

Annual Corporate Governance Report

of Listed Companies

2019



ISSUER IDENTIFICATION

YEAR-END DATE: 09-30-2019

Tax Identification No. A01011253

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

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

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 Corporate Governance Report may not add up precisely to the numbers or totals provided in other related documents and percentages may not precisely reflect absolute figures.

A. CAPITAL STRUCTURE

A.1. Complete the table below with details of the share capital of the company:

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights
04-03-2017	115,794,374.94	681,143,382	681,143,382

Please state whether there are different classes of shares with different associated rights:

Yes

No

Class	Number of shares	Par value	Number of votes	Associated rights

A.2. Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
SIEMENS AKTIENGESELLSCHAFT	30.123	28.877	0.00	0.00	59.000
IBERDROLA, S.A.	0.00	8.071	0.00	0.00	8.071

Breakdown of the indirect holding

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
SIEMENS AKTIENGESELLSCHAFT	SIEMENS BETEILIGUNGEN INLAND GMBH	28.877	0.00	28.877
IBERDROLA, S.A.	IBERDROLA PARTICIPACIONES, S.A.U.	8.071	0.00	8.071

State the most significant shareholder structure changes during the year:

Most significant movements

No changes in the shareholding structure have occurred during fiscal year 2019.

A.3. In the following tables, list the members of the Board of Directors (hereinafter “directors”) with voting rights in the company:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Cendoya Aranzamendi, Andoni	0.0001	0.0000	0.0000	0.0000	0.0001	0.0000	0.0000
Rodríguez-Quiroga Menéndez, Carlos	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total percentage of voting rights held by the Board of Directors						0.0001	

Remarks

Mr. Andoni Cendoya Aranzamendi is the direct holder of 1,000 shares of Siemens Gamesa Renewable Energy, S.A. (hereinafter, “SIEMENS GAMESA” or the “Company”), which represent 0.0001% of the share capital.

Mr. Carlos Rodríguez-Quiroga Menéndez is the direct holder of 315 shares of SIEMENS GAMESA, which represent 0.0000% of the share capital.

Ms Sonsoles Rubio Reinoso, a former director of the Company, was the direct holder of 1,030 shares of SIEMENS GAMESA, representing 0.0002% of the share capital, at the time of her voluntary resignation as a director, which took place on 12 December 2018.

In addition, it is reported that the shareholders acting at the General Meeting of Shareholders of SIEMENS GAMESA held on 23 March 2018 approved a “Long-Term Incentive Plan” (hereinafter, LTI) for the 2018-2020 period, which was amended by resolution of the shareholders at the Company’s General Meeting of Shareholders held on 27 March 2019, which includes the delivery of Company shares linked to the achievement of certain strategic objectives, directed to the CEO Mr. Markus Tacke, among others. As reported to the CNMV on 20 April 2018 and 29 April 2019, in relation to the aforementioned LTI, the Board of Directors assigned to Mr Markus Tacke 56,180 stock awards for the FY2018 cycle and 124,777 stock awards for the FY2019 cycle, respectively, resulting in a total of 180,957 stock awards. In relation to FY2020 cycle, the Board of Directors has assigned to Mr Markus Tacke on November 27, 2019, 114,161 *stock awards*. This assignment will be communicated to the Spanish National Securities Market Commission (CNMW) within the legal term. The amount of *stock awards* just means the potential maximum number of shares to be awarded to the CEO in case of maximum achievement of all objectives established for such cycles, but it does not imply in any case that all or part of them will be awarded. The number of shares which, if that is the case, are finally awarded, will be calculated over the basis of the level of effective achievement of the objectives to which it is subject to. No share has been awarded to the CEO, under any of the cycles of the LTI, by the date of issuance of this report.

Finally, it shall be noted that after the end of the 2019 fiscal year, on November 5, 2019, Mr. Markus Tacke acquired 5,000 shares of SIEMENS GAMESA, which represent 0.0007% of the share capital.

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments

A.4. If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name of related party	Nature of relationship	Brief description
SIEMENS AKTIENGESELLSCHAFT and SIEMENS BETEILIGUNGEN INLAND GMBH	Corporate	Both holders of significant interests are in turn related companies, as Siemens Beteiligungen Inland GmbH is 100%-owned by Siemens Aktiengesellschaft.

A.5. If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Nature of relationship	Brief description
N/A	N/A	N/A

Remarks

The existing contractual relationships that exist between significant shareholders and SIEMENS GAMESA and/or group (understood as the group of companies where SIEMENS GAMESA is the mother company, the "SIEMENS GAMESA Group" or the "Group") arise in the ordinary course of business and are not included in this section A.5. View section D.2. for more detail.

A.6. Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of proprietary directors.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties.

Shareholders with significant interests are represented on the Board of Directors through Proprietary Non-Executive Directors. According to article 11 of the Regulations of the Board of Directors of SIEMENS GAMESA, the categories of directors are (a) Executive Directors; and (b) Non-executive Directors. Non-executive Directors may also be Independent, Proprietary or other External Directors.

The status of each Director will be determined in accordance with legal provisions and must be explained by the Board of Directors before the General Shareholders' Meeting that will carry out or approve their appointment and confirm or, where applicable, revise it annually in the Annual Corporate Governance Report after being verified by the Appointments and Remuneration Committee."

It should also be noted that article 9.4 of the Regulations of the Board of Directors states that "the Board of Directors shall attempt to include Proprietary and Independent Directors in the majority group of Non-executive Directors, maintaining a balance regarding the complexity of the Group, the ownership structure of the Company, the absolute and relative importance of significant shares, as well as the degree of continuity, commitment and strategic links with the owners of these stocks with the Company."

And then article 13.4 of said Regulations provides that "the provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders' Meeting to make decisions on the appointment of Directors."

The Board of Directors of SIEMENS GAMESA is currently made up of the following proprietary directors:

- Ms. Lisa Davis, appointed at the Extraordinary General Meeting of Shareholders held on 25 October 2016 at the proposal of Siemens AG, her appointment becoming effective on 3 April 2017.

- Mr. Ralf Thomas, appointed at the Extraordinary General Meeting of Shareholders held on 25 October 2016 at the proposal of Siemens AG, his appointment becoming effective on 3 April 2017.

- Ms. Mariel von Schumann, appointed at the Extraordinary General Meeting of Shareholders held on 25 October 2016 at the proposal of Siemens AG, her appointment becoming effective on 3 April 2017.

- Mr. Michael Sen, appointed on an interim basis (co-option) by the Board of Directors on 8 May 2017 at the proposal of Siemens AG to replace Mr. Klaus Helmrich, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on 20 June 2017.

- Mr. Miguel Angel López Borrego, appointed on an interim basis (co-option) by the Board of Directors on 16 October 2018 effective 1 December 2018 at the proposal of Siemens AG to replace Ms. Rosa María García García, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on 27 March 2019.

- Mr. Pedro Azagra Blázquez, appointed on an interim basis (co-option) by the Board of Directors on 12 December 2018 at the proposal of Iberdrola Participaciones, S.A.U. to replace Ms. Sonsoles Rubio Reinoso, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on 27 March 2019.

Capital structure

In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
López Borrego, Miguel Angel	SIEMENS AKTIENGESELLSCHAFT	Siemens, S.A.	Chairman of the Board of Directors and CEO
López Borrego, Miguel Angel	SIEMENS AKTIENGESELLSCHAFT	Siemens Holding, S.L.U.	Chairman of the Board of Directors
López Borrego, Miguel Angel	SIEMENS AKTIENGESELLSCHAFT	Siemens Rail Automation, S.A.U.	Member of the Board of Directors
López Borrego, Miguel Angel	SIEMENS AKTIENGESELLSCHAFT	Siemens, S.A. (Portugal)	Member of the Board of Directors
López Borrego, Miguel Angel	SIEMENS AKTIENGESELLSCHAFT	Siemens Healthineers, S.L.U.	Member of its Advisory Board
Davis, Lisa	SIEMENS AKTIENGESELLSCHAFT		Member of the Managing Board
Davis, Lisa	SIEMENS AKTIENGESELLSCHAFT	Siemens Proprietary Ltd., South Africa	Chairwoman of the Board of Directors
von Schumann, Mariel	SIEMENS AKTIENGESELLSCHAFT	Siemens Ltd. India	Member of the Board of Directors
von Schumann, Mariel	SIEMENS AKTIENGESELLSCHAFT	Siemens Stiftung	Member of the Board of Trustees
Sen, Michael	SIEMENS AKTIENGESELLSCHAFT		Member of the Managing Board
Sen, Michael	SIEMENS AKTIENGESELLSCHAFT	Siemens Healthineers AG	Chairman of its Supervisory Board, Chairman of the Chairman's Committee, Member of its Audit Committee and Chairman of the Innovation and Finance Committee
Thomas, Ralf	SIEMENS AKTIENGESELLSCHAFT		Member of the Managing Board
Thomas, Ralf	SIEMENS AKTIENGESELLSCHAFT		Chief Financial Officer
Thomas, Ralf	SIEMENS AKTIENGESELLSCHAFT	Siemens Healthineers AG	Member of its Supervisory Board and Chairman of its Audit Committee
Thomas, Ralf	SIEMENS AKTIENGESELLSCHAFT	Siemens Aktiengesellschaft Österreich	Member of its Supervisory Board and Chairman of its Audit Committee
Azagra Blázquez, Pedro	IBERDROLA, S.A.		Member of the Executive Committee and Corporate Development Director of Iberdrola Group
Azagra Blázquez, Pedro	IBERDROLA, S.A.	Neoenergia Brasil	Member of the Board of Directors and Member of the Audit Committee

Remarks

It is pointed out that Ms. Lisa Davis held the post of Chairwoman of the Board of Directors and CEO of Siemens Corporation, USA until June 2019.

It shall also be pointed out that Ms. Mariel von Schumann held the post as Chief of Staff and Head of Governance and Markets Department in SIEMENS AKTIENGESELLSCHAFT until July 2019.

Likewise, Mr. Ralf Thomas held the post as Vice Chairman and member of the Board of Directors of SIEMENS CORPORATION until July 2019.

Regarding Mr. Pedro Azagra Blázquez it shall be remarked that he also held the post as member of the Board of Directors and member of the Executive Committee of Avangrid, Inc. until June 27, 2019.

In relation to Ms. Rosa María García García, Chairwoman of the Board of Directors of SIEMENS GAMESA until December 1, 2018, it shall be pointed out that she also held until that same date the post as Chairwoman and CEO of SIEMENS, S.A. and Chairwoman of Siemens Holding, S.L.U.

Likewise in relation to Ms. Sonsoles Rubio Reinoso, member of the Board of Directors of SIEMENS GAMESA until December 12, 2018, it shall be remarked that she is the Internal Audit Director of the Iberdrola Group.

A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Corporate Enterprises Act" or "LSC"). If so, describe these agreements and list the party shareholders:

Yes No

Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable
IBERDROLA S.A., IBERDROLA PARTICIPACIONES, S.A. (SOCIEDAD UNIPERSONAL) and SIEMENS AKTIENGESELLSCHAFT	67.07%	In fulfillment of article 531 of the restated text of the Corporate Enterprises Act, approved by the RLD 1/2010, of July 2 (the "Capital Companies Law"), IBERDROLA, S.A. ("IBERDROLA") informed Gamesa Corporación Tecnológica, S.A. ("GAMESA") on June 17, 2016 of the signature of a shareholders' agreement between IBERDROLA and Iberdrola Participaciones, S.A. (Sociedad Unipersonal), as shareholders (non-direct and direct, respectively) of GAMESA, on one hand, and Siemens Aktiengesellschaft ("SIEMENS AG"), on the other hand (significant events number 239899 from June 17, 2016, and number 255530 from August 1, 2017). The contract was signed in the context of the process of combination of the wind energy businesses of GAMESA and SIEMENS AG through the merger by absorption of Siemens Wind Holdco, S.L. (Sociedad Unipersonal) by GAMESA ("Merger"). This shareholders' agreement governs, among other matters, the relationships of the parties as future shareholders of GAMESA after the Merger, which became effective on April 3, 2017.	Indefinite

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes No

Parties to the concerted action	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

Not occurred

A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores (“Spanish Securities Market Act” or “LMV”). If so, please identify them:

Yes

No

Name of individual or company

SIEMENS AKTIENGESELLSCHAFT

Remarks

The significant shareholder SIEMENS AG owns 59% of the share capital of SIEMENS GAMESA and therefore can exercise control over it according to article 42 of the Commerce Code. The Company has five external proprietary directors appointed following proposal from SIEMENS AG in the Board of Directors.

It shall also be pointed out that according to the Significant Event sent by SIEMENS GAMESA to the CNMV on May 7, 2019 (registry number 277864), Siemens AG announced on the same day a significant event titled “Siemens plans to sharpen the focus of its portfolio” where, amongst other, it disclosed certain plans with respect to its stake in SIEMENS GAMESA. Full text of such significant event by Siemens AG may be found in its corporate website <https://new.siemens.com/global/en/company/investor-relations/events-publications-ad-hoc.html#AdhocAnnouncements>, a copy of which was attached to SIEMENS GAMESA’s Significant Event.

A.9. Complete the following table with details of the company’s treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
1,635,425	0	0.240

Remarks

It shall be pointed out that SIEMENS GAMESA signed on July 10, 2017 a liquidity contract with Santander Investment Bolsa, which entered into force and was reported to the CNMV through Significant Event (number 254428) on July 11, 2017.

Likewise, during 2019 fiscal year the CNMV has been notified of transactions carried out within the scope of the referred liquidity contract during the last quarter of 2018 fiscal year and the three next quarters of 2019 fiscal year via Significant Event numbers 270207, 273533, 276753, and 279880. By the beginning of 2020 fiscal year, the CNMV has been notified as well of transactions corresponding to last quarter of 2019 fiscal year via Significant Event number 282286.

(*) through:

Name of direct shareholder	Number of direct shares
N/A	N/A
Total:	

Explain any significant changes during the year:

Explain significant changes

Pursuant to article 40 of Royal Decree 1362/2007 of 19 October, implementing the Spanish Securities Market Act (Law 24/1988 of 28 July), regarding the transparency requirements in relation to information about issuers whose securities are admitted to trading on an official secondary market or other regulated market in the European Union (the "Royal Decree 1362/2007"), these issuers must inform the National Securities Market Commission (Comisión Nacional del Mercado de Valores or "CNMV") of the proportion of voting rights held when, from the last treasury stock acquisition announcement, they acquire their own shares amounting to at least 1% of the voting rights via either a single or successive transactions.

In this regard, during the 2019 fiscal year SIEMENS GAMESA made three announcements of direct acquisitions of treasury stock for reaching or exceeding the 1% threshold of the voting rights since the previous similar announcement. The announcements made are detailed below:

- Announcement dated on 11-08-2018, with a total number of directly acquired shares of 6,941,282 representing a capital share of 1.019%.
- Announcement dated on 03-29-2019, rectified on 08-19-2019, with a total number of directly acquired shares of 6,820,265 representing a capital share of 1.001%.
- Announcement dated on 08-19-2019, with a total number of directly acquired shares of 6,810,457 representing a capital share of 1.000%.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

As at the date of approval of this report, the approval by the shareholders at the Company's Annual General Meeting of Shareholders held on 8 May 2015 under item nine on the agenda, pursuant to which the Board of Directors was authorized to acquire own shares of the Company, is in effect. The text of the resolution adopted by the shareholders at said Meeting in item nine on the Agenda is set forth verbatim below:

"Pursuant to the provisions of Section 146 of the Corporate Enterprises Act, to expressly authorise the Board of Directors, with express powers of substitution, to engage in the derivative acquisition of shares of Gamesa Corporación Tecnológica, Sociedad Anónima ("Gamesa" or the "Company"), on the following terms:

a.- Acquisitions may be made directly by Gamesa or by any of its subsidiaries upon the same terms of this resolution.

b.- Acquisitions of shares shall be made through purchase/sale, swap or any other transaction allowed by law.

c.- Acquisitions may be made at any time up to the maximum amount allowed by law.

d.- The minimum price of the shares shall be the nominal value thereof and the maximum price may not be greater than 110% of the listing price thereof on the date of acquisition.

e.- The shares acquired may be subsequently sold on terms that are freely determined.

f.- This approval is given for a maximum period of 5 years, expressly depriving of effect the approval granted by the shareholders at the Company's Annual General Meeting of Shareholders held on 28 May 2010, to the extent of the unused amount.

g.- The acquisition of shares, including shares previously acquired by the Company or by a person acting in their own name but on the Company's behalf and held thereby, may not have the effect of reducing net assets below the amount of share capital plus reserves restricted by law or the by-laws, all as provided in letter b) of Section 146.1 of the Corporate Enterprises Act.



Capital structure

Finally, as regards the provisions of the last paragraph of Section 146.1.a) of the Corporate Enterprises Act, it is stated that the shares acquired pursuant to this approval may be used by the Company for, among other things, delivery to employees or administrators of the Company, whether directly or as a result of the exercise of option or other rights contemplated in Incentive Plans of which they are holders and/or beneficiaries as provided by law, by-laws and regulations.”

A.11. Estimated working capital:

	%
Estimated working capital	32.688

A.12. State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorization or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company’s financial instruments.

Yes No

Description of restrictions

Do not exist.

A.13. State if the shareholders have resolved at a meeting to adopt measures to neutralise a takeover bid pursuant to the provisions of Act 6/2007.

Yes No

If so, please explain the measures approved and the terms under which such limitations would cease to apply:

Explain the measures approved and the terms under which such limitations would cease to apply

No resolution has been adopted.

A.14. State if the company has issued shares that are not traded on a regulated EU market.

Yes No

If so, please list each type of share and the rights and obligations conferred on each.

List each type of share

N/A

General shareholders'
meeting

B. GENERAL SHAREHOLDERS' MEETING

B.1. State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

Yes

No

	% quorum different from that contained in Article 193 LSC for general matters	% quorum different from that contained in Article 194 LSC for special resolutions
Quorum required at 1st call	N/A	N/A
Quorum required at 2nd call	N/A	N/A

Description of differences

N/A

B.2. State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

Yes

No

Describe how it is different from that contained in the LSC.

	Qualified majority different from that established in Article 201.2 LSC for Article 194.1 LSC matters	Other matters requiring a qualified majority
% established by the company for adoption of resolutions	N/A	N/A

Describe the differences

N/A

B.3. State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

The amendment of the By-Laws of SIEMENS GAMESA is governed by the provisions of: (i) Sections 285 to 290 of the Corporate Enterprises Act, (ii) its By-Laws y (iii) its Regulations for the General Meeting of Shareholders.

Articles 14. h) of the By-Laws and 6.1 h) of the Regulations for the General Meeting of Shareholders provide that said amendment is within the purview of the shareholders acting at a General Meeting of Shareholders of SIEMENS GAMESA.

Furthermore, articles 18 of the By-Laws and 26 of the Regulations for the General Meeting of Shareholders include the quorum requirements and articles 26 of the By-Laws and 32 of the Regulations for the General Meeting of Shareholders provide for the majorities required to adopt resolutions at the General Meeting of Shareholders. All of said articles refer to the legal provisions on these matters.

Additionally, article 31.4 of the Regulations for the General Meeting of Shareholders provides that the Board of Directors, in accordance with the provisions of law, shall formulate different proposed resolutions relating to those matters that are essentially independent, so that the shareholders can exercise their voting rights separately. Within the context of amending the By-Laws, this rule means that each article or group of articles that is substantially independent shall constitute a separate proposal and shall be subject to individual approval.

Finally, pursuant to Section 518 of the Corporate Enterprises Act, for purposes of the call to meeting of a General Meeting of Shareholders at which an amendment of the By-Laws is proposed, the Company's website shall include the full text of the proposed resolutions regarding the items on the agenda in which said amendment is proposed, as well as the reports of the competent bodies in relation to these items.

B.4. Give details of attendance at General Shareholders' Meetings held during the year of this report and the previous year:

Attendance data

Date of General Meeting	% physically present	% present by proxy	% distance voting		Total
			Electronic voting	Other	
03-27-2019	9.47	74.42	0.00	0.00	83.89
Of which, free float:	1.40	15.42	0.00	0.00	16.82
03-23-2018	9.01	72.39	0.00	0.00	81.40
Of which, free float:	0.93	13.39	0.00	0.00	14.32
06-20-2017	9.42	75.46	0.00	0.00	84.88
Of which, free float:	1.35	16.46	0.00	0.00	17.81

General shareholders' meeting

Remarks

The free-float percentages have been calculated by dividing the shares present in person and by proxy less those belonging to significant shareholders and directors participating at each Meeting, according to the information available on the attendance roll, by the total number of shares outstanding on the date the Meeting is held. For these purposes, significant equity interests deposited into omnibus accounts (that are not in the name of the holders of said equity interests) have been subtracted from the shares present in person and by proxy, as the Company was aware of the participation of said significant shareholder at the Company's General Meeting.

By way of supplement to the information supplied in this section B.4, eighteen shareholders holding a total of forty-four thousand one hundred ninety-three (44,193) shares used the electronic absentee voting platform at the Annual General Meeting of Shareholders in fiscal year 2019.

B.5. State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason.

Yes

No

Points on agenda not approved

% votes against (*)

() If the non-approval of the point is for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.*

B.6. State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

Yes

No

Number of shares required to attend General Meetings

Number of shares required for distance voting

B.7. State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting.

Yes

No

Explain the decisions that must be subject to the General Shareholders' Meeting, other than those established by law

N/A

B.8. State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

Article 48 of the By-Laws of SIEMENS GAMESA governs the activation of the Company's website pursuant to applicable law.

At its meeting of 13 September 2017, the Board of Directors of SIEMENS GAMESA approved the change of the corporate website from www.gamesacorp.com to www.siemensgamesa.com. The change was registered with the Commercial Registry of Biscay on 24 October 2017 and was published in the Official Gazette of the Commercial Registry (Boletín Oficial del Registro Mercantil) (BORME) on 2 November 2017, all for purposes of the full effectiveness thereof pursuant to Section 11 bis of the Corporate Enterprises Act.

The corporate website includes all information and content that must be published (directly accessible at <https://www.siemensgamesa.com/es-es/investors-and-shareholders>) pursuant to the Restated Text of the Securities Market Act approved by Royal Legislative Decree 4/2015 of 23 October (the "Securities Market Act"), the Corporate Enterprises Act, Order ECC/461/2013 of 20 March Determining the Content and Structure of the Annual Corporate Governance Report, the Annual Remuneration Report and Other Information Instruments of Listed Companies, Savings Banks and Other Entities that Issue Securities Admitted to Trading on Official Securities Markets, and CNMV Circular 3/2015 of 23 June on Technical and Legal Specifications and Information that must be Contained in Websites of Listed Companies and Savings Banks that Issue Securities Admitted to Trading on Official Secondary Securities Markets.

As to mandatory content, the Company seeks to continuously improve accessibility for users, particularly shareholders and investors, and this content is kept permanently updated pursuant to applicable law.

