

Report formulated by the Appointments and Remuneration Committee of Siemens Gamesa Renewable Energy, S.A. regarding the proposed amendment of the Policy of Remuneration of Directors 2019-2021 included in item fourteen on the Agenda for the Company's General Meeting of Shareholders to be held in Bilbao (Biscay), at 13:00 hours, 26 March 2020, on first call, or 27 March 2020, at the same place and time, on second call.

I. Background

This report (the "**Report**") is prepared by the Appointments and Remuneration Committee (the "**ARC**") pursuant to the provisions of section 529 *novodecies* of the Corporate Enterprises Act (*Ley de Sociedades de Capital*) ("**LSC**") and constitutes the legal report providing a rationale for the proposal of the Board of Directors of Siemens Gamesa Renewable Energy, S.A. ("**Siemens Gamesa**" or the "**Company**") to amend the Policy of Remuneration of Directors applicable during the financial years ended September 2019, September 2020 and September 2021 (the financial year of Siemens Gamesa begins on 1 October of each year and ends on 30 September of the following year), approved by the shareholders at the Annual General Meeting of Shareholders held on 27 March 2019 (the "**Remuneration Policy**" or the "**Remuneration Policy 2019-2021**").

Section 529 *novodecies* of the LSC provides for the policy of remuneration of directors to be approved by the shareholders at a General Meeting of Shareholders at least every three years as a separate item on the agenda.

Subsection 2 of this section requires that the proposal of the Board of Directors on the remuneration policy be reasoned and be accompanied by a specific report of the ARC. Both documents will be made available to the shareholders on the website of the company as from the call to the General Meeting, which shareholders may also request the free delivery or sending thereof, a right to be mentioned in the announcement of the call to the Meeting.

Subsection 3 of this section provides that the remuneration policy so approved shall remain in force for three financial years following the year in which it is approved by the shareholders at the General Meeting. Any amendment or replacement during said period shall require the prior approval of the shareholders acting at a General Meeting of Shareholders pursuant to the procedure established for the approval hereof.

By virtue of the foregoing, any proposal of the Board of Directors to amend or replace the Remuneration Policy shall be reasoned and must be accompanied by a specific report of the ARC, which documents shall be published on the corporate website as from the call to the General Meeting of Shareholders, the free delivery or sending of which may be requested by the shareholder, express mention of which shall be made in the announcement of the call to the General Meeting.

This document constitutes the reasoned legal report providing a rationale for the amendment of the Policy of Remuneration of Directors approved by the shareholders at the 2019 Annual General Meeting of Shareholders of Siemens Gamesa, which is described below, and which shall be submitted for the approval of the Board of Directors for submission to the shareholders at the Annual General Meeting of Shareholders 2020.

II. Rationale for the proposed amendment of the Remuneration Policy 2019-2021 approved by the shareholders at the Annual General Meeting of Shareholders held on 27 March 2019

Siemens Gamesa's ARC, in compliance with the duties set out in its Regulations approved on 29 July 2019, regularly reviews the Remuneration Policy to verify that it is consistent with the short-, medium- and long-term situation and strategy of the Company, in order to propose improvements and amendments, if appropriate.

During this financial year 2020, reasons of corporate strategy to develop measures in favour of corporate social responsibility have led the ARC to propose to the Board of Directors an amendment of the current Remuneration Policy approved by the shareholders at the General Meeting of Shareholders of 27 March 2019.

Specifically, the amendment of the current Remuneration Policy proposed to the shareholders at the General Meeting of Shareholders is due to the advisability of adjusting the requirements for the directors in their capacity as such to be able to receive the amounts assigned as attendance fees for attending the meetings of the Board of Directors and its committees, so that they are harmonised with the Company's strategy in the area of corporate social responsibility.

As contemplated in the current Remuneration Policy, the purpose of the attendance fees is to remunerate attendance at the meetings of the Board of Directors and its committees.

