

**FAVOURABLE REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF
SIEMENS GAMESA RENEWABLE ENERGY, S.A.
ON THE RATIFICATION AND RE-ELECTION OF MR PEDRO AZAGRA BLÁZQUEZ
AS A PROPRIETARY NON-EXECUTIVE DIRECTOR OF THE COMPANY**

In Zamudio (Biscay), on 12 February 2019, the Appointments and Remuneration Committee (the “**Committee**”) of Siemens Gamesa Renewable Energy, S.A. (the “**Company**”) unanimously resolves to issue and submit to the Board of Directors this favourable report on the ratification of the appointment by co-option and re-election of Mr Pedro Azagra Blázquez as a director of the Company with the classification of proprietary non-executive director, for submission thereof to the shareholders at the Company’s General Meeting of Shareholders (the “**Meeting**”).

1. OBJECT AND REGULATORY FRAMEWORK

In accordance with section 529 *decies.6* of the *Corporate Enterprises Act (Ley de Sociedades de Capital)*, article 13.2. of the *Regulations of the Board of Directors* and article 6.2.a) of the *Regulations of the Appointments and Remuneration Committee*, Board proposals to appoint proprietary directors using a co-option procedure or to be submitted to the shareholders at the Meeting must be preceded by a favourable report from the Committee. Additionally, it is for this Committee to report on the maintenance of the classification allocated to each director in the case of re-election.

This report is hence issued in compliance with the aforementioned regulation.

2. REPORT

For the appropriate purposes, it is stated for the record that prior to the issuance of this report, at its meeting held on 5 December 2018 this Committee issued the mandatory report on the co-option of Mr Pedro Azagra Blázquez as a member of the Company’s Board of Directors, in which it set out the rationale for his appointment as well as the satisfaction of the requirements therefor. A copy of the aforementioned report is attached as an **Annex**.

In the Committee’s opinion, the rationale for the aforementioned report is fully applicable for purposes of assessing the suitability of ratifying the appointment by co-option and re-election of Mr Pedro Azagra Blázquez as a proprietary non-executive director of the Company.

Likewise, for issuing the present report the Committee has taken into account the performance, by Mr. Azagra Blázquez, of his duties as member of the Board of Directors of the Company since his appointment by co-option until the present date, performance to be valued positively.

3. CONCLUSION

In light of the foregoing, the Committee unanimously resolves to confirm its previously issued favourable report attached as an **Annex** on the co-option of Mr Pedro Azagra Blázquez as a director and, on that basis, issues this favourable report on his ratification and re-election as a proprietary non-executive director of the Company.

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ANNEX

Favourable report of the Appointments and Remuneration Committee of Siemens Gamesa Renewable Energy, S.A. on the appointment by co-option of Mr Pedro Azagra Blázquez as a proprietary non-executive director and on the appointment thereof as a member of the Appointments and Remuneration Committee

FAVOURABLE REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF SIEMENS GAMESA RENEWABLE ENERGY, S.A. ON THE APPOINTMENT BY CO-OPTION OF MR PEDRO AZAGRA BLÁZQUEZ AS A PROPRIETARY NON-EXECUTIVE DIRECTOR AND ON THE APPOINTMENT THEREOF AS A MEMBER OF THE APPOINTMENTS AND REMUNERATION COMMITTEE

In Zamudio (Biscay), on 5 December 2018, the Appointments and Remuneration Committee (the "**Committee**") of Siemens Gamesa Renewable Energy, S.A. ("**Siemens Gamesa**" or the "**Company**") unanimously resolves to issue and submit to the Board of Directors this favourable report on the appointment by co-option of Mr Pedro Azagra Blázquez as a director of the Company with the classification of proprietary non-executive director and on the potential appointment thereof as a Member of the Appointments and Remuneration Committee.

1. OBJECT AND REGULATORY FRAMEWORK

In accordance with section 529 *decies.6* of the *Corporate Enterprises Act (Ley de Sociedades de Capital)*, article 13.2. of the *Regulations of the Board of Directors* and article 6.2.a) of the *Regulations of the Appointments and Remuneration Committee*, Board proposals to appoint proprietary directors using a co-option procedure must be preceded by a favourable report from the Committee. Additionally, according to article 6.2.b) of the *Regulations of the Appointments and Remuneration Committee*, proposed appointments of directors as members of the Board of Directors' consultative committees also require a favourable report from the Committee.

