

Annual Report on Remuneration of Directors

of Listed Companies

2019



ISSUER IDENTIFICATION

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Company Name: SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Registered Office: PARQUE TECNOLÓGICO DE BIZKAIA, EDIFICIO 222, 48170 ZAMUDIO (VIZCAYA)

2 NOTICE:

i) The present document is a translation of a duly approved document in Spanish- language, and it is only provided for informational purposes. Shall a discrepancy between the present translation and the original document in Spanish- language appear, the text of the original Spanish-language document shall always prevail.

ii) Due to rounding, numbers presented throughout this Annual Report on Remuneration of Directors may not adjust precisely to the numbers or total amounts, or to those provided in other related documents and percentages may not precisely reflect absolute figures.

A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1. Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting.

At any event, the following aspects should be reported:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

1. Current director remuneration policy applicable to the year in progress.

The policy of remuneration of directors of Siemens Gamesa Renewable Energy, S.A. ("Siemens Gamesa" or the "Company"), approved with the favourable vote of 98.35% of the shareholders at the General Meeting of Shareholders held on 27 March 2019 (the "Remuneration Policy" or the "Policy") is the Policy applicable during the financial years ended on September 2019, September 2020 and September 2021 (the financial year of Siemens Gamesa starts on October 1st of each year and ends on September 30th of the immediate following year).

The Policy of Remuneration of Directors of Siemens Gamesa is based on the following general principles:

- a) Balance and prudence.
- b) Alignment with the practices demanded by shareholders and investors.

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- c) Transparency.
- d) Competitiveness of the remuneration policy, both as to structure and overall amount, in order to attract, motivate and retain key professionals.
- e) Alignment with the strategic objectives of the Company.
- f) External fairness: alignment with the remuneration established by comparable companies.
- g) Internal fairness: remuneration practices guarantee non-discrimination on the basis of gender, age, culture, religion or race.
- h) Relation to actual dedication to the position.
- i) Link to responsibility and development of duties as directors.
- j) No variable components of remuneration for non-executive directors for the sake of their total independence regarding the remuneration of the executive director and senior management.
- k) Incentivising nature without constraining independence.
- l) Maintenance of a reasonable balance among the various components of fixed (short-term) and variable (annual and long-term) remuneration for those executive directors with variable components that reflects an appropriate assumption of risks combined with the achievement of defined objectives, linked to the sustainable creation of value.

The Remuneration Policy to apply during financial year 2020 is therefore the one approved at the General Meeting of Shareholders from 2019 containing the principles and foundations described above, which are consistent with the Company's corporate governance policy.

2. Specific determinations for both the remuneration of directors in their capacity as such and for the performance of executive duties

In relation with specific determinations, both of the remuneration of directors in their capacity as such and for the performance of their executive duties, the Appointments and Remuneration Committee (the "ARC") and the Board of Directors of Siemens Gamesa will apply the provisions of the Remuneration Policy during the current financial year on the strict terms approved by the shareholders at the General Meeting of Shareholders.

Specifically, the application of the Policy's principles regarding the director remuneration system of Siemens Gamesa means the following for financial year 2020:

For non-executive directors

- a) Non-executive directors will be paid a fixed annual allotment for belonging to the Board of Directors and, if applicable, an additional fixed remuneration for belonging to or chairing the committees of the Board of Directors (the "Committees").
- b) The non-executive directors of Siemens Gamesa may receive attendance fees for attending meetings of the Board of Directors and of its Committees.
- c) In addition to the above amounts, if a lead independent director (*consejero coordinador*) (the "Lead Independent Director") is appointed during the current financial year, this person may receive an additional cash allotment in order to suitably remunerate the additional dedication required by the position.
- d) The non-executive chair (the "Chair") of the Board of Directors will only receive a specific fixed cash allotment, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.

Although no director holds the position of vice chair (the "Vice Chair") of the Board of Directors as at the date of preparation of this Annual Report on Remuneration (the "Report"), if an appointment is made to fill this position during the financial year, the remunerative structure for the position would not be different from that of the Chair.

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- e) Non-executive directors may receive premiums paid by the Company for policies purchased from insurance companies to cover death and disability.

For executive directors

- a) The legal counsel/secretary/member of the Board of Directors (executive director) will receive specific fixed cash remuneration for his duties as legal counsel/secretary/member of the Board of Directors and for any duties as secretary within the Committees, in addition to the remuneration to which he is entitled as a member of the Board of Directors as set forth in a), b) and e) above.
- b) In accordance with the Remuneration Policy and as described in his contract, the remuneration of the Company's CEO (*consejero delegado*) (the "CEO") includes the following elements of remuneration: (i) fixed remuneration in cash, (ii) annual variable remuneration and long-term variable remuneration, (iii) remuneration in kind, (iv) long-term savings schemes, and (v) post-contractual non-competition indemnification and agreements. The CEO will not receive the remuneration applicable to the other directors or fees for attending meetings of the Board of Directors, so the CEO's remuneration is limited to the items described above.

Pursuant to article 45.3 of the By-Laws of Siemens Gamesa (the "By-Laws"), the shareholders acting at the General Meeting of Shareholders held on 8 May 2015 approved a maximum limit of 3 million euros to be paid by the Company to the group of directors in their capacity as such, and this limit has remained unchanged since then. The Company does not consider to present the amendment of said limit to the 2020 General Meeting of Shareholders.

This remuneration is compatible with and independent of the provisions for members of the Board of Directors who perform executive duties.

3. Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.

The bodies that participate in the configuration of the Remuneration Policy are the Board of Directors and the ARC, while pursuant to article 14 of the By-Laws of Siemens Gamesa, the shareholders acting at a General Meeting have the power to approve and amend the Policy of Remuneration of Directors, in accordance with applicable law.

In fact, as provided by the By-Laws and the current Regulations of the Board (the "Board Regulations") in accordance with the Corporate Enterprises Act (*Ley de Sociedades de Capital*) ("LSC"), the Company's Board of Directors makes the following decisions regarding the Remuneration Policy:

- The making of decisions regarding the remuneration of directors, within the framework of the by-laws and any Remuneration Policy approved by the shareholders at a General Meeting.
- Approval of the terms and conditions of the contracts of directors with executive duties.
- Setting the remuneration of directors for the performance of executive duties.

Pursuant to the regulations of the ARC (the "ARC Regulations"), apart from the duties determined by the LSC, the ARC shall have the following powers in relation to remuneration of the directors:

- a) To report on the Policy of Remuneration of Directors on occasion of the proposal thereof by the Board of Directors to the shareholders at the General Meeting of Shareholders.
- b) To propose to the Board of Directors the system and amount of annual remuneration of the directors (within the limit set by the shareholders at the General Meeting of Shareholders), of the Business CEOs 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 the individual remuneration and the other basic terms of the contracts of the executive directors, including any compensation or severance payable in the event of termination of the contractual relationship.

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c) To report, among others, on:

- The proposal of the CEO regarding the basic terms of the contracts of top management, and particularly regarding the structure and amount of their remuneration, including any compensation or severance payable in the event of termination of the contractual relationship, submitting such proposal to the Board of Directors. In the assessment of the variable components the ARC will in detail evaluate the fulfilment level of the elaborated criteria and objectives for its achievement.
- Multi-annual general incentive systems and pension supplements.
- Remuneration systems based on the listing price of the shares or which involve the delivery of shares or of option rights therein for directors, members of Top Management and other employees of the Company.
- Documents to be approved by the Board of Directors for general dissemination regarding information on remuneration.

d) To endeavour to ensure compliance with the Policy of Remuneration of Directors and annually review the suitability and results thereof, reporting to the Board of Directors on the results of such review.

Additionally, the ARC proposes the Annual Report on Remuneration of Directors for approval by the Board of Directors and subsequent submission to a consultative vote of the shareholders at the General Meeting of Shareholders.

The ARC shall be composed of a minimum of three and a maximum of five non-executive directors, at least two of whom must be independent directors. The members of this Committee are appointed while endeavouring to ensure that they have the right knowledge and experience for the functions they are called on to discharge.

As at the date of preparation of this Report, the composition of the ARC is as follows:

Director	Position	Class
Mr Andoni Cendoya Aranzamendi	Chair	Independent
Ms Mariel von Schumann	Member	Proprietary
Mr Rudolf Krämmer	Member	Independent
Mr Klaus Rosenfeld	Member	Independent
Mr Pedro Azagra Blázquez	Member	Proprietary

In addition, Mr Carlos Rodríguez-Quiroga Menéndez holds the position of non-member secretary of the ARC.

Siemens Gamesa's ARC meets as often as necessary to perform its duties, at the Chairman's behest, at least three times per year. It will also meet when so requested by (i) at least two of its members, and (ii) whenever the Board of Directors so requests.

Resolutions are adopted by an absolute majority of the members present at the meeting of the ARC.

The ARC has met on 2 occasions during financial year 2020 until the date of preparation of this report.

4. Comparable companies for establishing the company's remuneration policy

The Board of Directors must ensure that the remuneration of its members, which must always be based on the general principles upon which the Remuneration Policy is based, is consistent with what is paid in the market at comparable entities.

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The general principles that inspire Siemens Gamesa's Remuneration Policy contemplate, among other things, competitiveness in terms of both remuneration structure and amounts in order to attract, motivate and retain key professionals, and external fairness in order to achieve alignment with the remuneration established by comparable companies.

Siemens Gamesa's Remuneration Policy thus endeavours to ensure that the remuneration of its directors is consistent with the remuneration trends and benchmarks followed by companies that are comparable in size, activities or structure, such that they are aligned with best market practices.

In this regard, Siemens Gamesa has been using different remuneration studies prepared by various external consultants in order to understand trends in the remuneration of directors and members of top management for purposes of the design and subsequent application of the Company's remuneration policy. The segmentation standards used to determine the group of comparable companies of the various studies used by the Company along these lines have been the following, among others: stock market capitalisation, listed companies (i.e. Ibex-35 and European indices), business sector similar or comparable to that of Siemens Gamesa, and with an international or global scope in doing business.

