

Proposed Resolutions

Proposed Resolutions
relating to the 2018
Annual General Meeting
of Shareholders of
**“Siemens Gamesa
Renewable Energy,
S.A.”**

**PROPOSAL ONE
RESOLUTION ONE**

Item One on the Agenda: “Examination and approval, if appropriate, of the individual Annual Accounts (balance sheet, statement of profit and loss, statement of changes in equity, statement of cash flows and notes) of Siemens Gamesa Renewable Energy, Sociedad Anónima, as well as of the consolidated Annual Accounts of the Company and its subsidiaries (balance sheet, statement of profit and loss, statement of changes in equity, statement of cash flows and notes), for the financial year running between 1 January and 30 September 2017.”

To approve the individual Annual Accounts (balance sheet, statement of profit and loss, statement of changes in equity, statement of cash flows and notes) of Siemens Gamesa Renewable Energy, Sociedad Anónima (the “**Company**”), as well as the consolidated Annual Accounts of the Company and its subsidiaries (balance sheet, statement of profit and loss, statement of changes in equity, statement of cash flows and notes), for the financial year running between 1 January and 30 September 2017.

The individual and consolidated Annual Accounts of the Company submitted for examination and approval by the shareholders at the General Meeting of Shareholders are those audited by ERNST & YOUNG, S.L., statutory auditor of the Company and of the Group, and which were formulated by the Board of Directors and signed by all of the directors on 30 November 2017.

**PROPOSAL TWO
RESOLUTION TWO**

Item Two on the Agenda: “Examination and approval, if appropriate, of the individual management report of Siemens Gamesa Renewable Energy, Sociedad Anónima and of the consolidated management report of the Company and its subsidiaries for the financial year running between 1 January and 30 September 2017.”

To approve the individual management report of Siemens Gamesa Renewable Energy, Sociedad Anónima and the consolidated management report of the Company and its subsidiaries for the financial year running between 1 January and 30 September 2017, issued by the Board of Directors on 30 November 2017.

**PROPOSAL THREE
RESOLUTION THREE**

Item Three on the Agenda: “Examination and approval, if appropriate, of the management and activities of the Board of Directors during the financial year running between 1 January and 30 September 2017.”

To approve the management and activities of the Board of Directors of Siemens Gamesa Renewable Energy, Sociedad Anónima during the financial year running between 1 January and 30 September 2017.

**PROPOSAL FOUR
RESOLUTION FOUR**

Item Four on the Agenda: “Examination and approval, if appropriate, of the proposed allocation of profits/losses of Siemens Gamesa Renewable Energy, Sociedad Anónima for the financial year ended on 30 September 2017.”

To approve the proposed allocation of profits/losses of Siemens Gamesa Renewable Energy, Sociedad Anónima for the financial year ended on 30 September 2017, with losses being posted in the amount of (1,782,844,444.65) euros, allocated as follows:

		Euros
Bases for distribution:		
Profit/loss for the year		€(1,782,844,444.65)
	TOTAL	€(1,782,844,444.65)
Allocation:		
Losses carried forward from previous years		€(1,782,844,444.65)
	TOTAL	€(1,782,844,444.65)

**PROPOSAL FIVE
RESOLUTION FIVE**

Item Five on the Agenda: “Ratification of the appointment on an interim basis (co-option) and re-election of Mr Alberto Alonso Ureba as a director of Siemens Gamesa Renewable Energy, Sociedad Anónima, with the classification of independent non-executive director, for the bylaw-mandated four-year term.”

To ratify the appointment of Mr Alberto Alonso Ureba as a director, appointed on an interim basis (co-option) by resolution of the Board of Directors dated 20 October 2017, and to re-elect him, after a reasoned proposal of the Appointments and Remuneration Committee, for the bylaw-mandated four-year term, with the classification of independent non-executive director.