The Remuneration Policy provides that the amounts will be paid for the personal onsite presence of each director at each of the meetings, regardless of the number of meetings held. In the case of attendance by video-conference or other remote means of communication, the attendance fees will be 50% of the corresponding amount.

The ARC, aware of Siemens Gamesa's commitment to lead the market in sustainability, has reviewed the policy on remuneration of the directors in their capacity as such in order to endeavour to ensure the adjustment thereof to the current sustainability environment in which the Company participates as an active player.

Along these lines, the ARC believes that the adjustment of the requirements for the directors in their capacity as such to be able to receive the amounts allocated to fees for attending meetings of the Board of Directors and its committees in performing their duties can be a measure that contributes to meeting Siemens Gamesa's commitment in the area of sustainability. Thus, after a process of reflection, the ARC finds that such adjustment promotes the use of new technologies, which also entails a potential reduction in travel by the directors, a large portion of which is by plane, to attend the meetings of the Board of Directors and its committees (with the corresponding cost savings for the Company and contribution to improvement of the environment).

In line with the foregoing, it is appropriate to recall what is expressly included in the analysis attached to Communication COM(2018) 773¹ published by the European Commission on 28 November 2018, which establishes that: *“For business digitalisation will increasingly offer solutions to replace physical transport needs by more advanced, secure and easy-to-use tools for videoconferencing.” While face-to-face contact cannot be replaced in all cases, there are large opportunities for saving time and money, as well as reducing the corporate carbon footprint. This is particularly important in the case of business air travel. (...)*²

Climate changes is a pressing problem for humanity. Limiting global warming requires measures to reduce the emission of greenhouse gases. With this measure, among many others, Siemens Gamesa drives better environmental performance in its global operations, which clearly shows its continuing commitment and effort to integrate environmental sustainability into the Company’s strategy and operations. This measure is intended to encourage a reduction in non-essential air travel by making use of the investments made by the Company in improved video-conference technology to make virtual attendance feasible and effective.

Therefore the ARC advises the revision of the remuneration policy and proposes that, in the case of videoconference assistance, the allowances should be maintained on the same terms as those established by the personal and physical assistance of the directors to the Board of Directors and its committees meetings.

Effectiveness of the amendment of the Remuneration Policy 2019-2021

The effectiveness of this amendment shall cover from the date of its approval, if appropriate, by the General Meeting of Shareholders until the date on which the effectiveness of the current Remuneration Policy ends.

Attached as an annex to this Report is the proposed amendment of the Policy of Remuneration of Directors 2019-2021.

III. Amendment proposed to the Policy of Remuneration of Directors 2019-2021

Adjustment of the requirements for the directors in their capacity as such to be able to receive the amounts allocated to fees for attending meetings of the Board of Directors and of its committees.

The amendment proposed is to eliminate the 50% reduction in the amount corresponding to attendance fees in the case of directors in their capacity as such attending the meetings of the Board of Directors and its committees by video-conference, keeping the 50% reduction in the amount for attendance by other approved remote means of communication. The amounts corresponding to the fees for attending by video-conference will therefore be kept on the same terms as those established for personal onsite attendance of the directors at meetings of the Board of Directors and its committees.

¹ Communication from the Commission to the European Parliament, the European Council, the Council, the Economic and Social Committee, the Committee of the Regions and the European Investment Bank: A Clean Planet for all. A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy.

² In-depth analysis in support of the Commission Communication COM (2018) 773. A Clean Planet for all. A European long-term strategic vision for a prosperous, modern, competitive and climate neutral economy”, p.110.

