

Report prepared by the Appointments and Remunerations Committee of Siemens Gamesa Renewable Energy, S.A. relating to the proposed approval of the Policy of Remuneration of Directors that is submitted under item Ten on the Agenda for the Annual General Meeting of Shareholders to be held on March 17, 2021, on first call, or on March 18, 2021, on second call.

This document has been prepared in accordance with the provisions of section 529 *novodecies* of the Corporate Enterprises Act (*Ley de Sociedades de Capital*) (the “**LSC**”)¹, which establishes as an obligation of the shareholders at the General Meeting of Shareholders the approval of the policy of remuneration of directors. Said policy must include both information relating to non-executive directors and the remuneration framework for directors performing executive duties, given that section 529 *novodecies*.⁵² provides that any remuneration received by directors for the performance of executive duties shall be in line with the policy of remuneration of directors that is in force from time to time.

The remuneration policy shall be a multi-year policy and must be submitted for the approval of the shareholders at the General Meeting of Shareholders at least every three years as a separate item on the Agenda.

The aforementioned section 529 *novodecies* establishes that the proposed policy of remuneration of directors shall be reasoned and shall be accompanied by a specific report from the appointments and remuneration committee; both documents must be published on the corporate website as from the call to the General Meeting, and the shareholders shall also have the right to request the free-of-charge delivery or shipping thereof. There shall be an express reference to this right in the announcement of the call to Meeting.

This document constitutes the reasoned legal report providing a rationale for the policy of remuneration of directors that is described below, which will be submitted for the approval of the Board of Directors for submission to the shareholders at the 2021 Annual General Meeting of Shareholders

¹ Royal Legislative Decree 1/2010, of 2 July, approving the restated text of the Corporate Enterprises Act.

² The legal references in this document might be subject to amendment with the approval of the bill amending the restated text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations as regards the encouragement of long-term shareholder engagement in listed companies (the “**Bill**”), the purpose of which is to transpose into the Spanish legal system Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement in listed companies (the “**Encouragement of Long-term Shareholder Engagement Directive**”).

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1. Background

At the Annual General Meeting of Shareholders of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (“**Siemens Gamesa**” or the “**Company**”) held on 27 March 2019, the shareholders resolved to approve a policy of remuneration of directors, which was amended by the shareholders acting at the Annual General Meeting of Shareholders held on 22 July 2020. The effective period of said policy covers the financial years ending in September 2019, September 2020 and September 2021.

In accordance with the provisions of article 9 of the Regulations of the Company’s Appointments and Remuneration Committee (the “**ARC**” or the “**Committee**”), the Committee is assigned duties including proposing the policy of remuneration of directors to the Board of Directors, ensuring compliance therewith and annually reviewing the suitability thereof.

As part of the decision-making process, the ARC has conducted a review of said remuneration policy with a comprehensive and rigorous approach.

Following said process and taking into account that the effective period of the 2019-2021 remuneration policy ends in September 2021, the ARC believes it appropriate to propose a new policy of remuneration of directors (the “**remuneration policy**” or the “**policy of remuneration of directors**”), which, subject to the approval of the shareholders at the General Meeting, will replace the 2019-2021 remuneration policy upon the expiry thereof. This proposed new remuneration policy will be aligned with the provisions of the LSC, has been prepared also taking into account the Encouragement of Long-term Shareholder Engagement Directive, and will be effective for the following financial years: 1 October 2021 to 30 September 2022; 1 October 2022 to 30 September 2023; and 1 October 2023 to 30 September 2024.

The new policy of remuneration of directors is consistent with the previous one, although it introduces aspects that improve the alignment thereof with applicable law and with the obligations that might arise from the Encouragement of Long-term Shareholder Engagement Directive and best market practices and that are in line with the latest good corporate governance recommendations regarding director remuneration.

2. The Appointments and Remuneration Committee

As provided in article 10 of the Regulations of the Appointments and Remuneration Committee and article 24 of the Regulations of the Board of Directors of Siemens Gamesa, the ARC must be made up exclusively of non-executive directors, of whom at least two must be independent; it is for the Board of Directors to establish the number of members, with a minimum of three and a maximum of five directors.

As at the date of preparation of this report, the ARC is made up of four directors and a non-member secretary, with experience in the matters within the purview of the Committee and the ability to conduct an appropriate and independent assessment of remuneration policies and practices.