As regards accessibility of the mandatory content, it should be noted that access is provided on the home page of the corporate website. This access is located in the upper part of the page under the title "Investors and shareholders" (accessible at <https://www.siemensgamesa.com/en-int/investors-and-shareholders>), where there is a drop-down list of sections with all of the content that must be included on the websites of listed companies pursuant to the legal provisions mentioned above. These sections can also be accessed directly at their respective addresses:

- <https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance>
- <https://www.siemensgamesa.com/en-int/investors-and-shareholders/share-and-dividend>
- <https://www.siemensgamesa.com/en-int/investors-and-shareholders/financial-information>
- <https://www.siemensgamesa.com/en-int/investors-and-shareholders/cnmv-filings>

It should also be noted that this access to section "Investors and shareholders" is also available at the bottom of the website's home page.

The corporate website also contains other information of interest for shareholders and investors and news relating to the Company's activities.

C. COMPANY ADMINISTRATIVE STRUCTURE

C.1. Board of Directors

C.1.1. Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	13

C.1.2. Please complete the following table on directors:

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
López Borrego, Miguel Angel		External Proprietary	Chairman	12-01-2018	03-27-2019	General Meeting
Tacke, Markus		Executive	Chief Executive Officer	05-08-2017	06-20-2017	General Meeting
Rodríguez-Quiroga Menéndez, Carlos		Executive	Director and Secretary	09-27-2001	06-20-2017	General Meeting
Davis, Lisa		External Proprietary	Director	04-03-2017	04-03-2017	General Meeting
von Schumann, Mariel		External Proprietary	Director	04-03-2017	04-03-2017	General Meeting
Sen, Michael		External Proprietary	Director	05-10-2017	06-20-2017	General Meeting
Hernández García, Gloria		Independent	Director	05-12-2015	03-27-2019	General Meeting


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Thomas, Ralf	External Proprietary	Director	04-03-2017	04-03-2017	General Meeting
Azagra Blázquez, Pedro	External Proprietary	Director	12-14-2018	03-27-2019	General Meeting
Krämmmer, Rudolf	Independent	Director	02-20-2019	03-27-2019	General Meeting
Rosenfeld, Klaus	Independent	Director	04-03-2017	04-03-2017	General Meeting
Cendoya Aranzamendi, Andoni	Independent	Director	05-12-2015	03-27-2019	General Meeting
Alonso Ureba, Alberto	Independent	Director	10-20-2017	03-23-2018	General Meeting
Total number of directors				13	

State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
García García Rosa María	External Proprietary	04-03-2017	12-01-2018	None	Yes
Rubio Reinoso, Sonsoles	External Proprietary	06-22-2016	12-12-2018	Appointments and Remunerations Committee	Yes
Conrad, Swantje	Independent	04-03-2017	02-20-2019	Audit, Compliance and Related Party Transactions Committee; and Appointments and Remunerations Committee	Yes

Reason for leaving and other remarks

Three members of the Board of Directors stepped down for personal reasons during fiscal year 2019.

To supplement the chart of the members of the Board of Directors, it should be noted that Mr. Juan Antonio García Fuente holds the position of non-member Deputy Secretary of the Board of Directors since his appointment on 20 October 2017.



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C.1.3. Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Post in organizational chart of the company	Profile
Tacke, Markus	Chief Executive Officer	<p>Born in Frankfurt (Germany). He is currently Chief Executive Officer of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>He holds a Mechanical Engineering Degree from the Technical University of Darmstadt (Germany), Master Degree of Engineering by Cornell University (USA) and a PhD by the Technical University of Darmstadt (Germany).</p> <p>With a great experience in the industry sector, he started his professional career in Ways&Freytag AG and joined Siemens group in 1998, having held a number of relevant positions: Head of the manufacturing Segment Rotor Manufacturing in the gas turbine plant Siemens owns in Berlin; Head of the Business Function Production within the Business Segment Industrial Steam Turbines, Head of the Business Segment Industrial Steam Turbines and CEO of the Business Unit Industrial Steam Turbines; last, CEO of the Business Unit Industrial Power within the Division Oil&Gas of the Sector Energy.</p> <p>Since August 2013 and until April 2017, Mr. Markus Tacke held the post of CEO of Siemens Division Wind Power and Renewables.</p>
Rodriguez-Quiroga, Carlos	Director-Secretary of the Board of Directors and Legal Counsel	<p>Born in Madrid. He currently holds the position of Member of and Secretary to the Board of Directors and Secretary (non-Member) of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>He holds a Law Degree from the Complutense University of Madrid.</p> <p>Diploma-holder of Employment Law from the Legal Practice School of Madrid.</p> <p>Diploma-holder in Comparative Industrial Relations and in European Community Relations from the Secretariat of State for Relations with the European Community.</p> <p>Practicing lawyer.</p> <p>Currently he performs tasks as Director, among other positions, in the following companies: Audiovisual Española 2000, S.A., Rodríguez-Quiroga Abogados, S.L. and member of the Fundación Pro Real Academia de Jurisprudencia y Legislación.</p>
Total number of executive directors		2
Percentage of Board		15.38

PROPRIETARY DIRECTORS

Name of director	Name or company name of the significant shareholder represented or that has proposed their appointment	Profile
López Borrego, Miguel Angel	SIEMENS AKTIENGESELLSCHAFT	<p>Born in Frankfurt am Main (Germany), he holds the position of Chairman of the Board of Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>Graduated in Business Administration Dipl. by the Berufsakademie Mannheim, Dipl. Betriebswirt (Germany) and MBA by the University of Toronto (Canada).</p> <p>He currently holds the position as Chairman and Chief Executive Officer of Siemens, S.A. (Spain) as well as Chairman of the Board of Directors of Siemens Holding S.L.U., member of the Board of Siemens Rail Automation S.A.U., member of the Board of Directors of Siemens, S.A. (Portugal) and member of the Advisory Board of Siemens Healthineers, S.L.U.. In addition to this, he is also member of the Managing Board of the Deutsche Handelskammer für Spanien (German Chamber of Commerce for Spain), member of the Managing Board of Innobasque (Basque Innovation Agency) and member of the Business Advisory Council of CEOE (Confederation of employers and industries of Spain).</p> <p>His professional career started as plant controller in VDO AG. Afterwards he was appointed Chief Financial Officer of VDO Instrumentos in Spain and of VDO's global Instruments Division. Within the Siemens Group he held the position as Chief Financial Officer of the Interior & Infotainment Business Unit of Siemens VDO AG, of the Low Voltage Controls & Distribution Business Unit in the Siemens Automation & Drives group, of the Industry Automation Division, of Siemens' Industry Sector, until in 2014 he was appointed CFO of Siemens Digital Factory Division. In 2017 he held the position of CFO of Siemens Gamesa Renewable Energy.</p> <p>Throughout his entire professional career, he held different positions on various boards of directors around the world. As an example, he has served on Primetals Technologies' Board of Directors in Austria and Great Britain; Valeo Siemens eAutomotive or several positions in China and in other countries such as France and Portugal.</p>
Azagra Blázquez, Pedro	IBERDROLA, S.A.	<p>Born in Madrid. He currently holds the position of Member of the Board of Directors and of the Appointments and Remuneration Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>He holds a Degree in Law and Economic and Management Sciences by the Universidad Pontificia Comillas (ICADE) (Madrid) and MBA by the Chicago University Business School (EE.UU.).</p> <p>He started his professional career in the investment banking division at Morgan Stanley until he joined the Iberdrola Group in 1997.</p> <p>Currently, and since 2008, he holds the post as Corporate Development Director of the Iberdrola Group and, during this time he has been member of the Board of Directors of Iberdrola Mexico, Avangrid, Energy East, Rochester Gas and Electric, New York State Electric and Gas Corporation, Iberdrola Portugal and Rokas. Likewise, he is member of the Executive Committee of the Iberdrola Group and member of the Board of Directors and Audit Committee of Neoenergia Brasil.</p> <p>He is also lecturer of Corporate Finance and Mergers and Acquisitions at the Universidad Pontificia Comillas (ICADE).</p>



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Davis, Lisa	SIEMENS AKTIENGESELLSCHAFT	<p>Born in Idaho (U.S.), she holds the position of Member of the Board of Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>Graduated from the University of Berkeley (California, US) with a degree in chemical engineering.</p> <p>Since August 2014 to the present day, she has been a member of the Managing Board of Siemens AG. She is also member of the Board of Directors of Penske Automotive Group Inc., USA and Chairwoman of Siemens Proprietary Ltd., South Africa, until June 2019 she also held the post as Chairwoman and CEO of SIEMENS CORPORATION, USA.</p> <p>She has held various management posts at Exxon Corporation and Texaco and, most recently, at Royal Dutch Shell (both in the US and the UK). During this time she has contributed to the development of the business related to oil and gas production and processing, fuels distribution and alternative energy growth, and undertaken the following roles: Vice President of hydrocarbon supply for Europe, Vice-President of sales and marketing lubricants and bulk fuels in the Americas and Executive Vice-Chair of strategy, portfolio and alternative energy of Royal Dutch Shell.</p>
von Schumann, Mariel	SIEMENS AKTIENGESELLSCHAFT	<p>Ms. von Schumann holds the position of Member of the Board of Directors and of the Appointments and Remuneration Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>Born in Brussels (Belgium), she graduated from ICHEC University of Brussels (Bachelor in Economics and Business Administration and Management), and from EAP-ESCP Europe with a master's in International Business Administration and Management. She completed a number of postgraduate programs, among others at INSEAD and LBS.</p> <p>Throughout her professional career, she has held various management posts in Product Management, Mergers and Acquisitions, Strategy and Investor Relations. At Siemens AG, she served as Head of Investor Relations until October 2013 and held the posts as Chief of Staff and Head of Governance & Markets until July 2019. Currently, she is also on the Board of Directors for Siemens India and for the Siemens Foundation (Siemens Stiftung).</p>
Thomas, Ralf	SIEMENS AKTIENGESELLSCHAFT	<p>Born in Nürnberg (Germany), he holds the position of Member of the Board of Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>Graduated from the University of Erlangen-Nuremberg (Germany) with a degree in Economics and Business Administration; he also holds a Doctorate in Company Tax Accounting.</p> <p>Since September 2013 to the present day, he has been a member of the Managing Board and chief financial officer of Siemens AG. He is also member of the Supervisory Board of Siemens Healthineers AG and Chairman of its Audit Committee, and member of the Supervisory Board and Chairman of the Audit Committee of Siemens Aktiengesellschaft Österreich.</p> <p>He has held various management posts in a number of companies of the Siemens Group; these positions include: Head of Accounting and Treasury of Siemens Ltd. South Africa, Financial Manager of the Angiography and Fluoroscopic and Radiographic Systems of Siemens Medical Solutions and Head of Accounting, Control, Information and Corporate Finance Taxation of Siemens.</p>
Sen, Michael	SIEMENS AKTIENGESELLSCHAFT	<p>Born in Korschenbroich (Germany). He is currently member of the Board of Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>He holds a Degree in business and management administration by the Technical University of Berlin.</p>

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He has developed his professional career in Siemens AG holding different posts in the corporate development and corporate finance areas as chief financial officer of the information solutions and applications. Likewise he held the post as senior vice president of strategy transformation and investor relations. For 7 years he worked as chief financial officer of the healthcare sector in Siemens. In 2015 he joined E.ON SE as chief financial officer and since 2017 he is member of the Managing Board of Siemens AG. He also holds the post as Chairman of the Supervisory Board of Siemens Healthineers AG.

Total number of proprietary directors

6

Percentage of the Board

46.15

INDEPENDENT DIRECTORS

Name of director	Profile
Krämmer, Rudolf	<p>Born in Rosenheim (Germany), he holds the position of Member of the Board of Directors, Chairman of the Audit, Compliance and Related Party Transactions Committee and Member of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>Graduated from the University of Munich (Germany) with a degree in Business Administration, he is admitted for 25 years as tax consultant (Steuerberater) and certified public accountant (Wirtschaftsprüfer) in Germany.</p> <p>Mr. Krämmer has extensive experience in accounting, auditing, financial and business advisory. He worked for almost 15 years for Arthur Andersen and Andersen Consulting in Munich, Chicago, Moscow and St. Petersburg, the last six years as partner in different leadership positions. In 2002 he joined EY Germany as partner and was lead audit partner on significant publicly listed companies in Germany including Siemens AG. Overall, he served EY for 14 years thereof almost 10 years as member of the managing board.</p> <p>Currently he is registered in own practice and engaged in voluntary social work in his community. He is member of the supervisory board of Ärzte ohne Grenzen, Deutsche Sektion e.V.</p>
Rosenfeld, Klaus	<p>Born in Bonn (Germany), he holds the position of Member of the Board of Directors and of the Appointments and Remuneration Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>After an apprenticeship at Dresdner Bank and his military service he graduated in Business Administration from the University of Münster (Germany).</p> <p>Currently, he is the CEO of Schaeffler AG, a leading automotive and industrial supplier, a position he was appointed to in June 2014.</p> <p>He started his professional career in 1993 holding several positions in the Investment Banking Division in Dresdner Bank AG. In 2002 he became member of the Board of Directors, being responsible for Finance and Controlling, Compliance and Corporate investments Dresdner Bank AG.</p> <p>He joined the Schaeffler AG in March 2009 as Chief Financial Officer. During this period he led the corporate and financial restructuring of the group, after the takeover bid for Continental AG, and led, in 2012, Schaeffler AG's access to the debt markets and its IPO in October 2015.</p> <p>He is also a member of the management and supervisory bodies of various industrial companies. In particular, he is a member of the Supervisory Board and the Audit Committee of Continental AG, in Hanover (Germany), and the Board of Directors of Schaeffler India Ltd., in Mumbai (India). He is also a member of the Executive Committee of the Federation of German Industries (BDI) in Berlin.</p>
Hernández García, Gloria	<p>Born in Madrid, she holds the position of Member of the Board of Directors and of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p>

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She studied at the Complutense University of Madrid, where she obtained a degree in Economic Sciences with a specialty in Economic Theory.

Until January 2019 she held the post as General Director of Finance and Capital Markets of Bankinter, S.A., manager of the treasury of the company, of balance sheet risk management, of solvency and calculation, and of the management of the resources of the Bankinter Group, as well as responsible for the budget control and the efficiency, the investors relations, accountancy policies and the financial control, the accounts and the financial information of the Bankinter group and the coordination of the relationship of the entity with the ECB. She was member of the Management Committee of Bankinter, S.A., Director as representative of Bankinter in Linea Directa Aseguradora, S.A., Bankinter Consumer Finance and Bankinter Global Services.

Before joining Bankinter, S.A., she served for over seven years as the Financial Director of Banco Pastor, S.A.

Doña Gloria Hernández García is Commercial Technician and State Economist on personal leave, and as such she worked until 2003 in different public posts connected to the Directorate General of the Treasury and Financial Policy, where she also held the position of General Manager of the Treasury. She also was nata Director of the CNMV and the Bank of Spain.

At last, she has had significant international experience by being, among others, a representative member of Spain on Committees of the European Union and Director of the subsidiary of Bankinter in Luxembourg.

Born in in Deba (Gipuzkoa), he holds the position of Member of the Board of Directors and Chairman of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.

He holds a Master's in Electrical Engineering from the Escuela de Armería in Eibar, and a Master's in Human Resources from CEREM.

Cendoya Aranzamendi, Andoni

Andoni Cendoya Aranzamendi has broad experience in the industrial sector, having undertaken the majority of his career in a leading group of the aeronautical sector (the ITP Group). He also adds to his sectoral knowledge with experience in other sectors, with his role in the negotiation of restructuring the naval sector and the renewal of the bank agreement being particularly outstanding. Likewise he was member of the General Councils and member of the Executive Commissions of Spanish National Health Institute (Instituto Nacional de la Salud (INSALUD)), of the National Social Security Institute (Instituto Nacional de la Seguridad Social (INSS)) and of the Institute for the Elderly and Social Services (Instituto de Mayores y Servicios Sociales (IMSERSO)).

He has experience in the senior management of international companies, acquired during his time as the Executive Director of Human Resources of the ITP Group, where he was also a member of the Management Committee of the Group. He also has experience in the management of international companies, as he was part of the management team of ITP's subsidiaries in England and Mexico. Specifically, he started up the operations of the latter.

Born in Sevilla. He currently holds the position of Member of the Board of Directors and of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Law Degree and PhD in Law by the Universidad Complutense of Madrid and Chaired Professor of the Universidad Rey Juan Carlos since 1999. Previously he was Chaired Professor in the Universidad of Castilla-La Mancha (1988) and in the Universidad Complutense of Madrid (1993).

Practicing lawyer.

Alonso Ureba, Alberto

Currently, founding partner of Ramón y Cajal Abogados, member of its Management Committee and Partner co-director of the Corporate Law practice. Previously he has also led the Corporate Law practice in the law firm Baker McKenzie in the Madrid office.

Likewise he is an ex officio member of the Codification General Committee of the Justice Ministry since 1997.

In addition to his extensive experience as lawyer he also has wide of experience as member of the Board of Directors at major companies at international level. In this sense, he was member of the Board of Directors of Endesa S.A. (1998-2007) and Zeltia S.A. (1998-2006). Currently he is also the Secretary of the Board of Directors of Editorial Ecoprensa, S.A. (2019-present) and Secretary of the Board of Directors of SOCIEDAD ANONIMA DE OBRAS Y SERVICIOS COPASA (2017-present).



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He is also a member of the governing boards of prestigious specialist journals and reviews on corporate law and securities market law (Revista de Derecho de Sociedades and Revista de Derecho del Mercado de Valores), being also a member of the Editorial Boards of the Revista de Derecho de la Competencia y la Distribución, the Revista de Derecho Concursal y Paraconcursal and Cuadernos de Derecho y Comercio.

Number of independent directors

5

Percentage of the Board

38.46

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director

Description of the relationship

Statement of the Board

N/A

N/A

N/A

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director

Reason

**Company, director or
shareholder to whom the
director is related**

Profile

N/A

N/A

N/A

N/A

Total number of other external directors

0

Percentage of the Board

0.00

State any changes in status that has occurred during the period for each director:

Name of director

Date of change

Previous Status

Current status

N/A

N/A

N/A

N/A



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C.1.4. Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of directors for each category			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	2	4	4	1	33.33%	66.67%	66.67%	33.33%
Independent	1	2	2	1	20.00%	40.00%	50.00%	14.29%
Other external	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total	3	6	6	2	23.08%	46.15%	50.00%	16.67%

C.1.5. State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

Yes

No

Partial policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved

SIEMENS GAMESA is aware of the significance of the principle of diversity both in the composition of the Board of Directors and in the processes of selection and re-election of candidates for director, and this is set forth in its Regulations of the Appointments and Remuneration Committee (art. 7.4), the Regulations of the Audit, Compliance and Related Party Transactions Committee (art. 15.2) and in the "Director Selection Policy". By way of example, the power to ensure compliance with this principle is given to the Appointments and Remuneration Committee, which supports it in processes within its purview, like searching for candidates for Director of the Company, preparing reports, and procedures for appointment or re-election of Directors.

Specifically, the "Director Selection Policy" of SIEMENS GAMESA, the last version of which was approved by resolution of the Board of Directors on 25 September 2019, includes among its objectives the search for persons whose appointment favours diversity of gender, knowledge and experience within the Board of Directors. Furthermore, the Company must take into account the principle of diversity, among other principles, in the formulation of proposals or reports issued in relation to candidates for director of the Company, as provided in section 4.c) of said Policy: "The selection of directors must be guided by the purpose of achieving diversity and balance in the composition of the Board of Directors supporting different viewpoints in its debates, thus enriching decision-making. To this end, the selection of candidates for director shall favour candidates whose appointment contributes to increasing the diversity of knowledge, skills, experience, origin, nationalities, age and gender. Selection practices must not suffer from implied bias that might entail discrimination of any kind, and particularly that might hinder the selection of female directors. Additionally, efforts should be made so that, by the year 2020, the number of female directors represents at least 30% of the total members of the Board of Directors."

Likewise, the Audit, Compliance and Related Party Transactions Committee shall seek diversity in the composition thereof, particularly as regards gender, professional experience, competencies, industry knowledge and geographic origin.

In line with the foregoing, during fiscal year 2019 the Company changed three of the thirteen directors making up its Board of Directors, which has allowed the inclusion of new skills and experiences. Together with these new entries, the Company has also re-elected two members of its Board of Directors. Said appointments and re-elections are described below:

- Mr. Miguel Angel López Borrego was appointed as a director by the Board of Directors effective 1 December 2018 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified at the General Meeting of Shareholders held on 27 March 2019. Mr. López Borrego was appointed as chair of the Board of Directors on 1 December 2018.

- Mr. Pedro Azagra Blázquez was appointed as a director by the Board of Directors on 12 December 2018 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified at the General Meeting of Shareholders held on 27 March 2019. Mr. Azagra Blázquez was appointed as a member of the Appointments and Remuneration Committee on 12 December 2018.

- Mr. Rudolf Krämmer was appointed as a director by the Board of Directors on 20 February 2019 through the interim appointment (co-option) procedure, with the classification of independent non-executive director. The appointment was ratified at the General Meeting of Shareholders held on 27 March 2019. Mr. Krämmer was appointed as a member of the Appointments and Remuneration Committee and of the Audit, Compliance and Related Party Transactions Committee on 20 February 2019 and was appointed as chair of the latter committee on 27 May 2019.

- Ms. Gloria Hernández García was re-elected as a director at the General Meeting of Shareholders held on 27 March 2019, with the classification of independent non-executive director. Ms. Hernández was appointed as chair of the Audit, Compliance and Related Party Transactions Committee on 27 May 2015, in which position she remained after her re-election until 27 May 2019, when she was appointed a member thereof after the passage of the maximum term allowed by the regulations.

- Mr. Andoni Cendoya Aranzamendi was re-elected as a director at the General Meeting of Shareholders held on 27 March 2019, with the classification of independent non-executive director. Mr. Cendoya was appointed as chair of the Appointments and Remuneration Committee on 27 May 2015, in which position he has remained after his re-election.

SIEMENS GAMESA publishes on its corporate website (www.siemensgamesa.com) the internal rules mentioned at the beginning, as well the Activities Report of the Board of Directors and of the committees thereof, in which one can analyze in greater detail the objectives and duties of the internal bodies, the procedures, and the profiles of the directors.

Board of Directors skills and diversity matrix

Our Board of Directors' composition provides the balance of knowledge, capabilities, qualifications, diversity and experience required to execute our strategy. This balance is reflected in the Board's skills and diversity matrix that has been approved in 2019.

The SIEMENS GAMESA's skills and diversity matrix included here below, separates the skills in two groups, general and specific, with reference to the degree of coverage of each of them by each Director, and by the Board of Directors as a whole.

Together with the section related to skills, there is another section related to diversity in relation to geographical origin or international studies, women, and independence of the members of the Board of Directors.

