

**AUDITOR CONTRACTING POLICY**

OF SIEMENS GAMESA RENEWABLE ENERGY, S.A.

(Text approved by resolution of the Board of Directors on 23 March 2018).

## **AUDITOR CONTRACTING POLICY**

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**”) hereby approves this policy for the contracting of the statutory auditor in order to expressly formulate the general commitment to comply with, expand upon and implement good auditing practices in Spain and in the other countries in which the Siemens Gamesa Group does business.

### **1. APPOINTMENT, RE-ELECTION AND REPLACEMENT OF THE STATUTORY AUDITOR**

The appointment, re-election, and replacement of the statutory auditor that is to verify the individual annual accounts of the Siemens Gamesa Group is within the purview of the shareholders acting at the General Meeting of Shareholders. The Board of Directors shall submit to the shareholders at the General Meeting of Shareholders the proposed appointment, re-election or replacement of said statutory auditor as formulated by the Audit, Compliance and Related Party Transactions Committee, pursuant to the provisions of the Company’s Corporate Governance Rules.

For these purposes, the Audit, Compliance and Related Party Transactions Committee shall propose to the Board of Directors the criteria for selecting the statutory auditors, without prejudice to the appointment thereof being within the purview of the shareholders acting at the respective general meetings of members or shareholders.

Furthermore, the Audit, Compliance and Related Party Transactions Committee shall ensure that the Company reports a change of auditor to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) as a significant event (*hecho relevante*) and attaches thereto a statement regarding the potential existence of any disagreements with the outgoing auditor, and the nature thereof, if any.

In the event of resignation of the statutory auditor, the Audit, Compliance and Related Party Transactions Committee shall also examine the circumstances that may have given rise thereto.

### **2. SELECTION AND CONTRACTING PROCEDURE**

The establishment of the minimum requirements to be met by those entities choosing to become the auditor of the individual annual accounts of the Company and the consolidated accounts of the Siemens Gamesa Group shall be within the purview of the Audit, Compliance and Related Party Transactions Committee.

The Audit, Compliance and Related Party Transactions Committee shall also design an impartial, transparent, efficient and non-discriminatory contracting and selection procedure in accordance with the provisions of applicable law, shall consider the holding of a tender among candidates, and shall present a recommendation regarding the statutory auditor to the Board of Directors, after evaluating the criteria met by the candidate. There must be an evaluation of the skills, experience, independence and resources of the statutory auditor, as well as the fees, quality and effectiveness of the services thereof, without evaluating the ability of the auditor to provide services additional to those of auditing.

Upon nomination of the statutory auditor, the Audit, Compliance and Related Party Transactions Committee shall propose to the Board of Directors the terms for contracting the statutory auditor and the scope of the professional mandate thereof for submission to the shareholders at the General Meeting and shall ensure, among other things: (i) compliance with the above-referenced minimum requirements; (ii) that the boundary of companies to be audited conforms to applicable legal requirements and the recommendations of the Audit, Compliance and Related Party Transactions Committee; (iii) an understanding of the scope of the audit work; (iv) that the fees to be received do not compromise the quality of the auditor’s work or the

independence thereof; and (v) supervision of the contracting process.

The Audit, Compliance and Related Party Transactions Committee shall not submit a proposal to the Board of Directors, and the Board of Directors shall not submit a proposal to the shareholders at the General Meeting of Shareholders, for appointment of any audit firm as the Company's statutory auditor if it has evidence that such firm is affected by any circumstance of lack of independence, prohibition or disqualification pursuant to the legal provisions governing the audit of accounts. The Audit, Compliance and Related Party Transactions Committee shall also refrain from proposing the appointment of those statutory auditors or audit firms whose fees over the last three consecutive financial years from the provision of audit and non-audit services to the audited entity have represented more than the percentage of total annual revenues of the statutory auditor that is provided by law at any particular time.

The statutory auditor may carry out limited audits or reviews of the interim accounts of the Company, both individual and consolidated, that are published on a half-yearly basis pursuant to the provisions of applicable law.

### **3. INDEPENDENCE OF STATUTORY AUDITOR**

The Company's Corporate Governance Rules provide that the Audit, Compliance and Related Party Transactions Committee shall endeavour to ensure the independence of the statutory auditor, and in particular shall establish appropriate relations therewith in order to receive information on those issues that might endanger the independence thereof.