Name	Position	Classification
Mr Rudolf Krämmer	Chairman	Independent
Ms Mariel von Schumann	Member	Proprietary
Mr Harald von Heynitz	Member	Independent
Mr Klaus Rosenfeld	Member	Independent
Mr Salvador Espinosa de los Monteros	non-member Secretary	N/A

The ARC has the following powers pursuant to articles 5 and 9 of the Regulations of the Appointments and Remuneration Committee:

- Overseeing the remuneration of the Company's Board of Directors and Top Management.
- Proposing to the Board of Directors: (i) the system and amount of annual remuneration of directors and the individual remuneration and other basic terms and conditions of executive directors' contracts, including potential compensation or severance pay that may be established in the event of cessation, ensuring observance thereof; (ii) the Annual Report on Remuneration of Directors; and (iii) the policies of remuneration of directors and of the members of Top Management.
- Reporting on: (i) the CEO's proposal on the structure and amount of the annual remuneration of Top Management, as well as the individual remuneration and other basic terms and conditions of their contracts, including potential compensation or severance pay that may be established in the event of cessation; (ii) general multi-year incentive systems and pension supplements; (iii) remuneration systems linked to the listing price of shares, or involving the delivery of shares or share options, for directors, members of Top Management and other employees; and (iv) documents to be approved by the Board of Directors for general dissemination thereof in relation to information on remuneration.
- Ensuring compliance with the remuneration policy established by the Company and annually reviewing the suitability and results thereof.
- Verifying: (i) the consistency of the remuneration policies with the Company's short-, medium- and long-term situation and strategy and with market conditions in order to assess whether they contribute to the creation of long-term value and to adequate risk control and management; and (ii) that the information related to remuneration that the Company publishes on its corporate website is sufficient and adequate and follows applicable good corporate governance recommendations.

The ARC shall meet at least three times per year and as often as is necessary in the opinion of its chairman, who must call a meeting whenever the Board of Directors so requests and in any case whenever it is appropriate for the proper performance of the ARC's duties. The Committee shall also meet whenever at least two of its members so request.

3. Foundations of the policy of remuneration of directors

The policy of remuneration of directors that is submitted for approval below is based on the following foundations, which are consistent with those of the remuneration policy in force until the date on which the new remuneration policy is approved, if at all:

- a) The following general principles:
- Balance and prudence.
 - Alignment with practices required by shareholders and investors.
 - Transparency.
 - Competitiveness of remuneration policy in terms of both structure and overall amount, in order to attract, motivate and retain key professionals.
 - Alignment with the Company's strategic objectives.
 - Alignment with the remuneration established by comparable companies (external equity).
 - Remuneration policies and practices guaranteeing non-discrimination on grounds of sex, age, culture, religion or race (internal equity).
 - Relationship with effective dedication to position.
 - Link with responsibility and performance of duties as director.
 - Maintenance of a reasonable balance among the various components of fixed remuneration (short-term) and variable remuneration (annual and long-term), reflecting an appropriate assumption of risks combined with the achievement of defined objectives linked to the creation of long-term sustainable value.
 - Absence of variable remuneration components for non-executive directors, in order to secure their full independence.
 - Offering an incentive without affecting the independence of directors. This takes the form of a fixed monthly allowance and an attendance fee.
 - Consideration of the terms and conditions of Company employees in order to determine the remuneration policy.
- b) Guidelines from institutional investors and proxy advisors.
- c) The provisions of Siemens Gamesa's corporate rules (By-Laws, Regulations of the Board of Directors and Regulations of the Appointments and Remuneration Committee) and the principles established in the Company's Corporate Governance Policy.
- d) Applicable law. The ARC has verified that the proposed new policy of remuneration of directors is in line with the general provisions established for corporate enterprises in section 217.4 of the LSC, which provides that:

“The remuneration of directors must in all cases be reasonably proportionate to the importance of the company, its financial condition at any time and the market standards at comparable companies. The remuneration system that is established must be aimed at promoting the long-term profitability and

sustainability of the company and include the necessary safeguards to prevent the excessive assumption of risks or the rewarding of unfavourable results.”

4. Rationale for changes introduced in comparison with the policy of remuneration of directors approved by the shareholders at the Annual General Meeting of Shareholders held on 27 March 2019 and amended by the shareholders at the Annual General Meeting of Shareholders held on 22 July 2020

Based on the foundations described in the preceding section, the Committee has proposed, for approval by the Board of Directors and subsequent submission to the shareholders at the 2021 General Meeting of Shareholders, a remuneration policy to replace the policy approved by the shareholders at the Annual General Meeting of Shareholders held on 27 March 2019 and amended by the shareholders at the Annual General Meeting of Shareholders held on 22 July 2020 upon the expiry thereof. The essential elements of the proposed new remuneration policy, which is consistent with the currently effective 2019-2021 policy, are described below.

4.1. In relation to the principles of the remuneration policy

- It adds the consideration of the terms and conditions of Company employees in order to establish the policy of remuneration of directors.
- It specifies and clarifies the range of remuneration practices that Siemens Gamesa applies.

4.2. In relation to the process of determination, review and application of the remuneration policy

- It completes the ARC's activities relating to the review and application of the remuneration policy.
- It adds a new section relating to the duties assumed by the Board of Directors and its Committees within the framework of said process.
- It includes a new section relating to measures aimed at preventing or managing conflicts of interest.

