INVESTMENT AND FINANCE POLICY

OF SIEMENS GAMESA RENEWABLE ENERGY S.A.

(Text approved by resolution of the Board of Directors dated September 25, 2019)

INVESTMENT AND FINANCE POLICY

Pursuant to articles 33 of the By-Laws and 6 and 7.3 of the Regulations of the Board of Directors, the Board of Directors of Siemens Gamesa Renewable Energy, S.A. (hereinafter "**Siemens Gamesa**" or the "**Company**") and the group of companies of which Siemens Gamesa is the controlling company (the "**Siemens Gamesa Group**" or the "**Group**") hereby approves this Investment and Finance Policy (hereinafter the "**Policy**"), which is included within its Corporate Governance Rules.

This policy complements and develops Siemens Gamesa's General Risk Control and Management Policy.

1. PURPOSE

The purpose of the Company's Investment and Finance Policy is to establish a common framework for:

(i) analysing, monitoring and controlling of new investment or divestment projects of all finance-related activities of Siemens Gamesa Group;

(ii) controlling and management of financial risks;

(iii) monitoring risks associated with the financing policy under applicable laws and general guidelines established in the "Mandatory Financial Guidelines" and in the General Risk Control and Management Policy approved by the Company's Board of Directors; and

(iv) managing the financial needs and risks of Siemens Gamesa Group.

2. SCOPE

This policy is applicable to investment or divestment projects and to the global finance-related activities of all the businesses of Siemens Gamesa Group (this is, Capital Markets and Rating, Treasury, Guarantees and Sales Related Financing, Bank Relationship Management, Insurance, Pensions).

In terms of the risks contemplated, this policy is applicable to:

a) **Scope of the Investment Policy**: the main market, credit, business and operational risks that are specific to each of the investment or divestment projects, regardless of whether they can be quantified; and

b) **Scope of the Finance Policy**: the following financial risks: liquidity risk, interest rate risk, exchange rate risk, credit risk insurance risk and asset management risk.

3. DEFINITIONS

In general, a "risk" is considered to be any threat that an event, action or omission may prevent Siemens Gamesa Group from achieving its business objectives and successfully implementing its strategies.

3.1. Definitions applicable to the Investment Policy

(i) **Project:** any commitment to third parties entailing the disbursement and/or allocation of funds exceeding the limit established for this policy in a future annual or multi-year period in order to: a) create or acquire interests in companies; or b) develop and build tangible or intangible fixed assets for the exploitation thereof. Also covered are divestment projects associated with the sale of assets or interests in companies.

(ii) **IRR:** Internal Rate of Return or expected return on the Project.

(iii) **WACC:** Weighted Average Cost of Capital or the remuneration required by the Company's sources of funds (shareholders and financing entities).

3.2. Definitions applicable to the Finance Policy:

The following risks have been particularly identified relating to the financial context:

Liquidity risk: is the risk not having all-time access to the debt and capital markets to cover sufficiently and in-time all funding needs of Siemens Gamesa Group.

Interest rate risk: is the risk arising from:

a) The exposure of financial income/expense to adverse changes in interest rates that could result in an increase in forecasted net financial expenses.

b) The exposure of fixed-rated debt to adverse changes in interest rates that could result in increasing cost of debt, and create unexpected losses.

Changes in the cost of debt can result from market conditions (interest rates) and/or changes in the credit and solvency profile of the Company, which will result in increased financing expenses due to higher margins in financial transactions.

Foreign exchange rate risk: is the risk arising from changes in the foreign exchange rates. The scope of analysis and management of the foreign exchange rate risk encompasses **transaction and translation** risks, which essentially arise from

a) debt, which may affect the cost of debt service and FCVDs (Foreign Exchange Valuation Differentials);

b) collections and payments for supplies, services or investments, which may have an impact on operating income and expenses as well as on the generation of cash flow;

c) gains and losses indexed to a currency other than the corresponding functional currency, which may give rise to a lower operating margin and hence lower net income;

d) accounting and payment of taxes in a local currency other than the functional currency; and

e) consolidated accounting of foreign subsidiaries, which may affect their contribution in Euros to the consolidated results of Siemens Gamesa Group and their consolidated net asset value in the form of conversion differences.

Credit risk: is the risk resulting from exposure of positions as creditor depending on the creditworthiness of counterparties, which could ultimately result in a default on their financial obligations.

4. BASIC POLICIES AND PRINCIPLES

4.1. Investment Policy

Investment decisions shall be made in accordance with the principles established at the corporate level and shall be based on the following **main principles of conduct**:

a) **Assign** financial resources efficiently on the basis of the strategic objectives and risk/return for each project.

b) **Define** the responsibility of each organisation involved in the processes of justifying, approving and monitoring projects.

c) **Ensure** a balance between the ability of project sponsors to identify and propose transactions and approvals by the Company.

d) **Standardise** the criteria and methodology for investment and divestment decisions.

e) **Act** at all times pursuant to applicable laws and regulations and in accordance with the provisions of the Corporate Governance Rules.

4.2. Finance Policy

The Company must implement a Finance Policy that enables it to obtain the necessary funds to cover the investment and operating needs of Siemens Gamesa Group on favourable terms (margins, documentation and risks):

a) **optimising** finance-related expenses, cash flow and the capital structure and balance sheet of Siemens Gamesa Group;

b) **determining** the appropriate risk levels to be assumed to optimise the expense/risk ratio within established limits; and

c) **maintaining** financial leverage and other solvency ratios that allow Siemens Gamesa Group to maintain a credit and solvency profile in accordance with the targets from time to time approved by the Company's Board of Directors.

