

Report: Item Five on the Agenda

Report in connection with item five on the Agenda for the General Meeting of Shareholders regarding ratification of the appointment on an interim basis (co-option) and re-election of Mr Alberto Alonso Ureba as an independent non-executive director, prepared by the Board of Directors of “**Siemens Gamesa Renewable Energy, S.A.**”

At its meeting of 13 February 2018, the Board of Directors approved this report in connection with the proposed ratification and re-election of Mr Alberto Alonso Ureba as an independent non-executive director, included in item five on the Agenda for the General Meeting of Shareholders of “Siemens Gamesa Renewable Energy, S.A.”, which will be held in Zamudio (Biscay), at 12:00 on Friday 23 March 2018, on first call, or on Saturday 24 March 2018, at the same place and time, on second call.

1. Introduction

This report has been prepared by the Board of Directors of Siemens Gamesa Renewable Energy, S.A. (“**Siemens Gamesa**” or the “**Company**”) pursuant to the provisions of section 529 *decies* of the *Companies Act (Ley de Sociedades de Capital)* and also for the purposes of section 518.e) of such Act, in connection with the proposed ratification and re-election of Mr Alberto Alonso Ureba as a director.

This report assesses the professional and biographical profile of the candidate and the other information required by applicable law and by the Corporate Governance Rules.

2. Reasoned Proposal of the Appointments and Remuneration Committee

In compliance with section 529 *decies.4* of the *Companies Act* and with the Company’s Corporate Governance Rules, on 16 October 2017 the Appointments and Remuneration Committee of Siemens Gamesa (the “**Committee**”) issued a reasoned proposal regarding the appointment on an interim basis (co-option) by the Board of Mr Alberto Alonso Ureba as a member of the Board of Directors of the Company, with the classification of independent non-executive director.

In addition, on 7 February 2018 the Committee confirmed such reasoned proposal and, based thereon, issued the mandatory reasoned proposal for submission thereof to the shareholders at the General Meeting of Shareholders, regarding the ratification of the appointment on an interim basis (co-option) and the re-election of Mr Alberto Alonso Ureba as a director of the Company for the bylaw-mandated four-year term, maintaining the aforementioned classification.

3. Rationale for the Proposed Ratification and Re-election as a Member of the Board of Directors

The Committee verified that Mr Alberto Alonso Ureba met the requirements established by law and by the Company’s Corporate Governance Rules to hold the position of independent non-executive director on the Board of Directors; specifically, in the opinion of the Committee, the candidate met the requirements of proven respectability, expertise, competence and experience established in the Corporate Governance Rules of Siemens Gamesa.

The Committee verified that the candidate was not affected, either directly or indirectly, by any of the instances of disqualification from or prohibition against holding such office or by having interests that conflict with or are contrary to the corporate interest as set forth in provisions of a general nature or in the Corporate Governance Rules of Siemens Gamesa.

The candidate also confirmed his effective availability to provide the dedication required by the holding of such position.

In consideration of the foregoing, after analysing the profile of Mr Alberto Alonso Ureba in accordance with the Corporate Governance Rules and the needs of the Company, as well as the report issued by “PricewaterhouseCoopers Asesores de Negocios, S.L.” for his appointment on an interim basis (co-option), the Board of Directors adopts as its own the considerations of the Committee in connection with the proposed ratification and re-election of Mr Alberto Alonso Ureba as a director, with the classification of independent non-executive director.

4. Situation of the Board of Directors after the Proposed Ratification and Re-election

The ratification of the appointment and re-election as a director of Mr Alberto Alonso Ureba, who would continue to be classified as an independent non-executive director, would comply with the provisions of the Company's Corporate Governance Rules as regards the required proportion between executive and non-executive directors, because, if he is effectively ratified and re-elected, the proportion between executive and non-executive directors would continue to be 2 to 11, the latter representing a very ample majority of the Board.

After the ratification and re-election of Mr Alberto Alonso Ureba, 15.38% of the Board of Directors would continue to be made up of executive directors, and 84.62% of non-executive directors (46.15% being proprietary directors and 38.46% being independent directors).

The proportion of independent directors will thus continue to comply with recommendation number 17 of the *Good Governance Code of Listed Companies* of February 2015, insofar as it addresses large cap companies, taking into account that the Company currently has a shareholder that controls more than 30% of its share capital.

5. Professional and Biographical Profile of Mr Alberto Alonso Ureba

Mr Alberto Alonso Ureba is a practising lawyer and has been a professor of Commercial Law at Universidad Rey Juan Carlos since 1999. He has also been a professor at Universidad de Castilla-La Mancha, where he began teaching in 1988, and at Universidad Complutense de Madrid, where he began teaching in 1993.

The holder of a law degree and PhD in Law from Universidad Complutense de Madrid, Mr Alonso Ureba is currently a partner at the law firm Ramón y Cajal Abogados. Prior to holding this position, he led the corporate law practice at the Madrid office of the law firm Baker McKenzie. Mr Alberto Alonso Ureba is also a member of the General Codification Committee (*Comisión General de la Codificación*).

In addition to his long track record as a lawyer, Mr Alonso Ureba has many years of experience as a board member at top-ranking international companies. He has been a member of the Board of Directors of Endesa, S.A. and of Zeltia, S.A., on which he served from 1998 to 2007 and from 1998 to 2006, respectively.

6. Membership on Other Boards of Directors

Mr Alberto Alonso Ureba does not currently hold any positions on the Boards of Directors of other companies.

7. Category of Director to Which He Must Be Assigned

If his appointment on an interim basis (co-option) is ratified and his re-election is approved, Mr Alberto Alonso Ureba will continue to be assigned to the category of independent non-executive director, as all the requirements established for such purpose by the *Companies Act* and by the Corporate Governance Rules of Siemens Gamesa are complied with.

8. Date of His First Appointment as a Director of the Company and Positions He Holds on the Board of Directors

He was appointed as a director of the Company on an interim basis (co-option) by the Board of Directors on 20 October 2017, and he does not currently hold any internal position within the Board.

In addition, he is a member of the Audit, Compliance and Related Party Transactions Committee of the Company.

9. Shares of the Company and Derivative Financial Instruments Whose Underlying Assets Are Shares of the Company of Which He Is a Holder

Mr Alberto Alonso Ureba is not the direct or indirect holder of shares of the Company or of derivative financial instruments whose underlying assets are shares of the Company.

10. Proposed Resolution

The Board of Directors has concluded that the technical expertise and the experience of Mr Alberto Alonso Ureba warrant proposing to the shareholders at the General Meeting of Shareholders the ratification of his appointment on an interim basis (co-option) and his re-election as a member of the Board of Directors of the Company, with the classification of independent non-executive director.

The proposed resolution submitted to the shareholders for approval at the General Meeting of Shareholders reads as follows:

“Item Five on the Agenda: “Ratification of the appointment on an interim basis (co-option) and re-election of Mr Alberto Alonso Ureba as a director of Siemens Gamesa Renewable Energy, Sociedad Anónima, with the classification of independent non-executive director, for the bylaw-mandated four-year term.”

To ratify the appointment of Mr Alberto Alonso Ureba as a director, appointed on an interim basis (co-option) by resolution of the Board of Directors dated 20 October 2017, and to re-elect him, after a reasoned proposal of the Appointments and Remuneration Committee, for the bylaw-mandated four-year term, with the classification of independent non-executive director.”

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