**PROPOSAL SIX
RESOLUTION SIX**

Item Six on the Agenda: “Re-election of Ernst & Young, Sociedad Limitada as statutory auditor of Siemens Gamesa Renewable Energy, Sociedad Anónima and of its consolidated Group for financial year 2018.”

To re-elect the company ERNST & YOUNG, S.L. as statutory auditor of Siemens Gamesa Renewable Energy, Sociedad Anónima and of its consolidated Group, which company will provide audit services during the financial year running between 1 October 2017 and 30 September 2018.

To such end, the Board of Directors is hereby authorised to enter into the applicable contract with the aforementioned company, with such terms and conditions as it deems fit, as well as to make any amendments to such contract as may be appropriate pursuant to applicable law at any time. The Board of Directors is hereby expressly authorised to delegate this power to such director or directors as it may designate.

It is noted for the record that in compliance with the provisions of section 529 *quaterdecies*.4. d) of the Companies Act and articles 50.2 of the By-Laws and 6 a) of the Regulations of the Audit, Compliance and Related Party Transactions Committee, this resolution is approved at the proposal of the Board of Directors, which has adopted as its own the proposal submitted by the Audit, Compliance and Related Party Transactions Committee for submission thereof to the shareholders at the General Meeting of Shareholders.

It is further noted for the record that ERNST & YOUNG, S.L. has its registered office in Madrid, at calle Raimundo Fernández Villaverde, 65, 28003 Madrid, and holds Tax Identification Number (*N.I.F.*) B-78970506. It is registered with the Madrid Commercial Registry in Volume 12749, Book 0, Folio 215, Section 8, Page 23123 and with the Official Statutory Auditors' Registry (*Registro Oficial de Auditores de Cuentas*) (ROAC) under number S0530.

**PROPOSAL SEVEN
RESOLUTION SEVEN**

Item Seven on the Agenda: “Examination and approval, if appropriate, of a Long-Term Incentive Plan for the period from fiscal year 2018 through 2020, involving the delivery of shares of the Company and tied to the achievement of certain strategic objectives, directed towards the CEO, Top Management, certain Managers and employees of Siemens Gamesa Renewable Energy, Sociedad Anónima and, if appropriate, of the subsidiaries, and delegation of powers to the Board of Directors, with express power of substitution, to implement, elaborate on, formalise and carry out such remuneration system.”

To approve, pursuant to article 219 of the Corporate Enterprises Law and article 45.5 of the Bylaws, the Long-Term Incentive Plan for the period from fiscal year 2018 through 2020, which comprises the delivery of shares in the Company, linked to the achievement of certain strategic objectives, addressed to the CEO, Top Management, certain Managers and employees of Siemens Gamesa Renewable Energy, Sociedad Anónima and, as the case may be, of its subsidiaries, as well as the delegation of powers to the Board of Directors, with the express authority to subdelegate, in order to implement, develop, formalize and execute said remuneration system.

The Plan is approved based on the following basic characteristics, which shall be implemented in the General Terms and Conditions of the Long-Term Incentive Plan of Siemens Gamesa Renewable Energy, S.A. to be approved by the Board of Directors:

1. Objective and description of the Plan

The primary objective of the Plan is to align the interests of the beneficiaries with the interest of the Company’s shareholders and to offer an incentive to the beneficiaries in order to achieve the Company’s strategic objectives for the period 2018-2020.

The Plan is a long-term incentive under which the Beneficiaries have the possibility of receiving a certain number of the Company’s ordinary shares (the “**Shares**”) after a measurement period of three (3) years and provided certain requirements are met (the “**Incentive**”).

If necessary or advisable due to legal, regulatory or any other type of reasons, the Share delivery mechanisms may be adapted in certain cases, without modifying the maximum number of Shares linked to the Plan or the essential conditions on which delivery depends. In particular, Siemens Gamesa reserves the right to decide, should it deem it advisable, to make cash payments instead of delivering Shares (for example, in the case of any operating restrictions in the countries where subsidiaries are located).

