

**ANNUAL CORPORATE GOVERNANCE REPORT**

**LISTED CORPORATIONS**

**ISSUER'S IDENTIFICATION DETAILS**

DATE OF FINANCIAL YEAR END: 12-31-2011

T.I.N.: A01011253

Trade Name:

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

**ANNUAL CORPORATE GOVERNANCE REPORT FORM FOR LISTED CORPORATIONS**

**A OWNERSHIP STRUCTURE**

**A.1 Complete the following table on the company's share capital:**

<b>Date of last modification</b>	<b>Share capital (€)</b>	<b>Number of shares</b>	<b>Number of voting rights</b>
07-15-2011	42,039,297.28	247,289,984	247,289,984

Indicate whether there are different classes of shares having different rights associated to them:

**Yes  No**

<b>Class</b>	<b>Number of shares</b>	<b>Par Value</b>	<b>Number of voting rights</b>	<b>Other rights</b>

**A.2 Provide details of direct and indirect holders of significant shareholdings in your company at the end of the financial year, excluding directors:**

<b>Name or trade name of significant shareholder</b>	<b>Number of direct voting rights</b>	<b>Number of indirect voting rights (*)</b>	<b>% of total voting rights</b>
BLACKROCK, INC.	0	12,258,161	4.957

**(\*) Through:**

<b>Name or trade name of direct holder of shares</b>	<b>Number of direct voting rights</b>	<b>% of total voting rights</b>
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED	12,258,161	4.957

State the most significant changes in shareholding structure during the financial year:

<b>Shareholder's name or trade name</b>	<b>Date of operation</b>	<b>Description of operation</b>
NORGES BANK	02/17/2011	Reduced its shareholding under 3% reaching 2.962%
THE GOLDMAN SACHS GROUP, INC.	05/30/2011	Increased its shareholding over 3% reaching 3.156%
THE GOLDMAN SACHS GROUP, INC.	06/15/2011	Reduced its shareholding under 3% reaching 1.666%
BLACKROCK, INC.	08/10/2011	Reduced its shareholding under 3% reaching 2.947%
BLACKROCK, INC.	11/04/2011	Increased its shareholding over 5% reaching 5.065%
BLACKROCK, INC.	12/06/2011	Reduced its shareholding under 5% reaching 4.957%

See note (A.2) in section G contained herein.

**A.3 Complete the following tables on the members of the Company's Board of Directors who hold voting rights through shares in the Company:**

<b>Name or trade name of the director</b>	<b>Number of direct voting rights</b>	<b>Number of indirect voting rights (*)</b>	<b>% of total voting rights</b>
Iberdrola, S.A.	48,510,767	0	19.617 %
Arregui Ciarsolo, Juan Luis	0	134,132	0.054 %
Calvet Spinatsch, Jorge	11,248	0	0.005 %
Rubio Reinoso, Sonsoles	1,000	0	0.000 %
Fernández-Lerga Garralda, Carlos	511	0	0.000 %
Lada Díaz, Luis	504	0	0.000 %
Rodríguez-Quiroga Menéndez, Carlos	306	0	0.000 %
Aracama Yoldi, José María	201	0	0.000 %
Ferrero-Waldner, Benita	101	0	0.000 %
Vázquez Egusquiza, José María	0	0	0.000 %

(\*) Through:

<b>Name or trade name of direct holder of shares</b>	<b>Number of direct voting rights</b>	<b>% of total voting rights</b>
RETOS OPERATIVOS XXI, S.L.	134,132	0.054 %

<b>% of voting rights in the hands of the Board of Directors</b>	19.677 %
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Complete the following tables on the members of the Company's Board of Directors holding stock option rights in the Company:

<b>Name or trade name of the director</b>	<b>Number of direct stock option rights</b>	<b>Number of indirect stock option rights</b>	<b>Number of equivalent shares</b>	<b>% of total voting rights</b>

See note (A.3) in section G contained herein.

**A.4 State details of any family, commercial, contractual or corporate relationships existing between the holders of significant shareholdings in as far as they are known by the company, except those which are scarcely relevant or arise from the normal course of business:**

<b>Name or trade name of related shareholders</b>	<b>Type of relationship</b>	<b>Brief description</b>

**A.5 State details of any family, commercial, contractual or corporate relationships existing between the holders of significant shareholdings and the company and/or its group, except those which are scarcely relevant or arise from the normal course of business:**

<b>Name or trade name of related shareholders</b>	<b>Type of relationship</b>	<b>Brief description</b>
<b>IBERDROLA, S.A.</b>	<b>CONTRACTUAL</b>	<b>SEE SECTION C.3</b>

**A.6 State if the company has been notified of any shareholders' agreements affecting it pursuant to the provisions set forth in Article 112 of the Securities Market Law (*Ley del Mercado de Valores, LMV*). If so, describe them briefly and list the shareholders bound by the agreement:**

Yes   $\geq$

No  X

Parties to the shareholders' agreement	% of share capital affected	Brief description of the agreement

State whether the company is aware of any concerted actions among its shareholders. If so, provide brief details:

Yes   $\geq$

No  X

Parties to concerted action	% of share capital affected	Brief description of the concerted action

Should any amendment or breach of the aforementioned agreements or concerted actions have come about during the financial year, indicate them expressly:

**A.7 State whether there are any individuals or legal persons that exercise control over the company pursuant to Article 4 of the Securities Market Law (*Ley del Mercado de Valores, LMV*) If so, identify them:**

Yes   $\geq$

No  X

Name or trade name

Comments

**A.8 Complete the following tables on the company's treasury stock:**

**At the end of the financial year:**

<b>Number of shares held directly</b>	<b>Number of shares held indirectly (*)</b>	<b>% total of share capital</b>
2,001,403	1,233,023	1.308 %

**(\*) Through:**

<b>Name or trade name of direct holder of shares</b>	<b>Number of shares held directly</b>
BANCO SANTANDER, S.A.	1,233,023
<b>Total:</b>	<b>1,233,023</b>

Provide details of any significant changes that have taken place during the financial year pursuant to Royal Decree 1362/2007:

<b>Date of disclosure</b>	<b>Total number of direct shares acquired</b>	<b>Total number of indirect shares acquired</b>	<b>% total of share capital</b>
07/26/2011	0	1,222,748	0.494

<b>Gains / (Losses) on treasury stock divested during the period</b>	<b>- 5,913</b>
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**A.9. Provide details on the conditions and term of the mandate in force, so that the Board of Directors may acquire and transfer treasury stock.**

On the date this report was approved, the authorization granted by the Company's General Shareholders' Meeting held on May 28, 2010 empowering the Board of Directors to acquire treasury stock was in effect. A literal transcription of the resolution adopted by the aforementioned Meeting for the tenth item on the Agenda appears below:

"To expressly authorise the Board of Directors, with the express power of delegation, as per the dispositions in article 75 of the Companies Law for the derivate acquisition of the Gamesa Corporación Tecnológica, Sociedad Anónima's own shares in the following terms:

- a.- The acquisitions may be made directly by Gamesa Corporación Tecnológica, Sociedad Anónima or indirectly by any of the companies in which it has a controlling holding.
- b.- The share acquisitions, which must be fully paid up and free of charges or costs, will be made through sales, swaption or any other legally permitted operations.
- c.- The acquisitions may be made at any time and up to the legally allowed maximum figure.

- d.- The minimum share price will be their nominal value and the maximum will not be 10% above their market quotation value on the date of acquisition.
- e.- That the liabilities section of the Company Balance Sheet is endowed with a non-disposable reserve fund equivalent to the sum of the Company shares entered as assets. This reserve fund must be maintained until the shares have been transferred or capitalised.
- f.- The shares acquired may subsequently be transferred in freely decided conditions.
- g.- The present authorisation is awarded for a maximum period of 5 years, expressly repealing the unused part of the authorisation awarded by the Company Shareholders' Ordinary General Meeting held on May 29, 2009.

