuation Date: January 1, 2019

1.4 Dresser-Rand Company Pension Plan for Salaried and Union-Free Hourly Employees (SubPlan 210)

Effective Date of Plan

January 1, 1989. Frozen as of March 31, 1998. Amended November 17, 2014 and most recently amended February 24, 2016.

Employees Covered

Any Employee with the following exceptions:

- A. Non-resident Aliens
- B. Collective bargaining unit employees who have not negotiated for the plan

Eligibility

Employees are included in the plan on the first of the month coincident with or next following completion of one year of service. There will be no new entrants into the plan after March 31, 1998.

Final Average Compensation (FAC)

The average of pensionable earnings for the highest paid seventy-two consecutive months out of the last 120 months worked.

Years of Credited Service

Years of credited service include all years of employment in a position covered by this plan, up to thirty-five years, including recognized past service with a partner company. For participation before January 1, 1987, in certain Dresser Industries plans for union-free hourly employees, the salary benefit formula includes only service after December 31, 1986. The \$19.00 monthly benefit multiplier applies for service before January 1, 1987. All benefits were frozen as of March 31, 1998.

Social Security Retirement Age

The government specifies Social Security retirement age which depends on year of birth shown in the following table:

	Born Before 1938	Born 1938-1954	Born After 1954
Social Security Retirement Age	65	66	67

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Plan Sponsor: Siemens Corporation
Valuation Date: January 1, 2019

Covered Compensation (CC)

This is the thirty-five-year average of Social Security taxable wage bases ending with the year the participant reaches eligibility for full Social Security retirement benefits (i.e., Social Security retirement age).

Normal Retirement Date

The first day of the month coincident with or next following the participant's sixty-fifth birthday.

Normal Retirement Pension

Benefit Formula:

$.0075 \times \text{FAC up to CC} \times \text{Credited Service}$
plus
 $.015 \times \text{FAC over CC} \times \text{Credited Service}$

No more than 35 years of Credited Service is taken into account under this formula.

If the participant's Social Security retirement age is sixty-six and he retires at age sixty-five, the .015 in the formula changes to .0145. If the participant's Social Security Retirement Age is sixty-seven and he retires at age sixty-five, the .015 changes to .014.

If greater, the benefit accrued as of December 31, 1989, under the formulas in effect before January 1, 1990, is payable. For certain highly compensated employees, the accrued benefit as of December 31, 1988, is used rather than the accrued benefit as of December 31, 1989.

If the participant was covered under certain Dresser Industries plans for union-free hourly employees and participated on January 1, 1987, the \$19.00 monthly benefit multiplier applies for service before January 1, 1987, subject to the maximum thirty years of credited service.

Offsets:

The benefit amounts accrued under the respective Dresser and Ingersoll-Rand retirement plans up to December 31, 1986, will be offset from the above pension benefit amount at the participant's normal retirement date. This offset will be paid by the respective partner company plan.

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Valuation Date: January 1, 2019

Early Retirement Pension

A participant is eligible for an early retirement pension, if he has earned at least nine (9) years of service and reached age 55.

The early retirement benefit is determined the same way the normal retirement benefit is determined, but is reduced according to the factors below:

Retirement Age	Factor to be Applied to Accrued Benefit
65	1.0000
64	0.9069
63	0.8248
62	0.7522
61	0.6877
60	0.6302
59	0.5788
58	0.5327
57	0.4912
56	0.4538
55	0.4199

Late Retirement

Any employee who is not an executive class employee may continue in employment after his normal retirement date and receive a monthly pension at his late retirement date based on the normal retirement benefit formula and based on final average compensation at retirement.

Disability Benefit

If the participant is covered by the company's Long-Term Disability Program, he will continue to accrue at full rate based on compensation at time of disablement. Pension commences at age sixty-five.

Pre-Retirement Death Benefit

- If Eligible for Early Retirement at Time of Death:**
Spouse receives a monthly income equal to fifty percent of the amount the participant would have received had the retirement occurred the day before death with a fifty percent joint and survivor option in effect.
- If Vested but not Eligible for Early Retirement:**
Spouse receives a monthly income (beginning when the participant could have first retired) equal to fifty percent of the amount the participant would have received, based on accrued benefit at time of death, had the participant retired when first eligible with a fifty percent joint and survivor option in effect.

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Plan Sponsor: Siemens Corporation
Valuation Date: January 1, 2019

Termination of Service

A termination with less than five years of service is due no benefit. The benefit is 100% vested after five years of vesting service. Service recognized by the parent company before the effective date of this plan counts toward vesting. If the vested benefit is payable before age sixty-five, the benefit is reduced according to the factors that apply to early retirement.

Normal Form of Pension

For married participants, pension payable automatically on an actuarially reduced fifty percent joint and survivor basis to those married at retirement. Life only for single participants.

Optional Forms of Pension

Joint and Survivor, guaranteed period, level income mandatory lump sum option is paid only if the present value of the benefit is less than \$5,000.

Employee Contributions

No employee contributions are required or permitted.

Future Plan Changes

Willis Towers Watson is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2019

Type of Base		Date Established	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2019	7	254,561,792	41,363,173
2	Shortfall	01/01/2018	6	(74,918,151)	(13,815,298)
3	Shortfall	01/01/2017	5	3,938,883	846,662
4	Shortfall	01/01/2016	4	98,147,233	25,904,296
Total				281,729,757	54,298,833

Plan Name:	Siemens Pension Plan
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Plan Sponsor:	Siemens Corporation
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