Company administrative structure

Capacities and experiences	Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Director 8	Director 9	Director 10	Director 11	Director 12	Director 13
A. General													
Administration, senior management and experience in boards of directors (100%)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sectorial experience and expertise in energy or business related engineering or industry (77%)	✓	✓	✓			✓	✓	✓		✓	✓	✓	✓
International capacity or experience (100%)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Experience and expertise in strategy (46%)		✓	✓	✓		✓		✓		✓			
Accounting and financial knowledge (77%)	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	
Audit, internal control and risk management knowledge and experience (62%)	✓				✓	✓	✓	✓	✓	✓		✓	
Institutional, regulatory and legal/corporate governance (31%)				✓	✓							✓	✓
B. Specific													
Digitization and Information Technologies (31%)	✓			✓		✓	✓						
Human resources, culture, talent and remuneration systems (31%)			✓	✓							✓		✓
Corporate social responsibility and sustainable development (38%)			✓	✓		✓			✓				✓



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Geographical origin or international studies:

The Board of Directors is composed of 92% of Directors with geographical origin or international education in Europe, 38% in North America or the United Kingdom and 8% with international education in LATAM and in APAC.

Women:

Currently, the Board has 3 women, that make up 23% of members of the Board.

Independence:

When it comes to tenure, 77% of Board Directors have been in office between 0 and 4 years, 15% have been between 5 and 8 years and 8% have been for more than 12 years.

- C.1.6. Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women:

Explanation of means

By application of article 14 of the Regulations of the Board of Directors, the Appointments and Remuneration Committee has established standards for selecting Directors of good character, solvency, competence and experience, endeavoring to ensure that female candidates meeting this profile are included in the selection process.

During fiscal year 2019, this led the Appointments and Remuneration Committee to amend its Regulations in order to improve internal processes regarding the promotion of diversity and the selection of female directors. Thus, the text of article 7.4 of the Regulations of the Appointments and Remuneration Committee approved by the Board of Directors on 29 July 2019 provides that the Committee will “ensure that, when filling vacancies or appointing new directors, the selection procedures: (i) do not suffer from implicit bias that might involve any discrimination and, in particular, that might hinder the selection of female directors, and (ii) favour the diversity of the members of the Board of Directors, particularly as regards gender, professional experience, competencies, personal skills and sector knowledge, international experience or geographical origin.” Furthermore, article 7.5 of the Regulations of the Appointments and Remuneration Committee provides that one of its functions is to “set a representation target for the gender that is least represented on the Board of Directors and prepare guidelines on how to achieve it.”

For the same purpose as above, there has also been an amendment of the “Director Selection Policy”, which in article 4.c) provides that “the selection of directors must be guided by the purpose of achieving diversity and balance in the composition of the Board of Directors supporting different viewpoints in its debates, thus enriching decision-making. To this end, the selection of candidates for director shall favour candidates whose appointment contributes to increasing the diversity of knowledge, skills, experience, origin, nationalities, age and gender. Selection practices must not suffer from implied bias that might entail discrimination of any kind, and particularly that might hinder the selection of female directors. Additionally, efforts should be made so that, by the year 2020, the number of female directors represents at least 30% of the total members of the Board of Directors.”

In the event that there are few or no female directors in spite of any measures adopted, please explain the reasons that justify such a situation:

Explanation of means

N/A

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C.1.7. Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020

The conclusions of the verification of compliance with the “Director selection policy” during 2019 fiscal year carried out by the Appointments and Remuneration Committee are the following:

- The Appointments and Remuneration Committee confirms that the Company’s processes for the selection, appointment and re-election of directors complied during fiscal year 2019 with the requirements imposed by law and the Corporate Governance Rules of SIEMENS GAMESA, as well as the recommendations of the Good Governance Code.
- The Appointments and Remuneration Committee has expressly verified that the process of selecting candidates for director as well as their subsequent appointment as members of the Board of Directors during fiscal year 2019 complied with the latest version of the “Director Selection Policy of Siemens Gamesa Renewable Energy, S.A.” approved by the Board of Directors at its meeting of 25 September 2019.
- The Board of Directors of SIEMENS GAMESA, as a Company with a high level of internationalization, has members with different geographical and national origins, who also have a wide variety of personal qualifications, knowledge and professional experience, which reflects the Company’s clear commitment to diversity in the composition of its management decision-making body.
- This does not detract from the Company being committed to continuing to improve upon the application of the good governance standards, principles and rules regarding the selection of directors and it will promote that such selection processes take into account the recommendations of the Good Governance Code regarding diversity.

C.1.8. If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason
N/A	N/A

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

Yes No

Name of shareholder	Explanation

C.1.9. State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director	Brief description
Tacke, Markus	The Board of Directors of SIEMENS GAMESA, in its meeting held on June 20, 2017, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to re-elect Mr. Markus Tacke as CEO of the Company delegating in his favor all powers which, according to the law and the By-laws correspond to the Board of Directors, except those which cannot be delegated pursuant to the law and the By-laws, an appointment which was accepted by Mr. Tacke in the same act.

C.1.10. Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Name of director	Name of group member	Position	Does the director have executive powers?
N/A	N/A	N/A	N/A

C.1.11. List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Position
Rosenfeld, Klaus	Schaeffler AG	CEO
	Continental AG	Member of the Supervisory Board and Member of the Audit Committee
	Schaeffler India Ltd.	Member of the Board of Directors
Davis, Lisa	Siemens Aktiengesellschaft	Member of the Managing Board
	Penske Automotive Group Inc., USA	Member of the Board of Directors
Sen, Michael	Siemens Aktiengesellschaft	Member of the Managing Board
	Siemens Healthineers Aktiengesellschaft	Chairman of the Supervisory Board, Chairman of the Chairman's Committee, Member of the Audit Committee and Chairman of the Innovation and Finance Committee
Thomas, Ralf	Siemens Aktiengesellschaft	Member of the Managing Board
	Siemens Healthineers Aktiengesellschaft	Member of the Supervisory Board and Chairman of the Audit Committee
von Schumann, Mariel	Siemens Ltd. India	Member of the Board of Directors
Azagra Blázquez, Pedro	Neoenergia Brasil	Member of the Board of Directors and Member of the Audit Committee

Remarks

Mr. Pedro Azagra Blázquez was member of the Board of Directors and member of the Executive Committee of Avangrid, Inc. until June 27, 2019.

It should also be noted that Ms. Swantje Conrad, member of the Board of Directors of SIEMENS GAMESA until the date of her voluntary resignation from the position on 20 February 2019, was a member of the Board of Directors of BMO PRIVATE EQUITY TRUST plc.

C.1.12. State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

Yes

No

Explanation of the rules and identification of the document where this is regulated

Article 10 of SIEMENS GAMESA's Board of Director's Regulations establishes rules on the maximum number of companies' boards its directors may be a part of:

"Article 10. Incompatibilities for becoming a Director

The following individuals cannot be Directors or, where applicable, natural person representatives of a Legal Entity Director:

(...)

b) Any individual acting in the position of administrator of three or more companies whose shares are traded in domestic or foreign securities markets.

(...)"

C.1.13. State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	3,498
Amount of vested pension interests for current members (thousand euros)	333
Amount of vested pension interests for former members (thousand euros)	0

Remarks

In addition to the information provided above it shall be mentioned that:

- pursuant to articles 45.3 and 45.6 of the Bylaws of SIEMENS GAMESA and as agreed by virtue of the fifteenth resolution of the agenda of the 2015 General Meeting of Shareholders, the remuneration of the Company to all directors as fixed annual remuneration and allowances for their dedication and attendance does not exceed the maximum amount of three million euro (€3,000,000) as established by the cited General Meeting of Shareholders, as such consideration is compatible with and independent from the remuneration received by executive directors.
- the information shown therein matches the figures in Note 20 of the Individual Report and Note 31 of the Consolidated Report, which form part of the financial statements for fiscal year 2019.



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C.1.14. Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name	Position
Nauen, Andreas	CEO Offshore Business Unit
Faubel Frauendorff, Alfonso	CEO Onshore Business Unit
Albenze, Mark	CEO Services Business Unit
Bartl, Jürgen	General Secretary
Mesonero Molina, David	Chief Financial Officer
Wollny, Christoph	Chief Operations Officer
Zarza Yabar, Félix	Internal Audit Director
Total senior management remuneration (thousand euros)	6,752

Remarks

The remuneration of the Top Management includes:

- the amount of a payment, during fiscal year 2019 of the remaining 50% of incentive plan 2016-2017 to two top managers and one former top manager. The characteristics of said plan are described in the 2017 Annual Report about the Remuneration of the Members of the Board of Directors.
- the amount of a severance payment to and the amount due to a non-competition clause of one top manager.
- a strategic incentive linked to the fulfillment of targets established by the board of directors for one top manager, and a salary compensation for the exercise, on an interim basis, of an additional position to the own for another top manager.

The information shown therein matches the figures in Note 20 of the Individual Report and Note 31 of the Consolidated Report, which form part of the financial statements for fiscal year 2019.

C.1.15. State whether the Board rules were amended during the year:

Yes

No

Description of amendment

N/A

C.1.16. Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

Selection and appointment procedure:

As provided by article 30 of the By-Laws of SIEMENS GAMESA, the members of the Board of Directors are “*appointed or approved by the General Shareholders’ Meeting*” with the provision that “*if there are openings during the period for which Directors were appointed, the Board of Directors can appoint individuals to occupy them until the first General Shareholders’ Meeting is held*”, always in accordance with the applicable provisions of the Corporate Enterprises Act and the By-Laws.

Furthermore, pursuant to article 13.2 of the Regulations of the Board of Directors, “the proposals for appointing Directors submitted by the Board of Directors for consideration by the General Shareholders’ Meeting and the appointment decisions adopted using the co-option procedure must be preceded by: (a) for Independent Directors, a proposal from the Appointments and Remuneration Committee; and (b) in other cases, a report from the aforementioned committee.” In this regard, article 13.3 of said Regulations provides that “when the Board of Directors declines the proposal or the report from the Appointments and Remuneration Committee mentioned in the above section, it must justify doing so and include a record of it in the minutes.”

Article 13.4 of said Regulations then provides that “the provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders’ Meeting to make decisions on the appointment of Directors.”

Finally, article 14 of said Regulations provides that “the Board of Directors and the Appointments and Remuneration Committee, shall make an effort, within the sphere of their competencies, to ensure that the proposal and election of candidates falls on individuals of renowned reputation, credibility, solvency, competence and experience” and adds that “concerning a Legal Entity Director, the natural person representing it in the performance of the duties related to the position will be subject to the conditions included in the previous paragraph.”

Re-election procedure:

Article 15 of the Regulations of the Board of Directors provides that “proposals for re-election of Directors submitted by the Board of Directors to the General Shareholders’ Meeting must be accompanied by the corresponding explanatory report in the terms set forth by the law. The resolution of the Board of Directors to submit the re-election of Independent Directors to the General Shareholders’ Meeting must be adopted upon proposal of the Appointments and Remuneration Committee, while the re-election of other Directors must have a prior favourable report from this committee.”

In this regard, section 2 of said article adds that “directors that are part of the Appointments and Remuneration Committee must abstain from taking part in the deliberations and votes that affect them.”

Finally, section 3 states that “the re-election of a Director who is part of a committee or who holds an internal position on the Board of Directors or one of its committees will determine his/her continuity in this position without requiring express re-election and notwithstanding the power of revocation which corresponds to the Board of Directors.”

Evaluation procedure:

Article 25.8 of the Regulations of the Board of Directors governs the procedure for evaluation of directors, and provides that “the Board of Directors shall evaluate at least once a year: (a) the quality and effectiveness of its operation; (b) the performance of duties of the Chairman of the Board of Directors, and if applicable, of the CEO and Coordinating Director, based on the report submitted to the Appointments and Remuneration Committee; and (c) the operation of the committees based on the reports they submit to the Board of Directors.”

In this regard, article 8 of the Regulations of the Appointments and Remuneration Committee provides that said committee shall have the following main functions regarding the evaluation of the Board:

“1. To promote and coordinate the annual assessment of the performance of the Chairman of the Board of Directors and, where appropriate; the CEO; Board of Directors; Delegated Executive Committee; Audit, Compliance and Related Party Transactions Committee; Appointments and Remuneration Committee; Coordinating Director and any other advisory committee constituted in accordance with the provisions of the Corporate Governance Standards.

2. To submit to the Board of Directors the results of said evaluation together with a draft action plan and with recommendations to correct any deficiencies identified or to improve the functioning of the Board of Directors or its committees.

3. As part of the evaluation, the Committee shall also monitor the attendance of the directors at meetings.

4. To perform the evaluations, the Committee shall have the internal means it deems appropriate in each case, and the support of independent external consultants at least every three years. Consultants supporting the Committee in the exercise of its powers of evaluation provided for in the Corporate Governance Rules shall be different from any that advise the Company in the process of selecting directors or members of Top Management or in relation to the remuneration thereof.”

Removal procedure:

Pursuant to the By-Laws, directors will hold their position for four years, for so long as they are not removed by resolution of the General Meeting of Shareholders or they do not resign from their position.



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Article 16 of the Regulations of the Board of Directors provides that *“Directors will be removed from their position once the term for which they were appointed has passed, notwithstanding the possibility of being re-elected, and whenever the General Shareholders’ Meeting decides to do so as proposed by the Board of Directors or the shareholders, in the terms set forth by law.”*

The processes and standards to follow for removal will be those provided for in the Corporate Enterprises Act and in Royal Decree 1784/1996 of 19 July approving the Regulations of the Commercial Registry.

Finally, section 2 of article 16 of the Regulations of the Board of Directors provides the instances in which Directors must tender their resignation to the Board of Directors and formalize it, if the Board of Directors sees fit, subject to a report from the Appointments and Remuneration Committee.

C.1.17. Explain how the annual evaluation of the Board has given rise to significant changes in its internal organization and to procedures applicable to its activities:

Description of changes

The governance bodies of SIEMENS GAMESA have continued to evolve during fiscal year 2019, making improvements in the operation and efficiency of the Board of Directors and its committees.

The most important advances have specifically been the following:

- As to operation, there has been a significant reduction in the duration of the meetings of the Board of Directors in order to limit them to a number of hours that ensures the attention of the directors.
- The process for approving the minutes has been streamlined.
- There has been a considerable increase in the time that the Board of Directors has dedicated to the Company’s strategic issues.
- A specific onboarding plan for directors has been established for each of the committees.
- As to skills development, an amendment of the Regulations of the Appointments and Remuneration Committee has been approved to include changes required to align this body with the new Technical Guide 1/2019 on Nomination and Remuneration Committees.
- A matrix of competencies of the members of the Board of Directors has been approved in order to improve the planning and evaluation of future appointments of directors.
- As to composition, another member with experience in auditing and accounting has been added to the Audit, Compliance and Related Party Transactions Committee.

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

The Board of Directors of SIEMENS GAMESA evaluates its performance on an annual basis. Thus, on 29 July 2019 the Board of Directors approved the commencement of the process of evaluation of the Board of Directors itself, of the Audit, Compliance and Related Party Transactions Committee, of the Appointments and Remuneration Committee, of the chair of the Board of Directors and of the CEO. This fiscal year, it was decided to hire PricewaterhouseCoopers Asesores de Negocios, S.L. (“PwC”) as an external adviser in the evaluation process.

The evaluation process, which has included the analysis of more than 180 indicators, has covered the following areas: (i) composition of the bodies, (ii) operation thereof, (iii) exercise of powers and performance of duties, and (iv) relations with other bodies. These areas have been analyzed from 3 perspectives: (i) compliance with internal rules and with applicable regulations; (ii) analysis of future trends in the area of corporate governance; and finally, (ii) level of compliance with the recommendations for improvement identified in prior evaluation processes. As regards the past fiscal year, the evaluation has included indicators relating to *Technical Guide 1/2019 on Nomination and Remuneration Committees*. During the process, individual interviews were held with the chair of the Board, the chairs of the committees and the secretary of the Board.

The process concluded at the meeting of the Board of Directors held on 24 October 2019, with the approval of the results of the evaluation and the Action Plan for fiscal year 2020.



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The conclusions of the evaluation process show a high degree of compliance with the indicators reviewed and that the operation of the Company's governance bodies continued to evolve during the fiscal year. These results should also be viewed within the context of a particular company, as this is the third fiscal year since the effectiveness of the merger of Siemens Wind HoldCo, S.L.U. and Gamesa Corporación Tecnológica, S.A. and the board has thus had to deal not only with recurring issues but also with issues of a more extraordinary nature.

The Action Plan 2020 deriving from the evaluation process focuses on continuing to advance in the proper operation of the governance bodies. For this reason, among other areas for advancement, work will continue on encouraging attendance, strengthening the use of video-conferencing systems and providing more executive information prior to meetings of the Board and committees.

C.1.18. Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

The business relations of the consultant and the companies of its group with SIEMENS GAMESA during the last fiscal year amounted to 2.2 million euros (representing less than 0.5% of PwC España's billing and less than 0.01% of PwC's billing worldwide). The services were mainly focused on advice in the legal and corporate governance areas and financial aspects.

C.1.19. State the situations in which directors are required to resign.

As established in Article 16.2 of the Board of Director's Regulations, "directors or the natural person representing a Legal Entity Director must offer their resignation to the Board of Directors and formalize it, if the Board sees fit, subject to a report provided by the Appointments and Remuneration Committee in the following cases:

- a) Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the owners of significant stocks in the Company, as well as when such shareholders revoke representation.
- b) Concerning Executive Directors, when they are removed from the executive positions associated with their appointment as Director and, in all cases, whenever the Board of Directors considers it necessary.
- c) Concerning Non-executive Directors, when they join the management of the Company or of any of the companies in the Group.
- d) When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.
- e) Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being an administrator, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.
- f) Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company.
- g) Whenever their continuity on the Board of Directors could put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.
- h) When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company."

C.1.20. Are qualified majorities other than those established by law required for any specific decision?

Yes X

No

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If so, please describe any differences.

Description of differences

The Regulations of the Board of Directors (article 4.4) requires of at least two-thirds of the directors attending the meeting to pass amendment thereof (save for modifications imposed by mandatory standards, in which case a simple majority will be required to adopt the resolution).

Article 18.3 of the Regulations of the Board of Directors stipulates that in case the position of Chairperson of the Board of Directors is held by an Executive Director, *“removal from the position of this director will require the absolute majority of the members of the Board of Directors.”*

In addition, article 29.8 of the cited Regulations states that the formalization of the contract establishing the remuneration and further terms and conditions of Executive Directors for the performance of management duties, must be approved by the Board of Directors with at least a favorable vote of two-thirds of its members.

C.1.21. Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

Yes No

Description of requirements

N/A

C.1.22. State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

Yes No

	Age limit
Chairman	N/A
CEO	N/A
Directors	N/A

C.1.23. State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

Yes No

Additional requirements and/or maximum number of term limits	N/A
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C.1.24. State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

Article 25.3 of the Regulations of the Board of Directors states that *"the Directors must attend the meetings that are held. However, Directors may cast their vote in writing or delegate in writing their representation to another Director, specifically for each meeting, and the number of representations that each Director can receive is not limited. Non-executive Directors may only delegate representation to another Non-executive Director."*

For the purposes of delegating votes, each time a meeting of the Board of Directors is convened, the specific proxy award model for that meeting is made available to the directors so that they can confer their representation and, where applicable, voting instructions if deemed necessary by the represented director are included. All aforementioned also in compliance with article 32.2 of the By-laws of SIEMENS GAMESA which states that *"any Director may cast his/her vote in writing or confer his/her representation to another Director, specifically for each meeting. Non-executive Directors may only do so to another Non-executive Director."*

C.1.25. State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	18
Number of Board meetings without the chairman	0

Remarks

One of the eighteen meetings held by the Board of Directors during the 2019 fiscal year was in writing and with no meeting, according to Article 25.5 of the Regulations of the Board of Directors.

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
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Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the Audit Compliance and Related Party Transactions Committee	21
Number of Meetings held by the Appointments and Remuneration Committee	10



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C.1.26. State the number of meetings held by the Board of Directors during the year in which all of its directors were present. For the purposes of this section, proxies given with specific instructions should be considered as attendance

Number of meetings where at least 80% of the directors attended	16
% of attendance over total votes during the year	90.95%
Number of meetings in situ or representations made with specific instructions of all directors	3
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	91.40%

Remarks

Pursuant to the provisions of article 25.5 of the Regulations of the Board of Directors, during fiscal year 2019 the Board met once in writing and without a meeting, which, due to the nature of such procedure, has not been considered for this section C.1.26. Leaving said meeting in writing and without a meeting aside, the personal attendance of at least 80% occurred in 16 out of the 17 remaining Board of Directors meetings considered in this section.

During fiscal year 2019, there were absences of one Director from three meetings, of one Director from six meetings, of one Director from seven meetings, of another Director from two meetings, and of one Director from two meetings. In all cases, they delegated their proxy to another Director of the same category but only in one occasion the proxy was granted with specific instructions.

It is also reported that those cases in which the directors are subject to a conflict of interest pursuant to article 31 of the Regulations of the Board of Directors and therefore refrain from attending and participating in the deliberations, voting, decision-making and execution of operations and matters affected by the conflict are not deemed to be absences for these purposes.

C.1.27. State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

Yes

No

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

Name	Position
Tacke, Markus	CEO
Mesonero Molina, David	Chief Financial Officer
Wollny, Christoph	Chief Operation Officer
Spannring, Thomas	Accounting, Reporting and Controlling Director

C.1.28. Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Shareholders' Meeting with a qualified audit opinion.

The Board of Directors, through the Audit, Compliance and Related Party Transactions Committee, has a crucial role in the supervision of the process of elaboration of the financial information of the Company.

In this sense and to achieve this goal, the work of the Audit, Compliance and Related Party Transactions Committee is oriented to the following main questions:

A) Auditing of accounts

Article 6 of the Regulations of the Audit, Compliance and Related Party Transactions Committee gives the Audit, Compliance and Related Party Transactions Committee the following powers, among others, in relation to the auditing of accounts:

“e) Serve as a channel of communication between the Board of Directors and the auditor, ensuring that the Board of Directors holds an annual meeting with the auditor to be informed on the work carried out, the evolution of the accounting position and the risks.

f) Request from the auditor on a regular basis information about the audit plan and its implementation and any other matters related to the audit process, as well as all other communications provided for in the current audit legislation.

g) Assess the results of each audit and the management team's response to its recommendations.

(...)

i) Supervise the content of audit reports before they are issued and, where applicable, the content of limited review reports on interim statements, trying that said content and the opinions expressed therein regarding the annual financial statements are drafted by the auditor clearly, precisely and without limitations or exceptions and, should any exist, explaining them to the shareholders. In this sense, the Committee shall supervise the main findings of the audit work in conjunction with the auditor and, if necessary, propose adequate measures to the Board of Directors in order to remove the impairments found by the auditor.”

