

**POLICY FOR THE DEFINITION AND COORDINATION OF THE SGRE GROUP AND  
FOUNDATIONS OF CORPORATE ORGANISATION**

(Text approved by resolution of the Board of Directors on 16 October 2018)

**POLICY FOR THE DEFINITION AND COORDINATION OF THE SGRE GROUP  
AND FOUNDATIONS OF CORPORATE ORGANISATION**

**1. GENERAL PREMISES**

Pursuant to articles 33.3 of the By-Laws and 6.2 and 7.3 b) of the Regulations of the Board of Directors, the Board of Directors de Siemens Gamesa Renewable Energy, S.A. (hereinafter “**SGRE**” or the “**Company**” and the group of companies of which SGRE is the controlling company, the “**SGRE Group**”) hereby approves this Policy for the Definition and Coordination of the SGRE Group and Foundations of Corporate Organisation, which forms part of its Corporate Governance Rules.

This Policy provides the foundations for the corporate organisation and governance of the SGRE Group that best respond to its multinational, reality with various businesses and sectors active in a great number of countries.

In particular, this policy establishes a number of guidelines that allow for a determination of the various levels of decision-making and responsibility within the SGRE Group. Specifically and on the one hand, that of the Company in relation to the definition of the strategic and management guidelines as well as the supervision of the implementation thereof in the interest of all the companies integrated in the SGRE Group; and on the other hand, that of the different sub-holding companies heads of the geographical units incorporated in the main regions or countries where the SGRE Group is present, which management corresponds to their respective governing bodies, without detracting from independence in decision-making by each of them or the requirements imposed by law and the Corporate Governance Rules of the Company. Appropriate mechanisms will be put in place as well for the exchange of information for strategic coordination of the activities performed by the various head companies of the business geographic units, projecting over these companies to the extent possible the Corporate Governance System of the Company.

**2. DEFINITION OF THE CORPORATE AND GOVERNANCE STRUCTURE**

Pursuant to the provisions of its By-Laws, the Company pursues its company object completely or partially in an indirect manner, through the ownership of shares or equity interests in other companies, and increasingly abroad.

Therefore, essential premises for this policy are the differentiation of the functions corresponding to the Company, as the holding company of the SGRE Group, domiciled in Biscay and with Spanish nationality, from those of the companies established in the various countries in which the SGRE Group does business.

The corporate structure of the SGRE Group, which forms an essential part of the Corporate Governance Rules, is comprised of:

- a) The Company, which is configured as a listed holding company, the main function of which is to act as the entity holding equity interests in the companies established in the various countries in which the SGRE Group does business, corresponding to it the establishment of the strategic and management guidelines in the interest of the SGRE Group and the supervision of its implementation.
- b) The subholding companies heads of the geographical units which, where applicable, are established in the main regions or countries where the SGRE Group is present and which in turn, to the extent reasonably possible, will group together the rest of business companies established in the country or region in which the SGRE Group does business.

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The companies making up the SGRE Group directly or indirectly possess the human and material resources to allow their respective governing bodies independently carry out the duties legally assigned thereto without prejudice to the application of the Company's Corporate Governance System where possible.

This corporate and governance structure of the SGRE Group seeks to favour an agile and efficient decision-making process in day-to-day management that is dependent on the subholding companies established in the various regions or countries in which the SGRE Group does business, while at the same time achieving appropriate coordination at the SGRE Group level as a result of the supervisory duties performed by the Company and the country subholding companies with respect to the rest of the business affiliates participated by each of them.