For the purposes conceived in article 75, point 1, paragraph two of the Revised Text of the Companies Law, to award express authorisation for acquisition of the Company's shares by any of its acquired companies in the same terms as those of the present agreement.

Lastly, and in relation to the dispositions in article 75, point 1, last paragraph of the Companies Law, in its rewritten text given by Law 55/1999, of 29<sup>th</sup> December, it is stated that the shares that are acquired under the present authorisation, may be used by the Company for, amongst other purposes, giving to Company employees or administrators either directly or deriving from the exercise of option or other rights contemplated in incentive plans of which they are holders and/or beneficiaries as considered in the relevant legislation, statutes or regulations."

**A.10 State any legal or bylaw constraints on exercising voting rights, as well as any legal constrains on the acquisition or transfer of shareholdings.**

State whether there are any legal constraints on exercising voting rights.

**Yes  No**

<b>Maximum percentage of voting rights that a shareholder may exercise due to legal constraints</b>	
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State whether there are any bylaw constraints on exercising voting rights.

**Yes  No**

<b>Maximum percentage of voting rights that a shareholder may exercise due to bylaw constraints</b>	
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<b>Description of legal and bylaw constraints on exercising voting rights</b>

<p>NOTICE. The present document is a translation of a duly approved document in Spanish- language, and it is only provided for informational purposes. Shall a discrepancy between the present translation and the original document in Spanish-language appear, the text of the original Spanish-language document shall always prevail.</p>
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State whether there are any legal constraints on the acquisition or transfer of shareholdings.

Yes

No

<b>Describe any legal constraints on the acquisition or transfer of shareholdings</b>

**A.11 State whether the General Shareholders' Meeting has resolved to adopt any measures to neutralize takeover bids pursuant to the provisions set forth in Law 6/2007.**

Yes

No

If so, explain the measures approved and the terms under which the constraints would turn out to be ineffectual.



## **B** STRUCTURE OF THE COMPANY'S MANAGEMENT

### **B.1 Board of Directors**

#### **B.1.1 State the maximum and minimum number of directors set forth by the bylaws:**

<b>Maximum number of directors</b>	15
<b>Minimum number of directors</b>	3

#### **B.1.2 Complete the following table with details on the Board Members:**

<b>Name or trade name of the director</b>	<b>Represented by</b>	<b>Office in the Board</b>	<b>Date of first appointment</b>	<b>Date of last appointment</b>	<b>Procedure of appointment</b>
Calvet Spinatsch, Jorge		Chairman and CEO	10-07-2005	05-25-2007	General Shareholders' Meeting
Arregui Ciarsolo, Juan Luis		Deputy Chairman	01-28-1976	05-25-2007	General Shareholders' Meeting
Fernández-Lerga Garralda, Carlos		Lead Independent Director	10-07-2008	10-07-2008	General Shareholders' Meeting
Rodríguez-Quiroga Menéndez, Carlos		Director and Secretary	09-27-2001	05-25-2007	General Shareholders' Meeting
Vázquez Egusquiza, José María		Director	05-25-2007	05-25-2007	General Shareholders' Meeting
Iberdrola, S.A.	Delgado Martín, Agustín	Director	06-26-2008	06-26-2008	General Shareholders' Meeting
Lada Díaz, Luis		Director	10-23-2009	10-23-2009	General Shareholders' Meeting
Ferrero-Waldner, Benita		Director	02-24-2010	02-24-2010	General Shareholders' Meeting
Aracama Yoldi, José María		Director	03-08-2011	03-08-2011	General Shareholders' Meeting
Rubio Reinoso, Sonsoles		Director	12-14-2011	12-14-2011	Board of Directors Cooption
<b>Total Number of Directors</b>					<b>10</b>

State the directors who left the Board of Directors during the period:

<b>Name or trade name of director</b>	<b>Status of director at the moment of relinquishing office</b>	<b>Date of leaving office</b>
Bergareche Busquet, Santiago	External Independent	02-11-2011
Velasco Gómez, Pedro	External Proprietary	12-14-2011

See note (B.1.2) in section G contained herein.

**B.1.3 Complete the following table on the Board Members and their status:**

**EXECUTIVE DIRECTORS**

<b>Director's name or trade name</b>	<b>Committee that proposed his/her appointment</b>	<b>Office held in the company's organization chart</b>
Calvet Spinatsch, Jorge	Appointments and Remuneration Committee	Chairman and CEO
Rodríguez-Quiroga Menéndez, Carlos	Appointments and Remuneration Committee	Secretary to the Board and Director and Legal Counsel

<b>Total number of executive directors</b>	2
<b>% total of the Board</b>	20%

**NON-EXECUTIVE DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDERS**

<b>Director's name or trade name</b>	<b>Committee that proposed his/her appointment</b>	<b>Name or trade name of the significant shareholder he/she represents or has put forward his/her appointment</b>
Rubio Reinoso, Sonsoles	Appointments and Remuneration Committee	IBERDROLA, S.A.
IBERDROLA, S.A.	Appointments and Remuneration Committee	IBERDROLA, S.A.

<b>Total number of directors representing significant shareholders</b>	2
<b>% total of the Board</b>	20%

**NON-EXECUTIVE INDEPENDENT DIRECTORS**

<b>Name or trade of director</b>	<b>Background</b>
<p align="center">Aracama Yoldi, José María</p>	<p>He was born in Pamplona (Navarra). He currently holds the position of Member of the Board of Directors and of the Appointment and Remuneration Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.</p> <p>He holds a Degree in Industry Engineering from the University of Navarra with a specialization in "Industrial Organization". He completed his studies with a Master in Business Administration in the IESE.</p> <p>Throughout his professional career he held different posts in the private and public sector. He was Financial Director and in charge of the registered office in Navarra of "Cementos Portland, S.A." (1979-1996), Economy and Tax Counsel in the Navarra Government (1996-1999), Director in Pamplona of "Cementos Portland, S.A." (1999-2001) and General Director of SODENA (Sociedad de Desarrollo de Navarra, S.A.) since 2001 until 2011.</p> <p>In parallel to his professional activity he was member of the Board of Directors of several companies.</p> <p>Since 2011 he is Assistant to the Chairman of the Cementos Portland Valderrivas Group and holds the position of representative of Compañía Auxiliar de Bombeo de Hormigón in the companies Cementos Leona, S.A., Corporación Uniland, S.A. and Uniland Cementera, S.A., among others. Likewise he holds the position of representative of Participaciones Estella 6 in the companies Navarra de Transportes, S.A., among others, and is member of the Council of OFICEMEN (Agrupación de fabricantes de cemento de España).</p> <p>Since 2000 he is a lecturer of Finance in the Executive MBA of the Foro Europeo in Pamplona and since 2011 is a member of the Social Board of the Public University of Navarra.</p>
<p align="center">Fernández-Lerga Garralda, Carlos</p>	<p>Born in Pamplona (Navarra). He is currently Lead Independent Director, and Chairman of the Appointment and Remuneration Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.</p> <p>He holds a Law degree from the University of Navarra, a Master in European Studies from the University of Louvaine in Belgium and did doctorate courses in Law at the Complutense University in Madrid and specialized in Corporate Law at the Bank of Spain's Training Center.</p> <p>He finished his studies in International Law at the Hague International Academy of Law, in Comparative Law and International Organizations at Strasbourg and the Collège Universitaire d'Etudes Fédéralistes in Nice, Val d'Aosta.</p>

