



**Regulations of the Appointments and  
Remunerations Committee of  
Siemens Gamesa Renewable Energy, S.A.**

(Consolidated text endorsed by resolution of the Board of Directors dated July 26<sup>th</sup>, 2018)

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# REGULATIONS OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE OF “SIEMENS GAMESA RENEWABLE ENERGY, S.A.”

## CHAPTER I. INTRODUCTION

### Article 1.- Purpose and legal bases

1. The Appointments and Remunerations Committee (the “**Committee**”) of Siemens Gamesa Renewable Energy, S.A. (“Siemens **Gamesa**” or the “**Company**”) is a permanent internal body of the Board of Directors for information and consultation, entrusted with informing, advising and making recommendations.
2. The Committee shall be governed by the rules contained in these regulations (the “**Regulations**”), as well as by the legal provisions and the Corporate Governance Standards applicable thereto.
3. The Regulations form part of the Corporate Governance Standards of the Company.

### Article 2.- Interpretation

1. These Regulations shall be interpreted in accordance with the law and the Corporate Governance Standards.
2. The Committee is tasked with resolving any questions that arise concerning the interpretation and application of these Regulations.

### Article 3.- Amendment

1. The Committee, at the proposal of the Chairman or a majority of its members, can propose an amendment to these Regulations.
2. The Regulations and, where appropriate, their amendment must be approved by an absolute majority of Committee members, and be endorsed by Siemens Gamesa's Board of Directors. The Regulations and, where appropriate, their amendment shall come into force on the date of their endorsement.
3. The Board of Directors can amend the Regulations when the majority of its members and all members of the Committee attend the meeting at which the corresponding agreement is adopted.

#### **Article 4.- Dissemination**

These Regulations and subsequent amendments thereto shall be disseminated through their incorporation on the Company's corporate website.

### **CHAPTER II. SCOPE AND FUNCTIONS**

#### **Article 5.- Areas of Responsibility**

1. The primary function of the Committee is to oversee the composition, functioning and remunerations of the Company's Board of Directors and Top Management.
2. The Committee's areas of responsibility shall include those described in this chapter and all others which, where appropriate, are conferred to it by law, the Corporate Governance Standards or the Board of Directors.
3. The Committee shall consult with the Chairman and the CEO on all matters relating to executive directors.

#### **Article 6.- Powers regarding the composition of the Board of Directors and Top Management of the Company and its Group**

1. The Committee shall propose to the Board of Directors:
  - a) The appointment, re-election or removal of independent directors for their appointment by co-option or their presentation before the General Shareholders' Meeting.
  - b) The secondment of a director to the corresponding category, or the maintaining thereof in the event of re-election or their modification where applicable.
  - c) Appointment, re-election or removal of independent directors of the consultative committees.
  - d) Appointment, re-election or removal of the Coordinating Director, in the event that the Chairman of the Board of Directors performs executive functions.
  - e) Removal of directors in the event of incompatibility, structural conflict of interests or any other reason due to resignation or compulsory retirement, in accordance with the law or the Corporate Governance Standards.
  - f) The proposal so that the succession of the Chairman and of the Chief Executive of the Company, where appropriate, proceeds in a planned and orderly manner.

2. The Committee shall inform on the following proposals:
  - a) Appointment, re-election or removal of executive directors, proprietary directors and other external directors, for their appointment by co-option or for their submission to the decision of the General Shareholders' Meeting.
  - b) Appointment, re-election or removal of executive directors, proprietary directors and other external directors who must be on each of the consultative committees.
  - c) Appointment, re-election or removal of the Chairman of the Board of Directors, its Secretary and, where appropriate, the Vice Chairman or Vice Secretary and the CEO.
  - d) Appointment, re-election or removal of the Company's director of Internal Audit.
  - e) Appointment of natural person representatives of a Legal Entity Director.
  - f) Removal of directors for having failed to fulfill the duties inherent to their position or having become involved in any of the circumstances for resignation or compulsory retirement.
  - g) Appointment, re-election or removal of Top Management and the basic terms of their contracts. The status of Top Management shall be granted to those persons defined as such by the Regulations of the Board of Directors.
  - h) Definition and organization of the organizational structure, organization chart and job descriptions of Top Management made by the CEO.
  - i) Waiver of directors' contractual obligations.
3. Likewise, the Committee shall, in accordance with the law, inform on the concurrent circumstances of the shareholder or shareholders that propose, require or determine the appointment of proprietary directors.