As part of this structure, the governance model of the SGRE Group is defined on the foundations described below:

- a) Attribution to the Company's Board of Directors of the powers relating to the preparation of the Corporate Governance Rules and the establishment, supervision and implementation of the policies and strategies of the SGRE Group, the guidelines for the management thereof, and decisions on matters of strategic importance at the group level everything in the interest of all of the companies within the SGRE Group.
- b) Assumption by the CEO, with the support of the Top Management of the Company, by the Business CEOs responsible for the various business units and corporate areas with overall responsibility for all of the businesses of the SGRE Group, and by the rest of senior management, of the duty of organisation and strategic coordination within the SGRE Group through the dissemination, implementation and monitoring of the overall strategy and the basic management guidelines established by the Board of Directors.
- c) The function of strategic organisation and coordination is also strengthened through country subholding companies established in those regions or countries in which the Board of Directors has so decided. These entities shall, to the extent reasonably possible, group together equity interests in the companies doing business within the country or region in question.

Country subholding companies have boards of directors that may include independent directors and their own audit committees. The selection of the directors of the country subholding companies shall avoid any implied bias entailing any kind of discrimination, and particularly bias that hinders the selection of female directors.

Country subholding companies are responsible for disseminating, implementing, and ensuring compliance with the general policies, strategies and guidelines of the SGRE Group in each of the countries in which it does business and with respect to the businesses, taking into account the characteristics and unique aspects thereof, supervising, for these purposes, the acts of the business subsidiaries related to the relevant subholding company.

- d) The business subsidiaries of the SGRE Group participated by the sub-holding companies of the applicable country or region assume decentralised executive responsibilities, enjoy the independence necessary to carry out the day-to-day administration and effective management of their businesses, and are responsible for the day-to-day control thereof.

These companies exercise their powers through their respective administration and management bodies, which, within the framework established by the general policies, strategies and guidelines for management and supervision, are configured as centres of independent management, supervision and decision-making for their respective businesses.

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In order to facilitate the orderly performance of the duties of the country subholding companies and business subsidiaries of the SGRE Group, the Company's Board of Directors establishes general processes, procedures or guidelines that allow for the exchange of information needed for the strategic coordination of the activities performed by the various country subholding companies and other business subsidiaries, in the common interest of the SGRE Group, all without prejudice to the independence and autonomy of each of the companies and the requirements imposed on their directors by law and those deriving from the corporate governance system, in the interest of all of the companies within the SGRE Group.

### **3. BUSINESS MODEL OF THE SGRE GROUP**

The corporate structure and governance model of the SGRE Group seeks the global integration of the businesses in accordance with the business model of the SGRE Group, which is focused on excellence and maximisation of the operational efficiency of the various business units.

It also seeks to ensure the dissemination, implementation and monitoring of the overall strategy and the basic management guidelines established for each of the businesses, primarily through the exchange of best practices among the various companies of the SGRE Group, without detracting from independence in decision-making by each of them.

### **4. DUTIES OF THE BOARD OF DIRECTORS WITH RESPECT TO CORPORATE ORGANISATION**

The Company's Board of Directors is in any case responsible for the duties relating to the establishment of the policies and strategies of the SGRE Group, the general guidelines for the management thereof, and overall supervision of the further development and implementation thereof.

In particular, the Board of Directors has the following duties with respect to the corporate and governance structure of the SGRE Group:

- a) Define the structure of companies making up the SGRE Group, at all times conforming the corporate and governance structure to the requirements of the company interest, complying in all cases with applicable law in the jurisdictions in which it does business and with the corporate governance system.
- b) Define, coordinate and supervise the basic general management policies, strategies and guidelines of the Group.
- c) Establish appropriate mechanisms for the exchange of information between the Company and the SGRE Group.
- d) Approve the creation or acquisition of equity interests in special purpose entities or entities domiciled in territories considered to be tax havens.

### **5. EXECUTIVE COMMITTEE**

The corporate and governance structure of the SGRE Group may include the creation of an Executive Committee (*Comité de Dirección*), an internal body of the Company made up of top management and senior managers responsible for the business, corporate and geographic units of the Company, acting as a level of technical, information and management support for the CEO in relation to the duties of definition, supervision, organisation and monitoring of the general management guidelines as well as strategic planning for the businesses managed by the companies of the SGRE Group.

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