	<p>He is a practicing lawyer and currently holds several positions, including member of the Board of Directors and Chairman of the Audit Committee of Inmobiliaria Colonial, S.A. and Soci��t�� Fonci��re Lyonnaise (SFL), General Director of La Caixa. He is also Patron of the Spain-United States Foundation, Patron of the Spain-China Foundation and Patron of the Sapin-India Foundation.</p> <p>He has held several positions throughout his professional career. He was an advisor to the Minister and to the Secretariat of State for Relations with the European Community (negotiating Spain’s accession to the European Community, May 1978 - December 1983), General Manager of Asesoramiento Comunitario, S.A. belonging to Grupo Banco Hispano Americano (1984-1985), and member of the Board of Directors of Abantia Corporaci��n. He has also been member of the Executive Committee of the Real Instituto Elcano de Estudios Internacionales y Estrat��gicos, member of the Executive Committee of the Euroam��rica Foundation, member of the World Federalist Youth Secretariat (Amsterdam, The Netherlands), Secretary of the European League for Economic Cooperation (LECE), Secretary of the Fundaci��n para el Progreso y la Democracia, and Representative (Treasurer) of the Government Meeting of the Madrid Bar Association.</p> <p>He has developed an important teaching work in the Political Sciences Department of the Complutense University, in the Institute for European Studies of the University of Alcal�� de Henares, in the Diplomat School, in the Patronat Catal�� pro Europa, in the Instituto de Empresa or in the EOI, among others.</p> <p>He is the author and co-author of numerous works about Competition Law, European Law and Intellectual Property Law. He has published many articles on economics and general information in the press.</p> <p>He has also given many talks in Spanish at foreign universities and institutions, as well as delivered papers in Congresses.</p> <p>He has been awarded the Encomienda de la ��rden de M��rito Civil (a Spanish civil distinction).</p>
Lada D��az, Luis	<p>He was born in Mieres (Asturias). He currently holds the position of Member of the Board of Directors and of the Audit and Compliance Committee of GAMESA CORPORACI��N TECNOL��GICA, S.A.</p> <p>He holds a Degree in Telecommunications Engineering from the Polytechnic University of Madrid. He is “Ad Honorem” Professor and permanent member of the Royal Academy of Engineering.</p>

	<p>After a short period in the Superior Board of Scientific Investigations (Consejo Superior de Investigaciones Cientificas) he joined, in 1973, the Center of Investigations and Studies of Telefonica, company where he mostly has developed his professional career. In 1984, he was appointed as Responsible for Planning and Technology. Between 1989 and 1993 he worked for the Amper Group, as General Director of Planning and Control, and after that he returned to Telefónica as Responsible of its Group of Subsidiaries and Participated Companies. In 1994 he was appointed Chairman of Telefonica Moviles España. In August, 2000, he became member of the Board of Directors of Telefonica, S.A., member of its Executive Committee and Executive Chairman of Telefonica Moviles, S.A. In August, 2003, he assumed the General Directorate of Development, Planning and Regulation of the Telefonica Group. Between December 2005 and July 2006 he was Executive Chairman of Telefonica de España.</p> <p>Currently, he is General Director of Ribafuerte, S.L., member of the Board of Directors of Indra Sistemas, of Telefónica I+D and of Ydilo AVS; member of the Circulo de Empresarios and of the "Fundación de la Innovación Bankinter" and Advisor of Telefónica, Teldat and ASSIA Inc.</p> <p>He has been member of the Government Board and Vice Chairman of the Spanish Telecommunications Engineers Association, as well as member of the Board of Directors of several companies of the Information Technology field. He has been awarded with different professional and business honours.</p>
<p>Vázquez Egusquiza, José María</p>	<p>He was born in Bilbao (Vizcaya). He currently holds the position of Member of the Board of Directors and Chairman of the Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.</p> <p>He holds an Industrial Metallurgic Engineering Degree and an Economics Degree from the University of País Vasco, having completed his training with various Masters in the USA and Sweden.</p> <p>His professional career has been developed mainly in the metallurgic sector. He started at Babcock &amp; Wilcox as an engineer of materials and weld in the valves for the nuclear power station department, holding afterwards management positions at different companies of the País Vasco within the metallurgic sector, equipments, shipping and construction.</p> <p>He is currently, among others, Chairman of the Confederación Empresarial de Bizkaia (CEBEK), Chairman of the Board of Directors of GIROA (Grupo Dalkia), Director of Bilbao's Port Authority, member of the Strategic Committee of IK4 Research Alliance and member of the Patronato and the Strategic Board of the Centro de Estudios e Investigaciones Técnicas de Gipuzkoa (CEIT).</p>

	<p>He has performed, among others, tasks of President of the Industrial Politics Committee of CONFEBASK, member of the Board of Directors of CEOE, President of the Technological Innovation Committee of CEOE, member of the Corporate Committee for CEOE's Information Company, Director of Centro de Diseño Industrial of Bizkaia, member of the Board of Directors of Asociación Española para el Desarrollo de la Soldadura and member of the Board of Directors of SEOPAN.</p> <p>He has developed an intensive educational and disclosed work.</p>
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<b>Total number of independent directors</b>	4
<b>% total of the Board</b>	40%

**OTHER EXTERNAL DIRECTORS**

Director's name or trade name	Committee that proposed his/her appointment
Arregui Ciarsolo, Juan Luis	Appointments and Remuneration Committee
Ferrero-Waldner, Benita	Appointments and Remuneration Committee

<b>Total number of other external directors</b>	2
<b>% total of the Board</b>	20%

State the reasons why they cannot be considered as directors representing significant shareholders or independent directors and their links, either with the company, its management staff or its shareholders.

Name or trade name of the director	Reasons	Company, management staff member or shareholder with whom he/she is linked
Arregui Ciarsolo, Juan Luis	His resignation as Director of IBERDROLA, S.A. motivated the loss of the External Proprietary character.	IBERDROLA, S.A.
Ferrero-Waldner, Benita	Receipt of economic amounts for services rendered to GAMESA CORPORACIÓN TECNOLÓGICA, S.A.	GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

State any changes that have come about during the period regarding the type of each director:

Name or trade name of the director	Date of change	Former classification	Current classification

**B.1.4 State the reasons, if any, for the appointment of directors representing significant shareholders at the proposal of shareholders whose stake is below 5% of share capital:**

Name or trade name of significant shareholder	Reason

State if any formal requests have been rejected for a presence on the Board made by shareholders whose stake is equivalent to or greater than that of other shareholders who have had directors to represent them appointed. If so, explain the reasons why such requests have been rejected:

Yes

No

Name or trade name of significant shareholder	Explanation

**B.1.5 State if any director has relinquished office before the end of his/her term of office, whether he/she has explained the reasons for doing so and how he/she has notified the Board. If he/she has done so in writing to the whole Board, explain the reasons he/she has given below:**

Name of director	Reason for relinquishing office
Bergareche Busquet, Santiago	Personal reasons
Velasco Gómez, Pedro	Personal reasons

**B.1.6 State, if any, the powers of attorney granted to the CEO(s).**

Name or trade name of the director	Brief description
Calvet Spinatsch, Jorge	GAMESA CORPORACIÓN TECNOLÓGICA S.A.'s Board of Directors unanimously resolved, with a previous favourable report of the Appointments and Remuneration Committee, to appoint Mr. Jorge Calvet Spinatsch as Chairman of the Board and CEO of the company, at its meeting held on October 8, 2009 and delegated all the powers that correspond to the Board of Directors to him pursuant to the Law and the Corporate Bylaws, apart from those that cannot be delegated. Mr. Calvet accepted the appointment at the same meeting.