B) Supervision of the process of elaboration and presentation of the mandatory financial information

It should also be noted that article 8 of the Regulations of the Audit, Compliance and Related Party Transactions Committee describes the following principal functions of said Committee regarding the process for preparing economic/financial information:

“a) Oversee the preparation, presentation and integrity of economic, financial and non-financial information relating to the Company and its consolidated Group, as well as the correct delimitation of such group, and raise the recommendations or proposals to the Board of Directors that may deem appropriate in this sense. The Committee shall perform its duty of overseeing continuously and, on an ad-hoc basis, when requested by the Board of Directors.

b) Supervise that all periodic economic and financial information (Half-Yearly Financial Reports and the quarterly management statements) is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.

c) Oversee compliance with legal requirements and the correct application of generally accepted accounting principles and inform the Board of any significant changes in accounting criteria.

d) Supervise the reasons why the Company should disclose in its public reporting certain alternative performance measures, instead of the metrics defined directly by accounting standards, the extent to which such alternative performance measures provide useful information to investors and the degree of compliance with the best practices and international recommendations in this respect.

e) Be informed of the significant adjustments identified by the auditor or arising from Internal Auditing reviews, and management's position on such adjustments.

f) Address respond to and properly take account of any requests or demands issued, in the current or in previous years, by the supervisory authority of financial reporting to ensure that the type of incident previously identified in such demands does not recur in the financial statements.

g) Supervise on a quarterly basis that the financial information published on the corporate website of the Company is regularly updated and matches the information authorized by the Board of Directors and published on the National Securities Market Commission website. Following the supervision, if the Committee is not satisfied with any aspect, it shall notify such aspect to the Board of Directors through its secretary.”

C) Supervision of the efficiency of the internal control of the Company

Article 9 of the Audit, Compliance and Related Parties Transactions Committee Regulations includes the key functions of the aforementioned Committee regarding the internal control and risks management system:

“a) Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this supervision the Committee may raise recommendations or proposals to the Board of Directors.

b) Supervise, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

c) Supervise that policies on the control and management of risks identify at least:

i. The different types of risk (operational, technological, financial, legal, fiscal, reputational, climatic, social, etc.) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.

ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Standards.

iii. The planned measures to mitigate the impact of identified risks, should they materialize.

iv. The information and internal control systems used to control and manage risks.

d) Supervise, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.

e) Supervise that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.

f) Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.”

D) Internal Auditing Supervision and, in particular, according to Article 7 of the Audit, Compliance and Related Parties Transactions Committee Regulations:

“a) Ensure the independence and effectiveness of the Internal Auditing function of the Company and its Group.

b) Approve the internal audit plan, as well as the objectives of the Internal Audit Department, overseeing that both the Internal Audit Department and its personnel have sufficient resources, encompassing (internal and external) human resources and financial and technological resources, to carry out its work.

c) Propose to the Board of Directors the budget for Internal Auditing.

d) Supervise Internal Auditing activity of the Company and its Group and that said activity is focused primarily on the relevant risks of the Company and its Group.

e) Assess the performance of the Internal Audit Department, for which the Committee shall seek the opinion of the chief executive officer.

The conclusions of the assessment shall be notified to the Internal Audit Department and taken into account for the purpose of determining the variable components of the annual remuneration.

f) Receive regular information on the activities carried out by the Internal Audit Department of Siemens Gamesa and the companies of its Group and, particularly, on the implementation of the annual work plan, any issues found and an annual report, which shall include a summary of the activities carried out and reports issued over the year with the recommendations and action plans.

g) Oversee that Senior Management bears in mind the conclusions and recommendations of Internal Audit Department reports.”

One of the main purposes of the reports prepared by the Audit, Compliance and Related Party Transactions Committee is to bring to light any aspects that might involve qualifications in the audit report of SIEMENS GAMESA and its Group, making any appropriate recommendations in order to avoid them. Said reports are submitted to the full Board of Directors prior to the approval of the financial information.

It should also be noted that the External Auditor appeared before the Audit, Compliance and Related Party Transactions Committee on several occasions during the fiscal year ended on 30 September 2019:

- appearance on 30 October 2018 in connection with the monitoring of statutory audit work for fiscal year 2018.
- appearance on 14 November 2018 in connection with the audit of the annual accounts for fiscal year 2018.
- appearance on 14 November 2018 in connection with non-audit work performed by the auditor.
- appearance on 22 January 2019 in connection with the review of the financial information for the first quarter of fiscal year 2019.
- appearance on 11 February 2019 in connection with the presentation of its recommendations on internal control over financial information.
- appearance on 9 April 2019 in connection with the fees approved for the audit of fiscal year 2019 and non-audit services provided by the auditor.
- appearance on 26 April 2019 in connection with the limited review of the half-yearly financial statements at 31 March 2019.
- appearance on 24 June 2019 in connection with the Audit Plan for fiscal year 2019.
- appearance on 24 July in connection with the review of the financial information for the third quarter of fiscal year 2019.

The audit reports on the individual and consolidated annual accounts formulated by the Board of Directors have historically been issued without qualifications, as set forth in the information contained in the corporate website and in the information on SIEMENS GAMESA contained in the website of the National Securities Market Commission.

As included later in section F (“Internal Risk Management and Control Systems related to the process of publishing financial information (ICFR)”) in this Annual Corporate Governance Report 2019, SIEMENS GAMESA has a proper Internal Risk Management and Control system related to the process of publishing financial information (ICFRS).

C.1.29. Is the secretary of the Board also a director?

Yes

No

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative

C.1.30. State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

1. Mechanisms to preserve the independence of the auditor:

SIEMENS GAMESA has established a procedure for this purpose, called “Protection of auditor independence (Non-audit services)”, which allows it to:

- Align the independence policies of SIEMENS GAMESA and SIEMENS AG about the External Auditor's services in accordance with the requirements defined by the European Union and endorsed by regulatory bodies in Spain and Germany.
- Ensure that the policy and the limits for accepting or not accepting non-audit services are aligned between SIEMENS GAMESA and SIEMENS AG.
- Provide a practical method of compliance with the requirements without needlessly asking SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee to approve non-audit services that are considered insignificant for SIEMENS GAMESA, by means of the establishment of a pre-approved list by SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee. The pre-approved list requires annual approval by both Audit Committees (SIEMENS GAMESA and SIEMENS AG).
- All requests for services included in the pre-approved list are subject to review and approval by SIEMENS GAMESA's Director of Internal Audit, who, prior to giving approval, must confirm that the services are acceptable and included in the pre-approved list after a statement by the external auditor to the effect that said services are permissible under all applicable independence rules and standards. These services must subsequently be approved by SIEMENS AG.

In this regard, different approval levels are classified, specified (if there is a list of services) and defined both by the Audit, Compliance and Related Party Transactions Committee and by other departments, for the services provided by the external auditor:

- Audit services.
- Non-audit services:
 - Other verification services:
 - Reasonably related to the audit (pre-approved list).
 - Not reasonably related to the audit (individualized approval).
 - Prohibited services:
 - Tax services.
 - Other services.

SIEMENS GAMESA's Internal Audit Directorate is responsible for maintaining an appropriate and continuous register of non-audit services provided to SIEMENS GAMESA by the External Auditor throughout the fiscal year, together with the amount thereof and the percentage they represent of the total fees received for audit services during such fiscal year and must periodically report thereon at the meetings held by SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee.

For this reason, the internal auditor and the external auditor appear before the full Audit, Compliance and Related Party Transactions Committee on a half-yearly basis in order to present an itemized list of each and every service provided during the period in question and to state that they are included in the pre-approved list.

It should also be pointed out that the External Auditor's total fees for Non-audit Services provided to SIEMENS GAMESA may not exceed 30% of the External Auditor's total fees for all Audit Services provided to SIEMENS GAMESA on a worldwide basis during the applicable fiscal year. However, if there is a convincing reason to hire the External Auditor for the provision of non-audit services beyond the aforementioned limit, and so long as it falls within the applicable limit under the law, said provision will be possible following individual approval by the Audit, Compliance and Related Party Transactions Committee.

Article 34 of the Regulations of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA governs the relations of said Committee with the External Auditor. The full text is available at www.siemensgamesa.com.

2. Mechanisms to preserve the independence of financial analysts, investment banks and rating agencies:

SIEMENS GAMESA regulates this matter in its Policy on Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors, the current version of which was approved by resolution of the Board of Directors of 25 September 2019 and which establishes that the general principles are those of transparency, accuracy, equal treatment, promotion of ongoing information, collaboration, taking advantage of new technologies, and compliance with the provisions of law and the Corporate Governance Rules, as well as with the principles of cooperation and transparency with competent authorities, regulatory bodies and government administrations.

By application of said principles, the provision of information to financial analysts and investment banks and the presentation of results and of other relevant documents issued by the Company are carried out simultaneously for all of them after submission thereof to the CNMV, always in the strictest compliance with securities market regulations.

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Specifically, in compliance with the CNMV's Recommendation of 22 December 2005 on informational meetings with analysts, institutional investors and other securities market professionals, SIEMENS GAMESA announces the meetings with analysts and investors at least seven calendar days in advance, indicating the date and time at which the meeting is scheduled to be held and any technical means (teleconference, webcast) which any interested party can use to follow the meeting in real time.

The documentation supporting the meeting is made available on the Company's website (www.siemensgamesa.com) before the beginning thereof. Finally, a recorded broadcast of the meeting is made available to investors for one month on the Company's website.

Spanish/English interpretation services are also made available to the participants.

Furthermore, road shows are periodically carried out in the most significant countries and financial markets, where individual meetings are held with all these market players. Their independence is protected by the existence of a contact person specifically assigned to them, who ensures objective, equal and non-discriminatory treatment.

Finally, the Company has various channels of communication and service to analysts and investors:

- E-mail on the corporate website (info_accionista@siemensgamesa.com for minority shareholders and irsg@siemensgamesa.com for institutional shareholders and financial analysts).
- Telephone line for shareholder information (+34 944 20 93 18).
- Periodic publications, information relating to quarterly results, corporate transactions, business prospects.
- In-person and recorded broadcasts of presentations.
- Mailing of releases and news.

C.1.31. State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

Yes

No

If there were any disagreements with the outgoing auditor, please provide an explanation:

Yes

No

Explanation of disagreements

N/A

C.1.32. State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or Group:

Yes

No

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousand euros)	486	62	548
Amount invoiced for non-audit services/Amount for audit work (in %)	12.02	1.53	13.55

Remarks

The audit related fees such as "other attest services" and, unlike previous years, also the "other audit related attest services", have been considered as non-audit fees.

C.1.33. State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes No

Explanation of reasons

N/A

C.1.34. State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	6	6
	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)	20.69%	20.69%

C.1.35. State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes No

Explanation of procedure

The Company's internal regulations settle the procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time.

Thus, the Regulations of the Board of Directors provides on its article 26.3 when referring to the call that "*The call to convene shall be a least six business days in advance, will always include the meeting agenda and best efforts will be made so that the relevant information for the meeting is accompanied with the aforementioned advance of six business days. Exceptionally, information may be provided with a minimum period of at least three business days, the Board of Directors not being able to make a decision if such information has not been made available to the Directors with the aforementioned advance notice The Directors may exceptionally adopt a decision even if the information was not made available within the aforementioned period if they consider it beneficial and no Director opposes it.*"

On a similar sense, article 24.2 of the Regulations of the Audit, Compliance, and Related Party Transactions Committee states that "*The call to meeting, except in the case of emergency meetings, shall be issued at least three days in advance and include the agenda of the meeting.*"

Also, article 18.2 of the Regulations of the Appointments and Remunerations Committee provides that "*The call to meeting, except in the case of emergency meetings, shall be issued at least three days in advance and include the agenda of the meeting.*"

SIEMENS GAMESA's internal regulations set also that directors can receive external experts' support for the developments of their functions.

In this sense, pursuant to the provisions of article 36 of the Regulations of the Board of Directors:

"1. The Board of Directors may request the aid of legal, accounting and financial experts, as well as the other external experts at the Company's expense, when it is deemed necessary or beneficial for the performance of its competencies.



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2. *Non-executive Directors, in order to be aided in the performance of their duties, may also request contracting external experts at the Company's expense.*

3. *The contracting request must be drawn up by the Chairman."*

On similar terms, article 37 of the Regulations of the Audit, Compliance and Related Party Transactions Committee provides that *"in order to be aided in the performance of their duties, the Committee may request the engagement of legal, accounting and financial consultants, as well as the aid of other experts at the Company's expense."*

Article 27 of the Regulations of the Appointments and Remuneration Committee provides that *"in order to be aided in the performance of their duties, the Committee may request the engagement of legal consultants or other experts at the Company's expense. The Committee shall provide an annual report to the Board of Directors on the expenses incurred, subject, if the Board of Directors so deems appropriate, to a review of the Audit, Compliance and Related Party Transactions Committee, with the support, of the internal audit function, if any.*

2. *The Committee shall ensure that potential conflicts of interest of external professionals do not prejudice the independence of the outside advice received."*

C.1.36. State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

Yes

No

Explain the rules

As stated in section C.1.19 above, article 16 of the Regulations of the Board of Directors provides the instances in which Directors must tender their resignation to the Board of Directors and formalize it, if the Board of Directors sees fit.

These include instances that might damage the credit or reputation of the Company.

Specifically, Directors must proceed in the manner indicated:

- (i) *"When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards."* (article 16.2.d).
- (ii) *"Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being an administrator, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities."* (article 16.2.e).
- (iii) *"Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company."* (article 16.2.f).
- (iv) *"Whenever their continuity on the Board of Directors could put the Company's interests at risk (...)"* (article 16.2.g).
- (v) *"When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company."* (article 16.2.h).

For its part, article 35.2.d) of the Regulations of the Board of Directors provides that a director must inform the Company of any *"legal, administrative or other type of proceedings that are filed against the Director and which, due to their significance or characteristics, may negatively affect the reputation of the Company. Particularly, Directors must inform the Company, through the Chairman, if he/she is processed or a court ruling is passed against him/her regarding the opening of trial for any of the offenses set forth in Section 213 of the Capital Company Act. In this case, the Board of Directors will examine the case as soon as possible, and make the decisions it considers the most appropriate regarding the interests of the Company."*



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C.1.37. State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

Yes

No

Name of director	Criminal charge	Remarks
N/A	N/A	N/A

State whether the Board of Directors has examined the case. If so, explain in detail the decision taken as to whether the director in question should continue in his or her post or, if applicable, describe any actions taken by the Board up to the date of this report, or which it intends to take.

Yes

No

Decision/Action taken	Explanation

C.1.38. Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

In conformity with the framework agreement dated December 21, 2011 (significant event 155308) between IBERDROLA, S.A. and the subsidiary of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (SIEMENS GAMESA), SIEMENS GAMESA RENEWABLE ENERGY EOLICA, S.L Sociedad Unipersonal, the supposed change of control in SIEMENS GAMESA will permit IBERDROLA, S.A. to terminate the framework agreement, and neither party may make any claims subsequently.

On May 4, 2015, SIEMENS GAMESA and SIEMENS AG signed a Framework Agreement which sets out (i) certain rights and obligations and related matters concerning the relationship of the parties after the merger between SIEMENS GAMESA and Siemens Wind Hold Co.; (ii) certain principles applicable to the provision of services between SIEMENS GAMESA and SIEMENS AG after the merger; and (iii) includes mandatory items to be complied with by SIEMENS GAMESA for the purposes of meeting and complying with Siemens Group Requirements. The Framework Agreement contains a termination event whereby it may be terminated by the Parties at such time that SIEMENS AG ceases to be a Controlling shareholder in SIEMENS GAMESA whereby Control is defined as SIEMENS AG holding the majority of voting rights in SIEMENS GAMESA or having the right to appoint the majority of its board members.

On December 17, 2015, Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (buyer) and GESTIÓN, ELABORACIÓN DE MANUALES INDUSTRIALES INGENIERÍA Y SERVICIOS COMPLEMENTARIOS, S.L., INVERSIONES EN CONCESIONES FERROVIARIAS, S.A.U., CAF POWER & AUTOMATION, S.L.U. y FUNDACIÓN TECNALIA RESEARCH & INNOVATION (seller) signed a purchase-sale agreement for the shares. On the same date, to oversee the relationship between Siemens Gamesa Renewable Energy Wind Farms, S.A.U. and INVERSIONES EN CONCESIONES FERROVIARIAS, S.A.U. (ICF), as future NEM partners (where applicable), the parties signed the Partners' Agreement. By virtue of the terms established in the abovementioned agreement, should control over SIEMENS GAMESA subsequently take place, Siemens Gamesa Renewable Energy Wind Farms, S.A.U. must offer the remaining partners direct acquisition of its NEM shares.

On June 17, 2016, effective April 3, 2017, SIEMENS GAMESA and SIEMENS AKTIENGESELLSCHAFT (Siemens) signed a strategic alliance agreement, featuring a strategic supply contract by virtue of which Siemens became the strategic supplier of gears, segments, and other products and services offered by SIEMENS GAMESA Group. The abovementioned alliance will continue in force during the period during which Siemens: (a) directly or indirectly holds 50.1% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of share capital, as long as it holds the majority of Board of Directors voting rights, with no shareholders which individually or jointly hold at least 15% of share capital. Therefore, in cases of change of control, the parties are entitled to terminate the strategic alliance, although its minimum duration in any case would be three (3) years (i.e., until April 3, 2020).

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On June 17, 2016, SIEMENS GAMESA and SIEMENS AG signed a Merger Agreement which sets out terms and conditions applicable to the Transaction (i.e. the statutory merger of SWP with SIEMENS GAMESA) and certain aspects of SIEMENS GAMESA's future business organization and corporate governance. Although there is no termination possibility for the Merger Agreement as a consequence of a change of control, the Merger Agreement does include a non-compete obligation which prohibits SIEMENS AG from (i) manufacturing wind turbine generators; (ii) selling wind turbine generators manufactured by the Siemens Group; and delivery of product-related maintenance services for wind turbine generators produced and sold by the SIEMENS GAMESA Group or the Siemens Group. This non-compete obligation is enforceable for three years from the merger effective date (i.e. until April 3, 2020) and thereafter as long as Siemens (a) directly or indirectly holds 50.1% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of share capital, as long as it holds the majority of Board of Directors voting rights, with no shareholders which individually or jointly hold at least 15% of share capital. Therefore, the non-compete obligation would expire upon the occurrence of a change in control.

On March 31, 2017, SIEMENS GAMESA and Siemens entered into a licensing agreement by virtue of which SIEMENS GAMESA is entitled to use the Siemens brand in its Company name, corporate brand, and product brands and names. The abovementioned alliance will continue in force during the period in which Siemens: (a) directly or indirectly holds 50.1% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of the share capital, as long as it holds the majority of Board of Directors voting rights, with no shareholders which individually or jointly hold at least 15% of share capital. Therefore, a change of control might lead to termination of the licensing agreement.

By virtue of certain agreements reached as a result of the merger between SIEMENS GAMESA and Siemens Wind HoldCo, S.L. (Sociedad Unipersonal), the Siemens Group will have and grant certain guarantees with regard to the joint venture. The above agreements may be terminated and their applicable terms granted may be amended in case a change of control take place.

Likewise, as is customary for large electricity supply infrastructure projects, there are contracts with clients which regulate a supposed change in control, thereby providing each reciprocal power to terminate them should such a situation arise, especially in cases in which the new controlling party is the other party's competitor.

On April 3, 2017, SIEMENS GAMESA and Siemens entered into a master agreement for the contracting of financial derivatives between both companies. The agreement will remain in force while Siemens (a) owns, directly or indirectly, the majority of the shares in SIEMENS GAMESA, and/or (b) SIEMENS GAMESA keeps as a fully consolidated subsidiary in Siemens. Therefore, a change of control might lead to termination of the master agreement.

On August 1, 2018, (as amended) SIEMENS GAMESA and Siemens entered into an external services agreement for procurement area by virtue of which, during an initial period of 1 year for sourcing services, and 2 years for other procurement services, SIEMENS GAMESA Group shall benefit from the collective negotiation strength. Such agreement will be in force while Siemens remains as mayor shareholder of SIEMENS GAMESA. Therefore, in case of change of control, both parties are entitled to terminate the agreement with a 36 months prior notice.

Finally, it shall be pointed out that on May 30, 2018 SIEMENS GAMESA executed a Syndicated Multi-Currency Term and Revolving Credit Facility with a group of domestic and international banks (Significant Event 266275). In the event that any person or group of persons in a concerted manner (a) hold, directly or indirectly, more than 50% of the share capital of SIEMENS GAMESA; or (b) have the right to appoint the majority of members of the Board of Directors, and therefore exercise control over the Company, each of the participating financial entities may negotiate in good faith for a period of 30 days the maintenance of its commitments derived from the contract. In the event that an agreement is not reached, the financial entity(ies) in question may cancel all or part of the commitments acquired and require full or partial repayment of their participation in the financing.



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C.1.39. Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	98
Type of beneficiary	Description of agreement
CEO, Top Management, Managers, and Employees.	<p>CEO (1 agreement): The CEO, as executive director and in compliance with the "Policy of remuneration of directors" approved by the General Meeting of Shareholders held on March 27, 2019, has a one year fixed salary severance pay.</p> <p>Top management (6 agreements): The policy currently applied by the Company to the Top Management recognizes the right to receive a severance pay equal to one year of fixed remuneration in case of termination of the relationship provided that it is not a result of a breach attributable thereto or solely to the desire thereof.</p> <p>However, some members of the Top Management whose relationship with the Company is prior to the implementation of the current policy have a recognized severance pay of different amount regarding the specific post of each beneficiary, and could amount up to 18 months of the fixed remuneration and the last annual variable remuneration received. The cited severance pay operates mainly in cases of termination for a cause not attributable to the beneficiary.</p> <p>In certain cases, the severance pay is established with respect to the legal rights foreseen in the labour regulation if these were more beneficial.</p> <p>Managers and Employees (91 agreements): The agreements with managers and employees of SIEMENS GAMESA do not contain, as a general rule, specific severance payment clauses, so in case of termination of the labor relationship the general rule established under labor law shall apply. However, the Company has specific severance payment clauses agreed with some managers and employees. The severance payment amount is generally fixed depending on seniority and the remuneration and professional conditions of each of them and the reason for the termination of the manager or employee. A lot of these agreements have been agreed in jurisdictions where this severance pay is a common labor market practice. The warranty clauses of these agreements are lower than one year fixed salary in 80% of cases.</p>

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses	X	
		YES NO
Are these clauses notified to the General Shareholders' Meeting?	X	


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In relation to the information provided regarding the CEO it shall be pointed out that his contract, and as included in the Annual report about the remunerations of the members of the Board, provides for a post-contractual non-competition obligation for a term of 1 year, which is remunerated with the payment of one year of his fixed remuneration payable 50% upon termination and the other 50% after the passage of six months from termination. Therefore, the total severance pay is aligned with best practices and in fulfillment of Recommendation 64 of the GGC.

It is also mentioned that the Board of Directors authorized the clauses related to the CEO and Top Management but not those related to the rest of beneficiaries.