Application and execution of the Plan will be governed by the general conditions approved by the Company’s Board of Directors (the “**Board of Directors**”) at the proposal of the A&R Committee.

2. Plan duration, dates and periods

Notwithstanding the settlement period, the Plan has a duration of five (5) years, divided into three (3) independent cycles (the “**Cycles**”) with a measurement period of three (3) years each (in which the degree of achievement of the requirements and objectives established for delivery of Shares will be determined):

- Cycle FY2018: from October 1, 2017 to September 30, 2020
- Cycle FY2019: from October 1, 2018 to September 30, 2021
- Cycle FY2020: from October 1, 2019 to September 30, 2022

The settlement period of the Plan will fall within fiscal years 2021, 2022 and 2023.

The Shares will be delivered, as appropriate, within sixty (60) calendar days from the date on which the Company's Board of Directors prepares the financial statements for the relevant period, in order to determine the degree of achievement of the objectives for each Cycle ("**Delivery Date**").

The Plan will end on the Delivery Date for Cycle FY2020, (i.e. following the preparation of the 2020 financial statements).

3. Beneficiaries

The plan is addressed to persons who, due to their level of responsibility or their position in the Group, contribute decisively to achieving the Company's objectives. In particular the Board, at the proposal of the A&R Committee for the CEO and top management, and of the CEO for the rest of the Beneficiaries, may designate the following individuals as Plan Beneficiaries:

- (i) the Chief Executive Officer ("**CEO**");
- (ii) the Top Management of the Company determined by the Board of Directors at the proposal of the Appointments and Remuneration Committee; and
- (iii) certain Managers and employees of Siemens Gamesa and, as the case may be, of subsidiaries, designated by the CEO.

For the purposes of the Plan, the Siemens Gamesa Group (the "**Group**") comprises the Company and its current and future subsidiaries (both Spanish and foreign) in which the Company directly or indirectly holds at least fifty percent (50%) of the total capital.

The designation of an individual as a Beneficiary of a Plan Cycle will not necessarily entitle that individual to participate in other Plan Cycles.

The Plan is addressed to a maximum of 300 Beneficiaries. The Company reserves the right to include new Beneficiaries during the lifetime of the Plan in exceptional cases. The inclusion of new Beneficiaries will depend on whether sufficient Shares are available, taking into account the percentage of share capital assigned to the Plan approved at the Company's General Shareholders' Meeting.

4. Allocation of Stock Awards

For each Plan Cycle, the Company will assign a specific amount to each Beneficiary. This amount will serve as a basis for granting a specific number of Stock Awards (the "**Stock Awards**"), used as a reference to determine the final number of Shares to be delivered to each Beneficiary, based on the degree of achievement of the objectives set for each Plan Cycle.

The reference value for determining the Stock Awards under the Plan will be the average, rounded to two decimal places, of the closing prices for Siemens Gamesa shares on the Spanish stock exchange (electronic trading platform) during the twenty (20) trading sessions preceding the day before the Board of Directors' call to the General Shareholders' Meeting at which the Plan for the first cycle will be approved, and during the twenty (20) trading sessions prior to the date on which the Company's Board of Directors prepares the financial statements for the year preceding the start of the two remaining Plan cycles.

5. Delivery of Shares

In order for Shares to be delivered, the following requirements must be met for each Plan Cycle:

- The Beneficiary must be employed by the Group at the corresponding Delivery Date for each Cycle, except in certain cases of termination of the relationship (good leaver) which will be duly set out in the general terms and conditions of the Plan to be approved by the Board of Directors.
- Certain minimum levels of achievement of the strategic objectives of the Plan established by the Board must be met for each Cycle (the "**Objectives**")

The Board of Directors must confirm the degree of achievement of the Plan Objectives in respect of each Cycle, based on a report received from the A&R Committee prior to the Delivery Date. The specific final number of Shares to be delivered, as appropriate, to each Beneficiary for each Plan Cycle will depend on the degree of achievement of the Objectives.