#### **Article 7.- Powers in relation to the Board of Directors and Top Management**

1. Periodically review the structure of the Board of Directors and its committees and advise the Board of Directors on the most convenient configuration in terms of size and balance between the different types of directors and.
2. Assess the necessary skills, knowledge and experience of the Board of Directors, for which purpose it shall: (a) define the functions and abilities required of the candidates to fill board vacancies; (b) evaluate the amount of time and dedication required to properly carry out their tasks, and (c) promote refresher programs for directors, when necessary.
3. Ensure that candidates are not involved, either directly or indirectly, in any situation of incompatibility, prohibition, conflict or opposition of interests with the corporate interest provided by law or the Corporate Governance Standards.

4. Ensure that the selection procedures are not implicitly biased so as to imply discrimination and that they seek the diversity of the members of the Board of Directors, particularly as regards gender, professional experience, competencies, industry knowledge and geographic origin.
5. Set a representation target for the gender that is least represented on the Board of Directors and prepare guidelines on how to achieve it.
6. Select potential candidates to be appointed as independent directors of the Company and ensure compliance with the Director selection policy, verifying its yearly fulfillment and informing of it in the Annual Corporate Governance Report of Siemens Gamesa.
7. Establish and oversee an annual program aimed at the assessment of continuous review of the qualification, training and, where appropriate, independence, as well as maintaining the required conditions for holding a directorship and being on a given committee, and proposing to the Board of Directors the appropriate measures in this regard.
8. Promote the annual assessment of the performance of the Chairman of the Board of Directors and, where appropriate; the CEO; Board of Directors; Delegated Executive Committee; Audit, Compliance and Related Party Transactions Committee; Appointments and Remunerations Committee; Coordinating Director and any other advisory committee constituted in accordance with the provisions of the Corporate Governance Standards.

**Article 8.- Powers regarding the remuneration of the members of the Board of Directors and of the Top Management of the Company and its Group**

1. The Committee shall propose to the Board of Directors:
  - a) The system and amount of annual remuneration for directors, of the Managing Directors (*Directores Generales*) or of those performing the duties of Top Management and reporting directly to the Board of Directors, to executive committees or to the CEO, as well as individual remuneration and all other basic conditions of executive director contracts, including any compensation that may be established if removed from office, ensuring observance thereof.
  - b) The Annual Report on Remuneration of Directors.
2. The Committee shall inform on:
  - a) The Policy of Remuneration of Directors on occasion of the proposal thereof by the Board of Directors to the shareholders at the General Meeting.
  - b) Proposals from the CEO concerning the Top Management remuneration structure and other basic conditions of their contracts, including any compensation that may be established if removed from office, and shall submit them to the Board of Directors.

- c) General multi-year incentive schemes and pension supplements.
  - d) Remuneration systems referenced to the price of shares or which involve the distribution of shares or rights to purchase shares for Directors, members of the Top Management or the rest of employees.
  - e) Documents to be approved by the Board of Directors for their general disclosure in regard to information concerning remuneration. In particular, the corresponding sections of the Company's Annual Corporate Governance Report and the Sustainability Report.
3. The Committee shall veil for the fulfillment of the Directors Remunerations Policy and shall each year review its suitability and results, informing the Board of Directors of the results of such review.