IV. General principles underlying the proposed amendment of the Policy of Remuneration of Directors 2019-2021.

The ARC finds that the proposed amendment that would be included in the Remuneration Policy applicable to the directors in their capacity as such, if approved, follows the principles established therein in relation to the non-executive directors:

- Balance and prudence.
- Alignment with the practices demanded by shareholders and investors.
- Transparency.
- Competitiveness of the remuneration policy, both as to structure and overall amount, in order to attract, motivate and retain key professionals.
- Alignment with the strategic objectives of the Company.
- Alignment with the remuneration established by comparable companies (external fairness).
- Ensure non-discrimination on the basis of gender, age, culture, religion or race (internal fairness).
- Relation to actual dedication to the position.
- Link to responsibility and development of duties as directors.
- Absence of variable components of their remuneration in the interest of their complete independence.
- Incentivising nature without the amount affecting their independence. Specifies a monthly fixed allotment and an attendance fee.

In any event, and as provided by the Remuneration Policy, the Board of Directors shall distribute the maximum limit of three (3) million euros, approved by the shareholders at the General Meeting of Shareholders held on 8 May 2015, in the form, at the time and in the proportion that it determines based on the position held by each director and the duties and responsibilities thereof.

V. Conclusion

For all of the foregoing reasons, the ARC concludes that the amendment of the current Remuneration Policy upon the terms described in this Report, which the Board of Directors submits, if appropriate, to the shareholders at the General Meeting of Shareholders for approval, is in conformance with applicable law, is aligned with the principles and foundations of the current Remuneration Policy, and allows Siemens Gamesa to retain the most prominent professionals, as well as to promote their strategic commitment to sustainability.

And for the appropriate legal purposes, it is stated for the record that the ARC formulates this Report on the proposed amendment of the “Policy of Remuneration of Directors of Siemens Gamesa Renewable Energy, S.A. 2019-2021” at its meeting of 12 February 2020.

ANNEX

PROPOSED RESOLUTION

It is proposed that the Board of Directors approve the following resolution to be submitted for the approval of the shareholders at the Annual General Meeting of Shareholders:

Item fourteen on the Agenda.- “Approval, if appropriate, of the amendment of the Policy of Remuneration of Directors of Siemens Gamesa Renewable Energy, Sociedad Anónima 2019-2021 pursuant to the provisions of section 529 *novodecies* of the Corporate Enterprises Act.”

By virtue of the Report prepared by the Appointments and Remuneration Committee made available to the shareholders together with the rest of the documentation relating to this General Meeting as from the date of the call thereto, to approve the amendment of the Policy of Remuneration of Directors of Siemens Gamesa Renewable Energy, Sociedad Anónima for financial years 2019-2021, which is amended on the following terms and conditions:

The section “Fees for attending meetings of the Board of Directors and of its committees” corresponding to Schedule 1 “Policy of Remuneration of Directors in their capacity as such” of section 4 called “Policy of Remuneration of Directors in their capacity as such” is hereby amended to read as follows:

<p><i>Fees for attendance at meetings of the Board of Directors and committees thereof</i></p> <p><i>Aim:</i></p> <p><i>To remunerate the director for personal and effective attendance at meetings of the Board of Directors and committees thereof.</i></p>	<p><i>Maximum:</i></p> <p><i>Board of Directors:</i></p> <ul style="list-style-type: none"> ▪ <i>Chair: €2,000 per meeting held.</i> ▪ <i>Member: €2,000 per director and meeting held.</i> <p><i>Committees of the Board of Directors:</i></p> <ul style="list-style-type: none"> ▪ <i>Chair: €3,800 per meeting held.</i> ▪ <i>Member: €2,000 per director and meeting held.</i> 	<p><i>Fees for attendance at meetings of the Board and of the committees thereof are paid for the personal and effective physical attendance of each director at each meeting held, regardless of the number of meetings held.</i></p> <p><u><i>Attendance at meetings of the Board and of its committees may occur in person or by video-conference.</i></u></p> <p><i>In the case of attendance via videoconference or other remote means of communication that may be allowed, <u>other than video-conference</u>, the fees shall be 50% of the corresponding amount. There is no right to an attendance fee if a proxy is granted.</i></p> <p><i>Paid on a monthly basis.</i></p>
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