The reference value of the Shares ultimately delivered will correspond to the closing share price on the relevant Delivery Date.

6. Objectives of the Plan

The objectives on which the delivery of the Shares depends shall be linked to the Company's strategic objectives during the term of the Plan.

Although the Board of Directors, at the proposal of the A&R Committee, can establish other objectives in each case according to the interests of the Company and of its shareholders in the event that significant events or corporate transactions occur that, in the Board's opinion, significantly affect the Plan which would be disclosed in the corresponding Annual Directors' Remuneration Report, the Plan Objectives proposed by the Board of Directors and their relevant weighting, are as follows:

- Earnings Per Share ratio ("**EPS**"), with a weighting of 45%. This metric compares the degree of achievement of the EPS actually reached by Siemens Gamesa at the end of the measurement period, with the budgeted EPS. The achievement of 80% of this Objective will accrue 50% of the incentive linked to this Objective.
- Relative Total Shareholder Return ratio ("**TSR**"), with a weighting of 45%. The TSR (expressed as a percentage) shall be calculated taking into account the final value of an investment in ordinary Shares of Siemens Gamesa and the initial value of the same investment. To calculate the final value of the TSR, regard shall be had to the dividends and other similar elements received by the shareholder as a result of that investment during the time period in question, as if they had been invested in more shares of the same type on the first date on which the dividend is paid to the shareholders and at the closing price in the securities market on that date.

The TSR of Siemens Gamesa shall be compared to the performance of a group of competitors (the "**Peer Group**").

The TSR will be measured by taking the average of the daily closing prices of the Siemens Gamesa Share and of the shares of the entities forming part of the Peer Group in (i) the 20 trading sessions prior to the start of each Cycle, and (ii) the 20 trading sessions following that date, as well as the average daily closing prices in (i) the 20 trading sessions prior to the end date of each Cycle and (ii) the 20 trading sessions following that date.

The Peer Group includes the following companies and their respective weightings, which will be applied to the TSR calculated for each one of these companies:

- (i) Vestas: 50% weighting
- (ii) Nordex: 10% weighting
- (iii) Senvion: 10% weighting
- (iv) Suzlon: 10% weighting
- (v) Goldwind: 20% weighting

The achievement of 100% of this Objective will accrue 50% of the incentive linked to this Objective.

- CSR ratio, with a weighting of 10%. The CSR ratio will be linked to the Company's continued presence on the FTSE4Good Index, the Dow Jones Sustainability Index and the Ethibel Sustainability Index.

The maximum level of incentive is 150% in case of 120% degree of achievement for EPS Objective, and 150% in case of 140% degree of achievement for TSR Objective.

As long as both EPS and TSR are positive at the end of the corresponding Cycle of the Plan, the degree of achievement of these Objectives over 100 per cent (until a maximum of 150 per cent each of them) shall serve to offset each other, although, in any case, the sum of the vesting of both Objectives can not exceed the 90 per cent of the Incentive.

Accordingly, the number of Shares to be delivered in each Cycle of the Plan will not exceed the number of Stock Awards granted in each Cycle of the Plan. Therefore, in any case the sum of coefficients corresponding to the degree of achievement of the Objectives will allow the delivery of more than 100% of the Shares granted in each Cycle of the Plan.

7. Malus and clawback clauses

The Shares which the Beneficiaries may receive under the Plan shall only be delivered if sustainable according to Siemens Gamesa's situation and if justified based on the Company's results.

The Plan includes the relevant malus clause, which will apply both during each Cycle of the Plan and in the period between the end of each Cycle and the effective delivery of the Shares, and clawback clause, which will apply during the three years following the end of each Plan Cycle, clauses which may, in certain circumstances, lead to a reduction in or a return of the Shares, according to what is established by the Board of Directors at any given time.