**B.1.7 Name the board members, if any, who hold positions as administrators or managers in other companies forming part of the listed company's group:**

Name or trade name of the director	Trade name of the company belonging to the group	Office

**B.1.8 Name any directors of your company who are known by your company to be members of the board of other companies listed on official Spanish stock markets other than companies in your group:**

Name or trade name of the director	Trade name of the listed company	Office
Arregui Ciarsolo, Juan Luis	GRUPO EMPRESARIAL ENCE, S.A.	Chairman
	CARTERA INDUSTRIAL REA, S.A.	First Deputy Chairman
Calvet Spinatsch, Jorge	QUABIT INMOBILIARIA, S.A.	Director
Fernández-Lerga Garralda, Carlos	INMOBILIARIA COLONIAL, S.A.	Director
Lada Díaz, Luis	INDRA SISTEMAS, S.A.	Director

See note (B.1.8) in section G contained herein.

**B.1.9 State and, if necessary, explain whether the company has laid down any rules concerning the number of boards in which its directors may sit:**

Yes  X

No   $\neq$

Explanation of the rules
<p>Article 7 of the Regulations of the Board of Directors establishes rules about the number of Boards of which its Directors can be a member:</p> <p><b><i>"Article 7.- Requirements for becoming a Board Member</i></b></p> <p><i>No natural persons or legal entities may become a Member of the Board, nor hold other executive posts in the Company, if they are incompatible with this post, in accordance with current legal provisions, the Company's Bylaws and the Regulations. Specifically, and without limitation, the following may not become Members of the Board:</i></p> <p><i>a) Any person acting in the capacity of administrator of three or more enterprises whose shares are traded on domestic or foreign markets.</i></p> <p><i>(...)"</i></p>



**B.1.10 Concerning recommendation number 8 of the Unified Code, state the company's overall policies and strategies that the Board as a whole has reserved for its approval:**

	<b>Yes</b>	<b>No</b>
<b>The investment and financing policy</b>	X	
<b>Defining the group of companies' structure</b>	X	
<b>The corporate governance policy</b>	X	
<b>The corporate social responsibility policy</b>	X	
<b>The strategic or business plan, as well as annual management targets and budget</b>	X	
<b>The senior management remuneration and performance assessment policy</b>	X	
<b>The risk control and management policy, as well as the regular monitoring of internal information and control systems</b>	X	
<b>The dividend policy, as well as the treasury stock policy and, in particular, its constraints.</b>	X	

See note (B.1.10) in section G contained herein.

**B.1.11 Complete the following tables on the directors' total remuneration during the financial year:**

**a) Remuneration from the reporting company:**

<b>Remuneration item</b>	<b>Figure in thousands euros</b>
<b>Fixed remuneration</b>	1,969
<b>Variable remuneration</b>	848
<b>Allowances</b>	321
<b>Bylaw items</b>	135
<b>Stock options and/or other financial instruments</b>	
<b>Others</b>	
<b>TOTAL:</b>	

<b>Other Benefits</b>	<b>Figure in thousands euros</b>
<b>Advances</b>	
<b>Loans granted</b>	
<b>Pension Schemes and Funds: Contributions</b>	
<b>Pension Schemes and Funds: Liabilities contracted</b>	
<b>Life insurance premiums</b>	37
<b>Guarantees extended by the company to directors</b>	

**b) Remuneration earned by the company's directors from other boards of directors and/or as senior executives of group companies:**

<b>Remuneration item</b>	<b>Figure in thousands euros</b>
<b>Fixed remuneration</b>	
<b>Variable remuneration</b>	
<b>Allowances</b>	
<b>Bylaw items</b>	
<b>Stock options and/or other financial instruments</b>	
<b>Others</b>	
<b>TOTAL:</b>	

<b>Other Benefits</b>	<b>Figure in thousands euros</b>
<b>Advances</b>	
<b>Loans granted</b>	
<b>Pension Schemes and Funds: Contributions</b>	
<b>Pension Schemes and Funds: Liabilities contracted</b>	
<b>Life insurance premiums</b>	
<b>Guarantees extended by the company to directors</b>	

**c) Total remuneration by type of director:**

<b>Type of director</b>	<b>From company</b>	<b>From group</b>
<b>Executive directors</b>	1,999	
<b>Non-executive directors representing significant shareholders</b>	242	
<b>Non-executive independent directors</b>	753	
<b>Other non-executive external directors</b>	316	
<b>Total</b>	<b>3,310</b>	

**d) Remuneration in relation to profits attributed to the parent company:**

<b>Directors' total remuneration (in thousands euros)</b>	3,310
<b>Total directors' remuneration/profits attributed to parent company (expressed in %)</b>	5.74

See note (B.1.11) in section G contained herein.

**B.1.12 Identify the members of senior management who are not simultaneously executive directors, and state the total remuneration due to them during the financial year:**

<b>Name or trade name</b>	<b>Office</b>
Chocarro Melgosa, Ricardo	Operations Managing Director
Cortajarena Manchado, José Antonio	General Secretary
Giménez Sainz de la Maza, Iñigo	Chief Operating Officer
Iñarritu Ibarreche, Juan Ramón	Financial Managing Director
Malumbres García, José Antonio	Technology Managing Director
Monzón Arribas, Teodoro	Wind Farm Development and Sales Managing Director
Perea Sáenz de Buruaga, Javier	Offshore Managing Director
Blanco Dieguez, José Luis	Commercial and Projects Managing Director
Zarza Yabar, Félix	Manager of Internal Audit

<b>Total senior management remuneration (in thousands euros)</b>	<b>4,378</b>
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See note (B.1.12) in section G contained herein.

**B.1.13 State in general terms if guarantee or golden handshake clauses exist in favor of the company's or its group's senior management members in the event of dismissal or changes of control, including executive directors. State whether such agreements have been notified to and/or approved by the governing bodies of the company or of its group:**

<b>Number of beneficiaries</b>	<b>8</b>
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	<b>Board of Directors</b>	<b>General Shareholders' Meeting</b>
<b>Body authorizing the clauses</b>	X	

	<b>YES</b>	<b>NO</b>
<b>Is the General Shareholders' meeting informed about the clauses?</b>	X	

See note (B.1.13) in section G contained herein.

**B.1.14 Describe the process for setting board members' remuneration and cite the relevant clauses of the bylaws.**

<b>Process for setting the remuneration of members of the Board of Directors and the Bylaw clauses</b>
<p><u>1. The remuneration of the members of the Board of Directors according to the internal regulation of the company:</u></p> <p>The internal regulation of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. rules the remuneration of the members of the Board of Directors in the following articles:</p> <ul style="list-style-type: none"> <li>- Article 46 of the Bylaws</li> <li>- Article 31 of the Board of Directors Regulation</li> </ul> <p><u>2. Application of the internal regulation of the company in the remuneration of the Board of Directors in the fiscal year 2011:</u></p> <p>According to the "Report regarding the remuneration policy of the Board of Directors in the fiscal year 2011 and its application in the fiscal year 2010", approved by the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., and submitted to consultative voting in the Shareholder's General Meeting that took place on May 25, 2011, we proceed to detail the remuneration system that was effectively applied by GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and, more precisely, during the fiscal year 2011.</p>

Remuneration of the members of the Board of Directors for their activity as Directors:

The remuneration of the members of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. for their activity as Directors is on one hand an annual fixed remuneration for their membership of the Board of Directors and of the Audit and Compliance Committee and Appointment and Remuneration Committee and on the other hand an allowance for attending the meetings of the Board of Directors and the meetings of the above-mentioned Committees.

The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., on proposal of the Appointments and Remuneration Committee, approved the freeze of the fixed remuneration and of the attendance allowances of the meetings of the Board of Directors and of the Committees.