Finally it is pointed out that the information about these clauses is notified to the General Shareholders' Meeting by making the Annual Corporate Governance Report, the Annual Report on Remunerations of directors, and the Directors Selection Policy available to the shareholders when the meeting is called.

C.2. Committees of the Board of Directors

C.2.1. Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

AUDIT, COMPLIANCE AND RELATED PARTY TRANSACTIONS COMMITTEE

Name	Post	Category
Krämmer, Rudolf	Chairman	Independent
Hernández García, Gloria	Member	Independent
Alonso Ureba, Alberto	Member	Independent
% of proprietary directors		0%
% of independent directors		100%
% of external directors		0%

Remarks

It is also stated that Mr. Juan Antonio García Fuente holds the position of non-member Secretary of the Audit, Compliance and Related Party Transactions Committee.

Furthermore, the changes occurring within the Audit, Compliance and Related Party Transactions Committee during and since the close of the fiscal year are described below:

At its meeting of 20 February 2019 and in accordance with Notice of Significant Event (Hecho Relevante) 274945 sent to the CNMV on 20 February 2019, the Board of Directors approved the appointment on an interim basis (co-option), upon a proposal from the Appointments and Remuneration Committee, of Mr. Rudolf Krämmer as a new member of the Board of Directors, and also approved, upon a proposal from the Appointments and Remuneration Committee, the appointment of Mr. Rudolf Krämmer as a new member of the Audit, Compliance and Related Party Transactions Committee. At the General Meeting of Shareholders held on 27 March 2019, the shareholders ratified the appointment of Mr. Rudolf Krämmer and approved his re-election as an independent director. Mr. Krämmer was appointed as chair of the Audit, Compliance and Related Party Transactions Committee on 27 May 2019 to replace Ms. Gloria Hernández García upon expiration of the term of office established in the Regulations thereof.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Duties:

The Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA is a permanent internal body of the Board of Directors for information and consultation, entrusted with informing, advising and making recommendations.

Articles 5 to 14 of Chapter II of the Regulations of the Audit, Compliance and Related Party Transactions Committee establish the functions of this Committee. The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

The functions of the Audit, Compliance and Related Party Transactions Committee mainly relate to supervision of the Company's internal audit, review of the systems for internal control of the preparation of economic/financial information, the auditing of accounts, related party transactions and regulatory compliance upon the terms set forth in its regulations.

Composition:

- a) The Committee shall comprise a minimum of three (3) and a maximum of five (5) Non-Executive Directors, a majority of whom must be independent directors, appointed for a maximum term of four (4) years by the Board of Directors, upon a proposal from the Appointments and Remuneration Committee.
- b) The Board shall encourage the diversity of composition, especially in relation to gender, career experience, skills, sector-specific knowledge and geographical origin, and that at least one of the independent directors appointed has knowledge and experience in accounting, auditing or both.
- c) The Committee shall choose its Chair from among the independent directors, for a maximum term of 4 years, at the end of which the director holding the position cannot be re-elected as Chair until the term of one year has elapsed from ceasing to hold this office; and a Secretary thereof, who need not be a Director.
- d) The members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than the majority; and c) when agreed on by the Board of Directors.
- e) Members of the Committee that are re-elected as Directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.

Functioning:

- a) The Committee shall meet as often as necessary to perform its duties, at the Chair's behest and, in any case, the Committee shall have a minimum of four annual meetings. Meetings shall also be held whenever two of the members so request.
- b) The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.
- c) Resolutions shall be adopted by the absolute majority of members present at the meeting.
- d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most important activities:

During fiscal year 2019, the Audit, Compliance and Related Party Transactions Committee has been informed of all matters that are within its purview, and in this context has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the fiscal year are included in the annual activities report of the Audit, Compliance and Related Party Transactions Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	Krämmmer, Rudolf
	Hernández García, Gloria
Date of appointment of the chairperson	May 27, 2019

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Post	Category
Cendoya Aranzamendi, Andoni	Chairman	Independent
Krämmmer, Rudolf	Member	Independent
von Schumann, Mariel	Member	Proprietary
Rosenfeld, Klaus	Member	Independent
Azagra Blázquez, Pedro	Member	Proprietary
% of proprietary directors		40%
% of independent directors		60%
% of external directors		0%

Remarks

It should also be pointed out that Mr. Carlos Rodríguez-Quiroga Menéndez holds the position of non-member Secretary of the Appointments and Remuneration Committee.

Furthermore, the changes occurring within the Appointments and Remuneration Committee during and since the close of the fiscal year are described below:

At its meeting of 12 December 2018 and in accordance with Notice of Significant Event (Hecho Relevante) 272412 sent to the CNMV on 12 December 2018, the Board of Directors approved the appointment on an interim basis (co-option), upon a proposal from the Appointments and Remuneration Committee, of Mr. Pedro Azagra Blázquez as a new member of the Board of Directors, and also approved, upon a proposal from the Appointments and Remuneration Committee, the appointment of Mr. Pedro Azagra Blázquez as a new member of the Appointments and Remuneration Committee. At the General Meeting of Shareholders held on 27 March 2019, the shareholders ratified the appointment of Mr. Pedro Azagra Blázquez and approved his re-election as a proprietary non-executive director.

In addition, at its meeting of 20 February 2019 and in accordance with Notice of Significant Event (Hecho Relevante) 274945 sent to the CNMV on 20 February 2019, the Board of Directors approved, upon a proposal from the Appointments and Remuneration Committee, the appointment of Mr. Rudolf Krämmmer as a new member of the Appointments and Remuneration Committee. At the General Meeting of Shareholders held on 27 March 2019, the shareholders ratified the appointment of Mr. Rudolf Krämmmer and approved his re-election as an independent director.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Functions:

This committee is an internal body of the Board of Directors, without executive duties, for information and consultation, entrusted with informing, advising and making recommendations on matters within its purview.

Articles 5 to 9 of Chapter II of the Regulations of the Appointments and Remuneration Committee establish the functions of this Committee. In particular, this committee has the essential function of supervising the composition and functioning as well as the evaluation of the Board of Directors, its committees and its members, and the remuneration of the Board of Directors and of the Top Management of the Company.

The full texts of the internal rules of the Company are available at www.siemensgamesa.com.



Company
administrative
structure

Composition:

- a) The Committee shall comprise a minimum of three (3) and a maximum of five (5) Non-Executive Directors, at least two of whom must be independent directors, appointed for a maximum term of four (4) years by the Board of Directors, upon a proposal from the Appointments and Remuneration Committee, and may be re-elected one or more times for terms of equal duration.
- b) The Committee chooses its Chair from among the independent directors and a Secretary, who need not be a director.
- c) The members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than two; and c) when agreed on by the Board of Directors.
- d) Members of the Committee that are re-elected as Directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.

Functioning:

- a) The Committee shall meet as often as necessary to perform its duties, at the Chairman's behest, at least three times per year. Meetings shall also be held whenever two of the members so request.
- b) The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.
- c) Resolutions shall be adopted by the absolute majority of members present at the meeting.
- d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most important activities:

During fiscal year 2019, the Appointments and Remuneration Committee has been informed of all matters that are within its purview, and in this context has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the fiscal year are included in the annual activities report of the Appointments and Remuneration Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

C.2.2. Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	Year t		Year t-1		Year t-2		Year t-3	
	Number	%	Number	%	Number	%	Number	%
Audit compliance and related party transactions committee	1	33.33%	2	66.67%	2	100%	2	50.00%
Appointments and remuneration committee	1	20.00%	3	60.00%	3	60.00%	N/A	0.00%

C.2.3. State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

Audit, Compliance and Related Party Transactions Committee

The Audit, Compliance and Related Party Transactions Committee is governed by the By-Laws, the Regulations of the Board of Directors and its own Regulations of the Audit, Compliance and Related Party Transactions Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Audit and Compliance Committee were approved by the Company's Board of Directors on 29 September 2004 and were subsequently amended on 21 October 2008, 15 April 2011, 20 January 2012, 24 March 2015 and 22 February 2017.

On 4 April 2017 the Board of Directors approved a revised version of said Regulations and changed the name of the Committee to the Audit, Compliance and Related Party Transactions Committee.

Finally, the Company's Board of Directors approved an amendment of the restated text of said Regulations on 23 March 2018 and confirmed approval of the current restated text on 26 July 2018. There were no amendments of said Regulations during fiscal year 2019.

The current text of the Regulations of the Audit, Compliance and Related Party Transactions Committee is available on the Company's website: <https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/regulations-of-the-audit-compliance-and-related-party-transactions-committee.pdf>

Appointments and Remuneration Committee

The Appointments and Remuneration Committee is governed by the By-Laws, the Regulations of the Board of Directors and its own Regulations of the Appointments and Remuneration Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Appointments and Remuneration Committee were approved by the Company's Board of Directors on 4 April 2017 and subsequent amendments thereof were approved by the Board of Directors on 26 July 2018 and 29 July 2019.

The amendments made to the Regulations during fiscal year 2019 were intended to make improvements to conform the Regulations to the principles and recommendations contained in Technical Guide 1/2019 on Nomination and Remuneration Committees approved by the CNMV on 20 February 2019, while taking into account that they are advisory in nature and adapting them to the particular circumstances and nature of SIEMENS GAMESA.

The current text of the Regulations of the Appointments and Remuneration Committee is available on the Company's corporate website: <https://www.siemensgamesa.com/en-int/-/media/siemensgamesa/downloads/en/investors-and-shareholders/corporate-governance/internal-corporate-rules/regulations-of-the-audit-compliance-and-related-party-transactions-committee.pdf>

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions.

Article 33 of the Regulations of the Board of Directors regulates the transactions of the Company and the Group with Directors, significant shareholders or their related persons establishing the procedure for the approval of such transactions.

Its two first paragraphs establish the requirement of the approval of said transactions by the Board of Directors, after receiving a report from the Audit, Compliance and Related Party Transactions Committee. The Board of Directors shall thereby endeavor to ensure that transactions with related parties are carried out in accordance with the corporate interest, on arms'-length terms, ensuring transparency in the process and observing the principle of equal treatment of shareholders in the same condition and according to applicable law.

Further to the above and according to paragraph 2 of article 33 of the Regulations of the Board of Directors, the Board of Directors approved on the meeting held on July 26, 2018, the "Policy regarding related party transactions with directors, significant shareholders and parties related thereto" (the "Policy"), which is included in the Corporate Governance Rules of SIEMENS GAMESA, and is available on the corporate website (www.siemensgamesa.com).

Further, in case of transactions which are qualified as material according the referred Policy, paragraph 3 sets forth the need of an independent expert report, which shall be at the disposal of the Board of Directors before approval of the relevant transaction. Paragraph 4 of article 33 deals with cases of transactions within the ordinary course of business that are customary and recurring and executed at market prices, as well as cases so determined by the Policy, for which a general prior framework approval by the Board of Directors, after receiving a favourable report from the Audit, Compliance and Related Party Transactions Committee, may be sufficient. As settled in paragraph 5 of article 33, the approval by the Board of Directors shall not be required if such transactions simultaneously meet all of the following three requirements: (i) they are conducted under contracts whose terms and conditions are standardized and apply on an across-the-board basis to a large number of customers; (ii) they are conducted at prices or rates established on a general basis by the party acting as supplier of the goods or services in question; and (iii) the amount thereof does not exceed one per cent of the annual revenue of the Company based on the audited annual accounts for the last fiscal year ended on the date of the transaction in question. Finally, according to Paragraph 6 of article 33, the authorization of a related-party transaction will be necessarily agreed by the General Meeting of Shareholders when the value of a related party transaction exceeds 10% of the corporate assets appearing on the last approved and audited consolidated balance sheet.

The conclusion of a related-party transaction with a Director, or a related person to a Director, would put that Director in a conflict of interest situation, and consequently the article 31 of the Regulations of the Board of Directors will apply where appropriate.

It shall be also pointed out that paragraph b) of article 13 of the Regulations of the Audit, Compliance and Related Party Transactions Committee points out that the referred Committee shall have, among others, as main purpose: "report, prior to their authorization by the Board of Directors or the General Shareholders, as appropriate, any operations or transactions that could represent conflicts of interests:

- (i) with the Company and companies of its Group;
- (ii) with directors of the Company and the Group and their related parties;
- (iii) with shareholders that have a significant holding or are represented on the Board of Directors and their related parties;

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(iv) with senior management and other managers, except if those are part of any company of the Group that has created an audit committee, in which case that committee will be in charge of elaborating the corresponding report, having to inform the Committee; as well as

(v) any other relevant transaction related thereto, unless unnecessary in accordance with the law or the Corporate Governance Standards.

The Committee shall be able to rely on the corresponding advice of the internal units or departments of the Company in order to issue said report, and may also request outside advice if it so deems necessary".

Finally, it shall be pointed out that additional information about related party transactions is included and available in the financial statements, this annual corporate governance report, annual activities report of the Audit, Compliance and Related Party Transactions Committee, and in the Report of the Audit, Compliance and Related Party Transactions Committee about its interventions regarding the related party transactions, all available in the corporate website (www.siemensgamesa.com).

D.2. Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
IBERDROLA, S.A.	Siemens Gamesa Renewable Energy Eolica, S.L.	Contractual	Reception of services	1,792
IBERDROLA, S.A.	Gamesa Energy Transmission, S.A. Unipersonal	Contractual	Reception of services	2,524
IBERDROLA, S.A.	Adwen GmbH	Contractual	Rendering of services	18,896
IBERDROLA, S.A.	Adwen GmbH	Contractual	Sales of finished goods or not	45,373
IBERDROLA, S.A.	Siemens Gamesa Energia Renovável Ltda.	Contractual	Rendering of services	5,107
IBERDROLA, S.A.	Siemens Gamesa Energia Renovável Ltda.	Contractual	Sales of finished goods or not	1,839
IBERDROLA, S.A.	Siemens Gamesa Renewable Energy Eolica, S.L.	Contractual	Rendering of services	47,989
IBERDROLA, S.A.	Siemens Gamesa Renewable Energy Eolica, S.L.	Contractual	Sales of finished goods or not	72,698
IBERDROLA, S.A.	Siemens Gamesa Renewable Energy Invest, S.A.	Contractual	Sales of finished goods or not	4,851
IBERDROLA, S.A.	Siemens Gamesa Renewable Energy Limited	Contractual	Rendering of services	28,173
IBERDROLA, S.A.	Siemens Gamesa Renewable Energy Limited	Contractual	Sales of finished goods or not	434,409
IBERDROLA, S.A.	Siemens Gamesa Renewable Energy, Inc.	Contractual	Sales of finished goods or not	16,843

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IBERDROLA, S.A.	Siemens Gesa Renewable Energy, S.A. de C.V.	Contractual	Rendering of services	10,369
IBERDROLA, S.A.	Siemens Gesa Renewable Energy, S.A. de C.V.	Contractual	Sales of finished goods or not	28,307
SIEMENS AG	Siemens Gamesa Energia Renovável Ltda	Contractual	Purchases of finished goods or not	2,586
SIEMENS AG	Siemens Gamesa Renewable Energy (Shanghai) Co. Ltd	Contractual	Reception of services	2,122
SIEMENS AG	Siemens Gamesa Renewable Energy A/S	Contractual	Licensing agreements	18,549
SIEMENS AG	Siemens Gamesa Renewable Energy A/S	Contractual	Purchases of finished goods or not	213,399
SIEMENS AG	Siemens Gamesa Renewable Energy A/S	Contractual	Reception of services	9,354
SIEMENS AG	Siemens Gamesa Renewable Energy A/S	Contractual	Research and Development transfers	6,193
SIEMENS AG	Siemens Gamesa Renewable Energy B.V	Contractual	Purchases of finished goods or not	4,235
SIEMENS AG	Siemens Gamesa Renewable Energy B.V	Contractual	Reception of services	1,478
SIEMENS AG	Siemens Gamesa Renewable Energy Eolica, S.L.	Contractual	Purchases of finished goods or not	8,579
SIEMENS AG	Siemens Gamesa Renewable Energy GmbH & Co KG	Contractual	Purchases of finished goods or not	138,063
SIEMENS AG	Siemens Gamesa Renewable Energy GmbH & Co KG	Contractual	Reception of services	30,489
SIEMENS AG	Siemens Gamesa Renewable Energy Limited	Contractual	Purchases of finished goods or not	2,348
SIEMENS AG	Siemens Gamesa Renewable Energy Limited	Contractual	Reception of services	20,261
SIEMENS AG	Siemens Gamesa Renewable Energy Limited	Contractual	Warranties and guarantees	5,610
SIEMENS AG	Siemens Gamesa Renewable Energy Pty Ltd	Contractual	Reception of services	1,107
SIEMENS AG	Siemens Gamesa Renewable Energy S.A.	Contractual	Reception of services	10,169

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SIEMENS AG	Siemens Gamesa Renewable Energy Technology (China) Co Ltd	Contractual	Purchases of finished goods or not	21,323
SIEMENS AG	Siemens Gamesa Renewable Energy Inc.	Contractual	Purchases of finished goods or not	65,922
SIEMENS AG	Siemens Gamesa Renewable Energy Inc.	Contractual	Reception of services	16,321
SIEMENS AG	Siemens Gamesa Renewable Energy Limited	Contractual	Operating Lease Contracts	1,320

Remarks

For the purposes of the present section D.2 only the transactions of an amount over 1,000 thousand euros are considered as significant. Likewise the related party transactions of the same type between the same SIEMENS GAMESA Group company and the same significant shareholder are included in this table on an aggregated form.

It shall be pointed out that this information coincides with Note 30 of the Consolidated Report incorporated in the 2019 Financial Statements.

Regarding the amount attributed to "Sales and services rendered" of Siemens Group, included in cited Note 30 of the Consolidated Report (2,315 thousand euro), it shall be remarked that this amount was not included in this section as it is an aggregated amount of several transactions whose individual amount didn't exceed, in any of them, the amount of 1,000 thousand euro. In relation to the amount of the transactions included in "Sales and services rendered" of IBERDROLA, S.A. in the same Note 30, only those transactions with an amount over the aforementioned threshold of 1,000 thousand euro have been included in this section. The amount of the transactions included in "Sales and services rendered" of IBERDROLA, S.A. in the referred Note 30 but not included in this section for not reaching the referred threshold as well as due to effects of rounding is 1,498 thousand euro.

Finally, according to the referred relevancy criteria and regarding to transactions included in "Purchases and services received" of Siemens Group in the same Note 30, only have been included in this section those with an amount over the threshold and aggregated by SIEMENS GAMESA Group companies, and in turn, likewise aggregated by type of transaction. The amount of the transactions included in "Purchases and services received" of Siemens Group in the referred Note 30 but not included in this section for not reaching the referred threshold as well as due to effects of rounding is 33,926 thousand euro. The amount attributed to "Purchases and services received" of IBERDROLA, S.A., included in cited Note 30 of the Consolidated Report but not included in this section for not reaching the referred 1,000 thousand euro threshold, as well as due to effects of rounding, is 1,589 thousand euro.

D.3. Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)
N/A	N/A	N/A	N/A	0

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D.4. Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
N/A	N/A	0

Remarks

SIEMENS GAMESA Group companies established in countries or territories considered to be tax havens for being included in the list of the Decree Law 1080/1991 of 5 July 1991, and which do not fulfill the requirements to be excluded of such qualification are classified as operating companies and all transactions carried out by them are exclusively ordinary business activities. The table below includes the list of such companies.

The company Siemens Gamesa Renewable Energy, S.A. has not concluded any transaction with its subsidiaries established in countries or territories that are considered a tax haven.

The transactions within the SIEMENS GAMESA Group carried out by subsidiaries of Siemens Gamesa Renewable Energy, S.A., with entities established in countries or territories that are considered a tax haven are all transactions carried out in the ordinary course of business and are eliminated within the process of drawing up the consolidated financial statements, with the following detail:

Company name of the entity in its group	Brief description of the transaction	Report (thousands of euros)
Siemens Gamesa Renewable Energy Limited (Mauritius)	Intercompany financing interest	4
Siemens Gamesa Renewable Energy Limited (Mauritius)	Intercompany sales and services rendering	17
Siemens Gamesa Renewable Energy Eolica S.L. (Jordan)	Intercompany sales and services rendering	466

D.5. State the amount of any transactions conducted with other related parties that have not been reported in the previous sections.

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
Windar Renovables, S.L.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eolica, S.L.	106,010
Windar Renovables, S.L.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Power Private Limited	4,587
Torres Eolicas do Brasil Ltda.	Purchases of finished goods or not by Siemens Gamesa Energia Renovável Ltda.	4,037

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Schaeffler AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eolica, S.L.	1,876
Schaeffler AG	Purchases of finished goods or not by Gamesa Energy Transmission S.A. Unipersonal	14,443
Schaeffler AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Inc	1,573
Schaeffler AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	1,218
VejaMate Offshore Project GmbH	Rendering of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	1,766
OWP Butendiek GmbH & Co. KG	Rendering of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	41,683
Siemens Gamesa Renewable Energy Eolica, S.L.	Sales of finished goods or not by Windar Renovables, S.L.	1,159
ZeeEnergie C.V., Amsterdam	Rendering of services by Siemens Gamesa Renewable Energy B.V.	14,763
Buitengaats C.V., Amsterdam	Rendering of services by Siemens Gamesa Renewable Energy B.V.	14,763
GalloperWF HoldCo Ltd, Swindon	Rendering of services by Siemens Gamesa Renewable Energy Limited	26,910
Tromsoe Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy A/S	188,896
Tromsoe Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy A/S	57,377
ZeeEnergie C.V., Amsterdam	Rendering of services by Siemens Gamesa Renewable Energy A/S	1,426
Buitengaats C.V., Amsterdam	Rendering of services by Siemens Gamesa Renewable Energy A/S	1,426
Orange Sironj Wind Power Private Limited	Sales of finished goods or not by Siemens Gamesa Renewable Power Private Limited	17,169
Akuo Energy Dominicana, S.R.L, Santo Domingo	Sales of finished goods or not by Gamesa Dominicana, S.A.S.	12,264
Akuo Energy Dominicana, S.R.L, Santo Domingo	Sales of finished goods or not by Siemens Gamesa Renewable Energy Latam, S.L.	3,964
VejaMate Offshore Project	Rendering of services by Siemens Gamesa Renewable Energy GmbH & Co. KG GmbH	22,516
OWP Butendiek GmbH & Co. KG	Rendering of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	3,515

Remarks

For the purposes of the present section D.5 only the transactions of an amount over 1,000 thousand euros are considered as significant.

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Likewise, it shall be pointed out that such information matches with Note 30 of the Consolidated Report which is part of the financial statement of fiscal year 2019.

Regarding the amount attributed to "Purchases and services received" of other related parties, included in cited Note 30 of the Consolidated Report it shall be remarked that only those transactions for an amount over 1,000 thousand euro were included, for being considered as significant. The amount of the transactions included in "Purchases and services received" of other related parties. in the referred Note 30 but not included in section is 2,165 thousand euro.

