

**POLICY REGARDING RELATED PARTY TRANSACTIONS WITH
DIRECTORS, SIGNIFICANT SHAREHOLDERS AND PARTIES
RELATED THERETO OF SIEMENS GAMESA RENEWABLE
ENERGY, S.A.**

(Text approved by resolution of the Board of Directors dated July 26th, 2018)

**POLICY REGARDING RELATED PARTY TRANSACTIONS WITH DIRECTORS,
SIGNIFICANT SHAREHOLDERS AND PARTIES RELATED THERETO**

PRELIMINARY TITLE

The policy regarding related party transactions with directors, significant shareholders and parties related thereto (the “**Policy**”) is part of the corporate governance system of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (“**SGRE**” or the “**Company**”), further develops the provisions of the Regulations of the Board of Directors and sets forth the rules to be followed in transactions of the Company or any of the companies belonging to the SGRE Group with Directors, with Significant Shareholders or with persons or entities (indistinctly referred to in this Policy as “**persons**”) related thereto.

ARTICLE 1. DEFINITIONS

1. **Significant Shareholders:** Significant shareholder shall mean a shareholder that, individually or together with others, directly or indirectly owns a shareholding greater than or equal to than that considered to be significant by law or regulation, or that is represented on the Board of Directors of the Company or of the companies forming part of the SGRE Group.
2. **Directors:** Director shall mean any member of the Board of Directors of the Company or of the companies forming part of the SGRE Group.
3. **SGRE Group:** means the group of companies of which SGRE is the controlling company, within the meaning of the provisions of article 42 of the Commercial Code. Accordingly, the significant shareholders of SGRE shall not be deemed to belong to the SGRE Group.
4. **Persons related to an individual or corporate Director:** (a) those provided by law; or (b) companies or entities in which the director or any of the persons related thereto, directly or through a third party, holds an administrative or management position or receives emoluments for any reason. In the latter case, the director must also exercise a significant influence on the Company’s financial or operational decisions.

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**TITLE I
GENERAL PROVISIONS**

ARTICLE 2. Scope of application

1. The purpose of this Policy is to describe the rules to be followed and the procedure for approval of transactions of the Company or any of the companies belonging to the SGRE Group with Directors, with Significant Shareholders or with the respective persons related thereto. Such transaction shall be deemed as related party transactions for the purposes of this Policy.
2. The provisions of this Policy shall be deemed to be without prejudice to the provisions of law, the *By-Laws* or the *Shareholders' General Meeting Regulations* of SGRE in connection with any transactions that may require the approval of the shareholders at a General Shareholders' Meeting, and of the Regulations of the Board of Directors.

ARTICLE 3. Affected transactions

1. The transactions covered by this Policy are those that entail a transfer of money, goods, services or obligations by the Directors or Significant Shareholders of SGRE or of the companies of the SGRE Group or the persons related to any of them, to SGRE or to any of the companies of the SGRE Group, regardless of whether or not there is consideration (monetary or in any other form).
2. If a transaction involves subsequent transactions that are merely acts of implementation of the first transaction, the approval of the Board of Directors, after a favourable report of the Audit, Compliance and Related Party Transactions Committee ("**ACRPTC**"), shall only be required for the first transaction, to the extent required according to this Policy, as long as the approving resolution makes reference to the essential aspects of such subsequent transactions underlying the approval and such essential aspects are not modified.
3. The Board of Directors shall ensure, with the support of the ACRPTC, that transactions with Directors and Significant Shareholders and with their respective related persons are made in accordance with the corporate interest of Siemens Gamesa without affecting the full autonomy and decision-making capacity of the Company, on an arm's length basis, ensuring the transparency of the process and observing the principle of equal treatment of shareholders in the same conditions, as well as in accordance with applicable laws and regulations. In addition, the Policy shall avoid situations where individuals can influence decisions on related party transactions to pursue their own purposes or motivations, different from or additional to the corporate interest, and to ensure that the Directors, Significant Shareholders and persons related thereto shall not enjoy more favourable economic or other terms

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than those that would be accorded to a third party in basically equivalent conditions, nor shall they benefit from terms that could entail preferential treatment for them by reason of their status as Director, Significant Shareholder or person related thereto.