### **CHAPTER III. COMPOSITION AND FUNCTIONING**

#### **Article 9.- Composition**

1. The Committee shall comprise a minimum of three and a maximum of five non-executive directors, at least two of whom must be independent directors.
2. The Board of Directors on its own initiative based on a report from the Committee or at the proposal thereof, shall establish the number of members.

#### **Article 10.- Appointment and term of the position**

1. Members of the Committee shall be appointed and removed by the Board of Directors at the proposal of the Committee itself.
2. The members of the Committee shall be appointed for a maximum term of four years, and can be re-elected one or more times for terms of equal duration.
3. Members of the Committee that are re-elected as Directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.
4. Members of the Committee whose removal is proposed shall abstain from intervening in the corresponding deliberations and vote.

#### **Article 11.- Chairman and Secretary of the Committee**

1. The Committee shall choose its Chairman from among the independent directors Likewise, the Committee shall appoint a Secretary, who need not be a director.

2. The position of Chairman of the Committee shall last for a maximum term of four years, at the end of which the director holding the position cannot be re-elected as Chairman until the term of one year has elapsed from ceasing to hold this office, without prejudice to their continuity as a member of the Committee.
3. The Secretary shall have the following functions:
  - a) Keep all documentation pertaining to the Committee, duly recording the minutes of the meetings, attesting to the decisions made and ensuring the formal and material legality of the Committee's actions.
  - b) Channel and coordinate, in accordance with the instructions of the Committee's Chairman, relations between the Committee and all other bodies or divisions within the Gamesa Group, or third parties.

#### **Article 12.- Participation and rights to receive information**

1. The Committee, through the secretary of the Board of Directors, may freely access any information or documents available to the Company relating to the matters that are within the Committee's purview and that it deems necessary to perform its duties.
2. In order to promote a diversity of opinions that enriches the analysis and proposals of the Committee, the chair of the Committee shall endeavour to ensure that its members freely participate in the deliberations, without being affected by internal or third-party pressures, and shall encourage constructive dialogue among the members thereof, promoting free expression and a critical attitude.

#### **Article 13.- Duties of Committee members**

Members of the Committee must act with independence of judgement and action with respect to the rest of the organisation and perform their work with the utmost diligence and professional competence. In particular, attendance at meetings of the Committee shall be preceded by the sufficient dedication of its members to analyse and evaluate the information received.

#### **Article 14.- Termination**

Members of the Committee shall no longer hold their office:

- a) when they cease to be non-executive directors of the Company;
- b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than two; and
- c) when agreed on by the Board of Directors.



### **Article 15.- Annual work plan**

1. For each financial year, the Committee shall approve an annual work plan that contemplates at least the following activities:
  - a) The establishment of specific goals relating to each of the powers of the Committee, especially those that might be new or relate to the most significant issues.
  - b) The setting of an annual meeting schedule that takes into account, among other aspects, the meeting schedule of the Board of Directors and the General Meeting of Shareholders.
  - c) The planning of the training deemed appropriate for the proper performance of duties.
2. This planning shall take into account that the members of the Committee have responsibilities mainly of supervision and advice, and should not intervene in the performance or management of matters within the authority of the management and executive bodies of the company.

### **Article 16.- Meetings**

1. The Committee shall meet as often as necessary to perform its duties, at the Chairman's behest. Meetings shall also be held whenever at least two of the members so request.
2. The Chairman shall convene a meeting whenever the Board of Directors so requests.

### **Article 17.- Call to Meeting**

1. A call to meeting shall be issued by any means that ensures reception thereof by the members and shall be authorized by the signature of the Chairman or Secretary.
2. The call to meeting, except in the case of emergency meetings, shall be issued at least three days in advance and include the agenda of the meeting.
3. The Chairman shall draw up the agenda. Members of the Committee may ask the Chairman to include specific items, and the Chairman shall be obliged to include such items whenever requested to do so by at least two directors.
4. It will not be necessary to convene the Committee when all members are present and unanimously agree to hold a meeting.