4.3. In relation to director remuneration for the performance of their executive duties

- It sets out and updates the financial and non-financial performance criteria to which Annual Variable Remuneration may be linked, including the criteria that are currently included in this system for the CEO, as reported by the Company in its latest annual report on remuneration of directors.
- In relation to the Long-Term Incentive Plans:
 - o It includes the main features of the 2021-2023 Long-Term Incentive Plan, which is submitted for approval by the shareholders at the same General Meeting of Shareholders at which the new remuneration policy is submitted for approval.
 - o It states that the CEO may receive additional share-based remuneration arising from his participation in the 2018-2020 Long-Term Incentive Plan,

whose final FY2020 Cycle ends on 30 September 2022; said remuneration was approved by the shareholders acting at the General Meeting of Shareholders and described in the Company's annual reports on remuneration of directors.

- With respect to the CEO's remuneration mix, it states the percentage that his short- and long-term annual target variable remuneration represents of his total annual remuneration.
- Within the framework of the ex-post control of variable remuneration, it applies the *malus* and clawback clauses to annual variable remuneration, as well as to any incentive arising from the Long-Term Incentive Plans, and it adds additional circumstances in which the Company shall, if appropriate, cancel the payment of the variable components pending payment or request the reimbursement of those already paid.

4.4. In relation to consistency between the remuneration policy and the terms and conditions of Company employees

- It includes a new section to report on how the remuneration terms and conditions of Company employees are taken into account to set the CEO's remuneration policy.

4.5. In relation to the contribution of the remuneration policy to the Company's strategy, interests and long-term sustainability

- It includes a new section to explain how the remuneration policy contributes to the Company's business strategy and to its interests and long-term sustainability.

4.6. In relation to temporary exceptions to the remuneration policy

- It includes a new section to establish: (i) the possibility of approving the application of temporary exceptions to the remuneration policy; (ii) the components of the remuneration policy that can be subject to exception; and (iii) the procedure to be followed in the event of occurrence of any circumstance that justifies the application of said temporary exceptions.

5. Effective period

If approved by the shareholders at the Annual General Meeting of Shareholders, the policy of remuneration of directors shall be effective during the three financial years following the year in which it has been approved, that is, during the financial years ending in September 2022, September 2023 and September 2024, without prejudice to any adjustments or updates made by the Board of Directors as provided therein, or such amendments as may be approved from time to time by the shareholders at the General Meeting of Shareholders of Siemens Gamesa.

6. Conclusion

Based on the foregoing, the ARC concludes that the remuneration policy that the Board of Directors submits to the shareholders at the General Meeting of Shareholders for approval thereby is in accordance with applicable law and follows the latest remuneration recommendations and best practices, and also conforms to the following principles:

- The amount of remuneration satisfies the principles of balance and prudence, and it offers an incentive by remunerating directors for their dedication, qualifications and responsibility without representing an obstacle to the independence thereof.
- It respects the good corporate governance principles and recommendations adopted by the Company, as well as those established in the internal rules thereof.
- It takes into account market trends and is positioned vis-à-vis the market in accordance with the Company's strategic approach, as well as guidelines from institutional investors and proxy advisors; it is hence effective in attracting, motivating and retaining the best professionals.
- The CEO's remuneration system is aligned with that of the Company's other employees, sharing certain principles.
- The remuneration of directors in their capacity as such exclusively consists of fixed remuneration and fees for membership on and attendance at meetings of the Board of Directors and its committees, and it does not include variable components.
- Only the CEO receives variable remuneration. Said remuneration is made up of an annual and multi-year component, with a long-term view that drives the CEO's actions by aligning his interests with those of the shareholders.

In the opinion of the ARC, all of the foregoing enables Siemens Gamesa to have an appropriate remuneration policy for the coming years that is aligned with the interests of the shareholders and promotes the long-term sustainability of the Company.

And for such legal purposes as may be appropriate, it is stated for the record that the ARC has prepared this report on the proposed "Policy of Remuneration of Directors of Siemens Gamesa Renewable Energy, S.A. 2022-2024" at its meeting held on January 21, 2021.

ANNEX

PROPOSED RESOLUTION

It is proposed that the Board of Directors approve the following resolution, which will be submitted for approval by the shareholders acting at the Annual General Meeting of Shareholders:

Item Ten on the Agenda.- “Approval of a new Policy of Remuneration of Directors of Siemens Gamesa Renewable Energy, Sociedad Anónima for financial years 2022, 2023 and 2024.”

To approve the Policy of Remuneration of Directors of Siemens Gamesa Renewable Energy, Sociedad Anónima for financial years 2022, 2023 and 2024, the full text of which has been made available to the shareholders, together with the other documentation, regarding this General Meeting of Shareholders, as from the date of the call thereto.