4. Related party transactions may be subject to master approval, provided that, in accordance with the principles established in paragraph 3 above, compliance with all the following requirements is duly verified: (i) the transactions are homogeneous in nature, recurring and carried out in the ordinary course of the Company's business or activities; (ii) the approval is for a reasonable limited period of time, according to the purpose, or may be discontinued at any time, without the Company being penalized; (iii) the amounts and other related consideration are made subject to specific or specifiable limits, in the latter case indicating the verification method to be applied; (iv) reasonable justification is provided of the need for the master approval; and (v) a procedure is established for periodic reporting and verification by the ACRPTC that the related conditions have been met and the justification for the master approval is maintained, with this reporting and verification process also applying to the master approvals provided for business relations established in the Merger Agreement¹, subject to the specific provisions that may be applicable, as the case may be, pursuant to sections 4 and 5 of article 4 below.
5. In general, unless the circumstances so justify, agreements pursuant to which companies of the SGRE Group engage in transactions with Directors and Significant Shareholders and with persons related thereto shall be documented in writing in one or more agreements describing the purpose of the transaction and the terms applicable thereto.
6. Related party transactions carried out by the Company or by any SGRE Group company will be disclosed in accordance with prevailing legislation.

ARTICLE 4. Control of related party transactions

1. In general and except as otherwise provided in Article 3.4 above and in the following sections, any transaction by SGRE or the companies forming part of its Group with the Directors, Significant Shareholders or with respective related persons shall be subject to the approval of the Board of Directors, after a favourable report of the ACRPTC.

¹ Merger Agreement between Gamesa Corporación Tecnológica, S.A. (now Siemens Gamesa Renewable Energy, S.A.) and Siemens AG dated 17 June 2016

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Pursuant to the law and the provisions of the Regulations of the Board of Directors, Directors who are involved in a conflict of interest or who are aware that such possibility exists, must notify the Board of Directors thereof, through its chair, and must refrain from attending and participating in the deliberation, voting, decision and execution of the related party transactions affected by the conflict. The votes of the Directors involved in the conflict and who must abstain shall be deducted for the purpose of calculating the majority of votes required to adopt the resolution.

2. A significant change in the scope or the price of a related party transaction previously approved by the Board of Directors, a material change in the duration thereof or in any other of its basic terms (understood to be in general, amongst others, those that increase the Company's costs by more than 5% unless the ACRPTC defines a different threshold for a particular transaction) shall require a new approval by the Board of Directors, subject to a favourable report by the ACRPTC, unless the change in the related party transaction had already been taken into account at the time of the initial approval thereof. Changes shall be documented as regulated in paragraph 5 of Article 3.
3. When the value of a related party transaction exceeds 10% of the corporate assets recognized in the most recent approved and audited consolidated balance sheet, the transaction must be subject to approval of the shareholders at a General Shareholders' Meeting.

ARTICLE 5. Master approval for urgent reasons for certain activities within the ordinary course of business

Certain transactions of SGRE with Significant Shareholders that are also customers of SGRE and that are carried out in the ordinary course of the business and relating mainly to actions or the resolution of issues in the construction or maintenance of electric power generation facilities require urgent actions in order to avoid possible harm to the customer or to SGRE itself, which for reasons of the company interest justify an exception of the following actions from the general rules for individual approval of the Board of Directors, following a favourable report of the ACRPTC:

1. Amendments or changes to agreements relating to turbine supply, installation, assembly and civil works approved by the Board of Directors after a favourable report of the ACRPTC, provided that the aggregate amount thereof does not exceed 5% of the original price of the affected agreement.
2. Settlements with customers of product warranty claims, if the losses, if any, are covered by the general reserve established for that project at the time of execution of the respective agreement, provided that the aforementioned reserve was foreseen in the information provided to the Board and the ACRPTC for approving the affected agreement.