8. Rules for disposal of shares

As from their delivery, the Shares shall confer on the Beneficiaries the economic, voting and other kinds of rights related to the Shares.

The Beneficiaries shall keep fifty percent (50%) of the Net Shares effectively received pursuant to each Plan Cycle, until reaching, while providing services to the Group, a number of Shares equivalent to:

- In the case of the CEO, two (2) times his fixed annual compensation.
- In the case of Top management, one (1) time their fixed annual compensation.
- In the case of the other Beneficiaries, the number of Stock Awards assigned in the last Plan Cycle in which they participate.

9. Limits and origin of the Shares

The Plan may not exceed, as a maximum, the delivery of a total of 5,600,000 Shares. The CEO may receive in each of the years of the duration of the Plan, a maximum annual assignment of 82,000 Shares and, in any case, the value of the Shares assigned in each year cannot exceed in the assignment date the 100% of his fixed remuneration and that time.

The total limit of 5,600,000 Shares, which represents 0.82% of Siemens Gamesa's capital, is calculated taking into account the potential inclusion of additional Beneficiaries.

The Company will allocate Shares of treasury stock to cover the Plan or otherwise meet the commitments derived from the Plan with a financial instrument that provides adequate coverage.

10. Administration of the Plan

The implementation, development, formalization and execution of the Plan require authorizing the Company's Board of Directors so that, with express power of delegation in favor of any of its members, of the Committees of the Board of Directors, or of any other person to whom the Board of Directors expressly authorizes for the purpose, it may adopt as many resolutions and sign as many public or private documents as may be necessary or advisable for the fullest effects, including the power to correct, rectify, amend or supplement this resolution and, in particular, and merely for illustration purposes:

- a) Designate the Plan Beneficiaries and determine the rights granted to each one of them, and develop and establish the specific conditions for the delivery of the Shares in the Company in respect of all aspects not specified in the resolution submitted for the approval of the Company's Shareholders' Meeting, establishing, among other circumstances and merely for illustration purposes, the corporate scope of application of the Plan, the requirements to be met by the Beneficiaries to receive the Shares, the objectives, metrics and their weighting, upon which the delivery of the Shares for the different cycles of the Plan will depend, the companies forming part of the peer group, the procedure for delivery of the Shares, the cases which determine early settlement of the Plan or the termination of the rights attributed to the Beneficiaries, as the case may be, and the set of rules governing the Plan.

- b) Where the legal regime applicable to any of the Beneficiaries or to certain Group companies so requires or makes it advisable, or if necessary or appropriate for legal, regulatory, operational or other similar reasons, adapt the basic conditions specified in general or in particular, including, for illustration purposes and without limitation, the possibility of adapting the mechanisms for delivery of the Shares without altering the maximum number of Shares included in the Plan, and provide for and execute the total or partial liquidation of the Plan in cash.
- c) Decide not to execute, or render invalid in full or in part, the Plan or any of its Cycles, and exclude certain groups of potential Beneficiaries or Group companies where the circumstances make it advisable.
- d) Draft, sign and submit as many communications, documents, whether public or private, and supplementary documentation, as necessary or advisable before any public or private body in order to implement, execute or settle the Plan, including, if necessary, the relevant prior communications and informative brochures.
- e) Perform any procedure, statement or formality before any body, entity or registry, whether public or private, national or foreign, to obtain the authorizations or verifications necessary for the implementation, execution or settlement of the Plan and the delivery of the Shares in the Company.
- f) Negotiate, agree and sign as many contracts of any kind with financial or other kinds of institutions which the Board of Directors of the Company freely designates, on the terms and conditions deemed appropriate, necessary or advisable for the most successful implementation, execution or settlement of the Plan, including, where necessary or advisable due to the legal regime applicable to any of the Beneficiaries of the Group or to certain Group companies or, if it were necessary or advisable for legal, regulatory, operational or other similar reasons, the establishment of any legal figure (including trusts or other similar figures) or the entering into of agreements with any type of entity for the deposit, custody, holding and/or management of the Shares and/or their subsequent delivery to the Beneficiaries in the context of the Plan.
- g) Draft and publish any and all announcements as may be necessary or advisable.
- h) Draft, sign, execute and, as appropriate, certify any type of document relating to the Plan.
- i) Adapt the contents of the Plan to the circumstances and corporate transactions that may arise during its validity, relating both to the Company and to the companies forming part of the group of reference at any given time, on the terms and conditions deemed necessary or advisable at any time in order to maintain the purpose of the Plan, including the corresponding adjustments in the delivery of the shares as a result of changes in the par value of the shares, changes in the capital structure of the Company or other corporate transactions, and including or excluding companies or establishing the comparison indices advisable in each case for the interests of the Company and of its shareholders.
- j) And, in general, perform any actions, adopt any decisions and sign any documents as may be necessary or merely advisable for the validity, enforceability, implementation, development, execution, settlement and successful outcome of the Plan and of the resolutions adopted previously.