This report is hence issued in compliance with the aforementioned regulation.

2. THE CANDIDATE: NOTEWORTHY EXPERIENCE FOR THE PERFORMANCE OF THE CANDIDATE'S POSITION IN THE COMPANY

Mr Pedro Azagra Blázquez has a degree in Law and Business Administration from the Catholic Institute of Business Administration and Management (*Instituto Católico de Administración y Dirección de Empresas*, or ICADE) of Universidad Pontificia de Comillas in Madrid and an MBA from the University of Chicago (United States).

He spent his professional career in the investment banking division of Morgan Stanley until he joined the Iberdrola group in 1997.

He is a professor of Corporate Finance and Mergers and Acquisitions at Universidad Pontificia de Comillas (ICADE) in Madrid, Spain. He is a director of the listed companies Avangrid, Inc. and Neoenergia S.A. and has been a member of the boards of directors of various companies owned by the Iberdrola group (Iberdrola Mexico, S.A. de C.V., Energy East, Rochester Gas and Electric, New York State Electric and Gas Corporation, Iberdrola Portugal and Rokas).

He has also led the Iberdrola group's business in the United States and he is currently Corporate Development Director and a member of the Management Committee of the Iberdrola group.

3. RATIONALE

In the opinion of the Committee and based on the report issued by "PricewaterhouseCoopers Asesores de Negocios, S.L.", Mr Pedro Azagra Blázquez meets the requirements established by law and in the Company's *Corporate Governance Rules* to hold the position of proprietary non-executive director on the Board of Directors; specifically, in the opinion of the Committee, the candidate meets the requirements of recognised respectability, capability, expertise, competence and experience established in Siemens Gamesa's *Corporate Governance Rules*.

The Committee has also verified with the candidate that the candidate has sufficient availability of time to properly perform the duties thereof.

The Committee has also confirmed that the candidate is not directly or indirectly subject to any of the grounds of disqualification, prohibition or conflict of interest with the corporate interest established in generally applicable provisions or in Siemens Gamesa's *Corporate Governance Rules*.

The alignment of Mr Pedro Azagra Blázquez's professional background to the specific business and to the industry in which the Company does business has also been taken into account in the preparation of this report.

In the Committee's opinion, the Board of Directors' appointment by co-option of Mr Pedro Azagra Blázquez as a director of the Company to fill the vacancy caused by any resignation of Ms Sonsoles Rubio Reinoso would also comply with the provisions of the Company's *Corporate Governance Rules* as regards the required proportion of executive and non-executive directors, since if he were effectively appointed, the ratio of executive to non-executive directors would not change (2 to 11), with the latter representing a very large majority on the Board.

After the appointment by co-option of Mr Pedro Azagra Blázquez, 15.38% of the Board of Directors would be made up of executive directors and 84.62% would be made up of non-executive directors (46.15% proprietary directors and 38.46% independent directors).

The ratio of independent directors would hence comply with recommendation number 17 of the version of the *Good Governance Code of Listed Companies* of February 2015 specifically applicable to companies with large market capitalisation, taking into consideration that the Company currently has a shareholder that controls more than 30% of its share capital.

The Committee also believes that the personal and professional background of Mr Pedro Azagra Blázquez, his close links with the sector and his extensive experience as a senior officer in the performance of senior management duties within the Iberdrola Group make his profile particularly suitable and qualify him to be appointed as a member of the Company's Appointments and Remuneration Committee, if applicable, once his appointment as a director has become effective.

4. CONCLUSION

In light of all the foregoing, the Committee unanimously resolves to submit to the Board of Directors this favourable report on the appointment of Mr Pedro Azagra Blázquez as a member of the Company's Board of Directors, with the classification of proprietary non-executive director, because all the requirements established therefor in the *Corporate Enterprises Act* and Siemens Gamesa's *Corporate Governance Rules* are met.

The Committee also unanimously resolves to submit to the Board its favourable report on the appointment of Mr Pedro Azagra Blázquez as a Member of the Company's Appointments and Remuneration Committee.

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