All actions with respect to finance-related risks shall be implemented in line with the principles established in the Corporate Governance Rules, and particularly in the Mandatory Financial Guidelines of Siemens Gamesa Group, and shall be based on the following **main principles of conduct**:

a) **Centralise** management of finance-related risks for the entire Siemens Gamesa Group in Corporate Finance & Group Treasury.

b) **Guarantee** the proper use of financial instruments, implementing appropriate procedures for analysis and approval thereof and applying the principles of financial prudence to all the activities carried out therewith.

c) **Report** transparently on the Company's financial statements and associated risks.

d) **Act** at all times pursuant to applicable laws and in compliance with applicable financial reporting standards, and in accordance with the Corporate Governance Rules.

5. GUIDELINES

5.1. Investment Policy

The following guidelines and limits are established to properly mitigate and limit the risks associated with investment and divestment projects:

a) All projects must seek the creation of value and be consistent with the strategy of Siemens Gamesa Group. Processes shall be implemented to ensure the strategic fit of the projects and the availability of sufficient funds to finance them.

b) All projects must include a quantitative and qualitative risk analysis that contemplates the main risks thereof.

c) The expected return on each project must be risk-adjusted and satisfy certain minimum return limits (MRLs) in terms of weighted average cost of capital (WACC) plus a premium.

d) The process of analysing and approving investments must also take into account the guidelines and limits established in the specific business risk policies approved by the Board of Directors that affect the project.

e) Once approved, the projects shall be monitored closely in order to anticipate potential risks of non-fulfilment or deviations, such that the most appropriate corrective measures may be adopted sufficiently in advance.

f) In case of projects that have been approved but not implemented, each information which would change the project analysis would require a new approval process.

5.2. Finance Policy

The following guidelines and limits are established in order to mitigate the financial risks of Siemens Gamesa Group:

5.2.1. Liquidity risk

Liquidity risk is, not having all-time access to the debt and capital markets to cover sufficiently and in-time all funding needs of Siemens Gamesa Group. The objective of Siemens Gamesa Group is to ensure the timely performance of all payment obligations incurred and to fund the financial needs of Siemens Gamesa Group at best market conditions.

In order to mitigate this risk:

a) Credit facilities shall be established in an amount sufficient to cover liquidity needs and provide sufficient liquidity buffer for the volatile wind business without considering new financings, for a period based on the availability and conditions of the debt and capital markets and on Siemens Gamesa Group's credit and solvency profile.

b) Best fitting funding instruments in terms of conditions, flexibility and documentation shall be selected.

c) Funding of financing needs shall be diversified by accessing diversified investor bases.

d) Refinancing risk shall be reduced by diversifying maturities of issued debt (optimization of the Capital Structure).

e) Compliance with covenants shall be guaranteed for financial transactions that might endanger the funding possibilities of Siemens Gamesa Group.

5.2.2. Interest rate risk

Various balance sheet items are subject to changes in interest rates. In order to limit this risk, the desired annual debt structure shall be determined based on fixed or variable interest rates.

In addition to market changes, the credit and solvency profile of the Company has an impact on the cost of debt and shall therefore be an additional risk factor to control and manage. To minimize this risk, Corporate Finance & Group Treasury shall:

a) monitor the corresponding indicators (ratios, liquidity, etc.).

b) propose appropriate actions to maintain the credit and solvency profile in line with previously established objectives.

c) maintain information channels with financial entities, investors and credit rating agencies to explain the financial indicators and any deviations thereof.

5.2.3. Foreign exchange rate risk

Foreign exchange rate risk encompasses the risk arising from changes in the foreign exchange rates used in all Siemens Gamesa Group business areas. .

Foreign exchange rate risk consist of (i) the net foreign currency position, (ii) planned sales and planned purchase orders associated to no project related transactions denominated in foreign currency within the next four to twelve months and (iii) contingent foreign currency risks.

The current risk level and its potential impact on results and the balance sheet are centrally monitored at the Group level in order to establish measures to minimise the risk level at any particular time, always with a clear instruction to avoid speculation. The measures that the Group uses to reduce foreign exchange rate risk can be summarised as follows:

a) Maximisation of natural hedging of the foreign exchange rate risk.

b) Usage of foreign exchange derivative instruments.

c) Negotiation with clients and/or suppliers to transfer the exchange rate risk to sale and purchase agreements.

d) Avoidance of derivative transactions which create clearing obligations pursuant to the European Market Infrastructure Regulation (EMIR).

6. GENERAL PRINCIPLE

In order to avoid material financial risks and to safeguard the creditworthiness and financial stability of Siemens Gamesa Group, the Corporate Finance & Group Treasury organization within the responsibility of Siemens Gamesa Group's CFO ensures the implementation of a uniform group-wide governance and will monitor the fulfillment of this Investment and Finance Policy. This includes that appropriate rules, processes and limits for the outlined finance-related risks and activities are designed and implemented and compliance with them is monitored and enforced. The CFO will report to the Board of Directors on the implementation and enforcement of the appropriate rules and processes on a regular basis.