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3. Urgent orders that, due to the purpose thereof, lack a specific framework agreement regarding the corrections, maintenance or supply of spare parts in an individual amount that is equal to or less than two million Euros (€2,000,000), provided that the aggregate amount contracted during the financial year for such urgent orders under this master approval do not exceed 1% of the annual revenues of the SGRE Group reflected in the consolidated balance sheet of the latest annual accounts published by the Company.
4. And corrective actions, maintenance operations and supply of spare parts provided or implemented under a master or framework agreement setting the basic legal and commercial terms for such transactions. Entering into such framework agreement shall require the approval of the Board of Directors, after a favourable report of the ACRPTC, which may set a maximum amount for the transactions carried out under such framework agreement.

ARTICLE 6. Monitoring and reporting

1. The transactions that, in accordance with this Policy, need not be individually approved by the Board of Directors shall be verified for the proper application of this Policy by the Chief Executive Officer, which shall be entrusted with establishing the mechanisms needed to monitor and verify that a transaction with a related party fulfils the requisites to qualify as either (i) a transaction performed in fulfilment of the agreements already in place that does not require additional approval, or (ii) one of the master approvals foreseen in this Policy.
2. In order to allow the Board of Directors, the ACRPTC and the management bodies to duly monitor and oversee alignment with the principles and rules established in this Policy, all related party transactions that, pursuant to this Policy do not require individual approval by the Board of Directors in accordance with this Policy must be reported to the ACRPTC with the frequency it determines. Unless the ACRPTC sets out a different period, reporting shall be on a half-year basis with occasion of the formulation of the half-year financial statements. Information shall include a justification of the selection of the supplier, if applicable, and the references being used, with a breakdown in reference to the different types of related party transactions provided for in this Policy that do not require individual approval by the Board of Directors.

In light of these reports, the ACRPTC may require, at any time, that reporting be more frequent or that certain transactions be reported to the Board of Directors for approval prior to being carried out.

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ARTICLE 7. Verification by independent expert

1. To receive support in the performance of its duties, the ACRPTC may, whenever it deems appropriate, request an independent expert report on any related party transaction, regardless of whether the consideration therefor exceeds a given threshold
2. An independent expert report shall be required for all Significant Transactions between SGRE or the companies belonging to its Group and the Directors, Significant Shareholders or the respective related persons. In any event, such report shall be made available to the ACRPTC and the Board of Directors prior to the approval of the transaction in question. The ACRPTC may, if so decided unanimously by all the independent Directors who are members thereof, dispense with the independent expert report even if the transaction is a Significant Transaction.

For these purposes, Significant Transactions shall mean:

- (i) transactions that the ACRPTC freely determines to be such in consideration of the scope, amount or special characteristics of the transaction (it being understood that a transaction does not qualify as significant for the mere fact that it would be concluded with a Significant Shareholder or its related parties);
- (ii) for transactions relating to the sale of wind turbines and/or services (civil and electric works, transport, installation and start-up, operation and maintenance, production increase solutions such as Energy Thrust, and diagnostic services, transactions in which the ratio between the consideration for the transaction and the total assets reflected in the consolidated balance sheet of the most recent annual accounts published by the company exceeds 10%.
- (iii) for transactions other than those referred to in section 4(ii) above, transactions in which the ratio between the consideration for the transaction and the total assets reflected in the consolidated balance sheet of the most recent annual accounts published by the Company exceeds the threshold of 5% in the aggregate during the financial year.

Consideration for the transaction shall mean (i) for those transactions with cash consideration, the total maximum amount payable/receivable by the Company; (ii) if the consideration consists of financial instruments, the fair value determined on the

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date of the transaction in accordance with the international financial reporting standards adopted by (EC) Regulation no 1606/2002. Any questions arising in connection with the calculation of consideration shall be resolved by the ACRPTC.