Specifically, the companies selected as comparable companies included in both the remuneration studies performed for the Board and for the members of Top Management have been the following, among others: ACS, Amadeus, Naturgy, Grifols, Banco Sabadell, Bankia, Bankinter, Ferrovial, IAG, Mapfre, Red Eléctrica, Centrica, National Grid, Vestas Wind Systems, Schaeffler, GKN, Schindler, Acciona, Sandvik, Nexans, Legrand, NCC, Osram Licht, Veolia, Heidelbergcement, Alfa Laval and SKF.

5. Information on whether any external advisors took part in this process and, if so, their identity

Garrigues Human Capital Services ("Garrigues") has provided external advice to the Company in relation with (i) the definition and application of the Remuneration Policy approved by the shareholders at the General Meeting of Shareholders for financial year 2019, (ii) the design and effective implementation of the 2018-2020 Long-Term Incentive Plan, as well as (iii) the modification of the FY2019 and FY2020 Cycles of the Plan and the alignment thereof with the recommendations of the proxy advisors, and (iv) the analysis of the current remuneration trends for directors of Spanish and international listed companies.

Furthermore, the Company has taken account of a report of the remuneration consultant Mercer regarding European practice (Stoxx All Europe 100 and Ibex35) in the analysis of the external competitiveness of the total remuneration of the top management and emerging trends in corporate governance and proxy advisors' and institutional investors' recommendations,

- Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures to guarantee that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures to avoid conflict of interest, as the case may be.

Furthermore, state whether the company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or if any clause exists reducing the deferred remuneration or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have clearly been shown to be inaccurate has been agreed.

6. Relative significance of the variable items of remuneration as compared to fixed items (remunerative mix)

As provided by the Remuneration Policy, only the CEO, as executive director, will participate in variable remuneration systems¹. This complies with Recommendation 57 of the Good Governance Code of Listed Companies ("GGCLC") of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("CNMV"), pursuant to which variable remuneration should be limited to the executive directors.

The system of remuneration for the CEO contemplates a variable component intended to encourage his commitment to the Company and its strategic plan, linking his remuneration to the creation of value for shareholders as well as the sustainable achievement of strategic objectives, such that it is aligned with best remuneration practices.

The Company's intent is to configure competitive remuneration packages that allow for the attraction and retention of top professionals, while establishing a link between remuneration, results and objectives for the Company and the Siemens Gamesa group of companies (the "Group").

The variable remuneration system is defined on an annual basis based on formal procedures for determining the amounts to pay to the CEO. The objectives are set in advance and the achievement thereof is based on the results obtained and approved by the Board of Directors.

The variable remuneration system for the CEO currently includes two variable components: (i) annual variable remuneration, and (ii) long-term variable remuneration.

This variable remuneration system is completely flexible and is appropriately responsive to the results achieved. The relative importance of the variable remuneration of the CEO is due to the fact that, when combined with the annual variable remuneration and long-term variable remuneration based on the level of achievement of the objectives established for the accrual thereof, they could be more significant than the fixed components of remuneration.

The determination of the variable remuneration for the CEO is linked to the achievement of a combination of specific, predetermined and quantifiable qualitative and quantitative objectives that are aligned with the corporate interest and in line with the strategic plan of Siemens Gamesa, as well as the results of the Company.

Specifically, the following is taken into account to determine the relative importance of the variable remuneration items compared to the fixed items ("Remunerative Mix"):

- fixed remuneration in cash amounting for 2020 to 717,500 euros,
- annual variable remuneration amounting to 717,500 euros for achieving 100% of the pre-established goals, with the possibility of increasing said amount to a maximum of 200% in the case of extraordinary performance and maximum over-performance of the pre-established objectives, for which the maximum amount would increase to 1,435,000 euros, and
- long-term variable remuneration of up to 350,977 shares², which is the maximum number of shares to which the CEO would be entitled in case of over-performance of the objectives to which are linked the three cycles ("Cycles") of the Long-Term Incentive Plan for the period from 2018 to 2020 (the "Plan", the "Incentive Plan" or the "2018-2020 Incentive Plan") approved by the shareholders at the General Meeting in financial year 2018 and subsequently amended at the General Meeting in financial year 2019. This figure has been calculated as the sum of the maximum number of shares that could be received by the CEO in relation with the FY2018, FY2019 and FY2020 Cycles, which are 82,000, 124,777 and 144,200 shares, respectively. Without prejudice to the foregoing, the number of stock awards (the "Stock Awards")³ granted to the CEO is 56,180 for the FY2018 Cycle, 124,777 for the FY2019 Cycle and 114,161 for the Cycle FY2020, respectively, which represents the maximum potential number of shares that the CEO could receive in case of maximum achievement of all of the pre-established objectives for these Cycles.

¹ The remuneration policy for the legal counsel/secretary/member of the Board of Directors does not contemplate variable remuneration for the performance of the executive duties thereof.

² The shareholders acting at the General Meeting of Shareholders in 2019 approved an increase in the maximum number of shares that the CEO could receive within the FY2019 and FY2020 Cycles.

³ It shall be remarked that no share has been yet delivered to the CEO by virtue of any of the Cycles of the Plan and that the previous figures only reflect the potential maximum amount of shares to be delivered in case of maximum fulfilment of all objectives.

The “target” amount for the long-term variable remuneration numbers for each of its Cycles to 100% of the fixed remuneration. For Cycles FY2019 and FY2020, and according to the agreement of the General Meeting of Shareholders of 2019 that amended the Plan, this remuneration can reach up to a maximum of 200%.

Nevertheless, the value of the shares to be delivered to the CEO, derived from each Cycle of the Plan, may not exceed in any case the lowest of the following amounts: (i) three times the target Incentive assigned on each Cycle of the Plan or (ii) the result of multiplying by 1.7 the sum of the fixed remuneration in cash, the variable annual remuneration and the target Incentive assigned on each Cycle of the Plan. In any event, the CEO must hold⁴ any shares received under the 2018-2020 Incentive Plan equal to two times his annual fixed remuneration for the FY2018 Cycle and two and one-half times his annual fixed remuneration for the FY2019 and FY2020 Cycles.

For purposes of calculating the long-term variable remuneration for the 2018-2020 period, it is taken into account (i) that this remuneration is linked to a three-year measurement period, and (ii) that it is linked to the achievement of certain requirements for each of the Cycles making up the Plan.

As regards the “remunerative mix” of the CEO, the annual “target” variable short-term and long-term remuneration of the CEO represents 66.6% of his annual total remuneration (sum of annual fixed remuneration, short-term variable remuneration and annualised long-term remuneration, excluding amounts corresponding to long-term savings systems and benefits).

7. Actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the company, accrual period and deferred payment period

The remunerative principles of the Remuneration Policy comply with the provisions of the LSC for capital enterprises and are in line with the principles and recommendations on director remuneration contained in the GGCLC published by the CNMV regarding alignment to the company’s size, its economic situation, comparability, profitability and sustainability, as well as the avoidance of excessive risk-taking or rewarding poor performance.

Siemens Gamesa applies the following practices in this regard:

- Regularly rely on external assistance.
- Defer the receipt of a significant portion of the remuneration of the CEO.
- Deliver a significant portion of the remuneration of the CEO in shares of the Company.
- Establish malus and clawback clauses applicable to variable remuneration.
- Regularly review the alignment of total remuneration with that of comparable companies.
- In the case of the CEO, link the payment of a significant portion of the remuneration to the economic/financial results of the Company.

The measures to determine appropriate risk management and to promote the sustainability of Siemens Gamesa’s results are the following:

Annual variable remuneration:

- There is no right to obtain guaranteed short-term variable remuneration, to the extent that there is a threshold of minimum compliance with objective below which such remuneration will not be paid.
- Annual variable remuneration has a set maximum payment amount.
- A variable remuneration system is defined on an annual basis based on formal procedures for determining the amounts to pay to the CEO. The payment is linked to the achievement of a combination of specific, predetermined and quantifiable qualitative and quantitative objectives that are aligned with the corporate interest and in line with the strategic plan of Siemens Gamesa, as well as the results of the Company.

⁴ In the current Remuneration Policy, which was approved by the shareholders at the General Meeting of Shareholders held in 2019 and is applicable as from the financial year beginning on 1 October 2018, the Company included a change regarding the standard for holding shares received under the long-term incentive plans.

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- At the beginning of each financial year, the ARC reviews the terms of the annual variable remuneration system applicable to the CEO, including the structure, achievement scales, established objectives and weight of each of them, based on the strategy of the Company and the needs and status of the business. This review is then submitted to the Board of Directors for approval.
- The annual variable remuneration system contemplates the relevant “malus” clauses, which will apply during the term thereof until payment, and clawback clauses.

Long-term variable remuneration based on long-term incentive plans:

- There is no right to obtain guaranteed long-term variable remuneration, to the extent that below a minimum level of achievement of the objectives of the metrics to be determined for each Cycle by the Board of Directors, after a report from the ARC, no incentive will be paid.
- Long-term variable remuneration has a set maximum payment amount. In addition, the value of the shares to be received by the CEO deriving from each of the Cycles of the Plan cannot exceed a certain amount.
- It is linked to the achievement of a combination of specific, predetermined and quantifiable quantitative and qualitative objectives. The weightings of the objectives will be determined by the Board of Directors for each of the Cycles of the Plan, upon a favourable report of the ARC.
- Pursuant to Recommendation 62 of the GGCLC of the CNMV, any shares delivered to the CEO under the Plan will be subject to a holding period until reaching a number of shares equal to (i) two times the annual fixed remuneration for the FY2018 Cycle, and (ii) two and one-half times the annual fixed remuneration for the FY2019 and FY2020 Cycles.
- The Plan contemplates the relevant “malus” clauses, which will apply during the term thereof until payment, and clawback clauses, which will apply for three years following the end of each Cycle of the Plan.

The ARC will have the power to propose to the Board of Directors, the cancellation, reduction or return of the payment of multi-annual variable remuneration in supervening circumstances showing that the variable remuneration has accrued or been paid based on incorrect or erroneous information or data, or if it is subsequently shown that there are violations of the Company’s internal rules or applicable law.