Remuneration of the Chairman and Chief Executive Officer and of the rest of Executive Directors, if applicable:

According to the By-Laws and the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., the remuneration of the Directors for the performance of his activity is independent to the remuneration that, with a general or singular character, is recognized to the members of the Board of Directors that fulfil executive duties or professional orders.

The basic principle of the remuneration policy of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is to establish an attractive remuneration structure for the Chairman of the Company which contributes to the fulfilment of the strategic objectives of the Business Plans defined by the Board of Directors.

a) Remuneration of the Chairman and Chief Executive Officer:

The remuneration that the President and CEO shall receive for the performance of his executive duties covers the following concepts:

- Fixed remuneration
- Variable remuneration:
  - o Annual and/or
  - o Long term and/or
  - o Bylaw items and risk coverage.

The annual Variable Remuneration has as reference indicators and key objectives for the fulfilment of the strategic objectives of the Company defined in the Business Plan 2011-2013 (growth, cost of energy and efficiency).

On the other hand, the Shareholders' General Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. held on May 25, 2011 approved the implementation of a Long Term Incentive Plan through the delivery of shares of the company (hereinafter, the "Plan") aimed to the Chairman, Senior Managers, Managers and employees of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and, if applicable, of the dependent companies, bound to the achievement of the strategic targets of the Business Plan 2011-2013.

***b) Remuneration of the Member-Secretary-Legal Adviser of the Board of Directors and Secretariat of the Committees:***

According to the By-Laws and the Board of Directors Regulations, the Member-Secretary-Legal Adviser of the Board of Directors and Secretary non member of the Committees receives remuneration for the professional services he renders that the Company entrusts him. On the contrary, the remuneration policy of the Board of Directors does not include the payment of a Variable Remuneration being limited this variable remuneration to the President and CEO of the Company.

State whether the Board as a whole has reserved the approval of the following decisions for itself:

	Yes	No
<b>At the proposal of the company's chief executive, appointing and relieving senior managers of office, along with their compensation clauses.</b>	X	
<b>Directors' remuneration, as well as any additional remuneration for executive directors due to their executive functions and other conditions that their contracts must comply with.</b>	X	

See note (B.1.14) in section G contained herein.

**B.1.15 State whether the Board of Directors approves a detailed remuneration policy and specify the matters on which it takes decisions:**

Yes  No

	Yes	No
<b>Amount of fixed items with a breakdown, should it be the case, of allowances for taking part in Board and Committee Meetings and an estimate of the fixed annual remuneration from which these arise</b>	X	
<b>Variable remuneration items</b>	X	
<b>Main features of social welfare schemes, along with an estimation of their amount or annual equivalent cost</b>	X	
<b>Conditions which the contracts of any individuals performing senior management functions as executive directors must comply with, among which they will be included</b>	X	

**B.1.16 State whether the Board brings a report on the directors’ remuneration policy before the General Shareholders’ Meeting’s for its approval as a separate item on the agenda. If so, explain the aspects of the aforementioned report on the remuneration policy approved by the Board for the coming years, the most significant changes made to such policies compared to the policy applied during the financial year and an overall summary of how the remuneration policy was applied during the financial year. Provide details on the role played by the Remuneration Committee, whether external advice has been used and identify any external consultants that have provided such advice:**

**Yes**

**No**

**Matters on which the remuneration policy report takes a stance**

The fifth final disposition of the Law 2/2011, of March 4, of Sustainable Economy, included a new article 61 ter in the law 24/1988, of July 28, of the Securities Market, which states that the Board of Directors of the public companies must prepare an annual report about the remuneration of its Directors and must include complete, clear and understandable information about the remuneration policy of the company approved by the Board of Directors for the current year, as well as a global summary of how the remuneration policy was applied during the year and the detail of the individual remuneration of each Director.

The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. fulfilling the previous regulation prepared, in its meeting of April 15, 2011, the abovementioned annual report about the remuneration of its Directors, report that was informed by the Appointment and Remuneration Committee and was submitted to consultative voting, as a separate item on the agenda, in the Shareholders’ General meeting of May 25, 2011.

The report about the remuneration policy describes the following items:

- a) Competent body for establishing the remuneration of the Board of Directors, global limit to the remuneration and moderation and adaptation to the post principles
- b) Remuneration of the members of the Board of Directors for their activity as Directors (fixed remuneration, attendance allowances, by-law items, risk coverage, compensations for resignation before the ending of the appointment period), application of the remuneration policy of the Board of Directors in the fiscal year 2010, and application of the remuneration policy of the Board of Directors in the fiscal year 2011.
- c) Chairman and CEO remuneration, and of the rest of Executive Directors, if applicable:
  - a. Company’s Chairman and CEO remuneration:
    - i. Fixed remuneration
    - ii. Variable remuneration (annual variable remuneration, long term variable remuneration, by-law items and risk coverage)
    - iii. Application of the remuneration policy of the Chairman and CEO in the fiscal year 2010.
    - iv. Application of the remuneration policy of the Chairman and CEO in the fiscal year 2011

v. Basic conditions of the contract of the Chairman and CEO:

1. Applicable regulation.
2. Indefinite duration and compensations.
3. Non concurrence.
4. Confidentiality.

b. Remuneration of the Member-Secretary-Legal Adviser of the Board of Directors:

- i. Application of the remuneration policy of the Member-Secretary-Legal Adviser of the Board of Directors in the fiscal year 2010.
- ii. Application of the remuneration policy of the Member-Secretary-Legal Adviser of the Board of Directors in the fiscal year 2011.

d) Long Term Incentive Program 2011-2013.

**1. Application of the remuneration policy of the Board of Directors in the fiscal year 2010:**

The application of the remuneration policy of the Board of Directors in the fiscal year 2010 has been ruled by the following parameters:

1. The Board of Directors of Gamesa, at proposal of the Appointments and Remuneration Committee approved the freeze, for the fiscal year 2010, of the fixed remuneration and the attendance allowances to the meetings of the Board of Directors and of the Committees.
2. The amount of the insurance premiums of death or disability, on one hand, and on the other of public liability, has been adjusted according to the market situation in the field of that insurances, reducing the total amount of the paid premiums in approximately a 20% in comparison to the fiscal year 2009.
3. The appointment during 2010 of a Deputy Chairman of the Board of Directors and of a Lead Independent Director has determined the yield of quantities for the exercise of those posts that on the fiscal year 2009 had only been yield on one part.
4. According to Article 61 *ter* of the Law 24/1998, July 28, of the Securities Market, introduced by Law 2/2011, March 4, of Sustainable Economy, the following detail of the yield remuneration of the external Directors is given:

- Juan Luis Arregui Ciarsolo (Deputy Chairman, Member App. and Rem. Com.).....	201,784.24€
- Carlos Fernández-Lerga Garralda (Chairman App. And Rem. Com. and LID).....	211,306.46€
- José María Vázquez Eguskiza (Chairman Audit and Compliance Com.).....	194,262.01€
- Pedro Velasco Gómez (member Audit and Compliance Com.).....	155,362.01€
- Luis Lada Díaz (member Audit and Compliance Com.).....	155,362.01€
- Santiago Bergareche Busquet (member App. and Rem. Com.).....	147,262,01€
- Iberdrola S.A.....	98,262.01€
- Benita Ferrero Waldner.....	83,409.26€
- Pascual Fernández Martínez.....	30,886.08€
- TOTAL .....	1,277,896.13€

The amount of the remunerations includes the total of the indicated concepts: fixed remuneration, attendance allowances, imputation of the cost of the public liability insurance of directors and managers and insurance premium for death or disability.



5. The total remuneration of the external Directors rises, consequently, to 1,227,896.13 euro, which represents the 2.2% of the net benefit of the fiscal year of the Company (57,548,501.12 euro).