**PROPOSAL EIGHT
RESOLUTION EIGHT**

Item Eight on the Agenda: “Delegation of powers for the formalisation and implementation of all the resolutions adopted by the shareholders at the General Meeting of Shareholders, for the conversion thereof into a public instrument and for the interpretation, correction, supplementation or further development thereof until all required registrations are accomplished.”

Without prejudice to the aforementioned delegations of powers, the Board of Directors is hereby given by delegation, with express powers of substitution in favour of any of its members, all powers required to correct, further develop and implement, at such time as it deems appropriate, each of the resolutions approved by the shareholders at the General Meeting of Shareholders.

The Board of Directors is also hereby authorised to determine any other circumstances that may be required in connection with such resolutions, adopting and implementing such resolutions as may be necessary, publishing the announcements and providing the guarantees that may be appropriate for the purposes established by law, as well as formalising all required documents, carrying out all appropriate steps and complying with all requirements established by law for the full implementation of the resolutions approved by the shareholders at the General Meeting of Shareholders.

In addition, it is hereby resolved to authorise the Chair and the Secretary of the Board of Directors, acting severally, so that either of them may, acting individually, formalise and implement the resolutions approved by the shareholders at the General Meeting of Shareholders, including the filing of the annual accounts, the management reports and the audit reports of the Company and of its consolidated group, with the power to execute such public or private documents as may be necessary or appropriate (including those for purposes of clarification, total or partial rectification and correction of defects or errors) for proper compliance therewith and for registration, including partial registration, thereof with the Commercial Registry or any other registry or agency with which such registration is required.

**PROPOSAL NINE
RESOLUTION NINE**

Item Nine on the Agenda: “Consultative vote on the Annual Director Remuneration Report of Siemens Gamesa Renewable Energy, Sociedad Anónima for financial year 2017.”

Consultative vote on the Annual Director Remuneration Report for financial year 2017, the full text of which was made available to the shareholders together with the other documentation relating to the General Meeting of Shareholders as from the date of the call to meeting.

**PROPOSAL TEN
RESOLUTION TEN**

Item Ten on the Agenda: “Strengthening of the corporate governance of the Company in the area of related-party transactions for the protection of minority shareholders considering the risk of de facto management by the majority shareholder.”

To instruct the Board of Directors to strengthen the corporate governance of the Company to ensure that the corporate interest prevails in the approval of related-party transactions, so as to protect minority shareholders from the risk of de facto management by the majority shareholder.