Specifically, the application of the foregoing provisions could take place upon the occurrence of any of the following circumstances: (i) regulatory sanctions or court judgements for acts attributable to the director, (ii) serious violation of the Company’s approved internal codes of conduct or policies, (iii) any other circumstances requiring a subsequent correction of the parameters taken into consideration in the initial evaluation of the percentage compliance with the objective of the CEO, or (iv) any other situation involving a breach of mandatory rules of the Company.

The ARC may propose to the Board of Directors adjustments regarding the elements, standards, thresholds and limits of multi-annual variable remuneration in the event of exceptional circumstances arising from extraordinary factors or events, whether internal or external.

- Amount and nature of fixed components that are due to be accrued during the year by directors in their status as such.

8. Amount and nature of fixed components that are due to be accrued during the year by directors

Fixed remuneration of directors in their capacity as such:

The shareholders acting at a General Meeting of Shareholders set the annual allotment that can be paid by the Company to all of its directors for their status as such, and the Board of Directors is responsible for distributing this amount among the various directors in the manner, time and proportion that it freely decides, and may reduce the amount if it so deems appropriate.

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For these purposes, the shareholders acting at the General Meeting of Shareholders held on 8 May 2015 approved remuneration for the directors in their capacity as such, within the annual maximum limit of 3 million euros. This limit will remain in effect for so long as the shareholders do not resolve to change it. Pursuant to article 29 of the Regulations of the Board of Directors, the executive directors are excluded from said maximum limit. The Company does not consider to present the amendment of said limit to the 2020 General Meeting of Shareholders.

Of such amount, the breakdown of fixed remuneration by position and responsibilities attributed to the directors approved by the Board of Directors for financial year 2020, which is unchanged from financial year 2019, is the following:

- a) Chair of the Board of Directors: 250,000 euros, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.
- b) Vice Chair of the Board of Directors (none currently existing): 150,000 euros, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.
- c) Non-executive directors: 80,000 euros.
- d) Lead Independent Director (none currently existing): additional 20,000 euros.
- e) Additional remuneration for belonging to the various Committees:

	Audit, Compliance and Related Party Transactions Committee	Other Committees of the Board of Directors
Chair	80,000 euros	60,000 euros
Member	60,000 euros	40,000 euros

- f) Fees for attending meetings of the Board of Directors and of its Committees:

	Board of Directors	Committees of the Board of Directors
Chair	2,000 euros per meeting	3,800 euros per meeting
Member	2,000 euros per meeting	2,000 euros per meeting

All of the amounts are established for the personal on-site presence of the director. In the case of attendance by video-conference or other remote means of communication, the corresponding attendance fee would be 50% of the above amounts. If a proxy is granted, the right to the attendance fee would not accrue.

In addition, directors in their capacity as such are entitled to the remuneration in kind set forth in sub-section 10 as fixed components of their remuneration.

The amounts are accrued proportionally to the time the position is held.

According to the CNMV Report called "Remuneration Reports of directors of listed companies-Fiscal year 2018" ("CNMV Report"), the sum of the fixed remuneration, allowances, and remuneration for membership to Board's committees for non-executive directors reaches a total of 195,000 euros for the 75 percentile (100,000 euros of fixed remuneration, 35,000 euros of allowances and 60,000 euros of remuneration for membership to Board's committees). Therefore, the remuneration of the non-executive directors of the Company is aligned with the data published by the CNMV for fiscal year 2018, in the 75 percentile.

Three directors of Siemens Gamesa, who hold positions on the Board of Directors of SIEMENS AG, waived the receipt of the amounts indicated above and therefore do not receive any remuneration.

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- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

9. Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

The executive directors receive annual fixed remuneration in cash for the performance of executive duties. The amount of the fixed remuneration of the executive directors is established by the Board of Directors, upon a proposal of the ARC, in a manner consistent with the level of responsibility within the organisation, trying to be competitive with other comparable entities, thus favouring the retention of key professionals, and can be revised annually taking into account the circumstances of each financial year of the Company.

The Board of Directors currently has two executive directors: the CEO and the legal counsel/secretary/member of the Board of Directors.

According to the provision included in the current Remuneration Policy, the Board of Directors has decided to update the fixed remuneration of the Company's CEO for fiscal year 2020, within the maximum limit of 3% initially included in the aforementioned Policy.

The annual fixed remuneration in cash of the CEO during financial year 2020 will thus amount to 717,500 euros.

For the performance of executive duties, the Company also makes Social Security payments and he is entitled to the benefits set forth in sub-section 10.

Within the provision included in the Remuneration Policy regarding the update of the fixed remuneration of the legal counsel/secretary/member of the Board of Directors, the Board of Directors has likewise approved to update his annual fixed remuneration in cash for financial year 2020, amounting to 256,250 euros.

He will also receive an additional 50,000 euros for the duties of secretary that he provides for each Committee of Siemens Gamesa (currently only for the ARC). He will also receive any remuneration to which he is entitled as a member of the Board of Directors pursuant to the provisions of sub-section 8 above.

The update of the CEO's fixed remuneration has been proposed by the ARC to the Company's Board of Directors under the Remuneration Policy, as no update has taken place in his fixed remuneration since May 2017, date of his appointment as CEO. The update has been made taking into account the evolution of the General National Index of Consumer Prices (base CPI system 2016) from May 2017 to October 2019. Although the price increase in that period has risen to 3.1%, with a criterion of maximum caution, and taking into account that the Remuneration Policy allows a maximum update of 3%, the agreed update was 2.5%. This same criterion is the one used to update the fixed remuneration of the legal counsel/secretary/member of the Board of Directors.

- Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

10. Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director

The Remuneration Policy contemplates certain remuneration in kind for the following items:

For the CEO

- i) Use of a Company vehicle:

The Company gives the CEO the right to use a vehicle in accordance with the policy followed for top executives.

- ii) Health and casualty insurance:

The CEO is the beneficiary of health and casualty insurance.

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iii) Contributions for pension supplements through group life insurance:

This is a defined contribution plan that covers retirement, disability, death, addiction of the participant and exceptional liquidity situations (long-term unemployment, serious illness, etc.). The benefit consists of the right to receive cumulative contributions made on his behalf by the Company plus the returns generated as a result of the occurrence of any of the covered contingencies.

In case of the CEO's cessation in office with the Company for reasons other than the covered contingencies, the CEO will have the right to all of the accumulated balance, unless the termination of the contractual relationship occurs for any of the following reasons: (i) criminal conviction or regulatory penalty on grounds attributable to the participant; (ii) serious violation of the internal rules of Siemens Gamesa or of the Group, and (iii) wilful or grossly negligent conduct of the CEO in the performance of his duties.

The receipt of any compensation to which the CEO may be entitled due to the termination of his contractual relationship with the Company will be compatible with the recognition of the accumulated balance in the long-term savings system.

For financial year 2020, the annual contribution will amount to 166,500 euros. This amount represents 23.2% of his fixed annual remuneration of the CEO. This amount, as already mentioned in the annual report on remuneration of directors for fiscal year 2018, is at the low market range for this position, according to the last analysis requested by the Company for such purpose to an external consultant. However, this amount will be subject to potential updates to the extent recommended by market circumstances, so that any increase will take into account the financial status of the Company and market standards with comparable companies obtained through a comparative analysis made by specialised outside consultants.

For all directors

i) Life insurance:

Directors may receive premiums paid by the Company for policies purchased from insurance companies to cover death and disability benefits.

Pursuant to the terms of the policy, the sum insured for each of the directors is 220,000 euros.

Without prejudice to the foregoing, the Remuneration Policy does not provide for the ability to include contributions to pension benefits systems for the non-executive directors.

ii) Civil liability insurance:

This is insurance covering all of the directors for civil liability arising from the performance of their duties, on standard market terms and provided by the Company itself.

- Amount and nature of variable components, differentiating between those established in the short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

11. Amount and nature of variable components, differentiating between those established in the short and long term

The CEO is the only director with a variable component in his system of remuneration.

**Remuneration policy of the company
for the current financial year**

As mentioned in sub-section 6 above, the variable remuneration system for the CEO currently includes two variable components linked to the achievement of specific and quantifiable objectives that are aligned with the corporate interest of Siemens Gamesa.

The Board of Directors, upon a proposal of the ARC, is responsible for setting these objectives for each financial year and for evaluating the level of achievement thereof at the end of the year.

The specific standards and objectives set for 2020 that are taken into account for determining the annual and long-term variable remuneration are the following:

Annual variable remuneration:

The annual variable remuneration of the CEO represents a percentage of his annual fixed remuneration, calculated based on the achievement of a combination of predetermined and quantifiable quantitative and qualitative objectives, and is paid entirely in cash.

This remuneration is determined pursuant to an achievement scale calculated based on 100% of annual fixed remuneration (if 100% of the pre-established objectives are met), and can reach a maximum amount of 200% (in the case of extraordinary performance and maximum over-performance of the pre-established objectives). It also includes a threshold below which no incentive at all is paid.

The parameters used by Siemens Gamesa for calculating short-term remuneration are internal and are based on quantitative financial indicators, just like those most frequently used by listed companies, in accordance with the CNMV Report, and a non-financial indicator in compliance with Recommendation 58 of the CNMV's GGCLC.

At the beginning of each financial year, the ARC will review the terms of the variable remuneration system of the CEO, and specifically the maximum levels of remuneration, the established objectives and the weight of each of them, based on the strategy of the Company and the needs and status of the business. This review will then be submitted for the approval of the Board of Directors.

The level of achievement is determined based on indicators for achievement of the business and financial objectives of the Company and of the Group.

As regards financial year 2020, the standards, weighting and minimum compliance threshold for each of them, which are taken into account for determining the short-term variable remuneration of the CEO, will be the following:

- EBIT pre-PPA, I&R with a weighting of 30% and a minimum 85% achievement of the objective.
- Free cash flow, (before interests and taxes) with a weighting of 30% and a minimum 67% achievement of the objective.
- Order entry, with a weighting of 30% and a minimum 85.15% achievement of the objective.
- Corporate social responsibility objective: health and safety, with a weighting of 10% and a minimum objective of achievement that approves the Board of Directors each year, below which no variable remuneration linked to the achievement of this objective will be accrued.