3. The independent expert report shall assess whether or not the transaction is overall fair and reasonable from the perspective of the interest of the Company and therefore of the interest of shareholders who are not a related party, including minority shareholders and explaining the assumptions it is based upon together with the methods used, taking into account in this regard the relevant market and the evaluation of offers received, among other aspects that may be relevant.

ARTICLE 8. Review and publication of the Policy

1. The ACRPTC shall review this Policy on an annual basis (including the materiality thresholds and the master approvals included herein) and shall propose to the Board of Directors such amendments thereto as it deems appropriate.
2. It is the responsibility of SGRE's management team to ensure the dissemination and general knowledge of this Policy within the SGRE group so that all the Transactions that SGRE or the companies integrated in its Group with Directors, with Significant Shareholders or with the respective persons related thereto, are identified and made subject to the authorization requirements, previous report and/or mandatory reporting according to the provisions of this Policy.
3. This Policy shall be available on the corporate website of SGRE.

TRANSITIONAL PROVISION: Master approvals regarding Related Party Transactions between SGRE and Siemens AG as supplier thereof based on the Merger Agreement between both entities

The Merger Agreement between Gamesa Corporación Tecnológica, S.A. and Siemens AG, based on respect for the corporate interest of both companies and the circumstances linked to the merger process expressly provides for and regulates, amongst other, the following relations between SGRE and Siemens AG as supplier thereof through the specific corresponding agreements constituting related party transactions which are detailed likewise as compliance with legal provisions on related party transactions and Recommendation 2 of the Good Governance Code for Listed Companies:

1. Purchases of components, products or services in the ordinary course of business and provided for in the Strategic Supply Agreement² signed with Siemens AG on

² The Strategic Supply Agreement was signed by the Company on 31 March 2017 and is part of the merger documentation authorized by the Board of Directors of Gamesa Corporación Tecnológica, S.A. (now Siemens Gamesa Renewable Energy, S.A.) on 29 March 2017. It obtained the previous favourable report of the Audit and Compliance Committee released on such same date. The agreement will continue in force until 3 April 2023 and will be automatically extended if and in so far as

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occasion of the Merger, which sets out certain limits and mechanisms to ensure that the purchases are made on an arm's-length basis, such that the transactions performed in fulfilling that agreement do not require additional approval.

Notwithstanding the above, in the event that, as provided for under the Strategic Supply Agreement, the mechanisms to compare prices of individual transactions with market prices do not apply due to agreements reached on prices applicable for the following year, said pricing agreements would be subject to the procedure for general approval of related party transactions established in this Policy.

2. Transactions whereby SGRE or the companies of the SGRE Group obtain corporate guarantees from the parent company Siemens AG (or from the companies of its corporate group) or from third parties through Siemens AG within the framework of the guarantee lines provided to SGRE on occasion of the Merger and governed by the Guarantee Facility Agreement³ signed with Siemens AG, with that agreement setting out, inter alia, the maximum amount and the consideration for each transaction, such that the transactions performed in fulfilling that agreement do not require additional approval.
3. Transactions involving synergy in the areas of marketing and sale of SGRE products. Given that Siemens AG, a Significant Shareholder of SGRE, is a multinational company with a global presence and extensive positioning and experience in many markets, a Regional Support Agreement⁴ was executed within the context of the merger, allowing SGRE, on the basis of individual agency, distribution and/or service agreements related to customer management, proposal management, sales support and administration, promotion, marketing, market research, event management, consulting and training and provided SGRE deems it appropriate for the corporate interest, without challenging SGRE's capacity to act autonomously and independently, to take advantage of the presence, experience and positioning of Siemens AG and its group companies in certain customer markets.

The Regional Support Agreement did not include a framework for economic terms, with these terms instead subject to specific agreements to be reached in each individual agreement. Accordingly:

- (i) Given that potential agency and distribution agreements are likely to be on an exceptional and non-recurring basis, they will be subject to the

Siemens: (a) directly or indirectly holds 50.01% of SIEMENS GAMESA Renewable Energy, S.A.'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 Director voting rights, with no shareholders which individually or jointly hold less than 15% of share capital (the "Strategic Alliance Period").