Finally, according to the referred relevancy criteria the amount of the transactions included in "Sales and services rendered" to other related parties in the referred Note 30 but not included in section is -429 thousand euro as transactions with negative sign are booked.

D.6. Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

a) Possible conflicts of interest between the Company and/or its Group, and its directors:

Article 31 of the Regulations of the Board of Directors regulates the conflicts of interest between the Company or any other company within its group and its directors. In particular, paragraphs 1 and 2 define the situations in which a director has a conflict of interest and lists persons who, given that they are considered linked thereto, could generate situations of conflicts of interest.

Likewise, the following sections in this article regulate the mechanisms for resolving situations of conflict of interest. In particular, paragraphs 3 and 4 establish that any director who incur in a situation of conflict of interest or who notices the possibility thereof shall notify it to the Board through its Chairperson and refrain from attending and intervening in the deliberations, voting, decision-making and execution of transactions and matters affecting the said conflict. The votes of Directors affected by the conflict and who, therefore, had to abstain, will not be considered in order to calculate the required majority of votes to adopt the relevant resolution.

The following paragraph in article 31 of the Regulations of the Board clarifies that *"in unique cases, the Board of Directors or the General Shareholders' Meeting, as appropriate and in accordance with the terms provided by law, may waive the prohibitions arising from the duty to avoid conflicts of interest"*.

Paragraph 6 specifies that *"the waiver shall be preceded by the corresponding report of (a) the Audit, Compliance and Related Party Transactions Committee regarding the operation subject to a possible conflict of interest, in which it will propose the adoption of a related specific resolution, or (b) the Appointments and Remuneration Committee regarding the waiver of fulfillment of contract duties"*.

Paragraph 7 of the cited article states that *"the Chairman of the Board of Directors must include the transaction and the conflict of interest in question on the agenda of the next corresponding meeting of the Board of Directors so that it may adopt a resolution as soon as possible regarding the issue, on the basis of the report drawn up by the corresponding Committee, deciding to approve or not the transaction, or the alternative that may have been proposed, as well as the specific measures to be adopted."*

Finally, paragraphs 8 and 9 state that the Annual Corporate Governance Report shall include conflict-of-interest situations involving Directors or persons related thereto, and that the report of the annual financial Statements shall detail the transactions incurring in conflict of interest that have been authorized by the Board, as well as any other existing conflict of interest pursuant to the provisions of current legislation during the fiscal year of the financial statements.

b) Possible conflicts of interest between the Company and/or its Group, and its managers:

The Senior Management of the Company and/or of the companies constituting the SIEMENS GAMESA Group, as well as any professional of the Company and/or of the companies constituting the referred Group who, by undertaking his/her activity in areas related to the securities markets or having regular, recurring access to Privileged Information, are classified as Affected Persons (as defined in article 6 of SIEMENS GAMESA's Internal Regulations for Conduct in the Securities Markets (RIC)) by the Ethics and Compliance Division, will be subject to the Internal Regulations for Conduct in the Securities Markets, which most recently revised version was approved on 25 September 2019.

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In this regard, according to article 20 of the RIC managers and professionals considered to be Affected Persons must immediately inform either their supervisor or senior manager or the Ethics and Compliance Division of situations that could potentially give rise to a conflict of interest and keep such bodies permanently up to date with regard to said situations. Any concerns regarding the actual existence of a conflict of interest must be addressed with the Ethics and Compliance Division.

c) Possible conflicts of interest derived from transactions between the Company and/or its Group with Directors and significant shareholders:

Article 33 of the Regulations of the Board regulates the transactions of the Company and its Group with directors and significant shareholders or their respective related persons. Section D.1 above details the content of such article so we refer to the same. In any case, the full text of the Regulation of the Board of Directors is available on the corporate website (www.siemensgamesa.com).

d) Relationships of the directors and/or significant shareholders with companies of the Group:

Article 37 of the Regulations of the Board states that *“the obligations of the Directors of the Company and of the shareholders that own a significant stake which are referred to in this Chapter will be understood as applicable, analogically, regarding their possible relations with companies of the Group.”*

The Business Conduct Guidelines of the Company approved by the Board on September 12, 2018, dedicate a paragraph to conflict of interest which is applicable to all Group professionals regardless of their hierarchical position.

D.7. Is there more than one company in the group listed in Spain?

Yes

No

Identify the other companies that are listed in Spain and their relationship to the company:

Identity and relationship with other listed group companies

N/A

State if the respective areas of activity and business relationships between the listed companies have been defined publicly and precisely, as well as between the subsidiary and other members of the group;

Yes

No

Describe the business relationship between the parent and subsidiary listed companies as well as between the subsidiary and other members of the group

Identify measures taken to resolve potential conflicts of interest between the listed subsidiary and the other group companies:

Measures taken to resolve potential conflicts of interest

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

SIEMENS GAMESA has certain **Risk Control and Management Systems** that are covered by the rules of **Corporate Governance** within a flagship internal framework that we call **ERM** (Enterprise Risk Management). ERM is taken into account at the highest level, based on the guidelines established in the Regulations of the Board of Directors (Arts. 6 and 7) and in the Regulations of the Audit, Compliance and Related Party Transactions Committee (Arts. 5, 9 and 11) and also based on internationally recognized methods (COSO 2004 and ISO 31000:2009).

The **Risk Control and Management Systems within ERM** are promoted by the Board of Directors and Top Management and implemented throughout the organization. SIEMENS GAMESA has an Internal Control department that is responsible for the overall Internal Control system and reports to the Chief Operating Officer (COO). Furthermore, there is an Enterprise Risk Management (ERM) and Internal Control over Financial Reporting team reporting to the Chief Financial Officer (CFO). Both functions regularly inform the Audit, Compliance, Related Party Transactions Committee. The Group's Internal Control system is managed through a platform called "RIC".

The **General Risk Control and Management Policy**, which establishes the foundations and general context for the key elements of ERM that are summarized below, sets forth the basis for these systems.

The general risk management process classifies risks in four categories:

- **Strategic:** Risks that are directly influenced by strategic decisions, arise from long-term strategies or are related to top-level objectives
- **Operational:** Risks resulting from day-to-day activities and relating to the effectiveness and efficiency of the Company's operations, including performance and return objectives
- **Financial:** Risks resulting from financial transactions and from non-compliance with tax, accounting or reporting requirements
- **Compliance:** Risks resulting from non-compliance with the business conduct guidelines or legal, contractual or regulatory requirements

The ERM process is a continuous cycle intended to proactively manage business risks. It is divided into six phases:

- **Identify:** Aiming to identify significant risks and opportunities (R/Os) that could adversely or positively impact the achievement of the Company's strategic, operational, financial and compliance objectives. The identification of R/Os is a continuous process for which everyone is responsible in their day-to-day work. It is based on the "Top-down" and "Bottom-up" approaches throughout the organization, represented by corporate, business-unit and regional **R/O maps** supported by specific risk management systems and the necessary consistency between "micro- and macro-risk"
- **Evaluate:** Evaluating and prioritizing the identified R/Os in order to focus management attention and resources on the most important ones. All identified R/Os are evaluated based on their impact on the organization and probability of occurrence, taking into account a three-year time period and different perspectives, including effects on business objectives, reputation, regulation, top management time and financial matters. ERM is based on net risk, taking into account residual risks and opportunities after the implementation of existing control measures
- **Respond:** Focusing on the definition, agreement and implementation of response plans to manage identified risks by selecting one of our general risk response strategies (avoid, transfer, reduce or accept). Our general response strategy in relation to opportunities is to seize or take advantage of the most significant ones

- **Monitor:** Dealing with appropriate controls and continuous supervision to permit timely notification of significant changes in the R/O situation, of progress on KRIs and of response plans
- **Report and scale:** Focusing on the standardized and structured reporting of identified R/Os. This process provides significant risk information to management
- **Continuous improvement:** Risk management in SIEMENS GAMESA's ERM evolves based on the application of the principle of continuous improvement, audits, self-assessments, benchmarking, etc., and is based on reviews of the efficiency and effectiveness of the ERM process and compliance with legal and regulatory requirements in order to ensure sustainability

E.2. Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

The **Board of Directors** as Company's main decision, supervision and control body authorizes and approves all relevant transactions. It is also responsible for establishing the general policies and strategies, included the General Risk Control and Management Policy and tax strategy of the Company and for supervising the implementation thereof and the internal reporting and control systems.

The Company's Risk Control and Management Systems are applied by means of **an organization structured into four levels of defense:**

1º Ownership of risk control

As owner of the top risks, among other aspects, **the Executive Committee (ExCo)** is responsible for:

- Ensuring and promoting compliance with relevant legal requirements and internal policies
- Applying the General Risk Control and Management Policy and the R/O management strategy as a basis for the R/O management process
- Ensuring that risk management and control is integrated into business and decision-making processes
- Defining and proposing the approval of the specific numerical values for the risk limits listed in the specific policies and/or in the annually established targets
- Reporting to the Audit, Compliance and Related Party Transactions Committee on all Company-related issues relating to strategy, planning, business development, risk management and compliance

Business unit directorates: Each business unit, as the owner of the R/Os for its unit, performs a function at this level similar to that of the Executive Committee.

Regional Executive Committees: As owners of the regional R/Os, they perform a function at this level similar to that of the Executive Committee.

Financial Directorate: As established in the Investment and Finance Policy, it centralizes the management of finance-related risks for the entire SIEMENS GAMESA Group

Tax Department: Reporting to the Financial Directorate, it ensures compliance with the tax strategy and policy, reporting to the control and supervisory bodies on the tax standards and policies applied during the fiscal year and on the control of tax risks of the entire Group

2º. Monitoring and compliance

- **Risk Department (ERM):** Integrated within the Financial Directorate, it participates in defining the risk strategy and in the mitigation of risks, endeavoring to ensure that the executive team evaluates all matters relating to the Company's risks, including operational, technological, financial, legal, social, environmental, political and reputational risks.
- **Governance and Internal Control Department (GOV/CON):** Reporting to the Operations Directorate, it is responsible for the effectiveness of the internal control systems.
- **Ethics and Compliance Directorate:** Directly reporting to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors, it is in charge of applying the Business Conduct Guidelines and the Internal Regulations for Conduct in the Securities Markets, as well as supervising the implementation of and compliance with the Crime Prevention and Anti-Fraud Policy and Handbooks.

3° Independent assurance

Reporting to the Board of Directors' Audit, Compliance and Related Party Transactions Committee and to the CEO, the **Internal Audit Directorate** is responsible for informing, advising and directly reporting, among others on the following matters:

- The Company's application of generally accepted accounting principles, as well as any significant accounting change in relation therewith
- Risks associated with the balance sheet and with functional areas of activity, with the existing identification, measurement and control relating thereto
- The Company's transactions with third parties if they involve a conflict of interest or are transactions with shareholders holding a significant stake in the Company.
- Financial information that is regularly or periodically issued to investors and market agents and to securities market regulatory bodies.
- Adequacy and integration of internal control systems

4° Supervision

The Audit, Compliance and Related Party Transactions Committee, as consultation and information body, supports the Board of Directors in the supervision of the system and informs the later about its adequacy.

The **Audit, Compliance and Related Party Transactions Committee** shall have the following key functions related to internal control and risk management systems:

- a) Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this supervision the Committee may raise recommendations or proposals to the Board of Directors.
- b) Supervise, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.
- c) Supervise that policies on the control and management of risks identify at least:
 - i. The different types of risk (operational, technological, financial, legal, fiscal, reputational, climatic, social, etc.) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
 - ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Standards.
 - iii. The planned measures to mitigate the impact of identified risks, should they materialize.
 - iv. The information and internal control systems used to control and manage risks.
- d) Supervise, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.
- e) Supervise that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.
- f) Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.

The Board of Directors approves the risk levels or the policies from which the risk levels derive that the SIEMENS GAMESA Group considers acceptable (risk tolerance criteria), which are aimed at maximizing and protecting the economic value of SIEMENS GAMESA within controlled variability.

E.3. State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives

In deploying its strategic and operational planning, SIEMENS GAMESA faces various risks inherent to the sector and the countries in which it operates. These risks can affect the achievement of business objectives.

Generally, risk is defined as a potential loss caused by an event (or a series of events) that may adversely affect the achievement of the business objectives of a company, for which reason the Risk Control and Management Systems are clearly linked to the strategic planning process and the setting of the Company's objectives.

We set out below a brief summary of the principal risks that may affect the achievement of business objectives and that have been monitored in 2019.

Strategic

- Significant changes in the share ownership of SIEMENS GAMESA that could give rise to **uncertainty in the securities market**.
- **Pressure on contribution margin and on volumes of MW**, due to factors like changes in governmental political decisions, the cost of wind power compared to other sources of energy, and changes in the business model towards auctions in an increasing number of countries.
- As a result of geographic diversification and the extensive base of customers and suppliers, SIEMENS GAMESA is exposed to "**country risk**", which is understood as the environment in which socio-political and security conditions may affect the local interests of SIEMENS GAMESA, such as the effect on the Turkish and Argentine wind markets of the macro situation in these countries, processes like Brexit in the UK, trade wars with the United States, and potential risks from doing business in countries under embargoes or sanctions by strategic countries.

Operational

- **Cyberattack risks**: Like many other multinational companies, SIEMENS GAMESA is exposed to the growing threat of increasingly professionalised cybercrime.
- Risk that the **cost reduction processes for some products do not occur as quickly as required** to offset the pressure on prices.
- Risks relating to the **commitments made** in certain contracts with customers that could end up affecting cash flow or balance sheet provisions.
- Operational risks relating to the launch of **new products** and the opening of **new production centres**.

Financial

- **Risks relating** to the needs of the wind market with respect to **third party guarantees**.
- **Risks that could affect the strength of the balance sheet**, the control of cash flow and structure, and/or results (including the continuous improvement of costs), including significant strategic and/or operational issues that could entail impairments of assets.
- **Market price risks**: SIEMENS GAMESA is exposed to risks relating to fluctuations in the prices of raw materials, as well as duties on the importation of particular products in some countries that could affect supply chain costs.
- **Exchange rate risk**: SIEMENS GAMESA engages in transactions with international counterparties in the ordinary course of its business that give rise to income in currencies other than the euro and future cash flows of entities of the SIEMENS GAMESA Group in currencies other than their functional currency, for which reason it is exposed to risks of changes in exchange rates.
- **Interest rate risk**: the risk that the reasonable value or future cash flows of a financial instrument fluctuate as a result of changes in interest rates. The risk occurs each time the interest terms for financial assets and liabilities are different. SIEMENS GAMESA uses external sources to finance a portion of its operations. Variable rate loans expose the Group to interest rate risks, while fixed rate loans expose the Group to the risk of interest rates at fair value. Variable rates are mainly linked to LIBOR or EURIBOR
- **Tax risks** arising from local and/or global requirements and direct or indirect taxation.

Compliance

- **Risk of occurrence of serious and/or fatal accidents** with the additional effects of delays, damage to assets and reputational loss, caused by, among other things, the high risk profile of some work, potential failures in the processes of selection, monitoring and qualification of contractors, and work in emerging market environments with a less mature culture in relation to safety, health and environmental standards.
- **Risk of regulatory uncertainty and compliance with applicable legal and contractual requirements**, intellectual property rights, and controlling the risk of crimes being committed, such as fraud and corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

The Management Report of the Annual Report for fiscal year 2019 includes additional details regarding some of the risks associated with the activities of SIEMENS GAMESA.

E.4. State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

Top Management establishes the risk strategy and tolerance based on quantitative (indicators) or qualitative variables, allowing it to set the amount of risk that it is prepared to assume to achieve its objectives.

SIEMENS GAMESA uses 3 levels of risk tolerance: “risk acceptance”, “risk monitoring” and “risk escalation”. Tolerance is regularly updated, at least each time changes are made to the strategy and/or policies.

SIEMENS GAMESA essentially has 3 complementary ways of establishing risk tolerance levels:

- 1) By means of regularly reviewed specific policies and internal regulations, particularly including the following:
 - General Risk Control and Management Policy
 - Corporate Tax Policy
 - Investment and Finance Policy (exchange rate, credit and interest rate risks)
 - Excellence Policy (health and safety, respect for the environment, quality and energy efficiency)
 - Business Conduct Guidelines
 - Crime Prevention and Anti-Fraud Policy
 - Cybersecurity Policy
- 2) The setting of objectives on an annual basis or based on strategic regularity, for indicators that are used to monitor certain risks. These indicators include:
 - EBIT, cash conversion, net financial debt, CAPEX and working capital
 - MW sold and new orders
 - Cyberattacks
 - Frequency index, severity index in relation to Health & Safety.

In this context, the specific numerical values of the most significant risk limits have been updated during fiscal year 2019.

- 3) The use of various perspectives to assess impact according to a number of standards, so that if they are assessed as major or high risks when combined with their likelihood of occurrence, they are deemed to exceed the tolerance threshold and will require mitigation plans.

For a particular risk identified and assessed as major or high and for which a risk policy and/or limit has also been exceeded or breached, or if it is anticipated that it could be exceeded or breached, such mitigation actions must be implemented as necessary to reduce the risk below its tolerance threshold.

Each Group company is responsible through its governance bodies for approving the specific risk limits applicable thereto and for implementing the necessary control mechanisms to ensure compliance with the Risk Internal Control Policy and with the specific limits that affect the governance body.

Once the risks (including tax-related risks) threatening achievement of objectives have been identified, the risk owners or those delegated thereby, with the support of the ERM Department and other support functions, assess the risks with a view to identifying their priority and measuring levels of exposure in relation to tolerance levels, so as to establish the required treatment (risk mitigation plans).

E.5. State which risks, including tax compliance risks, have materialized during the year.

The risk factors that have materialized during 2019 in the countries and markets in which SIEMENS GAMESA has done business have had an adverse impact on the Group's financial results, the most significant being price pressure.

It is noteworthy that activities in 2020 will be subject to the continuation of these same risk factors in the development of the wind market. The Group also expects to face uncertainties arising from the process of negotiating the United Kingdom's exit from the European Union and the policies adopted by the United States government relating to its tariff policies and embargos on various countries.

E.6. Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

The specific response and supervision actions that apply to significant risks, including tax risks, that are regularly reported to the Board of Directors and to the Audit, Compliance and Related Party Transactions Committee (whether or not they have occurred) include:

Strategic

- Creation of a project team in charge of analyzing the implications of a change in share ownership and of implementing the relevant mitigation measures.
- Development of new business opportunities, entry into new countries, and cost reduction programmes at all units to mitigate the risk of pressure on the margin and on volumes.
- The possible effects of specific drops in business due to "country risk" are mitigated with a balanced diversification of sales in other countries/regions, diversification in the supply chain and a Security Model that ensures the continuity and security of the business, of people and of assets in the countries in which the Company does business, using early alerts and contingency and emergency plans.

Operational

- Information Security Model led and continuously improved by a holistic and cross-functional Security Committee that is capable of preventing and mitigating the external threats of cyberattacks.
- There is an ongoing reduction in costs through specific goal-based programmes deployed in all regions and controlled by the corporation, seeking to improve profitability in terms of Energy Cost and gross margin.
- Commitments to customers are regularly monitored, and negotiation and product reassignment alternatives are sought.
- New products and new production centers are regularly monitored to ensure that both cost and quality as well as regulatory compliance are fulfilled as expected.

Financial

- Risks relating to the needs of the wind market regarding third party guarantees are mitigated by obtaining ratings from rating agencies, as well as through negotiation with customers.
- Balance sheet risks are prevented / mitigated by continuously monitoring cash flows and significant business issues that could lead to impairments of assets.
- Market risk relating to the price of raw materials is mitigated in some cases by using derivatives, as well as through negotiations, changes in supplier, and even the redesign of some components.
- Various actions are taken to reduce exposure to exchange rate risk, including: increase in local content, hedging through the use of derivative financial instruments, monitoring of exposure to fluctuations while ensuring compliance with the Group's hedging limit, and analysis of currency sensitivity.
- The division of external financing between variable and fixed rates is constantly analyzed in order to optimise exposure to interest rates, and derivative financial instruments are used to reduce interest rate risk.

- Tax risks are controlled with various mechanisms established within the Tax Risk Control and Analysis Framework, including: regularly reporting to the management and supervisory bodies of the Company on compliance with good tax practices; application of the Corporate Tax Policy; and specific monitoring of compliance with legal requirements on tax matters by region.

Compliance

- The risk of serious and fatal accidents is mitigated through various actions, including: strengthening of the zero tolerance policy; specific emergency plans for each serious accident; global prevention plans for the regions with the worst results; and preventive H&S actions prior to commencing operations in a new country.
- SIEMENS GAMESA holds Systems for monitoring regulatory changes and crime prevention Handbooks in accordance with the legal requirements and risks associated to the company's activity in the principal regions in which it does business, which include the corresponding specific detection and prevention controls of such risks with special focus on all forms of corruption (among others: bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

The Management Report of the Annual Report and the management discussion & analysis of the 2019 annual accounts include additional information regarding response and supervision plans.

In addition to the specific response plans, continuous supervision and monitoring processes are developed to ensure an appropriate response to the principal risks of the Company, including the following:

- Control by the heads of the business units, the regions and the Executive Committee regarding the evolution of R/O maps and mitigation plans.
- Reports to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors regarding changes in the R/O maps by the head of ERM, and individually by the R/O owners to deal with significant risks and opportunities
- Insurance of operational third-party risks, with annual update and review of coverages.
- External management system certifications pursuant to OHSAS18001, ISO 14001 and ISO9001.
- Internal certifications by Management to the effect that the ERM process, as part of the risk and internal control system, is implemented and guarantees that significant risks and opportunities are being properly managed.
- Declaration of conformity of the ERM system in accordance with the ISO 31000 standard from 2009.
- Evaluations, including independent evaluations, by Management, by the department of internal audit and by external audit of the effectiveness of the internal controls over financial information.
- Regular training sessions for managers and senior managers regarding the Risk and Internal Control Policy, integrated R/O management methods, and implementation of the ERM Methodology.
- Internal audits of significant risks by the Internal Audit Directorate.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1. Control environment

Report on at least the following, describing their principal features:

- F.1.1. The bodies and/or departments that are responsible for (i) the existence and maintenance of an adequate and effective ICFR; (ii) their implementation; and (iii) their supervision.

According to the article 33.5.g) of the Company's By-Laws, the Board of Directors has among its competencies *"preparing the financial statements and the report on individual management of the Company and consolidated management reports with its subsidiaries, as well as the proposed allocation of earnings for approval, where applicable, by the Shareholders' General Meeting"*.

Likewise, as established by article 7.3 a) of the Regulations of the Board of Directors, the Board of Directors has the competency of supervising the internal information and control systems and the transparency and accuracy of the information provided by the Company and approving the financial information which, as a result of its status as listed on the stock exchange, should be published regularly.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

Finally, the Management of SIEMENS GAMESA Group is responsible through its Internal Control department and through its Internal Control Over Financial Reporting (ICFR team) for the design, implementation and maintenance of a proper Internal Risk Management and Control system related to the Process of Publishing Financial Information (ICFRS).