**2. Application of the remuneration policy of the Board of Directors in the fiscal year 2011:**

The Board of Directors of Gamesa, on proposal of the Appointments and Remuneration Committee, has approved the freeze until new agreement, of the fixed remuneration and of the attendance allowances of the meetings of the Board of Directors and of the Committees.

**3. Application of the remuneration policy of the Chairman and CEO in the fiscal year 2010:**

The application of the remuneration policy of the Chairman of the Company during the fiscal year 2010 has been determined by the following parameters:

- The approval by the Board of Directors, at proposal of the Appointments and Remuneration Committee, of the fixed and variable remuneration and other contract conditions, including the assignment of the maximum number of "theoretical shares" of the long term incentive Program (Share plan 2009-2011) linked to the Business Plan 2009-2011, approved by the Shareholders' General Meeting of 2009 in the item nine of the Agenda.
- According to Article 61 ter of the Securities Market Law, introduced by the Sustainable Economy Law, the following detail of the yield remuneration of the Chairman is given:

TOTAL remunerations .....1,385,533.01€

- The total of remunerations includes the annual fixed and variable remuneration yield in the fiscal year 2010, as well as the cover yield in the accountancy and reflected in the annual report of the annual accounts of the Company that corresponds to the long term incentive of the Shares Plan 2009-2011.

**4. Application of the remuneration policy of the Chairman and CEO in the fiscal year 2011:**

The annual fixed and variable remuneration of the Chairman and CEO for the fiscal year 2011 is guided by the moderation principle and will include as remuneration concepts:

- a fixed remuneration, having agreed the freeze of it on initiative of the Chairman, maintaining it in the current terms under the moderation principle.
- a variable remuneration, linked to the aforementioned performance indicators.
- the assignment, if applicable, of a long term incentive bound to the Business Plan 2011-2013.

**5. Application of the remuneration policy of the Member-Secretary-Legal Adviser of the Board of Directors in the fiscal year 2010:**

- In his/her condition as member of the Board of Directors shall receive the fixed remuneration, allowances, bylaw items and risks coverage according to the set of rules established for all External Directors.
- The Board of Directors, at proposal of the Appointments and Remuneration Committee, has approved the terms of the contracts of services for his post, on one hand, as Secretary-Legal Adviser of the Board of Directors and, on the other, as Secretary of the two Committees of the Board of Directors (Audit and Compliance Committee and Appointments and Remuneration Committee).
- No compensations for resignation before the ending of the appointment period are foreseen.
- According to Article 61 ter of the Securities Market Law, introduced by the Sustainable Economy Law, the following detail of the yield remuneration of the Member-Secretary of the Board of Directors and the Committees:

TOTAL remunerations .....373,262.01€

- The total of remunerations includes the annual fixed and allowances yield for his post as Director, according to the general set of rules, and includes also the amounts for the performance of the executive duties of the Company, in particular, as Secretary-Legal Adviser of the Board of Directors and Secretary of the Audit and Compliance Committee and the Appointments and Remuneration Committee.

**6. Application of the remuneration policy of the Member-Secretary-Legal Adviser of the Board of Directors in the fiscal year 2011:**

The annual fixed remuneration and allowances those for being a Director are freezed, like for all the other Directors, until new agreement. Regarding the remuneration for the executive duties that he/she carries out, the professional services contracts, on one hand, as Secretary-Legal Adviser of the Board of Directors and, on the other hand, as Secretary of the two Committees of the Board (Audit and Compliance Committee and the Appointments and Remuneration Committee) are freezed, on initiative of the Member-Secretary, with maintenance of the current terms under the moderation principle.

**Role played by the Remuneration Committee**

Suggest to the Board of Directors the system and the amount of fixed remuneration and allowances of the Directors, as well as the remuneration of the Executive Directors and the rest of the conditions of their contracts, according to the internal regulations of the company. Likewise it informs the Board of Directors, for its approval, about the multi-year incentive systems, according to the Article 19.5.k) of the Board of Directors Regulations.

	<b>Yes</b>	<b>No</b>
<b>Has external advice been used?</b>	X	
<b>Identity of the external consultants</b>	- J&A Garrigues, S.L.P. - Uría Menéndez Abogados, S.L.P.	

See note (B.1.16) in section G contained herein.

**B.1.17 Indicate any directors who are also simultaneously board members, executives or employees of companies owning significant shareholdings in the listed company and/or in companies belonging to its group:**

<b>Name or trade name of the director</b>	<b>Trade name of significant shareholder</b>	<b>Office</b>
Rubio Reinoso, Sonsoles	IBERDROLA, S.A.	Internal Audit Manager for Renewable Business

Provide details of any relevant relationships of the members of the Board of Directors, other than the ones described in the preceding paragraph, which link them to significant shareholders and/or companies belonging to your group:

<b>Name or trade name of the linked director</b>	<b>Name or trade name of the linked significant shareholder</b>	<b>Describe relationship</b>
Rodríguez-Quiroga Menéndez, Carlos	IBERDROLA, S.A.	Provision of legal counseling services through a law firm

See note (B.1.17) in section G contained herein.

**B.1.18 State whether any amendments to the Board regulations have come about during the financial year:**

**Yes  No**

<b>Description of amendments</b>

**B.1.19 Describe the procedures to appoint, reappoint, assess and dismiss directors. Specify the competent bodies, the formal steps to be taken and the criteria used in each of the procedures.**

Appointment procedure:

Pursuant to Article 32 of the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. By-Laws the members of the Board are "elected by the Annual General Meeting" with the forecast that "*if vacancies arise during the period for which Directors are appointed, the Board of Directors can appoint shareholders to occupy them until the first Annual General Meeting is held*" and always in accordance with the provisions contained in the Capital Companies Law (Ley de Sociedades de Capital) and the By-Laws.

According to Articles 19.5. b) and 23.2 of the Board of Directors Regulations the proposals for the appointment of Directors that the Board of Directors may bring before the General Shareholders' Meeting for its consideration and any appointment decisions said body may take by virtue of the powers of cooptation legally attributed to it shall be preceded by the respective proposal issued by the Appointments and Remuneration Committee in the case of Non-Executive Independent Directors, and by a relevant report of the mentioned Committee in the case of the rest of Directors. Article 23.3 of the Board of Directors Regulations establishes that "*when the Board of Directors declines the proposal or the report of the Appointment and Remuneration Committee, it must justify its reasons and include a record of it in the minutes.*"

Article 24 of the same Regulations additionally states that "*the Board of Directors and the Appointment and Remuneration Committee shall make an effort, within the sphere of their competencies, to ensure that the proposal and appointment of candidates falls on individuals of renowned reputation, credibility, solvency, competence and experience. They shall take special care regarding the individuals called upon to fill the positions of Independent Directors.*"

*In the case of Directors who are legal persons, the individual who represents them in performing the functions of the position shall be subject to the conditions of reputation, credibility, solvency, competence and experience set forth in the preceding paragraph and shall be personally required to carry out the Director's duties set forth in these Regulations.*"

Finally, the Article 19.5 ñ) of the Board of Directors Regulations confers the Appointments and Remuneration Committee the responsibility of ensuring that when new vacancies on the Board of Directors are filled, the selection procedures do not suffer from any implicit discriminatory biases due to any reason whatsoever.

Appointments occurred:

According to the Significant Event number 144470 sent to the CNMV on date May 25, 2011, the Shareholders' General Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. approved the ratification of the appointment as member of the Board of Directors, under the category of external independent, of Mr. José María Arcama Yoldi, appointed by cooption by the Board of Directors, at proposal of the Appointments and Remuneration Committee in his meeting held on February 23, 2011 (Significant Event number 139850).