The Board of Directors, upon a proposal of the ARC, is responsible for evaluating the level of achievement of the objectives to which the variable remuneration is linked, after validation thereof by the Internal Audit function.

Annual variable remuneration is paid in arrears, for which reason the annual variable remuneration for financial year 2020 will be paid in financial year 2021.

Long-term variable remuneration:

The Company also has an Incentive Plan linked to achievement of long-term strategic objectives in order to retain the CEO and incentivise his motivation, thus maximising the value of Siemens Gamesa on a sustained basis over time.

Remuneration policy of the company
for the current financial year

The shareholders acting at the General Meeting of Shareholders held on 23 March 2018 approved the Long-Term Incentive Plan for the 2018-2020 period, which is mainly intended to align the interests of the beneficiaries with the interests of the Company's shareholders and to offer an incentive to them for achievement of the strategic objectives of the Company for the 2018-2020 period. Without prejudice to the foregoing, as a result of profound reflection regarding the remuneration model for the senior management of Siemens Gamesa, the Board of Directors, following a report of the ARC, believed it to be advisable to modify certain aspects of the 2018-2020 Incentive Plan to continue adjusting the characteristics thereof to the new reality of Siemens Gamesa after the merger process. In this regard, at the General Meeting of Shareholders held on 27 March 2019, the shareholders approved the following amendments to the 2018-2020 Incentive Plan for the FY2019 and FY2020 Cycles are the following:

- i. Deletion of "benefit per share" as objective.
- ii. Definition of the objective "commitment of the employees".
- iii. Amendment of the comparison group of the "total shareholder's return" ratio.
- iv. Raise of the maximum limit of shares to be received in virtue of the Plan in case of overperformance of the objectives.
- v. Increase of the holding period for the shares delivered in virtue of the Plan.
- vi. Definition of the share price to determine the number of Stock Awards to be assigned as a consequence of being part in those Cycles.

The general characteristics of the Plan are as follows:

- Beneficiaries: includes the CEO, Top Management, certain Senior Managers and employees of the Siemens Gamesa Group, directed towards a maximum of 300 beneficiaries. In accordance with the Policy of the Company, no other member of the Board of Directors is a beneficiary of the Plan.
- Duration, dates and terms: the Plan has a duration of five years, divided into three independent Cycles, with a measurement period of three years for each Cycle (in which the level of achievement of the requirements and objectives established for the delivery of the shares will be determined):
 - FY2018 Cycle: from 1 October 2017 to 30 September 2020.
 - FY2019 Cycle: from 1 October 2018 to 30 September 2021.
 - FY2020 Cycle: from 1 October 2019 to 30 September 2022.

Shares will be delivered, if at all, within sixty calendar days from the date on which the Company's Board of Directors formulates the annual accounts for the financial year in order to determine the level of achievement of the objectives for each Cycle ("Delivery Date").

The Plan will end on the Delivery Date for the FY2020 Cycle (i.e. after the formulation of the accounts for financial year 2022).

- Permanence requirement: a general requirement for collecting the incentive is the maintenance of an active relationship with the Siemens Gamesa Group on the respective Delivery Dates for each Cycle, without prejudice to the Plan's Regulations governing specific cases of partial interruptions in the provision of services and terminations of employment relationships for "good leavers".
- Assignment of Stock Awards: for each Cycle of the Plan, the Company will allocate a certain amount to each beneficiary to serve as the basis for granting a certain number of Stock Awards that will serve as a reference to determine the final number of shares to be delivered to each beneficiary based on the level of achievement of the objectives established for each Cycle of the Plan.

The number of Stock Awards granted to the CEO was 56,180 for the Cycle FY2018, 124,777 for the Cycle FY2019 and 114,161 for the Cycle FY2020, respectively. These figures only reflect the maximum potential number of shares to be received by the CEO in the case of maximum achievement of all the pre-established objectives for such Cycles, but does not in any way mean that some or all of them will be delivered. The number of shares (if any) ultimately delivered will be calculated based on the level of actual achievement of the objectives to which the delivery is subject. At the date of submission of this report no share has been yet delivered to the CEO by virtue of any of the Cycles of the Plan.

Remuneration policy of the company
for the current financial year

In line with the foregoing, section C.1.a).ii) of this Report provides an individualised breakdown of the Stock Awards given to the CEO during the FY2019 Cycle, which would give the right, if applicable, to the delivery of a number of shares after the passage of three-year objectives measurement period.

- Objectives, weightings and levels of achievement for the FY2018 Cycle:
 - Earnings per share (“EPS”) Ratio, with a weighting of 45%.
 - Relative Total Shareholder Return (“TSR”) Ratio of Siemens Gamesa compared to the TSR of companies in the comparison group, with a weighting of 45%.
 - Corporate Social Responsibility (“CSR”) Ratio, based on the presence of the Company on three international indices, with a weighting of 10%.

Metrics	Level of achievement							
	% achievement	Payment	% achievement	Payment	% achievement (Target)	Payment	% achievement	Payment (Maximum)
EPS Ratio	<80%	0%	80%	50%	100%	100%	>120%	150%
TSR Ratio	<100%	0%	100%	50%	120%	100%	>140%	150%
CSR (presence on 3 indices)	Presence on 1 index or no presence	0%	Presence on 2 indices	50%	Presence on 3 indices	100%		

- Objectives, weightings and levels of achievement for the FY2019 and FY2020 Cycles:
 - TSR Ratio of Siemens Gamesa compared to the ISE Clean Edge Global Wind Energy Index, with a weighting of 40%.
 - TSR Ratio of Siemens Gamesa compared to the TSR of the company Vestas Wind System A/S, with a weighting of 40%.
 - Corporate Social Responsibility, with a weighting of 20%, which will be calculated taking into account the following three indicators, which will have an equal weighting:
 - Sustainability, linked to the position reached by the Company on the Dow Jones Sustainability Index.
 - Net Promoter Score.
 - Employee Engagement.

Metrics	Level of achievement							
	% achievement	Payment	% achievement	Payment	% achievement (Target)	Payment	% achievement	Payment (Maximum)
TSR Ratio vs. Index	<80%	0%	> 80% < 100%	> 0% < 100%	100%	100%	>120%	200%
TSR Ratio vs. Vestas	<90%	0%	90%	50%	100%	100%	>120%	200%

Remuneration policy of the company
for the current financial year

Metrics	Level of achievement											
	% achievement	Payment	% achievement	Payment	% achievement	Payment	% achievement (Target)	Payment	% achievement	Payment	% achievement	Payment (Maximum)
CSR (3 indicators)	No improvement in any indicator	0%	No improvement in 2 indicators and improvement or continued improvement in 1 indicator	33%	Improvement or continued improvement in 2 indicators and no improvement in 1 indicator	67%	Improvement in 2 indicators and improvement or continued improvement in 1 indicator	100%	Improvement in 1 indicator and continued improvement in 2 indicators	150%	Continued improvement in 3 indicators	200%

- Maximum amount: at the General Meeting of Shareholders in financial year 2019, the shareholders increased the maximum number of Shares allocated to the Plan, ultimately allocating a maximum number of 7,560,000 shares, representing 1.1% of the share capital of Siemens Gamesa.

For the CEO, the maximum number of shares that could be received in relation with the FY2019 and FY2020 Cycles in case of over-performance of the objectives at the maximum level (200%) and according to the number of Stock Awards awarded for these Cycles, is 124,777 shares and 114,161 shares respectively. These figures only reflect the potential maximum number of shares to be received by the CEO in case of maximum achievement of all the preestablished objectives for those Cycles not meaning in any case that all or part of those shares will be delivered. The number of shares to be finally delivered, when applicable, will be calculated in regard of the level of effective achievement of the objectives to which it is subject. At the date of submission of this Report no shares have been yet delivered to the CEO by virtue of any of the Cycles of the Plan.

- Malus and clawback clauses: The Plan includes the relevant *malus* clauses, which will apply both during the term of each of the Plan's Cycles and during the period of time from the end of each Cycle until the actual delivery of the shares, and claw-back clause, which will apply for three years after each of the Delivery Dates of the Plan. These clauses could cause a reduction in or return of the shares to be delivered under certain circumstances, as determined by the Board of Directors from time to time.
- Holding rules: according to the resolution of the General Meeting of Shareholders held in financial year 2019, beneficiaries must hold the net shares actually received under the Cycles of the Plan until reaching, for so long as they provide services within the Group, a number of shares equal to:
 - In the case of the CEO, two and one-half (2.5) times his annual fixed remuneration (two times his annual fixed remuneration for the shares corresponding to the FY2018 Cycle).
 - In the case of Top Management, one and one-half (1.5) times their annual fixed remuneration (one times their annual fixed remuneration for the shares corresponding to the FY2018 Cycle).
 - In the case of the other beneficiaries, one-half (0.5) their annual fixed remuneration (the number of Stock Awards assigned in the last Cycle of the Plan in which they participate for the shares corresponding to the FY2018 Cycle).

- Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

State if the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

12. Main characteristics of the long-term savings systems

The Remuneration Policy provides that the CEO may be the beneficiary of contributions to benefits systems with respect to Social Security, pensions or payments of life insurance and capitalisation premiums.

Pursuant to sub-section 10 of this Report, the CEO is entitled to receive contributions for pension supplements through group life insurance. The contributions made to this system during financial year 2019 are described in section B.9 of this Report.

- Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

13. Payments or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relationship, on the terms provided between the company and the director, in the director's capacity as such, whether voluntary resignation by the director or dismissal of the director by the company

The Remuneration Policy does not provide for severance payments to the non-executive directors in the event of termination of their duties as director.

The contract of the CEO provides for making the severance payments explained in sub-sections 14 and 15 below.

