

Chair of the Board:

The Board of Directors supports the statements that the Chair of the Audit, Compliance and Related Party Transactions Committee and myself will share with you over related party transactions and with the maintenance in Spain of the registered office.

Chair of the Audit, Compliance and Related Party Transactions Committee:

Thank you, madam Chair. In connection with item Ten on the Agenda concerning related party transactions.

I have to inform that every transaction made to date by companies of the Siemens Gamesa group with significant shareholders or persons related thereto were approved by the Board of Directors after a favourable report of the Audit, Compliance and Related Party Transactions Committee. The Board and the Committee have used a strict analysis to ensure that each transaction complied with applicable legal provisions and that it furthered the corporate interest, always verifying that it was made on an arm's length basis.

The Audit, Compliance and Related Party Transactions Committee that I chair is made up entirely of independent external directors appointed on the basis of their personal and professional qualifications and who therefore perform their duties without being constrained by relations with the company or its group, its significant shareholders or executive officers.

When the complexity of the transaction requires it, the Committee has the power to request third-party reports to assist it in its decision. In the exercise of such power, the Committee seeks external advice when the specific nature of the matter at hand or the absence of market price references makes it advisable. However, no amount has been determined as from which an independent expert's report concerning the transaction is required. The financial significance of a transaction does not necessarily mean that it is especially difficult to assess. Consider, for example, the sales of turbines, which are transactions in high economic amounts but concerning which the Committee has considerable information and a sound criterion as to whether or not the terms for the sale thereof are in line with the market. In a market as dynamic as the wind market, the participation of an expert merely because of the fact that the transaction in question exceeds a given economic threshold could cause delay and frustrate the transaction. Conversely, the opinion of an external expert may be necessary in transactions in lesser amounts which, nevertheless, are critical for the company because they affect issues that are essential for its business.

In addition and as provided in the Regulations of the Board of Directors, in all decisions of the Board regarding related party transactions, proprietary directors appointed at the behest of the shareholder affected by the transaction never participate or are present at the deliberation or in the voting thereon, and such transactions are approved, if at all, by the other directors. In addition, the make-up of the Board, with five independent Directors, with none of the significant shareholders appointing a majority of the members of the Board of Directors, also ensures balance and control in decision-making.

In light of the foregoing, and aware of the crucial importance of an appropriate processing of transactions with significant shareholders, Siemens Gamesa already has a corporate governance system in place that includes mechanisms for approval and control of such transactions, thus adequately protecting the interests of the company and of those shareholders that are not related parties, including minority shareholders. Such mechanisms have been strictly applied to date and always taking into account the corporate interest.

Without prejudice to all of the foregoing, Siemens Gamesa continues to reinforce its internal corporate governance regulations on an on-going basis and the related party transaction approval process. For this purpose, the Audit Committee, with the external advice of PricewaterhouseCoopers, has been working on a procedure since last september which harmonises two basic interests: ensuring that related party transactions are made on an arm's-length basis and in full compliance with applicable legal provisions and allowing the proper and effective conduct of the Company's activities avoiding unnecessary complexity. The principles inspiring this exercise are **transparency, the weighing and assessment of the transactions by the company** so as to protect the corporate interest of the company, the sustainability thereof, and **independence**, ensuring that the related party does not interfere in the assessment of and the decision to approve the related party transaction. Regardless of the outcome of the vote in connection with item Ten on the Agenda, Siemens Gamesa's commitment to improve its internal corporate governance regulations is unqualified and will be inspired by the principles described above.

As a result of the work done by the Committee and at its proposal, on 13 February 2018 and thus, prior to any request for a supplement to the call to meeting, the Board of Siemens Gamesa, with the unanimous vote of all its shareholders, approved the main guidelines for the improvement of the related party transaction approval process.

The opinions of independent experts are not something new, and the Committee has been requesting such opinions whenever it deemed it necessary owing to the characteristics of the transaction under review (its criticality or complexity) rather than because of the significance of the amount thereof. Any measure that the Committee and the Board may decide to take on this matter must apply to all transactions with significant shareholders and not only to transactions with the majority shareholder as proposed in the supplement.

Of course the, Committee, in its commitment of continuous improvement of our corporate governance system, will take into account the interventions of our shareholders.