According to the Significant Event number 154731 sent to the CNMV on date December 14, 2011, the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., with prior report of the Appointments and Remuneration Committee, the appointment, by cooption, of Ms. Sonsoles Rubio Reinoso as member of the Board of Directors under the category of external proprietary.

Reappointment procedure:

In relation with the reappointment of the members of the Board of Directors, the Article 25 of the Board of Directors Regulations establishes that *"any proposals for re-election of Directors that the Board of Directors may decide to bring before the General Shareholders' Meeting must be subject to a formal assessment process, of which a report issued by the Appointment and Remuneration Committee must form part, containing an evaluation of the quality of work and dedication to the position of the Directors proposed during the preceding mandate. For these purposes, the Directors that form part of the Appointment and Remuneration Committee shall be evaluated by this Committee and each of them must abstain from taking part in the deliberations and votes that affect them. The Chairman, Deputy Chairmen and, as the case may be, the Secretary and the Deputy Secretary of the Board of Administration who are re-elected as Directors as per a resolution of the General Shareholders' Meeting, shall continue to perform their tasks on the Board of Directors without the need for a new election, without prejudice to the Board's power to revoke such positions.*

Assessment procedure:

Regarding the assessment the Article 20.7 of the Board of Directors Regulations states that *"before the end of each year, the Board of Directors shall draw up an annual plan for regular meetings. The Board shall devote at least one meeting per year for evaluating (i) the quality and effectiveness of its operations, (ii) the Chairman's and CEO's performance of their responsibilities, based on a report prepared by the Appointment and Remuneration Committee, and (iii) the operation of the committees, based on the reports they submit to the Board of Directors."*

In the exercise of that regulatory measure the Appointments and Remuneration Committee presented to the Board of Directors a report about the assessment, each made separately, of the Chairman and CEO of the company, of the Board of Directors, and of the proper Appointments and Remuneration Committee, report that was examined and approved by the Board of Directors in his meeting of April 15, 2011. In the same way, the Audit and Compliance Committee presented to the Board of Directors a report about his operation that was examined and approved by the Board of Directors in the aforementioned meeting of May 25, 2011.

Vacation procedure:

The vacation of directorships is governed by Article 27 of the Board of Directors Regulations which sets forth that *"The Directors shall stand down once the term of office for which they were appointed has elapsed, without prejudice to the possibility of being re-elected, and whenever the General Shareholders' Meeting may so decide pursuant to its legal and statutory powers. Likewise, the Board of Directors may propose a Director's dismissal to the General Shareholders' Meeting."*

The formal steps and criteria to be followed for the vacation of office shall be those set forth in the Capital Companies Law (*Ley de Sociedades de Capital*) and in the Companies Registry Regulations (*Reglamento del Registro Mercantil*).

Additionally the section 2 of the Article 27 of the Board of Directors Regulations, contains the circumstances in which the Directors shall place their position at the Board of Directors' disposal and formally tender their resignation, if the Board sees fit after a report is issued by the Appointment and Remuneration Committee (see section B.1.20 of the present document).

#### **B.1.20 State the circumstances in which directors are obliged to stand down.**

According to Article 27.2 of the Board of Directors Regulations, *"the Directors shall offer their resignation to the Board of Directors and formally tender their resignation, if the Board sees fit, subject to a report issued by the Appointment and Remuneration Committee, in the following cases:*

- a) Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the holders of significant stable stakes in the Company, as well as whenever such shareholders revoke the representation.*
- b) Concerning Executive Directors, whenever the Board may deem fit.*
- c) Concerning External Directors, whenever they join the Company's management or the management of any of the Group's companies.*
- d) Concerning Independent Directors, when for any other reason any of the circumstances set forth in Article 8.2 of these Regulations apply, causing an incompatibility with their status as an Independent Director.*
- e) Whenever due to circumstances beyond their control, they are involved in a conflict of interest or prohibition as set forth in current legislation, the Bylaws or these Regulations.*
- f) Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them for the opening of trial for any of the offences set forth in the provision of the Corporations Law (Ley de Sociedades Anónimas) relating to the prohibitions on being an administrator, or whenever they are involved in disciplinary proceedings for a serious or very serious offense brought by the supervisory authorities.*
- g) When they reach the age of 70 years. Standing down as a Director shall come about during the first meeting of the Board of Directors held after the General Shareholders' Meeting in which the annual accounts are approved for the financial year in which the Director reaches the aforementioned age.*
- h) Whenever they stand down from executive positions linked to their appointment as a Director.*
- i) Whenever they are issued a serious warning by the Audit and Compliance Committee or are sanctioned for a serious or very serious offence by a public authority for having breached their duties as a Director.*
- j) Whenever their continuity on the Board may put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.*
- k) When acts attributable to the Director acting in such a capacity cause a significant damage to the company's equity, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company."*

Resignations occurred:

According to the Significant Event 138165 sent to the CNMV on February 14, 2011, the external independent Mr. Santiago Bergareche Busquet resigned, through a letter addressed to GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and received on February 11, 2011, as Member of the Board of Directors and of the Appointment and Remuneration Committee because of strict personal reasons related to the dedication that his responsibilities in other companies demand him.

According to the Significant Event number 154731 sent to the CNMV on date December 14, 2011, in the meeting of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. held on the same day, the external proprietary Director Mr. Pedro Velasco Gómez resigned, for personal reasons, as member of the Board of Directors and of the Audit and Compliance Committee.

**B.1.21 State whether the role of the company's chief executive officer is linked to the office of Chairman of the Board. If so, state the measures that have been taken to limit the risks of accumulating too much power in the hands of a single person:**

Yes X

No

**Measures to limit risks**

Several precautionary measures have been adopted by GAMESA CORPORACIÓN TECNOLÓGICA, S.A. in order to reduce the risks of concentrating too much power in the hands of a single person, measures that are described as follows:

1. Appointment of one External Independent Director of the Company as Lead Independent Director

Pursuant to the provisions set forth in Article 6.2.c) of the Board of Directors Regulations, the Board of Directors will adopt all measures necessary for assuring that a single individual or a small group of people shall not hold decision-making powers that are not subject to checks and balances.

Article 11 of the Board of Directors Regulations establishes that "*when the Chairman of the Board also acts as the Company's CEO, the Board of Directors may, subject to a report from the Appointment and Remuneration Committee, empower one Deputy Chairman, in the case of an Independent Director, or one of the Independent Directors so that he/she may (i) coordinate and echo the concerns of the External Directors, (ii) request that the Chairman call a Board meeting or include new items in the Agenda whenever deemed advisable, (iii) supervise the Board's assessment of its Chairman, and (iv) propose amendments to the Regulations of the Board of Directors.*"

Consequently, the presence of a Lead Independent Director means a limit to concentrate too much power in a single person.

In the meeting of the Board of Directors of April 21, 2010 it was approved to appoint the external independent Director Mr. Carlos Fernández-Lerga Garralda as Lead Independent Director (Significant Event number 123906).

2. Absence of the Chairman and CEO in the meetings of the consultative and supervisory Committees of the Board of Directors

The Board of Directors Regulations states in the Articles 18.1 and 19.1 that the Audit and Compliance Committee and the Appointments and Remuneration Committee are comprised of a minimum of three and a maximum of five External Directors.

Consequently, because of the executive category of the CEO he can not be a member of any of the aforementioned Committees of the Board of Directors, that have information, advisory and proposal, supervision and control faculties, as it is expressly prohibited in the By-Laws, the Board of Directors Regulations and in the Audit and Compliance Committee Regulations. All of it without prejudice of the request of the aforementioned Committees that the Chairman and CEO informs in them about matters of his competence.