14. Agreements reached, such as exclusivity, post-contractual non-competition, continuance in office or loyalty, which entitle the director to any type of remunerationCEO

The contract of the CEO provides in certain cases for the payment of consideration for: (i) compliance with the post-contractual non-competition clause, (ii) breach of the duty of prior notice, (iii) termination of the contractual relationship with the Company due to the decision thereof, provided that it is not due to wilful or grossly negligent conduct by the CEO in the exercise of his duties that causes damage or harm to the Company, and (iv) termination of the contract by decision of the CEO based on a serious and culpable breach of the Company.

More details regarding these clauses and consideration are provided in sub-section 15 below regarding the terms of the CEO's contract.

Legal counsel/secretary/member of the Board of Directors

There are no clauses providing severance payment for termination of the contract, nor are there post-contractual non-competition provisions or clauses on exclusivity or permanence with the Company.

Remuneration policy of the company
for the current financial year

- State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on con-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

15. Conditions that contracts should respect for those exercising senior management functions as executive directors

Pursuant to the LSC and the internal rules of the Company, the Board of Directors, upon a proposal of the ARC, is responsible for approving the main terms of the contracts of the executive directors (including any compensation or severance payments for termination) for the performance of their executive duties.

CEO

The contract governing the performance of the duties and responsibilities of the CEO is commercial in nature.

Set forth below, and in accordance with the provisions of sections 249 and 529 *octodecimas* of the LSC, is a description of the main terms and conditions of the CEO's contract, which are those typically included in these types of contracts based on customary market practices, in order to protect the legitimate interests of the Company:

- Term: the contract has an indefinite term.
- Exclusivity: there are rules on exclusivity in the professional relationship unless expressly authorised by the Board of Directors after evaluating exceptional cases.
- Prior notice period: in case of termination both by the CEO and by the Company, the party desiring to terminate the contractual relationship must notify the other at least three months in advance of the date on which the termination is to be effective. In case of a breach of the duty to provide prior notice, the breaching party must indemnify the other in an amount corresponding to the annual fixed remuneration of the CEO approved for the financial year in question, pro-rated based on the period of the breach.
- Severance: in case of termination of the contractual relationship by the Company, the severance payment will be equal to one year of fixed cash remuneration of the CEO. There will be no severance payment if the termination occurs as a result of wilful or grossly negligent conduct by the CEO in the performance of his duties that cause damage or harm to the Company.

No severance payment is provided if the contract is terminated by the own free will of the CEO. If the CEO decides to terminate his relationship with Siemens Gamesa due to a serious and culpable breach by the Company or a material change in his duties not based on reasons attributable to the CEO, he shall be entitled to receive the same severance payment as that indicated for cases of termination by the Company, or the severance payment to which he is legally entitled if greater.

- Post-contractual non-compete: the post-contractual non-compete clause provides that after termination of the contract and for a period of one year thereafter, the CEO may not directly or indirectly provide services, whether for his own or for another's account, either himself or through third parties, to Spanish or foreign companies that involves actual or potential effective competition with the companies of the Siemens Gamesa Group.

As compensation, Siemens Gamesa undertakes to compensate the CEO with an amount equal to the annual amount of his fixed cash remuneration, payable 50% on termination of the contract with the Company and the remaining 50% upon the passage of six months from the termination.

The CEO also has an obligation not to compete with the Company in his capacity as a director of Siemens Gamesa upon the terms governing said obligation for directors of the Company in the LSC and in the Regulations of the Board of Directors.

- Duty of confidentiality: the contract of Siemens Gamesa's CEO includes a duty of confidentiality deriving from the duty of loyalty established by the LSC, and also covers when the director ceases to hold the position.

Remuneration policy of the company
for the current financial year

Legal counsel/secretary/member of the Board of Directors

The legal counsel/secretary/member of the Board of Directors, and secretary of the ARC, has signed various professional services agreements, with the following characteristics:

- a) Term: indefinite term.
- b) Exclusivity: there are no clauses on exclusivity or permanence with the Company.
- c) Prior notice period: there is no duty of prior notice for termination.
- d) Severance payments: there are no clauses requiring a severance payment for termination.
- e) Post-contractual non-compete: there are no post-contractual non-compete clauses.
- f) Duty of confidentiality: there is a duty of confidentiality both during the term of the contract and after the termination thereof.

- The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

16. The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post

The directors of Siemens Gamesa have not accrued any supplementary remuneration for this item.

On the other hand, the CEO, derived from his prior relationship with the Siemens Group and, therefore with no cost for Siemens Gamesa (SIEMENS AG bears these items), is entitled to rights to shares in SIEMENS AG derived from incentives prior to the merger, which will be paid in cash in the following fiscal years.

- Other remunerative items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration.

17. Other items of remuneration like those deriving from the company providing advances, loans, guarantees or any other remuneration to the directors

The Remuneration Policy does not provide for the provision of loans, advances or guarantees by the Company in favour of the non-executive members of the Board of Directors.

The executive directors have not accrued any remuneration for this item.

- The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

18. The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that is not included in the previous sections, whether payment is made by the company or another group company

There is no provision for any remuneration by entities of the Group to any of the members of the Board of Directors for the current financial year.

Remuneration policy of the company
for the current financial year

A.2. Explain any significant change in the remuneration policy applicable in the current year resulting from:

- A new policy or a modification of the policy already approved by the General Meeting.
- Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

There has been no change in the current Remuneration Policy approved by the shareholders at the last General Meeting of Shareholders held on 27 March 2019.

A.3. Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

<https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/corporate-policies/policy-of-remuneration-of-directors.pdf?la=en-bz&hash=931460A7AA76E9403A27A173A44FF545A0044C1F>

A.4. Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.

The resolution received the favourable vote of 99.38% of the votes cast at the General Meeting of Shareholders held on 27 March 2019, upon the terms set forth in section B.4.

The proposal of the Board of Directors regarding the Policy of Remuneration of Directors was submitted to a binding vote and received a broad majority of support at the General Meeting of Shareholders of Siemens Gamesa.

Overall summary of how remuneration policy has been applied during the year ended

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

B.1. Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, as the case may be, the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.

As mentioned in section A.1, the Remuneration Policy approved by the shareholders at the General Meeting of Shareholders of 27 March 2019 applies during the financial years ending in September 2019, September 2020 and September 2021.

Therefore, the Remuneration Policy applied during financial year 2019 has been the 2019-2021 Policy. Specifically, the process followed to apply the Remuneration Policy during financial year 2019 and to determine the individual remuneration reflected in section C of the Report is the following:

1. Executive directors: in accordance with their respective contracts and with the Remuneration Policy, the CEO and the legal counsel/secretary/member of the Board of Directors have accrued the remuneration during financial year 2019 that is described in section B.6 of this Report.
2. Directors in their capacity as such (non-executive): the individual remuneration of the non-executive directors is described in section B.5.

The most significant actions, issues and decisions made by the ARC and the Board of Directors in accordance with the powers described in section A.1.3 are described below:

- The ARC engaged in a review of the system of remuneration of the directors. In this regard, it proposed an increase in the remuneration to be received by the members of the Audit, Compliance and Related Party Transactions Committee based on the particular dedication thereof and heavy workload.

Overall summary of how remuneration policy has been applied during the year ended

- As regards the annual variable remuneration of the CEO, the ARC proposed standards for the annual variable remuneration of the CEO for financial year 2019, establishing the objectives, the weighting of the metrics and the scale to apply to the achievement of each of them. All of this was approved by the Board of Directors.
- As to long-term variable remuneration, and as a result of the revision of the model for remuneration of the senior management of Siemens Gamesa, the Board of Directors, upon a report of the ARC, found it appropriate to modify (which modification was in turn proposed to the shareholders at the General Meeting of Shareholders) the 2018-2020 Incentive Plan upon the terms set out in section A.1.11. In this regard, the ARC and the Board of Directors, within the area of their respective purviews, made various decisions referred to throughout this Report in relation with the modification of certain aspects of the FY2019 and FY2020 Cycles of the 2018-2020 Incentive Plan. which are the following:
 - i. Elimination of “earnings per share” as an objective.
 - ii. Definition of the “employee engagement” objective.
 - iii. Change in the comparison group for the “total shareholder return” ratio.
 - iv. Increase in maximum limit of shares to be received under the Plan in case of over-performance of the objectives.
 - v. Increase in period for holding shares delivered under the Plan.
 - vi. Definition of share price to determine the number of Stock Awards to be assigned as a result of participation in the FY2019 Cycle.
- Furthermore, the ARC found it advisable to propose a new remuneration policy for approval and submitted to the Board of Directors (which in turn proposed to the shareholders at the General Meeting of Shareholders) the foundations for said Policy, establishing the standards for remuneration of the executive and non-executive directors.
- The ARC performed the analysis of and provided a favourable report on the Annual Report on Remuneration of Directors for financial year 2018, which was subsequently approved by the Board of Directors.
- The ARC approved the recommendations contemplated in Technical Guide 1/2019 on Nominating and Remuneration Committees published by the CNM on 20 February 2019 to determine the alignment of this Committee with said recommendations as well as potential actions for improvement, and consequently approved an amendment of its Regulations, which was approved by resolution of the Board of Directors at its meeting of 29 July 2019.

The ARC met on ten occasions during financial year 2019 in order to make the decisions described above.

During financial year 2019, Garrigues has also provided external advice to the Company in relation with (i) the definition and application of the Remuneration Policy approved by the shareholders at the General Meeting of Shareholders for financial year 2019, (ii) the design and effective implementation of the 2018-2020 Long-Term Incentive Plan, (iii) the modification of the FY2019 and FY2020 Cycles of the Plan and the alignment thereof with the recommendations of the proxy advisors, and (iv) the analysis of the current remuneration trends for directors of Spanish and international listed companies.

Furthermore, the Company has taken account of a report of the remuneration consultant Mercer regarding European practice (Stoxx All Europe 100 and Ibex35) in the analysis of the external competitiveness of the total remuneration of the top management and emerging trends in corporate governance and proxy advisors' and institutional investors' recommendations.