In support of the Audit, Compliance and Related Party Transactions Committee, the Company has an Internal Audit department, which has direct access to the aforementioned committee and by performing its annual work plan reinforces control relating to the reliability of the financial information.

The Regulations of the Audit, Compliance and Related Party Transactions Committee establish that it is within the purview of said Committee to supervise the effectiveness of the Company's internal control system, the systems for the management of risks, including tax risks and supervision of the process of preparing and filing the regulated financial information.

In relation to the powers relating to the process of preparing the economic and financial information, the Audit, Compliance and Related Party Transactions Committee performs the following functions, among others, as defined in Article 8 of the Regulations of the Audit, Compliance and Related Party Transactions Committee:

- Oversee the preparation, presentation and integrity of economic, financial and non-financial information relating to the Company and its consolidated Group, as well as the correct delimitation of such Group, and raise the recommendations or proposals to the Board of Directors that it may deem appropriate. The Committee shall perform its duty of overseeing continuously and, on an ad-hoc basis, when requested by the Board of Directors.
- Supervise that all periodic economic and financial information (half-yearly Financial Reports and the quarterly management statements) is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.
- Oversee compliance with legal requirements and the correct application of generally accepted accounting principles and inform the Board of any significant changes in accounting criteria.
- Supervise the reasons why the Company should disclose in its public reporting certain alternative performance measures, instead of the metrics defined directly by accounting standards, the extent to which such alternative performance measures provide useful information to investors and the degree of compliance with the best practices and international recommendations in this respect.
- Be informed of the significant adjustments identified by the auditor or arising from Internal Auditing reviews, and management's position on such adjustments.
- Address, respond to and properly take account of any requests or demands issued, in the current or in previous years, by the supervisory authority of financial reporting to ensure that the type of incident previously identified in such demands does not recur in the financial statements.
- Supervise on a quarterly basis that the financial information published on the corporate website of the Company is regularly updated and matches the information authorized by the Board of Directors and published on the National Securities Market Commission website. Following the supervision, if the Committee is not satisfied with any aspect, it shall notify such aspect to the Board of Directors through its secretary.

In relation to the internal control and risk management systems, as defined in Article 9 of Regulations of the Audit, Compliance and Related Party Transactions Committee:

- Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this supervision the Committee may raise recommendations or proposals to the Board of Directors.
- Supervise, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

- Supervise that policies on the control and management of risks identify at least:
 - i. The different types of risk (operational, technological, financial, legal, fiscal, reputational, climatic, social, etc.) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
 - ii. The levels of risk that the Company and the SIEMENS GAMESA Group deem acceptable in accordance with the Corporate Governance Standards.
 - iii. The planned measures to mitigate the impact of identified risks, should they materialize.
 - iv. The information and internal control systems used to control and manage risks.
- Supervise, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.
- Supervise that the Risk department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.
- Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.

SIEMENS GAMESA has an Internal Control department that is responsible for the overall Internal Control system and reports to the Chief Operating Officer (COO). Furthermore, there is an Enterprise Risk Management (ERM)/ ICFR team reporting to the Chief Financial Officer (CFO). Both functions regularly report to the Audit, Compliance, Related Party Transaction Committee including on the overall status of the Internal Control system, non-ICFR and ICFR specific content. The Group's internal control system is managed through a platform called "RIC tool".

F.1.2. State whether the following are present, especially if they relate to the creation of financial information:

- *Departments and/or mechanisms in charge of: (i) design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity.*

In relation to the definition of the organizational structure, the regulations of the Board of Directors establish that the Appointments and Remuneration Committee must inform the Board of Directors of the proposals for appointment and removal of Top Management and must also report on the remuneration conditions and terms and conditions of the employment contracts thereof prior to their approval by the Board of Directors.

The Group's Executive Committee is responsible for defining, designing and reviewing the organizational structure. It assigns functions and tasks, ensuring appropriate separation of functions and that the areas of the various departments are coordinated so as to achieve the Company's objectives.

The Group has clearly defined lines of authority and responsibility for purposes of preparing the financial information. The CFO organization has the main responsibility for preparing the financial information.

The CFO organization is responsible for the existence and proper dissemination within the Group of the internal policies and procedures that are necessary to ensure reliability in the process of preparing the financial information. The CFO organization also plans the key dates and reviews to be carried out by each responsible area.

The Chief Operating Officer (COO) through his Internal Control department is responsible for the existence and proper dissemination within the Group of the Internal Control policies and procedures.

The Group has financial organizational structures that are adapted to the local needs of each region in which it operates, led by a Managing Director Administration & Finance of the legal entities whose duties include the following:

- Designing and establishing appropriate local organizational structures for the performance of the financial tasks assigned thereto.
- Integrating the corporate financial policies defined by the Group into local management.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

- Adapting the corporate accounting and management systems to local needs (in close alignment with the Head of Accounting).
- Complying with the procedures covered by the Group's Internal Control over Financial Reporting System (ICFRS) and ensuring proper separation of functions at local level.
- Locally implementing and maintaining control models by means of corporate IT tools.

Specifically, and as regards the model for ICFRS, the existing organizational structure has sufficient resources for the proper functioning thereof, with centralised guidelines that are controlled and supervised at central Group level and with local-level implementation in each region with the aim of providing detail on the processes considered key for the Company.

- *Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state if there is specific mention of transaction recording and creation of financial information), a body charged with analyzing breaches and proposing corrective actions and sanctions.*

SIEMENS GAMESA has approved Business Conduct Guidelines (replacing the previous Code of Conduct), the current version of which was approved by its Board of Directors on 12 September 2018. The Business Conduct Guidelines define the attitude of SIEMENS GAMESA in relation to the conduct of a responsible business and describe how SIEMENS GAMESA fulfils its responsibilities as a company, i.e. as an employer, in its markets, in society and towards the environment. This Business Conduct Guidelines are available both on the corporate website and on the internal intranet after a specific Company-wide communication by the Chief Executive Officer (CEO).

Regarding its economic and financial information, SIEMENS GAMESA Group is committed to transparent, clear, truthful, complete and consistent reporting to investors, employees, customers, institutions and governmental agencies.

More specifically, the Business Conduct Guidelines state that as an international company, SIEMENS GAMESA is committed to accurate and truthful reporting to investors, employees, customers, business partners, the public and all government agencies. SIEMENS GAMESA follow all applicable laws, regulations, standards and practices.

SIEMENS GAMESA ensures that its books and records are kept completely, accurately and truthfully, they are prepared on time and in accordance with the applicable rules and standards (IFRS), that they comply with the Financial Reporting Guidelines and follow internal control processes.

SIEMENS GAMESA provides correct and complete information for financial reporting purposes.

Among other aspects and in relation to the Business Conduct Guidelines, the Compliance department, which reports functionally to the Audit, Compliance and Related Party Transactions Committee, is responsible for resolving doubts that may arise and for receiving any queries or complaints via the established channels that are referred to in the Business Conduct Guidelines for actions that are unethical, lack integrity or conflict with the principles included therein.

- *Whistleblower channel, that allows notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organization, reporting, as the case may be, if this is of a confidential nature.*

In accordance with the provisions of the Business Conduct Guidelines and of Article 10.g of the Regulations of the Audit, Compliance and Related Party Transactions Committee with respect to the duties of the aforementioned Committee relating to the Corporate Governance area, SIEMENS GAMESA has developed a mechanism known as the Compliance Whistle-blower Hotline that allows its employees to confidentially or anonymously report any potentially significant irregularities, with express reference to financial or accounting improprieties that they discover within the Company.

The Audit, Compliance and Related Party Transactions Committee is responsible for establishing and supervising the Compliance Whistle-blower Hotline, which SIEMENS GAMESA manages through its Compliance department according to the conditions and powers set forth in the Compliance Handbook, which form part of the internal regulations and which sets out its operation and conditions for use, access, scope and other aspects.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

As established by our internal regulations, in Articles 12.b and 12.c of the Regulations of the Audit, Compliance and Related Party Transactions Committee, the Compliance department has the duty of assessing and reporting on the level of compliance with the Business Conduct Guidelines; it will submit such reports to the Audit, Compliance and Related Party Transactions Committee with information on suggestions, concerns, proposals and breaches.

- It is for the Compliance department, upon receipt of a complaint that satisfies a series of requirements and minimum content, to decide whether it is appropriate to *process* or file such complaint.

If there is evidence of an infringement of the Business Conduct Guidelines, a confidential case file will be opened, and such actions as deemed necessary may be commenced, particularly interviews with the parties involved, witnesses or third parties considered capable of providing useful information and collection of such paper or electronic documents as required. Assistance may be obtained from other areas of the Company if deemed suitable, as well as from independent experts (establishing an investigative team).

Upon conclusion of the complaint procedure, the investigative team will prepare a report that will contain at least a description of the context of the investigation, its findings, the legal advice on such findings and the actions to rectify the problem.

The Disciplinary Committee (comprising the representatives of the Financial, Legal, Compliance and Human Resources departments) is responsible for establishing relevant disciplinary measures for cases of breach of the Business Conduct Guidelines, which are proportionate to the severity of said breaches.

If the Compliance department finds evidence of unlawful conduct when processing the case and preparing the report, it will inform the Legal department for purposes of assessing whether the competent legal or administrative authorities must be informed.

- *Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.*

SIEMENS GAMESA has staff recruitment procedures and processes in place to identify and define all selection and recruitment process milestones ensuring that new employees are qualified to perform the responsibilities associated with their position.

A main line of action for SIEMENS GAMESA is managing employee knowhow through the identification, retention and development of the required talent and knowhow, in addition to ensuring the proper transfer thereof.

In this context, SIEMENS GAMESA has processes and tools to determine the level of performance and development needs for the people who make up its organization.

The staff directly and indirectly responsible for actions in the financial and accounting area have been subject to previously established selection and recruitment processes, and moreover, their training needs have been also analyzed in internal development processes. In this context, they have the necessary professional qualifications and expertise to perform their duties, in terms of both applicable accounting standards and internal control-related principles. These staff are kept continuously up-to-date with applicable regulatory requirements.

Specifically, the Compliance department provides various training sessions on the Business Conduct Guidelines and the Whistle-blower channel.

F.2. Assessment of financial information risks Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including error and fraud risk, as regards:

- *Whether the process exists and is documented.*

The Company has developed the ICFRS based on the international standards established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Internal risk management and control systems related to the process of publishing financial information (ICFR)

As stated below, there is a model aimed at identifying the effects of the various types of risk. However, and specifically for risks relating to financial information, an internal control model is applied with a “top-down” approach for the identification of risks based on the most significant accounts in the financial statements and taking into account parameters relating to the impact, likelihood of occurrence and characteristics of the accounts and of the business process.

The process of identifying risks with a potentially significant impact on the Financial Statements takes into account quantitative aspects such as the aggregate percentage that they represent of the individual Company/ account with respect to assets, revenues, earnings and other qualitative aspects.

The qualitative risk factors include aspects relating to:

- Nature of the account: volume of transactions, judgment required, complexity of accounting principle, external conditions.
- Nature of the process: complexity of process, centralisation/decentralisation, automation, third-party interaction, experience/maturity of the process.
- Risk of fraud: degree of estimation and judgment, common schemes and frauds in the relevant sector/market, geographic regions, unusual and complex transactions, nature of automation, urgent transactions, relationship with compensation systems.
- *If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency.*

The process has been designed taking into account the financial reporting objectives set forth in the internal financial reporting document in listed companies issued by the CNMV in June 2010.

In the above context and in the case of processes associated with economic or financial information, the process has been focused on analyzing events that could affect the financial reporting objectives relating to:

- Integrity.
- Validity.
- Valuation.
- Timeliness.
- Records.
- Presentation and breakdown.

The risk assessment model for the achievement of objectives related to the reliability of financial information identifies the critical risks and processes on an annual basis and in a systematic and objective manner.

- *The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex company structures, shell companies, or special purpose entities.*

In accordance with the recommendations of the Unified Code of Good Governance, Article 7.3.b.iv of the Regulations of the Board of Directors establishes the power to approve the creation or purchase of stocks in special-purpose entities or entities in countries or territories that are considered tax havens according to applicable law.

Additionally, and in this context, the Group’s corporate tax policy states that in carrying out its activities, Siemens Gamesa shall follow the principles of an orderly and diligent tax policy that materialises in the commitment to:

- Avoiding the use of artificial and/or opaque structures for tax purposes, with the latter understood as those used to keep the competent Tax Authorities from knowing the final party responsible for the activities or the ultimate owner of the property or rights involved.
- Not organising or acquiring companies residing in tax havens in order to avoid tax obligations.

The SIEMENS GAMESA Group also maintains a continuously updated record of all the legal entities that sets forth all the equity interests it directly or indirectly holds, whatever the nature thereof, including if applicable shell companies and special-purpose entities.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

For purposes of identifying the scope of consolidation, in accordance with the standards established in international accounting regulations, the Company maintains and regularly updates a database containing all the companies that make up the SIEMENS GAMESA Group.

The Group has an established process within the Financial Controlling & Accounting department that ensures the necessary flow of approvals in relation to changes in the scope of consolidation and updates to the database of companies. The scope of consolidation is monitored within the established internal control over the financial reporting system and as part of the consolidation process

- *If the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.*

SIEMENS GAMESA has implemented a risk management process based on the COSO method and on standard ISO 31000:2009 within the **ERM** (Enterprise Risk Management) internal benchmark framework and which, in accordance with the General Risk Control and Management Policy, takes into account four risk categories that are each in turn made up of other sub-categories:

- **Strategic:** Risks that are directly influenced by strategic decisions, arise from long-term strategies or are related to top-level objectives.
- **Operational:** Risks resulting from day-to-day activities and relating to the effectiveness and efficiency of the Company's operations, including performance and return objectives.
- **Financial:** Risks resulting from financial transactions and from non-compliance with tax, accounting and/or reporting requirements.
- **Compliance:** Risks resulting from non-compliance with the Business Conduct Guidelines or legal, contractual or regulatory requirements.

The methodology applied translates into a risk map that is updated regularly (normally on a quarterly basis).

- *The governing body within the company that supervises the process.*

The process is ultimately supervised by the Audit, Compliance and Related Party Transactions Committee, which is supported by the Internal Audit department in the performance of its duties.

F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics:

- F.3.1. Review and authorization procedures for financial information published by the stock markets and a description of the ICFR, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

The Board of Directors is the highest-level body responsible for supervising and approving the financial statements of the SIEMENS GAMESA Group.

The Group sends information to the securities market on a quarterly basis. The Financial Controlling & Accounting department prepares said information, carrying out a series of control activities during the accounting close in order to ensure the reliability of the financial information. These controls are included within the "Consolidation and Financial Close" process in the Group's ICFRS model.

On a monthly basis, Financial Controlling & Accounting department provides the various departments involved in the accounting closing process with plans and guidelines so that each department can prepare the financial information, as well as the date on which it must be reported.

The Group's financial statements are subject to the following review levels:

- Review by Financial Controlling & Accounting department
- Supervision of the Audit, Compliance and Related Party Transactions Committee.
- Approval by the Board of Directors (half-yearly and annual).

Internal risk management and control systems related to the process of publishing financial information (ICFR)

The annual accounts and interim financial statements summarised on a half-yearly basis are also subject to audit and limited review, respectively, by the statutory auditor.

On a quarterly basis, there is an internal certification process throughout the SIEMENS GAMESA Group. The Management of the different organizational levels, backed by the confirmations from the business units' managements as well as the management of the companies of the SIEMENS GAMESA Group, confirm a) the accuracy of the financial data disclosed to Corporate Management, b) regulatory and legal compliance, c) certification of the bank accounts and d) independence vis-à-vis the external auditor of the SIEMENS GAMESA Group.

There is also an assessment of the design and operational effectiveness of the implemented internal control system at the end of each fiscal year. The Management of the different organizational levels, backed by the management of the companies of the SIEMENS GAMESA Group, confirms fulfilment of its responsibility to establish and maintain an effective internal control system. Reports are produced on the effectiveness of the internal control systems, including the shortfalls that could hinder the achievement or development of the key business objectives or those with a material impact on the financial statements.

The financial statements are prepared based on a reporting calendar and delivery dates that are known to all the participants in the process, taking into account the legally established deadlines.

As mentioned in the previous section, the control activities designed to cover the previously identified risks are performed both at Management level in a Corporate environment, with analytical reviews of the reported information, and at the level of each business unit from a more operational and specific perspective, by identifying the corresponding processes and sub-processes according to the various local organizational structures.

The risks considered to have a material impact on the financial statements are identified, monitored and mitigated through internal control activities.

We consider the control activities relating to the following aspects to be particularly relevant:

- Revenue recognition on construction contract
- Capitalisation of wind farm promotion expenses.
- Provisions
- Material assets.
- Hedging management.
- Procurement.
- Consolidation and Financial Close.
- Fair value measurement (goodwill, intangible assets and inventories).

During 2019 and within the context of continuously improving the model, SIEMENS GAMESA has continued to work on optimisation and adaptation thereof to the best practices in the sector.

The established system is a continuous process insofar as those responsible and the owners of the internal control processes prepare, review and update the activities and control procedures with the support of the Internal Control department and ICFR team.

F.3.2. Internal IT control policies and procedures (access security, change controls, their operation, operational continuity, and segregation of duties, among others) which support relevant processes within the company and relate to the creation and publication of financial information.

Management of SIEMENS GAMESA recognises information and the assets it supports as strategic assets for the business, for which reason it expresses its resolve to achieve the security levels necessary to ensure the protection thereof in terms of availability, confidentiality, integrity, authentication and traceability.

Specifically, and within the scope of the ICFRS model, SIEMENS GAMESA has developed a process of general information technology systems controls. This process has in turn been broken down into various sub-processes, for which various controls have been designed and established.

For the companies that make up the Group, these sub-processes and their main control activities are as follows:

- **Backups:** Business continuity as regards the timely recovery of essential business data in the event of a disaster, via the duplication of critical infrastructures and the regular production of backup copies of information in separate physical locations, and a policy for review and control of the integrity of the copies made.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

- **Security of physical access to the Data Processing Centre (CPD):** Among other physical control activities, the IT department restricts access to authorised personnel in various areas in which key IT elements of the Company are located. Said locations are monitored with appropriate control and security systems.
- **Internal and external security of software access:** At the software security level there are defined, configured and implemented techniques and tools enabling restriction of access to computer applications and information databases to authorised personnel only, based on their role/ function, by means of control procedures and activities including review of users and assigned roles, encryption of sensitive information, managing and regularly changing access passwords, control of unauthorised downloads of computer applications, and analysis of identified security incidents.
- **Controls relating to the maintenance and implementation of computer applications:** Among others, the request and approval processes are defined and implemented at the appropriate level for new computer applications, for definition of versioning policies and maintenance of existing applications and their associated action plans, for definition of the various application implementation and migration plans, for validation and control of changes in the creation of applications, and for risk management via separate environments for operation and tests and simulation. There are also controls relating to ensuring that applications have been verified and updated by the respective competent authorities before live launch thereof.
- **Controls relating to the separation of functions:** Approved matrix for separation of functions, according to which the different roles are assigned to users in accordance with identified needs, with no exceptions permitted. Regular review and approval of the different assigned roles, as well as reassignments, updates, elimination of users, verification of infrequent or unused users, etc.

F.3.3. Internal control policies and procedures intended to guide the management of subcontracted activities and those of third parties, as well as those aspects of assessment, calculation or evaluation entrusted to independent experts, which may materially affect financial statements.

SIEMENS GAMESA sub-contracts the performance of certain routine transaction processing activities with an impact on financial information (e.g. accounts payable, payroll, invoice records) to internal shared service centres or external/Group service providers. In the cases in which this sub-contracting occurs, it is backed by a services agreement on fully competitive terms that clearly indicates the service provided and the means that the provider, internal, external or Group will use to provide the services, reasonably guaranteeing the technical expertise, independence and competence of the sub-contracted party.

In any case, the outsourced activities are mainly different administrative processes in offices and small subsidiary companies that are supported by a services agreement that clearly states the service provided and the means that the qualified external professional provider will use to provide the services, reasonably ensuring the technical qualifications, independence and competence of the sub-contracted party. SIEMENS GAMESA's ICFRS model identifies control activities for activities outsourced to third parties.

There is also an internal procedure for the procurement of services that establishes the requirement for certain levels of approval depending on the transaction value.

Such services are procured by the Heads of the corresponding areas, reasonably ensuring the competence and technical and legal qualifications of the sub-contracted parties, with the evaluations, calculations or appraisals conducted by external parties being reviewed if applicable.

F.4. Information and communication

State whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organization, as well as an up-to-date accounting policy manual distributed to the business units through which the Company operates.

Among other functions, the Financial Controlling & Accounting department is responsible for identifying, defining, updating and communicating the accounting policies that affect SIEMENS GAMESA, as well as for responding to accounting queries that may be raised by subsidiaries or the various geographic areas and business units. In this context, it maintains a close relationship with management of the various geographical areas and business units.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

The Financial Controlling and Accounting department is also responsible for reporting to the Audit, Compliance and Related Party Transactions Committee and/or to any other corresponding body on specific aspects of accounting standards, the results of the application thereof and their impact on the financial statements.

The Company has an accounting manual that determines and explains the rules for preparing the financial information and how said rules should be applied to the Company's specific operations. This document is regularly updated, for which reason significant potential changes or updates are communicated to the companies to which they are applicable.

In case the application of accounting standards is particularly complex, the conclusion of the accounting analysis undertaken is communicated to the external auditors, who are asked for their position with respect to the conclusion reached.

The accounting policies applied by the Group are broken down in its annual accounts and are consistent with those applicable under current rules.

In the case of regulatory changes linked to financial reporting that have an impact on the Financial Statements, the Financial Controlling & Accounting department is responsible for reviewing, analyzing and updating the accounting rules as well as for supervising the adoption of new standards or revisions from the International Financial Reporting Standards (IFRS) and those standards, changes and interpretations that have yet to come into force. The Financial Controlling & Accounting department is also responsible for communicating changes or updates to the Company's departments and the subsidiaries.

- F.4.2. Measures for capturing and preparing financial information with consistent formats for application and use by all of the units of the entity or the group, and which contain the main financial statements and notes, as well as detailed information regarding ICFR.

There is a centralized process for consolidating and preparing the financial information. The financial statements reported by the Group's subsidiaries in the established formats, as well as the rest of the financial information required both for the accounting harmonization process and for coverage of the established information needs, are used as "inputs".

The SIEMENS GAMESA Group uses a software tool that collects the individual financial statements and facilitates the process of consolidating and preparing the financial information. This tool allows the centralisation within a single system of all the information resulting from the accounting of the individual companies belonging to the Group.