The Audit, Compliance and Related Party Transactions Committee shall also endeavour to ensure the factual and apparent independence of the statutory auditors, ensuring that the legal provisions at any time in effect regarding the provision of non-audit services, the limits on the concentration of the statutory auditor's business, and, in general, all other legal provisions established in order to ensure the independence thereof are followed. For these purposes, the Audit, Compliance and Related Party Transactions Committee shall be responsible for approving the provision by the statutory auditor of non-audit services to the Company or any company of its Group that are not prohibited for statutory auditors under applicable law and for setting an indicative ceiling on the fees that can be received by the statutory auditor annually for the provision of such services. The Audit, Compliance and Related Party Transactions Committee shall also endeavour to ensure the statutory auditor's compliance with the prohibitions subsequent to completion of the audit work as provided by law.

On an annual basis, the Audit, Compliance and Related Party Transactions Committee shall receive written confirmation from the statutory auditors (both the audit firm as a whole and the individual members of the audit team) of their independence with respect to the Company and the Siemens Gamesa Group, as well as information on additional non-prohibited services of any kind provided to the Company and the entities within the Siemens Gamesa Group by said statutory auditors, or by persons or entities related thereto in accordance with the provisions of applicable law from time to time in effect, and the corresponding accrued fees.

On an annual basis and prior to the issuance of the audit report, the Audit, Compliance and Related Party Transactions Committee shall issue an annual report setting forth an opinion on the independence of the statutory auditors, the non-audit services and compliance with the provisions of law and the Corporate Governance Rules. To this end, the Audit, Compliance and Related Party Transactions Committee shall require the statutory auditor to include in the annual certification a statement in which it reports on compliance with the internal procedures that have been implemented to guarantee quality and safeguard independence.

This report shall be submitted for the approval of the Board of Directors and shall be made available to the shareholders on occasion of the call to the annual General Meeting of Shareholders.

#### **4. TRANSPARENCY**

The Board of Directors shall report in accordance with applicable law on the overall fees that the Company has paid to the audit firms that have provided their services to the Company or to entities within the Siemens Gamesa Group for both audit and non-audit services, and shall also report on any other issues that are legally required.

The Audit, Compliance and Related Party Transactions Committee shall prepare a report on the composition thereof and the standards and rationales for deciding on its members, its activities, related party transactions and independence of the auditors, which shall be submitted for the approval of the Board of Directors and shall be made available to the shareholders on occasion of the call to the annual General Meeting of Shareholders.

#### **5. RELATIONSHIP WITH THE STATUTORY AUDITOR**

##### **5.1. General principle**

An objective, professional, and ongoing relationship shall be established between the Board of Directors and the statutory auditor, with the utmost respect for the independence of the latter. Within this context, the Audit, Compliance and Related Party Transactions Committee shall serve as a channel of communication between the Board of Directors and the statutory auditor, ensuring that the Board of Directors holds an annual meeting therewith in order to be informed of the work performed and the accounting and risk status of the Company.

##### **5.2. Duties of the Audit, Compliance and Related Party Transactions Committee in its relations with the auditor**

The Audit, Compliance and Related Party Transactions Committee:

- a. shall request information from the auditor on a regular basis regarding the audit plan and the implementation thereof, any other issues relating to the audit process, and any other issues provided for by applicable law;
- b. shall perform an annual formal evaluation of the of the quality of the work carried out by the statutory auditors during the financial year, the level of coordination among the different firms auditing the entities of the Group, if there is more than one such firm, and the level of collaboration of top management and the finance department with the statutory auditor;
- c. shall review the content of the audit reports prior to the issuance thereof, and the content of any reports on the limited review of interim accounts, endeavouring to ensure that such content and the opinion on the annual accounts is drafted clearly, precisely and without qualifications by the statutory auditor. Along these lines, it must review with the statutory auditor any significant findings deriving from its work and, if appropriate, propose to the Board of Directors the measures it deems appropriate to handle deficiencies found by the statutory auditor;
- d. shall encourage the auditor of the consolidated accounts of the Siemens Gamesa Group to assume responsibility for the audits of the companies therein and endeavour to ensure that the statutory auditor engaging in the audit of the individual annual accounts or the consolidated accounting documents assumes full responsibility for the audit report issued, even if the annual accounts of the companies in which an interest is held have been audited by other auditors.

**5.3. Duties of the statutory auditor in its relations with the Audit, Compliance and Related Party Transactions Committee**

The statutory auditor:

- a. shall appear before the Audit, Compliance and Related Party Transactions Committee at least twice per year, once during the preliminary stage of its work and another on dates near to the completion thereof, in order to report on the progress of its work and to present its conclusions; and
- b. shall submit the results of its work in the form of an annual memorandum of recommendations to the Audit, Compliance and Related Party Transactions Committee, which shall in turn evaluate the results of each audit and the responses of the management team to its recommendations.

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