Overall summary of how remuneration policy has been applied during the year ended

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate.

As stated in section A.1.7 of this Report, Siemens Gamesa applies the following practices to reduce exposure to excessive risks:

- Defer the receipt of a significant portion of the remuneration of the CEO.
- Deliver a significant portion of the remuneration of the CEO in shares of the Company.
- Establish malus and clawback clauses applicable to variable remuneration. The ARC has the power to propose to the Board of Directors the cancellation or return of the payment of the CEO's variable remuneration in supervening circumstances showing that the variable remuneration has accrued or been paid based on incorrect or erroneous information or data, or if it is subsequently shown that there are violations of the Company's internal rules or applicable law.
- Regularly review the alignment of total remuneration with that of comparable companies.
- Link the payment of a significant portion of the remuneration to the economic/financial results of the Company.

The Board of Directors, upon a proposal of the ARC, is also responsible for evaluating the level of achievement of the objectives to which the variable remuneration is linked, after validation thereof by the Internal Audit function.

In this regard, the chair and the members of the Audit, Compliance and Related Party Transactions Committee of the Company receive fixed remuneration for belonging thereto. It should be noted that during financial year 2019 the ARC decided to submit to the Board for its approval an increase in said fixed remuneration by an additional 20,000 euros (for the chair and members) due to the particular dedication of the members of this Committee.

Furthermore, the measures to ensure that the Remuneration Policy takes into account the long-term results of Siemens Gamesa are:

- Total compensation of the CEO is made up of different items of remuneration that mainly consist of: (i) fixed remuneration, (ii) annual variable remuneration, and (iii) long-term remuneration.
- The variable remuneration for the CEO is intended to encourage his commitment to the Company and its strategic plan, linking his remuneration to the creation of value for shareholders as well as the sustainable achievement of strategic objectives, such that it is aligned with best remuneration practices.

Furthermore, there are no guaranteed variable components to the extent that, if the minimum achievement threshold is not reached, the receipt thereof will not occur.

The relative importance of the variable remuneration of the CEO is due to the fact that, when combined with the annual variable remuneration and long-term variable remuneration based on the level of achievement of the objectives established for the accrual thereof, they could be more significant than the fixed components of remuneration.

- The 2018-2020 Incentive Plan is recorded within a multi-annual framework to ensure that the process of evaluation is based on long-term results and the achievement of the Company's strategic objective.
- Any shares delivered under the 2018-2020 Incentive Plan are subject to a holding period.

Overall summary of how remuneration policy has been applied during the year ended

B.3. Explain how the remuneration accrued over the year meets the provisions contained in the current remuneration policy. Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors and how the latter contribute to the short- and long-term results of the company.

1. How the remuneration accrued over the year meets the provisions contained in the current remuneration policy

In accordance with the provisions of the Remuneration Policy, the remuneration accrued by the directors in 2019 was as follows:

- During financial year 2019, the non-executive directors received the amounts determined in the Remuneration Policy and described in section B.5, both for belonging to the Board of Directors and the various Committees, and for any fees for attending meetings of the Board of Directors and its Committees.
- In addition, the directors have received amounts corresponding to the premiums paid to cover death and disability benefits and for the group civil liability insurance described in section B.14 of this Report.
- The total amount accrued for all of the (non-executive) directors in their capacity as such during 2019 was 1,748 thousand euros, complying with the annual total maximum limit of 3 million euros approved by the shareholders at the General Meeting of Shareholders held on 8 May 2015, and contemplated in the Remuneration Policy.
- In 2019 the CEO accrued: (i) a fixed component of 700,000 euros, (ii) the benefits described in section B.6, (iii) an amount in cash in relation to annual variable remuneration described in section B.7, which will be paid during financial year 2020, (v) an assignment of a number of Stock Awards under the FY2019 Cycle of the 2018-2020 Incentive Plan described in section B.7, (v) the pension supplement contributions by means of group life insurance pursuant to the provisions of section B.9, and (vi) the amounts corresponding to the premiums paid for death and disability coverage and the group civil liability insurance described in section B.14. The Company has also made his Social Security payments for the performance of executive duties.
- In 2019 the legal counsel/secretary/member of the Board of Directors accrued: (i) a fixed component of 250,000 euros for his duties as legal counsel/secretary of the Board of Directors, (ii) an additional amount for his duties as secretary of the ARC, (iii) the amounts corresponding to his membership on the Board of Directors and the various Committees, as well as the fees for attending meetings of the Board of Directors and its Committees, and (iv) the amounts corresponding to the premiums paid for coverage of death and disability benefits and the group civil liability insurance described in section B.14.

2. Relationship between remuneration obtained by the directors and the results or other short- and long-term indicators of the entity's performance, explaining how any changes in the company's performance may have influenced changes in the remuneration of the directors

The approval of the current Remuneration Policy and the modification of certain aspects of operation for the FY2019 and FY2020 Cycles of the 2018-2020 Incentive Plan have allowed Siemens Gamesa to adjust the remuneration of the directors to the corporate governance structure of the Company and to the strategy of the Group.

The Policy establishes two remuneration components in order to adjust the remuneration of the CEO to the short- and long-term performance of Siemens Gamesa: (i) annual variable remuneration, the objectives of which are determined annually, a significant percentage (i.e. 90%) of which are linked to financial objectives of the Company, and (ii) long-term remuneration, the objectives of which are linked to the creation of value for the shareholders as well as the sustainable achievement of strategic objectives.

The short- and long-term variable remuneration systems include measures that take into account potential variations in the results of the Company, such as:

- Including defined achievement scales for each objective based on the results achieved by the Company. Therefore, any change in the short- or long-term performance of the Company will affect the level of achievement of the objectives and directly affect the amount of variable remuneration to which the CEO may be entitled. In addition, no incentive at all will be paid below a minimum level of achievement of the objectives, for which reason variable remuneration would in no case be guaranteed. Section A.1.11 provided more detail regarding the minimum thresholds of achievement of the objectives established by the Company for the short- and long-term variable remuneration systems in effect as at the date of preparation of this Report.

Overall summary of how remuneration policy has been applied during the year ended

- The annual or long-term variable remuneration systems will only accrue once the Board of Directors, upon a proposal of the ARC, has evaluated level of achievement of the objectives to which the variable remuneration is linked, after validation thereof by the Internal Audit function.
- Furthermore, the long-term variable remuneration contemplates an obligation of the CEO to maintain ownership of a certain number of shares equal to two times his fixed remuneration for the FY2018 Cycle and two and one-half times his annual fixed remuneration for the FY2019 and FY2020 Cycles.
- All variable remuneration of the CEO is subject to malus and clawback clauses, which, if applicable, would allow the ARC to propose to the Board of Directors the cancellation or return of the payment thereof.

B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	% of total
Votes cast	569,727,253	83.64
	Number	% cast
Votes against	2,766,090	0.49
Votes in favour	566,250,672	99.38
Abstentions	710,491	0.13

B.5. Explain how the fixed components accrued during the year by the directors in their capacity as such have been determined and how they have changed with respect to the previous year.

The breakdown of fixed remuneration by position and responsibilities attributed to the directors approved by the Board of Directors for financial year 2019 was the following:

- Chair of the Board of Directors: 250,000 euros, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.
- Vice Chair of the Board of Directors (none currently existing): 150,000 euros, along with attendance fees for attending meetings of the Board of Directors and any meetings of its Committees.
- Non-executive directors: 80,000 euros.
- Lead Independent Director (none currently existing): additional 20,000 euros.
- Additional remuneration for belonging to the various Committees:

	Audit, Compliance and Related Party Transactions Committee	Other Committees of the Board of Directors
Chair	80,000 euros	60,000 euros
Member	60,000 euros	40,000 euros

Overall summary of how remuneration policy has been applied during the year ended

f) Fees for attending meetings of the Board of Directors and of its Committees:

	Board of Directors	Committees of the Board of Directors
Chair	2,000 euros per meeting	3,800 euros per meeting
Member	2,000 euros per meeting	2,000 euros per meeting

All of the amounts are established for the personal on-site presence of the director. In the case of attendance by video-conference or other remote means of communication, the corresponding attendance fee would be 50% of the above amounts. If a proxy is granted, the right to the attendance fee would not accrue.

In addition, directors in their capacity as such are entitled to the remuneration in kind foreseen in the Remuneration Policy as fixed components of their remuneration.

The amounts are accrued proportionally to the time the position is held.

The amount of individual remuneration accrued by the directors in their capacity as such during 2019, including the amount they receive for membership on the Committees of the Board of Directors and fees for attending the meetings of the Board of Directors and its Committees, was the following:

- Mr Miguel Ángel López: fixed remuneration of 208,334 euros in cash for chairing the Board since December 1, 2018, and 28,000 euros as fees for attending meetings of the Board of Directors.
- Ms Mariel von Schumann: fixed remuneration of 80,000 euros in cash for membership on the Board, fixed remuneration of 40,000 euros in cash for membership on the ARC, and 37,000 euros as fees for attending meetings of the Board of Directors and of the ARC.
- Ms Gloria Hernández: fixed remuneration of 80,000 euros in cash for membership on the Board, fixed remuneration of 70,176 euros in cash for chairing the Audit, Compliance and Related Party Transactions Committee until 27 May 2019 and for belonging to the Audit, Compliance and Related Party Transactions Committee after ceasing to chair said Committee, and 98,000 euros as fees for attending meetings of the Board of Directors and of the Audit, Compliance and Related Party Transactions Committee.
- Ms Pedro Azagra: fixed remuneration of 64,086 euros in cash for membership on the Board since December 12, 2018, fixed remuneration of 32,043 euros in cash for membership on the ARC, and 29,000 euros as fees for attending meetings of the Board of Directors and of the ARC.
- Mr Rudolf Krämmer: fixed remuneration of 48,810 euros in cash for membership on the Board since February 20, 2019, fixed remuneration of 67,947 euros in cash for belonging to the ARC, the Audit, Compliance and Related Party Transactions Committee until being appointed chair thereof, and for chairing the Audit, Compliance and Related Party Transactions Committee, and 56,000 euros as fees for attending meetings of the Board of Directors, of the ARC and of the Audit, Compliance and Related Party Transactions Committee.
- Mr Klaus Rosenfeld: fixed remuneration of 80,000 euros in cash for membership on the Board, fixed remuneration of 40,000 euros in cash for membership on the ARC, and 25,000 euros as fees for attending meetings of the Board of Directors and of the ARC.
- Mr Andoni Cendoya: fixed remuneration of 80,000 euros in cash for membership on the Board, fixed remuneration of 60,000 euros in cash for membership on the ARC, and 70,000 euros as fees for attending meetings of the Board of Directors and of the ARC.
- Mr Alberto Alonso: fixed remuneration of 80,000 euros in cash for membership on the Board, fixed remuneration of 57,111 euros in cash for membership on the Audit, Compliance and Related Party Transactions Committee, and 70,000 euros as fees for attending meetings of the Board of Directors and of the Audit, Compliance and Related Party Transactions Committee.
- Mr Rosa María García: fixed remuneration of 41,667 euros in cash for chairing the Board and 6,000 euros as fees for attending meetings of the Board of Directors. She voluntarily resigned from her position effective 1 December 2018.