In this context, the Consolidation and Reporting department establishes a centralized quarterly, half-yearly and annual close plan, which distributes to each of the groups and sub-groups the appropriate instructions in relation to the scope of work required, key reporting dates, standard documentation to be sent and deadlines for receipt and communication. Among other aspects, the instructions include a reporting/consolidation package, preliminary close, inter-company invoicing, physical inventories, inter-group balance confirmation and reconciliations, final close and pending items.

The content of the aforementioned reporting is regularly reviewed in order to respond to the appropriate breakdown requirements in the annual accounts.

F.5. Supervision of system performance

Describe at least the following:

- F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function that has among its mandates support of the committee and the task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

There is a close communication between the Audit, Compliance and Related Party Transactions Committee, Top Management, the Head of the Internal Control department, the Head of the ERM/ ICFR team, the Head of Internal Audit and the Statutory Auditors, so that the Board of Directors' Audit, Compliance and Related Party Transactions Committee has the information necessary to perform its duties relating to the supervision of the ICFRS.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

Specifically, the Audit, Compliance and Related Party Transactions Committee has performed the following ICFRS supervision activities, among others, during the fiscal year:

- Supervise the Group's annual accounts and the periodic quarterly and half-yearly financial information that the Board of Directors must provide to the markets and to the supervisory bodies thereof, supervising the compliance with legal requirements and the proper application of generally accepted accounting principles in the preparation thereof.
- As part of its work supervising the Internal Audit department, it has approved the annual audit plan and the budget thereof that underpins the internal and external human and material resources of the department.
- It has analyzed the External Auditors' audit plan, which includes the audit objectives based on the assessment of financial reporting risks, as well as the main areas of interest or significant transactions subject to review during the fiscal year.
- Together with the external auditors and Internal Audit, it has reviewed any internal control weaknesses identified in the course of the various audit and review tasks.

The Internal Control department and the ICFR team reported on the overall Internal Control system and non ICFR and ICFR specific content to the Audit, Compliance and Related Party Transactions Committee after completion of the Initial Assessment (in July 2019) and after completion of the Final Assessment (in October 2019).

SIEMENS GAMESA has an Internal Audit department whose powers include supporting the Audit, Compliance and Related Party Transaction Committee, among others, in its work of supervising the internal control system. In order to ensure its independence, the Internal Audit department reports hierarchically to the CEO and functionally to the Audit, Compliance and Related Party Transaction Committee.

In order to enable this supervision of the internal control system, the Internal Audit department responds to the requirements of the Audit, Compliance and Related Party Transaction Committee in the performance of its duties, participating regularly and whenever required in the meetings of the Board of Directors' Audit, Compliance and Related Party Transactions Committee.

The annual internal audit plan presented and approved by the Audit, Compliance and Related Party Transaction Committee includes the performance of ICFRS reviews, establishing review priorities based on the identified risks.

The Internal Audit department has performed audits for certain significant risks in accordance with its Annual Audit Plan 2019, and has made the corresponding reports where appropriate to the Executive Committee and to the Audit, Compliance and Related Party Transactions Committee.

- F.5.2. If there is a procedure by which the account auditor (in accordance with the contents of the Normas Técnicas de Auditoría (NTA) - "Auditing Standards"), internal auditor and other experts may communicate with senior management and the audit committee or senior managers of the company regarding significant weakness in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

The Audit, Compliance and Related Party Transactions Committee holds regular meetings with the external auditors, the CFO, the Internal Control and ERM/ICFR departments responsible for preparing the financial information in order to discuss any relevant aspect and, if applicable, examine significant internal control shortfalls that have been identified.

The Group's annual accounts and the periodic financial information that the Board of Directors must supply to the markets and to the supervisory bodies thereof are reviewed at the Audit, Compliance and Related Party Transaction Committee meetings with the statutory auditors, monitoring compliance with legal requirements and the proper application of generally accepted accounting principles in the preparation thereof.

F.6. Other relevant information

There is no other relevant information with respect to the ICFRS that has not been included in this report.

F.7. External auditor's report

Report from:

F.7.1. If the ICFR information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment. If not, reasons why should be given.

SIEMENS GAMESA has requested the external auditor to issue a report reviewing the information relating to the ICFR included in this section F of the Annual Corporate Governance Report for fiscal year 2019.

G. EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company's actions. General explanations are not acceptable.

1. **That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.**

Complies X

Explanation

2. **That when the parent company and a subsidiary are listed on the stock market, both should publicly and specifically define:**

- a) **The respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary with other group companies.**
- b) **The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies X

Complies partially

Explanation

Not Applicable


3. **That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:**

- a) **Changes that have occurred since the last General Shareholders' Meeting.**
- b) **Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.**

Complies X

Complies partially

Explanation



Extent of compliance
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4. That the company has defined and promoted a policy of communication and contact with shareholders, institutional investors and proxy advisors that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders.

And that the company has made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.

Complies X

Complies partially

Explanation

5. That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.

And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

Complies X

Complies partially

Explanation

6. That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:

- a) Report regarding the auditor's independence.
- b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.
- c) Report by the audit committee regarding related-party transactions
- d) Report on the corporate social responsibility policy.

Complies X

Complies partially

Explanation

7. That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.

Complies X

Explanation

8. That the audit committee ensures that the Board of Directors presents financial statements in the audit report for the General Shareholders' Meetings which do not have qualifications or reservations and that, in the exceptional circumstances in which qualifications may appear, that the chairman of the audit committee and the auditors clearly explain to the shareholders the content and scope of said qualifications or reservations.

Complies X

Complies partially

Explanation

9. That the company permanently maintains on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies X

Complies partially

Explanation

Extent of compliance
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recommendations

10. That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:

- a) Immediately distributes the additions and new proposals.
- b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.
- c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

Complies

Complies partially

Explanation

Not Applicable

Explanation:

The Company's Internal Regulations complies with sections a), b) and d) of the Recommendation.

Regarding section c), article 31.7 of the Shareholders' General Meeting Regulations of SIEMENS GAMESA, which states the system for determining the meaning of the votes establishes a different deduction system for voting proposals from the Board of Directors regarding items included on the agenda than for voting on proposals for resolutions regarding matters not contemplated in the agenda or formulated by the Board of Directors.

11. That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establishes in advance a general policy of long-term effect regarding such payments.

Complies

Complies partially

Explanation

Not Applicable

12. That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximization of the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Complies

Complies partially

Explanation

13. That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.

Complies

Explanation

Extent of compliance
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14. That the Board of Directors approves a selection policy for directors that:

- a) Is concrete and verifiable.
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the needs of the Board of Directors.
- c) Favours diversity in knowledge, experience and gender.

That the resulting prior analysis of the needs of the Board of Directors is contained in the supporting report from the appointments committee published upon a call from the General Shareholders' Meeting submitted for ratification, appointment or re-election of each director.

And that the selection policy for directors promotes the objective that by the year 2020 the number of female directors accounts for at least 30% of the total number of members of the Board of Directors.

The appointments committee will annually verify compliance with the selection policy of directors and explain its findings in the Annual Corporate Governance Report.

Complies X

Complies partially

Explanation

15. That proprietary and independent directors constitute a substantial majority of the Board of Directors and that the number of executive directors is kept at a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

Complies X

Complies partially

Explanation

16. That the percentage of proprietary directors divided by the number of non- executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies X

Explanation

17. That the number of independent directors represents at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Complies X

Explanation

18. That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.
- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.
- e) The shares and options they own.

Complies X

Complies partially

Explanation

Extent of compliance
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19. That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Complies Complies partially Explanation Not Applicable

20. That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Complies Complies partially Explanation Not Applicable

21. That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

Complies Explanation

22. That companies establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which may damage the company's standing and reputation. Specifically, directors must be required to report any criminal acts with which they are charged, as well as the consequent legal proceedings.

And that should a director be indicted or tried for any of the offences set out in company law legislation, the Board of Directors must investigate the case as soon as possible and, based on the particular situation, decide whether the director should continue in his or her post. And that the Board of Directors must provide a reasoned written account of all these events in its Annual Corporate Governance Report.

Complies Complies partially Explanation

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Complies Complies partially Explanation Not Applicable

24. That whenever, due to resignation or any other reason, a director leaves before the completion of his or her term, the director should explain the reasons for this decision in a letter addressed to all the directors of the Board of Directors. Irrespective of whether the resignation has been reported as a relevant fact, it must be included in the Annual Corporate Governance Report.

Complies Complies partially Explanation Not Applicable

Extent of compliance
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25. That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.

And that the Board rules establish the maximum number of company Boards on which directors may sit.

Complies X Complies partially Explanation

26. That the Board of Directors meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.

Complies X Complies partially Explanation

27. That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.

Complies Complies partially X Explanation

Explanation:

According to section C.1.26, the percentage of attendance over the total number of votes during the fiscal year 2019 amounted to 90.95% (201 attendances over a total possible of 221, in the 17 meetings of the Board held during the fiscal year (excluding, therefore, the meeting held without session)). In fiscal year 2020 there were 20 absences of directors, being given proxy with instructions in one of them.

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes, upon a request from the protesting party.

Complies X Complies partially Explanation Not Applicable

29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies X Complies partially Explanation

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require

Complies X Explanation Not Applicable

31. That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies X Complies partially Explanation

32. That directors shall be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies X Complies partially Explanation

Extent of compliance
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recommendations

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies X

Complies partially

Explanation

34. That when there is a coordinating director, the Articles of Association or the Board rules should confer upon him the following competencies in addition to those conferred by law: chairman of the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of non- executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.

Complies X

Complies partially

Explanation

Not Applicable

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Complies X

Explanation

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board of Directors' work.
- b) The workings and composition of its committees.
- c) Diversity of membership and competence of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Complies X

Complies partially

Explanation

37. That if there is an executive committee, the proportion of each different director category must be similar to that of the Board itself, and its secretary must be the secretary of the Board.

Complies

Complies partially

Explanation

Not Applicable X


38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies

Complies partially

Explanation

Not Applicable X



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39. That the members of the audit committee, in particular its chairman, are appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, and that the majority of its members be independent directors.

Complies X

Complies partially Explanation

40. That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies X

Complies partially Explanation

41. That the person in charge of the group performing the internal audit function should present an annual work plan to the audit committee, reporting directly on any issues that may arise during the implementation of this plan, and present an activity report at the end of each year.

Complies X

Complies partially Explanation Not Applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervise the preparation and integrity of financial information relative to the company and, if applicable, the group, monitoring compliance with governing rules and the appropriate application of consolidation and accounting criteria.
- b) Ensure the independence and effectiveness of the group charged with the internal audit function; propose the selection, appointment, re- election and dismissal of the head of internal audit; draft a budget for this department; approve its goals and work plans, making sure that its activity is focused primarily on material risks to the company; receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees to report confidentially and, if appropriate, anonymously, any irregularities with important consequences, especially those of a financial or accounting nature, that they observe in the company.

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examine the circumstances which caused said resignation.
- b) Ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c) Insist that the company file a relevant fact with the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.
- e) Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

Complies X

Complies partially Explanation

43. That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.

Complies X

Complies partially Explanation

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44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies X Complies partially Explanation Not Applicable

45. That the risk management and control policy identify, as a minimum:

- a) The various types of financial and non-financial risks (among those operational, technological, legal, social, environmental, political and reputational) which the company faces, including financial or economic risks, contingent liabilities and other off balance sheet risks.
- b) Fixing of the level of risk the company considers acceptable.
- c) Means identified in order to minimise identified risks in the event they transpire.
- d) Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off balance sheet risks.

Complies X Complies partially Explanation

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.
- b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.
- c) Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.

Complies X Complies partially Explanation

47. That members of the appointment and remuneration committee -- or of the appointments committee and the remuneration committee if they are separate -- are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Complies X Complies partially Explanation

48. That high market capitalisation companies have formed separate appointments and remuneration committees.

Complies Explanation X Not Applicable

Explanation:

The Board of Directors of SIEMENS GAMESA is composed of thirteen members, from which five are qualified as independent, following the recommendations of the Good Governance Code of Listed Companies. Most of the members of the Appointments and Remunerations Committee of SIEMENS GAMESA (composed of five members) hold the qualification as independent. Three off the five independent members of the Board of Directors belong to this Committee. In case it was decided to divide into two different committees the current Appointments and Remunerations Committee, the composition of both committees would be almost identical.

49. That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Complies X Complies partially Explanation

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50. That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Propose basic conditions of employment for senior management.
- b) Verify compliance with company remuneration policy.
- c) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.
- d) Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.
- e) Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.

Complies X

Complies partially

Explanation

51. That the remuneration committee consults with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.

Complies X

Complies partially

Explanation

52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:

- a) That they are comprised exclusively of non-executive directors, with a majority of them independent.
- b) That their chairmen be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and the minutes be made available to all directors.

Complies X


Complies partially

Explanation

Not Applicable

53. That verification of compliance with corporate governance rules, internal codes of conduct and social corporate responsibility policy be assigned to one or split among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, the corporate social responsibility committee in the event that one exists, or a special committee created by the Board of Directors pursuant to its powers of self- organization, which at least the following responsibilities shall be specifically assigned thereto:

- a) Verification of compliance with internal codes of conduct and the company's corporate governance rules.
- b) Supervision of the communication strategy and relations with shareholders and investors, including small- and medium-sized shareholders.
- c) The periodic evaluation of the suitability of the company's corporate governance system, with the goal that the company promotes company interests and take into account, where appropriate, the legitimate interests of other stakeholders.
- d) Review of the company's corporate social responsibility policy, ensuring that it is orientated towards value creation.
- e) Follow-up of social responsibility strategy and practice, and evaluation of degree of compliance.
- f) Supervision and evaluation of the way relations with various stakeholders are handled.



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- g) Evaluation of everything related to non-financial risks to the company, including operational, technological, legal, social, environmental, political and reputational.
- h) Coordination of the process of reporting on diversity and reporting non-financial information in accordance with applicable rules and international benchmarks.

Complies X

Complies partially Explanation

54. That the corporate social responsibility policy include principles or commitments which the company voluntarily assumes regarding specific stakeholders and identifies, as a minimum:

- a) The objectives of the corporate social responsibility policy and the development of tools to support it.
- b) Corporate strategy related to sustainability, the natural environment and social issues.
- c) Concrete practices in matters related to: shareholders, employees, clients, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.
- d) Means or systems for monitoring the results of the application of specific practices described in the immediately preceding paragraph, associated risks, and their management.
- e) Means of supervising non-financial risk, ethics, and business conduct.
- f) Communication channels, participation and dialogue with stakeholders.
- g) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies X

Complies partially Explanation

55. That the company reports, in a separate document or within the management report, on matters related to corporate social responsibility, following internationally recognised methodologies.

Complies X

Complies partially Explanation

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.

Complies X

Explanation

57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The forgoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.


Complies X

Complies partially Explanation

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.



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- c) Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

Complies X Complies partially Explanation Not Applicable

59. That a material portion of variable remuneration components be deferred for a minimum period of time sufficient to verify that previously established performance criteria have been met.

Complies X Complies partially Explanation Not Applicable

60. That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.

Complies Complies partially Explanation Not Applicable X

Comments:

As informed in section C.1.33 the auditors' report on the financial statements for fiscal year 2018 did not contain a qualified opinion or reservations and therefore the present recommendation 60 is not applicable.

61. That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.

Complies X Complies partially Explanation Not Applicable

62. That once shares or options or rights to shares arising from remuneration schemes have been delivered, directors are prohibited from transferring ownership of a number of shares equivalent to two times their annual fixed remuneration, and the director may not exercise options or rights until a term of at least three years has elapsed since they received said shares.

The forgoing shall not apply to shares which the director may need to sell in order to meet the costs related to their acquisition.

Complies X Complies partially Explanation Not Applicable

63. That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.

Complies X Complies partially Explanation Not Applicable

64. That payments made for contract termination shall not exceed an amount equivalent to two years of total annual remuneration and that it shall not be paid until the company has verified that the director has fulfilled all previously established criteria for payment.

Complies X Complies partially Explanation Not Applicable

H. FURTHER INFORMATION OF INTEREST

1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010

SIEMENS GAMESA has adhered voluntarily to various codes of ethics or codes of practice, these being the following:

- a) "United Nations Global Compact", which is promoted by the United Nations and its goal is the commitment and support to promote the ten principles of human and labor rights, environmental protection and the fight against corruption. SIEMENS GAMESA voluntarily acceded, as of February 2, 2005, and annually publishes a Progress Report (COP) of review of compliance with these principles.
- b) "Global Reporting Initiative (GRI)" which is promoted by the NGO Global Reporting Initiative. Its goal is to create an environment for the exchange of transparent and reliable information on sustainability through the development of an application framework common to all kinds of organizations. SIEMENS GAMESA acceded voluntarily as of December 14, 2005.
- c) "Caring for Climate: The business leadership platform", promoted as an initiative of the UN Global Compact. Its goal is the involvement of businesses and governments in taking action on climate change, energy efficiency, reduction of emissions of greenhouse gases (GHGs) and positive collaboration with other public and private institutions. SIEMENS GAMESA acceded voluntarily as of June 18, 2007.
- d) "Women empowerment principles", promoted by UN Women / UN Global Compact of the United Nations and aiming to build stronger economies, establish a more stable and just society, achieve compliance development, sustainability and human rights and improve the quality of life of women, men, families and communities. SIEMENS GAMESA acceded voluntarily as of December 22, 2010.
- e) "Code of Conduct for the Development of Wind Farms in the State of New York," sponsored by the Office of the Attorney General of the State of New York (United States) and aiming to promote economic development and renewable energy, and promote public integrity in developing wind farms. SIEMENS GAMESA acceded voluntarily as of March 1, 2012.

f) "Diversity Charter in Spain", promoted by the Fundación Diversidad, is an initiative supported by the European Commission and the Equality Ministry of Spain, so that the companies that voluntarily sign the Diversity Charter respect the current legislation in opportunity equality and against discrimination, and assume the basic guideline principles established in the declaration. SIEMENS GAMESA acceded voluntarily to the "Diversity Charter in Spain" as of November 3, 2014.

g) "American Business Act on Climate Pledge", promoted by the government of the United States of America with a view to backing the fight against climate change and calling on its parties to adopt a firm commitment at the Paris Summit (COP 21) on 30 November 2015.

h) "Paris Pledge for Action", an inclusive initiative from the French presidency of the COP21 managed by the University of Cambridge Institute for Sustainability Leadership (CISL) that invites companies, regions, cities and investors to join together and take action to further the results of the ONU's Paris Agreement on Climate Change. Over 400 companies, 150 cities and regions, and 120 investors have currently joined this initiative. SIEMENS GAMESA voluntarily adhered to this initiative on 4 December 2015.

i) Science Based Targets (SBTi), a joint international initiative of the Carbon Disclosure Project, the United Nations Global Compact, the World Resources Institute, the World Wide Fund for Nature and the We Mean Business coalition, with the aim of reducing carbon emissions in a measurable manner and to a sufficient level to meet the objective of not exceeding 2 degrees Celsius of global warming established in the Paris Climate Agreement. SIEMENS GAMESA voluntarily joined this initiative on 12 September 2018.

In relation to the Good Tax Practices Code of 20 July 2010, it is stated that the Board of Directors of SIEMENS GAMESA approved its adherence thereto at its meeting of 22 February 2017, and on 21 March 2017 the Company was officially included in the list of companies adhering to the Code of Good Tax Practices. Furthermore, in compliance with the provisions of the Annex to said Code and of the Proposal for reinforcing good fiscal transparency practices among companies adhering to the Code of Good Tax Practices, on 22 July 2019 SIEMENS GAMESA voluntarily chose to submit to the Spanish Tax Authority (Agencia Estatal de Administración Tributaria), as part of its relationship of cooperation, the "Annual Tax Transparency Report" for the fiscal year running between 1 October 2017 and 30 September 2018.

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on November 27, 2019.

State whether any directors voted against or abstained from voting on this report.

Yes

No

Name of director who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

Auditor's report on the "Information related to the Internal Control Over the Financial Reporting (ICFR)" of Siemens Gamesa Renewable Energy, S.A. for the year-ended 2019

(Translated from the original in Spanish)

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

AUDITOR'S REPORT ON INFORMATION RELATING TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

To the Directors of Siemens Gamesa Renewable Energy, S.A.,

At the request of the Board of Siemens Gamesa Renewable Energy, S.A. (parent company) and subsidiaries (the Group), and in accordance with our proposal dated October 23, 2019, we applied certain procedures to the "Information related to the Internal Control Over the Financial Reporting (ICFR)" included in the Annual Corporate Governance Report (Section F, pages 65 a 77) of Siemens Gamesa Renewable Energy, S.A. for the fiscal year 2019, which summarizes the Group's internal control procedures in relation to annual consolidated financial information.

The Board of Directors is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying ICFR data.

It is worth noting that, apart from the quality of design and operability of the Group's internal control system as a far as annual consolidated financial information is concerned, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the consolidated financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of the Group's internal control system was to establish the scope, nature, and timing of the audit procedures performed on its consolidated financial statements. Therefore, our internal control assessment performed for the audit of the aforementioned consolidated financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated consolidated annual financial information.

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For the purpose of issuing this report, we exclusively applied the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit carried out in accordance with generally accepted accounting principles, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Group's consolidated financial data described in the accompanying ICFR information for the year 2019. Consequently, had we applied additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters have been disclosed which would have been reported to you

Likewise, since this special engagement does not constitute an audit of the financial statements or a review in accordance with the Spanish Audit Law, we do not express an audit opinion in the terms provided for therein.

The following procedures were applied:

1. Read and understand the information prepared by the Group in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Managements' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the IAGC model established by CNMV Circular nº 3/2013 dated June 12, 2013, modified by CNMV Circular nº 7/2015, dated December 22, 2015 and the CNMV Circular nº 2/2018, dated June 12, 2018 (hereinafter, the CNMV Circulars).
2. Make inquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions (iii) gather information regarding whether the described control procedures are implemented and functioning within the Group.
3. Review the explanatory documentation supporting the information described in section 1 above, which should basically include everything directly provided to those in charge of preparing the descriptive ICFR information. This documentation includes reports prepared by the Internal Audit Department, senior management, and other internal and external experts in their role supporting the Audit, Compliance and Related Party Transactions Committee.
4. Compare the information contained in section 1 above with the Group's ICFR knowledge obtained as a result of performing the procedures within the framework of auditing the financial statements.
5. Read the minutes of the Board Meetings, Audit, Compliance and Related Party Transactions Committee meetings, and other Group committees in order to evaluate the consistency between issues related to the ICFR and information discussed in section 1.

6. Obtain the representation letter related to the work performed, duly signed by those responsible for preparing and authorizing the information discussed in section 1.

As a result of the procedures applied on the ICFR-related information, no inconsistencies or incidents have come to our attention which might affect it.

This report was prepared exclusively within the framework of the requirements of article 540 of the consolidated text of the Spanish Companies Act and the CNMV Circulars, related to the description of the ICFR in the Corporate Governance Report.

ERNST & YOUNG, S. L.

(Signed on the original in Spanish)

November 28, 2019