³ The Guarantee Agreement was signed on 2 April 2017 and is part of the documentation of the merger authorized by the Board of Directors of Gamesa Corporación Tecnológica, S.A. (now Siemens Gamesa Renewable Energy, S.A.) on 29 March. The availability period is until 31 December 2020.

⁴ The Regional Support Agreement was signed by the Company on 31 March 2017 and is part of the documentation of the merger authorized by the Board of Directors of Gamesa Corporación Tecnológica, S.A. (now Siemens Gamesa Renewable Energy, S.A.) on 29 March. The agreement will continue in force during the Strategic Alliance Period.

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general procedure for approving related party transactions provided for in this Policy.

- (ii) By way of exception to the foregoing, by virtue of the approval of this Policy by the Board of Directors, master approval is granted by the Board of Directors for service agreements related to customer management, proposal management, sales support and administration, promotion, marketing, market research, event management, consulting and training (i.e. not for eventual agency or distribution agreements which shall always require the issuance of a report from the ACRPTC and the approval of the Board of Directors), provided that (i) the individual amount thereof does not exceed €500,000, (ii) the aggregate amount of services contracted under this master approval during the financial year does not exceed 1‰ of the annual turnover of the SGRE Group as reflected in the consolidated balance sheet of the most recent annual accounts published by the Company; and (iii) the Company's management team, under the supervision of the Chief Executive Officer and according to the guidelines set out in the master approval, shall establish the mechanisms needed to guarantee that such transactions are in the Company's interests, performed at arm's length prices, contribute real benefits to the Company due to synergies unlocked with Siemens AG, and cannot compromise the Company's capacity to act with full independence and autonomy. In any case, unless the ACRPTC sets out a different reporting obligation, the ACRPTC shall be informed as soon as possible of any transaction carried out under this frame approval (i.e. in general, in the session immediately after each relevant transaction having been executed).

4. Furthermore, certain transitory services agreements between SGRE and Siemens AG were signed on occasion of the Merger in functional areas being integrated on account of the Merger, in order to ensure continuity of the business until SGRE begins establishing or adapting its own capabilities to provide such services or to cover the transition, until the services are internalized or can be engaged with an external supplier.

By virtue of the approval of this Policy by the Board of Directors, master approval is granted for the temporary extension or renewal of said transitory services agreements with Siemens AG, provided the following conditions are simultaneously satisfied:

- (i) that the individual amount thereof does not exceed €500,000 and the aggregate amount of all such services contracted under this master approval during the financial year does not exceed 0,5% of the annual revenues of the SGRE Group as reflected in the consolidated balance sheet of the most recent annual accounts published by the Company;

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- (ii) that the agreement establishes a limited duration for the extension or renewal of the service according to the need and nature of the operations, but in no case may the duration thereof extend beyond 3 April 2021, and in any case the ACRPTC must be previously informed of any extension or renewal that individually or cumulatively with other extensions or renewals is longer than six months, indicating the rationale therefor; and
- (iii) that they are not services that affect critical areas of SGRE within the meaning of services that are essential for ensuring the Company's capacity to act autonomously and independently. The criteria by which criticality is defined in this context shall be developed by SGRE's Chief Executive Officer and, subject to a favourable report by the ACRPTC, approved by the Board of Directors.

Temporary extensions or renewals that do not meet all of the preceding criteria, regardless of the amount thereof, shall always require the issuance of a report from the ACRPTC and the approval of the Board of Directors. Furthermore, approval of the new transitory services agreements that are justified in functional areas in the integration phase based on the Merger shall always also require a report from the ACRPTC and approval from the Board of Directors.

5. In any case, transactions that need not be individually approved by the Board of Directors under this Transitory Provision shall be subject to the rules on verification, monitoring and reporting established in this Policy.

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