Overall summary of how remuneration policy has been applied during the year ended

- Ms Sonsoles Rubio: fixed remuneration of 15,914 euros in cash for membership on the Board, fixed remuneration of 7,957 euros in cash for membership on the ARC, and 17,000 euros as fees for attending meetings of the Board of Directors and of the ARC. She voluntarily resigned from her position effective 12 December 2018.
- Ms Swantje Conrad: fixed remuneration of 31,429 euros in cash for membership on the Board, fixed remuneration of 36,397 euros in cash for membership on the ARC as well as the Audit, Compliance and Related Party Transactions Committee, and 37,000 euros as fees for attending meetings of the Board of Directors, of the ARC and of the Audit, Compliance and Related Party Transactions Committee. She voluntarily resigned from her position effective 20 February 2019.

Finally, it should be noted that three directors of Siemens Gamesa (Ms Lisa Davis, Mr Michael Sen and Mr Ralf Thomas), who hold positions on the Managing Board of SIEMENS AG, waived the receipt of the amounts indicated above and therefore do not receive any remuneration.

Pursuant to the foregoing, the total amount accrued by all of the directors in their capacity as such in 2019 amounted to 1,748,623 euros, which is an increase of 165 thousand of euros over the total amount received by all directors in their capacity as such in 2018 (including fees for attending meetings and other items of remuneration).

B.6. Explain how the salaries accrued by each one of the executive directors over the past financial year for the performance of management duties were determined, and how they have changed with respect to the previous year.

CEO

In financial year 2019, the CEO accrued the following fixed remuneration:

- The annual fixed remuneration of the CEO during financial year 2019 was maintained on the same terms approved since in his appointment in the month of May 2017, amounting to 700,000 euros in cash.
- For the performance of executive duties, the Company makes Social Security payments, which have amounted to 12,611.01 euros during financial year 2019.
- In 2019 the CEO received as benefits: the right to use a Company vehicle and the payment of medical insurance, life insurance and civil liability insurance premiums. The amount attributed to the CEO for these items during financial year 2019 was a total of 20,529.52 euros. As reported via the Annual Report on Remuneration for financial year 2018 of Siemens Gamesa, the CEO ceased to be entitled to the lease of a home on 1 September 2018.

The total amount accrued by the CEO in 2019 for the previous items is 733,141 euros, which is a decrease of 2.9% from the amount received in financial year 2018.

Additionally, the Company has made contributions for pension supplements in fiscal year 2019 through group life insurance, which amounted to 166,500 euros in financial year 2019. This amount is the same as in fiscal year 2018.

Furthermore, as a supplement to the information supplied in section C.1.a).i), the amount attributed to the CEO in the "Salary" column includes (i) his annual fixed remuneration (700,000 euros), and (ii) the amount corresponding to the payment of Social Security 12,611.01 euros.

Legal counsel/secretary/member of the Board of Directors

In financial year 2019, the Legal counsel/secretary/member of the Board of Directors accrued the following fixed remuneration:

- The legal counsel/secretary/member of the Board of Directors received 250,000 euros in cash for his duties.
- He received an additional 50,000 euros for his duties as secretary of the ARC.
- He received 80,000 euros in cash for his membership on the Board of Directors.
- Fees for attending meetings of the Board of Directors were 34,000 euros.

Overall summary of how remuneration policy has been applied during the year ended

The total amount accrued by the legal counsel/secretary/member of the Board of Directors in 2019 was 421,808 euros, which is a decrease of 0.5% from the amount received in financial year 2018.

B.7. Explain the nature and the main characteristics of the variable components of the remuneration systems accrued in the year ended.

In particular:

- Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated.

In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (consolidation) and to exercise these options or financial instruments, including the price and term to exercise them.

- Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of remunerations systems or plans that include variable remuneration.
- As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

Explain the short-term variable components of the remuneration systems

As established in the Remuneration Policy, only the CEO participated in variable remuneration systems during financial year 2019.

The variable remuneration system for the CEO includes two variable components:

(i) Annual variable remuneration:

Annual variable remuneration is linked to the achievement of quantitative and qualitative objectives.

In order to determine the amount to receive for annual variable remuneration, a scale for achieving each objective is set that includes a minimum objective achievement level below which no incentive is paid.

The annual target variable remuneration of the CEO for an achievement level of 100% of the objectives established for 2019 is equal to one year of his fixed remuneration. However, the CEO could receive two years of his fixed remuneration in the case of extraordinary performance and maximum over-performance of the pre-established objectives.

The objectives taken into account to determine the annual variable remuneration of the CEO and the level of achievement for each of them during financial year 2019 were the following:

- EBIT pre-PPA, with a weighting of 30%. 0.0% achievement of objective.
- Free cash flow, (before interests and taxes) with a weighting of 30%. 46.2% achievement of objective.
- Order entry, with a weighting of 30%. 144.7% achievement of objective, reaching a weighting of 43.41% due to overperformance.
- Corporate social responsibility objective: health and safety, with a weighting of 10%. 38.9% achievement of objective.

After evaluating the level of achievement of the foregoing objectives, the Board of Directors, upon a proposal of the ARC, has approved an overall level of achievement of the objectives during financial year 2019 of 61.16%, with the CEO receiving the amount of 428,120 euros for this item.

Overall summary of how remuneration policy has been applied during the year ended

Explain the long-term variable components of the remuneration systems

(ii) Long-term variable remuneration:

No share has been delivered to CEO deriving from his participation in the 2018-2020 Incentive Plan, as the objectives measurement period for the FY2018 Cycle will not end until 30 September 2020, for the Cycle FY2019 will not end until 30 September 2021, and for the FY2020 Cycle will not end until 30 September 2022.

However, the CEO the maximum number of Stock Awards granted to the CEO for his participation in the FY2019 Cycle is 124,777 and 114,161 for the Cycle FY2020. These figures only reflect the potential maximum number of shares to be received by the CEO in case of maximum achievement of all the preestablished objectives for those Cycles not meaning in any case that all or part of those shares will be delivered. The number of shares to be finally delivered, when applicable, will be calculated in regard of the level of effective achievement of the objectives to which it is subject.

In any case, the shareholders acting at the Company's General Meeting of Shareholders resolved that the total number of shares allocated to the Plan would represent 1.1% of the share capital of Siemens Gamesa, thus complying with the good governance recommendations (percentage of less than 5%).

B.8. Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been consolidated and deferred or, in the case of the latter, consolidated and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer.

Although the annual variable remuneration and the long-term variable remuneration of the CEO is subject to the corresponding malus and clawback clauses, during financial year 2019 there has been no reduction or demand for the return of variable components, as there was no accrual or payment of variable remuneration as a result of data that was later clearly shown to be inaccurate.

B.9. Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to consolidate economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

The CEO is entitled to receive contributions for pension supplements through group life insurance, which amounted to 166,500 euros in financial year 2019. This amount represented 23.7% of his annual fixed remuneration during financial year 2019.

This is a defined contribution plan that covers retirement, disability, death, addiction of the participant and other exceptional liquidity situations.

However, in case of the CEO's cessation in office with the Company for reasons other than the covered contingencies, the CEO will have the right to all of the accumulated balance, unless the termination of the contractual relationship occurs for any of the following reasons: (i) criminal conviction or regulatory penalty on grounds attributable to the participant; (ii) serious violation of the internal rules of Siemens Gamesa or of the Group, and (iii) wilful or grossly negligent conduct of the CEO in the performance of his duties.

The receipt of any compensation to which the CEO may be entitled due to the termination of his contractual relationship with the Company will be compatible with the recognition of the accumulated balance.

Overall summary of how remuneration policy has been applied during the year ended

B.10. Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended.

There has been no severance pay or any other type of payment deriving from early dismissal or termination of contracts during the financial year ended.

B.11. Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

There were no changes in relation to the current contracts of the executive directors during 2019.

B.12. Explain any supplementary remuneration accrued by directors as consideration for services rendered outside of their post.

The non-executive directors of Siemens Gamesa have not received any supplementary remuneration during financial year 2019.

On the other hand, the CEO, derived from his prior relationship with the Siemens Group and, therefore with no cost for Siemens Gamesa (SIEMENS AG bears these items), is entitled to rights to shares in SIEMENS AG derived from incentives prior to the merger, which will be paid in cash in the following fiscal years and it is noted that during fiscal year 2019 the payment was 873 thousand of euros.

B.13. Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

There are no advance payments, loans or guarantees given by the Company to its directors.


B.14. Itemise the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

In financial year 2019 the members of the Board of Directors have received remuneration in kind that corresponds to the amount of the premiums paid to cover death and disability benefits and for the group civil liability insurance. The amount of the annual premiums were 25,532,44 euros and 42,056.79 euros, respectively, in financial year 2019.

In addition, in 2019 the CEO was given the right to use a Company vehicle and to payment of health insurance premiums.