### **Article 18.- Constitution**

1. The Committee shall meet at the place specified in the call to meeting.
2. The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.

3. The Chairman shall direct the proceedings and voting shall be by a show of hands.
4. In the event of absence, illness, or impossibility on the part of the Chairman or Secretary, the persons agreed upon by the attending directors shall preside over the meeting or act as Secretary.
5. The provisions of the Bylaws and Board of Directors Regulations with regard to written votes without a meeting and the holding of meetings via videoconference or conference calls shall be applicable to all Committee meetings.

#### **Article 19.- Agreements**

1. Agreements shall be adopted by the absolute majority of members present at the meeting.
2. The Committee's discussions and agreements must be recorded in minutes signed by the Secretary with the approval of the Chairman, or those standing in for them. The minutes shall be approved by the Committee at the end of the meeting or the beginning of the next one.

#### **Article 20.- Conflicts of interest**

When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

#### **Article 21.- Attendance**

Only at the request of the Chairman of the Committee, any member of the Board of Directors, manager or employee of the Company or the Group, experts, as well as any member of administrative bodies of investees, may attend the meetings, but they may not attend the decision-making portion of the meetings.

### **CHAPTER IV. RELATIONS OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE**

#### **Article 22.- Relations with the General Shareholders' Meeting**

The Committee shall draw up a report on its activities, which must be made available to the shareholders and investors, upon its approval by the Board of Directors when convening the Ordinary General Shareholders' Meeting.

#### **Article 23.- Relations with the Board of Directors.**

1. The Chairman of the Committee shall report to the Board of Directors regarding its activity at the first Board meeting held after each Committee meeting.

2. If bodies or persons appointed by the Board of Directors require the report or the proposal of the Committee for any decision to be adopted, the Committee can make it available to them.
3. The Committee shall make its best efforts submit to the Board of Directors, at least six business days before the meeting, all necessary documentation for the adopting of a decision. Exceptionally, information may be provided with a minimum period of at least three business days.
4. In addition, within the first three months following the end of each financial year of the Company, the Committee shall submit to the Board of Directors for approval a report on its work during the prior financial year, as provided in article 22 of these Regulations.

#### **Article 24.- Relations with companies of the Siemens Gamesa Group**

The Committee, within the legal limits and the context of coordination of the corporate interest of Siemens Gamesa and the companies comprising its Group, can ask the Chairman of the Board of Directors and the CEO, where appropriate, for information required to perform its duties in relation to directors and the top management of the companies comprising the Group. In particular, the Committee must be informed in advance of the appointment or removal of directors forming part of the Boards of Directors of non-listed companies within the Group.

#### **Article 25.- Relations with the Management of Siemens Gamesa and its Group**

1. The Committee, by way of its Chairman, can ask for information from and require the collaboration of any manager or employee of the Company and its Group. Therefore, managers or employees shall be obliged to attend Committee meetings and provide their collaboration and access to any information they have when required for this purpose.
2. In any event, the Chairman of the Committee shall inform the Chairman of the Board of Directors and the CEO, when applicable, concerning all requests to attend the Committee issued thereby.

### **CHAPTER V. CONSULTING**

#### **Article 26.- Consulting**

1. In order to be aided in the performance of their duties, the Committee may request the engagement of legal consultants or other experts.

### **CHAPTER VI. EVALUATION**

#### **Article 27.- Evaluation**

As part of the annual evaluation of the Board of Directors, the Committee shall evaluate its performance independently, in order to strengthen the operation thereof and improve planning for the next financial year.

For these purposes, it shall seek the opinion of the other directors, and shall obtain the assistance of an outside consultant if it so deems appropriate. Regardless of the procedure chosen, the Board of Directors shall be informed of the aspects evaluated and of the results of the evaluation, so that they may be taken into account in the annual evaluation of the Board of Directors.