

## SIEMENS GAMESA RENEWABLE ENERGY SA

<b>MEETING DATE</b>	Fri, 23 Mar 2018 12:00 pm	<b>TYPE</b>	AGM	<b>ISSUE DATE</b>	Thu, 15 Mar 2018
<b>MEETING LOCATION</b>	Auditorium of Edificio 101 (Edificio Barco) of Parque Tecnológico de Bizkaia, Zamudio (Biscay), Ibaizabal Bidea, Spain				
<b>CURRENT INDICES</b>	PIRC Global				
<b>SECTOR</b>	Renewable Energy Equipment				

<b>PROPOSALS</b>		<b>ADVICE</b>
<b>1</b>	<b>Approve Financial Statements</b> Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. No serious governance concerns have been identified. Triodos supports this resolution.	<b>For</b>
<b>2</b>	<b>Receive the Directors Report</b> Standard proposal. The report has been disclosed in sufficient time prior to the meeting. Triodos supports this resolution.	<b>For</b>
<b>3</b>	<b>Discharge the Board</b> Standard proposal. No serious governance concerns have been identified. Triodos supports this resolution.	<b>For</b>
<b>4</b>	<b>Approve the Dividend</b> It is proposed to carried forward the losses for the year, corresponding to EUR 1.783 billion. Triodos supports this resolution.	<b>For</b>
<b>5</b>	<b>Elect Alberto Alonso Ureba</b> Independent Non-Executive Director. Triodos supports this resolution.	<b>For</b>
<b>6</b>	<b>Appoint the Auditors</b> EY proposed. No non-audit fees were billed during the year under review and 4.99% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. Triodos supports this resolution.	<b>For</b>
<b>7</b>	<b>Approve New Executive Share Plan</b> The Board proposes the approval of a new incentive plan. Under the plan, the CEO and other executives will be awarded rights to receive shares, which will start vesting after three years from the date of award. The Company does not disclose clear performance criteria but only a list of indicators, which makes it impossible to assess clearly the link between pay and performance and is deemed a serious frustration of shareholder accountability. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure. Triodos opposes this resolution.	<b>Oppose</b>
<b>8</b>	<b>Authorize Board to Ratify and Execute Approved Resolutions</b> Standard resolution Triodos supports this resolution.	<b>For</b>

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| <b>9 Approve the Remuneration Report</b>  | It is proposed to approve the annual report on remuneration of Executive and Non-Executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against under-performance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed.<br>Triodos opposes this resolution based on excessive remuneration.   | <b>Oppose</b> |
| <b>10 Shareholder Resolution: Strengthening of the Company's Corporate Governance</b> | Shareholder Resolution proposed by Iberdola SA, which owns 8.1% of the Company share capital. It is proposed the 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. The proposal is in line with the international corporate governance best practices as it will enhance the prevention of conflict of interest between the company business and significant shareholders. 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.<br>Triodos supports this resolution.  | <b>For</b>    |
| <b>11 Shareholder Resolution: Maintenance in Spain the Registered Office</b>          | Shareholder Resolution proposed by Iberdola SA, which owns 8.1% of the Company share capital. It is proposed 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. 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. As no further background information were provided, the request of the shareholder seems quite vague, and the implementation may require excessive micro-management.<br>Triodos opposes this resolution. | <b>Oppose</b> |

## SUPPORTING INFORMATION FOR RESOLUTIONS

### Proposal 2 - Receive the Directors Report

Article 116 bis of the Securities Market Act requires companies to disclose various information to shareholders including directors' holdings of options and stock option plans as well as severance and change in control agreements with executives.

### Proposal 10 - Shareholder Resolution: Strengthening of the Company's Corporate Governance

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.

**Proposal 11 - Shareholder Resolution: Maintenance in Spain the Registered Office**

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.

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