To supplement the information provided, it is noted that the "Other items" column in section C.1.a).i) includes the above amounts.

Finally, the CEO is entitled to receive contributions for pension supplements through group life insurance, as described in section B.9.



Overall summary of how remuneration policy has been applied during the year ended

B.15. Explain the remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

Siemens Gamesa has not made payments to a third party entity at which directors might provide services in order to remunerate the services thereof at the company.

B.16. Explain any other items of remuneration other than those mentioned in the previous sections, whatever their nature or the group company that settles the payment, particularly when this is a related operation or its settlement distorts the true image of the total remuneration accrued by the director.

The directors have not accrued any item of remuneration in addition to those already described in this Report.

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year t
Markus Tacke	Executive	From 01/10/2018 until 30/09/2019
Miguel Ángel López Borrego	Proprietary	From 01/12/2018 until 30/09/2019
Carlos Rodríguez-Quiroga Menéndez	Executive	From 01/10/2018 until 30/09/2019
Gloria Hernández García	Independent	From 01/10/2018 until 30/09/2019
Rudolf Krämmer	Independent	From 20/02/2019 until 30/09/2019
Andoni Cendoya Aranzamendi	Independent	From 01/10/2018 until 30/09/2019
Mariel von Schumann	Proprietary	From 01/10/2018 until 30/09/2019
Lisa Davis	Proprietary	From 01/10/2018 until 30/09/2019
Michael Sen	Proprietary	From 01/10/2018 until 30/09/2019
Ralf Thomas	Proprietary	From 01/10/2018 until 30/09/2019
Pedro Azagra Blázquez	Proprietary	From 12/12/2018 until 30/09/2019
Klaus Rosenfeld	Independent	From 01/10/2018 until 30/09/2019

Itemised individual remuneration
accrued by each director

Alberto Alonso Ureba	Independent	From 01/10/2018 until 30/09/2019
Rosa María García García	Proprietary	From 01/10/2018 until 01/12/2018
Sonsoles Rubio Reinoso	Proprietary	From 01/10/2018 until 12/12/2018
Swantje Conrad	Independent	From 01/10/2018 until 20/02/2019

Itemised individual remuneration
accrued by each director

C.1. Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year t	Total In year t-1
Markus Tacke	0	0	0	713	428	0	0	21	1,162	1,388
Miguel Ángel López Borrego	208	28	0	0	0	0	0	5	241	0
Carlos Rodríguez-Quiroga Menéndez	80	34	0	300	0	0	0	8	422	424
Gloria Hernández García	80	98	70	0	0	0	0	7	255	243
Rudolf Krämmer	49	56	68	0	0	0	0	4	177	0
Andoni Cendoya Aranzamendi	80	70	60	0	0	0	0	9	219	204
Mariel von Schumann	80	37	40	0	0	0	0	5	162	123
Lisa Davis	0	0	0	0	0	0	0	0	0	0
Michael Sen	0	0	0	0	0	0	0	0	0	0
Ralf Thomas	0	0	0	0	0	0	0	0	0	0
Pedro Azagra Blázquez	64	29	32	0	0	0	0	5	130	0
Klaus Rosenfeld	80	25	40	0	0	0	0	6	151	147
Alberto Alonso Ureba	80	70	57	0	0	0	0	8	215	177
Rosa María García García	42	6	0	0	0	0	0	1	49	287
Sonsoles Rubio Reinoso	16	17	8	0	0	0	0	1	42	172
Swantje Conrad	31	37	36	0	0	0	0	2	106	231

Itemised individual remuneration
accrued by each director

Remarks

In relation with the amount attributed to the CEO Mr Markus Tacke, the "Salary" column includes (i) his annual fixed remuneration (700,000 euros), and (ii) the amount corresponding to the payment of Social Security (12,611.01 euros).

Additionally, the CEO, derived from his prior relationship with the Siemens Group and, therefore with no cost for Siemens Gamesa (SIEMENS AG bears these items), is entitled to rights to shares in SIEMENS AG derived from incentives prior to the merger, which will be paid in cash in the following fiscal years and it is noted that during fiscal year 2019 the payment was 873 thousand of euros. This amount is not included in the previous table as it doesn't imply any cost for Siemens Gamesa.

The column entitled "Other items" includes: (i) the allocation of group insurance premiums for civil liability insurance for Directors and Officers ("D&O Insurance") in the amount of 42,056.79 euros, (ii) the amount of premiums for life insurance obtained by the Company for the benefit of the directors, with a total cost of 25,532.44 euros, and (iii) the remuneration in kind of the CEO in the total amount of 14,500.64 euros.

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year t		Financial instruments granted during year t		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares	Net profit from shares handed over or consolidated financial instruments thousand €	No. of instruments	No. of instruments	No. of equivalent shares
Markus Tacke	Long-Term Incentive Plan for the financial years 2018 to 2020 (FY2018 and FY2019 Cycles).	56,180	56,180	124,777	124,777	0	0	0,00	0	0	180,957	180,957

Remarks

The number of Stock Awards granted for the FY2018 and FY2019 Cycles indicates the maximum potential number of shares to be received by Mr Markus Tacke in case of maximum achievement of all of the pre-established objectives for these Cycles. In relation with the FY2019 Cycle, taking into account that the reference value to determine the 124,777 Stock Awards for this Cycle is 11.22 euros, such maximum amount is 200% of the annual Fixed Remuneration of the CEO. The number of shares to be delivered will ultimately depend on the level of achievement of the objectives of the Plan.

Itemised individual remuneration
accrued by each director

iii) Long-term saving systems

Remuneration from consolidation of rights to savings system								
Director 1								
Contribution over the year from the company (thousand €)								
Name	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Amount of accumulated funds (thousand €)			
	Year t	Year t-1	Year t	Year t-1	Year t		Year t-1	
					Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
Markus Tacke	0	0	167	167	0	333	0	167

Itemised individual remuneration
accrued by each director

iv) Details of other items

Name	Item	Amount remunerated (thousand €)
Markus Tacke	Life insurance premiums	2
	Health and casualty insurance	9
	Vehicle	6
Miguel Ángel López Borrego	Life insurance premiums	2
Carlos Rodríguez-Quiroga Menéndez	Life insurance premiums	4
Gloria Hernández García	Life insurance premiums	3
Rudolf Krämmer	Life insurance premiums	2
Andoni Cendoya Aranzamendi	Life insurance premiums	4
Mariel von Schumann	Life insurance premiums	1
Lisa Davis	Life insurance premiums	0
Michael Sen	Life insurance premiums	0
Ralf Thomas	Life insurance premiums	0
Pedro Azagra Blázquez	Life insurance premiums	1
Klaus Rosenfeld	Life insurance premiums	2
Alberto Alonso Ureba	Life insurance premiums	4
Rosa María García García*	Life insurance premiums	0
Sonsoles Rubio Reinoso*	Life insurance premiums	0
Swantje Conrad	Life insurance premiums	1

Remarks

Ms Rosa María García García and Ms Sonsoles Rubio Reinoso received contributions to life insurance premiums equal to 298 euros and 325 euros, respectively.

Itemised individual remuneration
accrued by each director

b) Remuneration of the company directors for seats on the boards of other group companies:

i) Remuneration in cash (thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year t	Total In year t-1
Director 1										

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Financial instruments at start of year t		Financial instruments granted during year t		Financial instruments consolidated during the year			Net profit from shares handed over or consolidated financial instruments thousand €	Instruments matured but not exercised	Financial instruments at end of year t	
	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/handed over	Price of the consolidated shares			No. of instruments	No. of instruments
Director 1	Plan 1										
Director 1	Plan 2										

Itemised individual remuneration
accrued by each director

iii) Long-term saving systems

Remuneration from consolidation of rights to savings system

Director 1

Contribution over the year from the
company (thousand €)

Amount of accumulated funds (thousand €)

Savings systems
with consolidated
economic rights

Savings systems
with
unconsolidated
economic rights

Year t

Year t-1

Name

Year t

Year t-1

Year t

Year t-1

Systems with
consolidated
economic rights

Systems with
unconsolidated
economic
rights

Systems with
consolidated
economic rights

Systems with
unconsolidated
economic
rights

Director 1

iv) Details of other items

Name

Item

Amount remunerated

Director 1

Itemised individual remuneration
accrued by each director

c) Summary of remunerations (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €):

Name	Remuneration accrued in the company					Remuneration accrued in group companies				
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	Total year t company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Gross profit from options exercised	Remuneration for other items	Total year t group
Markus Tacke	1,162	0	167	0	1,329	0	0	0	0	0
Miguel Ángel López Borrego	241	0	0	0	241	0	0	0	0	0
Carlos Rodríguez-Quiroga Menéndez	422	0	0	0	422	0	0	0	0	0
Gloria Hernández García	255	0	0	0	255	0	0	0	0	0
Rudolf Krämmer	177	0	0	0	177	0	0	0	0	0
Andoni Cendoya Aranzamendi	219	0	0	0	219	0	0	0	0	0
Mariel von Schumann	162	0	0	0	162	0	0	0	0	0
Lisa Davis	0	0	0	0	0	0	0	0	0	0
Michael Sen	0	0	0	0	0	0	0	0	0	0
Ralf Thomas	0	0	0	0	0	0	0	0	0	0
Pedro Azagra Blázquez	130	0	0	0	130	0	0	0	0	0
Klaus Rosenfeld	151	0	0	0	151	0	0	0	0	0
Alberto Alonso Ureba	215	0	0	0	215	0	0	0	0	0
Rosa María García García	49	0	0	0	49	0	0	0	0	0
Sonsoles Rubio Reinoso	42	0	0	0	42	0	0	0	0	0
Swantje Conrad	106	0	0	0	106	0	0	0	0	0
Total:	3,331	0	167	0	3,498	0	0	0	0	0

D. OTHER INFORMATION OF INTEREST

If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

This annual remuneration report has been approved by the Board of Directors of the company on November 27, 2019.

State whether any director has voted against or abstained from approving this report.

Yes

No

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non- attendance)	Explain the reasons