In particular, the Board of Directors shall:

1. Strengthen and guarantee the duty of proprietary Directors to abstain in the deliberation and voting on resolutions relating to transactions, actions or agreements with the shareholder that proposed or appointed them and such shareholder’s group.
2. Ensure compliance with the necessary reporting deadlines and requirements in order for any internal proceeding or action designed to approve related-party transactions by decision-making bodies or business units to be previously submitted to the Audit Committee with sufficient time to enable it to submit its report prior to deliberation and approval, if appropriate, by the Board of Directors.
3. Require submission of an independent expert report that expressly confirms that any significant transaction, action or agreement between the Company and the majority shareholder or their groups is fair and reasonable from the standpoint of the corporate interest and of the interests of minority shareholders.

Significant transactions, actions and agreements shall be deemed to be those that (a) taken individually, exceed an amount equal to 1% of the consolidated turnover of the Company and its subsidiaries in the last financial year; (b) exceed the same amount in the aggregate, calculated in a twelve (12) month period or within the same financial year; or (c) constitute financial assistance to the shareholder or its group, including cash pooling, financing and intra-group counter-guarantees.

4. Annually report to the shareholders at the General Shareholders’ Meeting on the measures adopted to avoid the risk of de facto management of the Company by its majority shareholder.

Such measures must in any event include appropriate amendments to the Regulations of the Board and the Committees thereof and any internal procedures that are inconsistent with the foregoing as well as any appropriate proposals to amend the By-Laws and the Regulations for the General Shareholders Meeting.

The Board of Directors shall comply with the aforementioned provisions within not more than 6 months of the date of this resolution, without prejudice to such duty continuing to exist following such period.

This instruction is given pursuant to section 161 of the Companies Act.

**PROPOSAL ELEVEN
RESOLUTION ELEVEN**

Item Eleven on the Agenda: “Commitments made in connection with the maintenance in Spain of the registered office, the principal place of business and the operational headquarters as parent company of the group, as well as the principal place of business and operational headquarters of the onshore business: measures to ensure compliance therewith.”

To instruct the Board of Directors to take the measures required to ensure that the registered office, the principal place of business and the operational headquarters of the company, as the parent company of the group, as well as the principal place of business and operational headquarters of the onshore business, continue to be in Spain, in accordance with the commitment assumed.

In particular, the Board of Directors shall:

1. Adopt the necessary corporate governance provisions and measures to ensure that all the Directors are on an equal footing as regards information and decisions, and thus that the Board of Directors actually retains its ability to manage the Company, preventing displacement of decision-making outside of the registered office and outside Spain.
2. Ensure that the management team and the heads of the main corporate functions, particularly corporate and business mergers and acquisitions and relations with Spanish regulators and supervisory authorities, are maintained at the headquarters of the Company and of the onshore business.
3. Submit to the shareholders at the General Shareholders' Meeting for prior approval any resolution that is intended to, causes or might cause a failure to maintain the registered office, the principal place of business, the actual and operational headquarters as the parent company of the group or the actual and operational headquarters of the onshore business in Spain. This category shall in any event include resolutions that decide (a) to not maintain in Spain the material, technological and financial resources necessary for the management and conduct of the Company's business as parent company of the group and, in particular of the onshore business; (b) to not maintain or fail to hire in Spain the employees required for the management and conduct of the business of the Company as parent company of the group, and, in particular, of the onshore business, or (c) the existence of imbalances, to the detriment of Spain in favour of other territories, in any headcount increase or reduction process, employment guarantee agreement or process, or investment or divestment process.
4. Annually report to the shareholders at the General Shareholders' Meeting on the measures taken to ensure that the principal place of business and the actual and operational headquarters as the parent company of the group, as well as the principal place of business and operating headquarters of the onshore business, continue to be in Spain.

Such measures shall, in any event, include the required amendments of the Regulations of the Board of Directors and the Committees thereof, as well as of any internal procedure that is inconsistent with the foregoing, as well as any appropriate proposals to amend the By-Laws and the Regulations for the General Shareholders' Meeting.

The Board of Directors shall comply with the aforementioned provisions within a maximum of 6 months from the date of this resolution, without prejudice to the duty remaining in effect after such period.

This instruction is given pursuant to section 161 of the Companies Act.