3. Functions reserved to the Board of Directors

Following the Article 5 of the Board of Directors Regulations establishes the mission and functions of the Board of Directors and of its content it is remarkable paragraph 7 that states that *"Any powers which pursuant to Law, the Bylaws or an express internal rule are reserved exclusively to the Board of Directors may not be delegated."*

4. Assessment of the Chairman and CEO

The Article 20.7 of the Board of Directors regulations states that *"before the end of each year, the Board of Directors shall draw up an annual plan for regular meetings. The Board shall devote at least one meeting per year for evaluating (i) the quality and effectiveness of its operations, (ii) the Chairman's and CEO's performance of their responsibilities, based on a report prepared by the Appointment and Remuneration Committee, and (iii) the operation of the committees, based on the reports they submit to the Board of Directors."*

Consequently, the performance of his functions by the Chairman and the CEO, besides of being under the censorship of the shareholders, is under the control of the Board of Directors and the Appointments and Remuneration Committee.

State and, if necessary, explain whether rules have been laid down empowering one of the independent directors to request the calling of a Board meeting or the inclusion of additional points on the agenda in order coordinate and address the concerns of non-executive directors and to direct assessments by the Board of Directors.

**Yes X**

**No**



**Explanation of the rules**

Article 11 of GAMESA CORPORACIÓN TECNOLÓGICA’s Board of Directors Regulations sets forth that “when the Chairman of the Board also acts as the Company’s CEO, the Board of Directors may, subject to a report from the Appointment and Remuneration Committee, empower one Deputy Chairman, in the case of an Independent Director, or one of the Independent Directors so that he/she may (i) coordinate and echo the concerns of the External Directors, (ii) request that the Chairman call a Board meeting or include new items in the Agenda whenever deemed advisable, (iii) supervise the Board’s assessment of its Chairman, and (iv) propose amendments to the Regulations of the Board of Directors.”

**B.1.22 Are reinforced majorities other than the statutory majorities required for any kind of decision?**

**Yes X**

**No  $\geq$**

Indicate how Board of Directors’ resolutions are adopted, stating at least the minimum quorum and the type of majority required to adopt resolutions:

<b>Adoption of resolutions</b>		
<b>Description of the resolution</b>	<b>Quorum</b>	<b>Type of Majority</b>
All resolutions except those that require reinforced majority.	The Board of Directors shall be validly constituted when more than one half of its members are present or represented at the meeting. (Article 22.1. of the Board of Directors Regulations)	The resolutions shall be adopted by an absolute majority of votes cast by present or represented Directors (Article 22.4. of the Board of Directors Regulations).
<p>a) Permanent delegation of powers and appointment of the Directors that will exercise them, which requires a favourable vote by two thirds of the Directors.</p> <p>b) Any amendment of the Regulations of the Board of Directors, which requires a favourable vote of two-thirds of the Directors, either present or represented at the meeting, except in cases when these amendments are imposed by law. (Article 22.4. of the Board of Directors Regulations).</p>	The Board of Directors shall be validly constituted when more than one half of its members are present or represented at the meeting. (Article 22.1. of the Board of Directors Regulations)	Favourable vote by two thirds of the Directors. (Article 22.4. of the Board of Directors Regulations).

**B.1.23 Explain whether there any specific requirements to be appointed as chairman other than those applicable to directors.**

Yes  No

Description of the requirements

**B.1.24 State whether the chairman has a casting vote:**

Yes  No

Matters on which there is a casting vote
Article 22.5 of the Board of Directors Regulations status that <i>"in case of a tie, the Chairman of the Board of Directors shall have a casting vote."</i>

**B.1.25 State whether the bylaws or the Board regulations set any age limit for directors:**

Yes  No

Age limit for Chairman 70

Age limit for CEO 70

Age limit for directors 70

**B.1.26 State whether the bylaws or the Board regulations lay down a limit for the independent directors' term of office:**

Yes  No

Maximum number of years for term of office

See note (B.1.26) in section G contained herein.

**B.1.27 In the event of the number of directors being insufficient or none, explain the reasons why and the initiatives taken to correct such a situation.**

Explanation of reasons and initiatives

In particular, state whether the Appointments and Remuneration Committee has set forth procedures so that selection processes do not suffer from implicit biases that may hinder the selection of directors and may deliberately seek candidates that meet the required background:

Yes  No

State the main procedures
The Appointments and Remuneration Committee, according to the Article 24 of the Board of Directors Regulations, has established as recruitment procedures of Directors, those of honorability, reliability, competence and experience, assuring that female candidates, that fulfill the mentioned profile, are included in the recruitment process.

**B.1.28 State whether there are formal procedures for voting by proxy at Board of Directors' meetings. If so, provide brief details.**

Pursuant to Article 32.2 b) of the Board Regulations, *"in the event that a Director is not able to attend the meetings to which he/she has been called due to the justifiable reasons, he/she shall leave instructions to the Director who shall represent him/her if at all possible, assuring that said representation and vote are entrusted a Director who is operating under the same position."*

The Board of Directors Regulations states that the Director shall assure that the delegation of representation and vote is made to a Director that posses his same category.

For the purposes, all documents calling the Board of Directors meetings include a specific proxy form for the meeting in question and, should it be necessary, voting instructions should the director granting the proxy wish to use them. Hence, pursuant to Article 38 of By-Laws of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. *"any Director can issue a vote in writing or confer powers of representation to another Director, which are specific to each meeting, by notifying the Board Chairman or Secretary using any of the means that permit its reception. Directors, having previously informed themselves about the items that are submitted to the approval of the Board of Directors, must include voting instructions."*

**B.1.29 State the number of Board of Directors meetings held during the financial year. Similarly, state the number of times the Board has held a meeting without the chairman's presence, if any:**

<b>Number of Board meetings</b>	<b>12</b>
<b>Number of Board meeting without the Chairman's presence</b>	<b>0</b>

State the number of meetings the Board's various committees have held throughout the year:

<b>Number of meetings of the Executive or Delegated Committee</b>	<b>N/A</b>
<b>Number of meetings of the Audit Committee</b>	<b>10</b>
<b>Number of meetings of the Appointments and Remuneration Committee</b>	<b>9</b>
<b>Number of meetings of the Appointments Committee</b>	<b>N/A</b>
<b>Number of meetings of the Remuneration Committee</b>	<b>N/A</b>

See note (B.1.29) in section G contained herein.

**B.1.30 State the number of Board of Directors meetings held during the financial year without the presence of all of its members. Any proxies made without specific instructions shall be construed as a lack of attendance.**

<b>Number of non-attendances by directors during the financial year</b>	<b>4</b>
<b>% of non-attendances compared to the total of votes during the financial year</b>	<b>3.32%</b>

**B.1.31 State whether the individual and consolidated annual accounts that are brought before the Board for its approval are previously certified:**

**Yes  No**

If so, name the person/people who has/have certified the Company's individual or consolidated annual accounts to be drawn up by the Board:

<b>Name</b>	<b>Office</b>

**B.1.32 Explain the mechanisms, if any, that the Board of Directors has set to avoid the annual individual and consolidated accounts drawn up by it from being brought before the General Shareholders' Meeting with qualifications in the auditor's report.**

Article 43 of the By-Laws sets forth, among others, the following competencies for the Audit and Compliance Committee:

- f) *"Supervising the financial reporting process and internal control systems relating to the Company's main risks.*
- g) *Staying in contact with auditors to receive information on matters that could jeopardize their independence and any other matters relating to the audit process, including other communication matters established in audit legislation and regulations.*
- h) *Acting as the communication channel between the Board of Directors and auditors, evaluating the results of each audit and the management team's responses to recommendations, and assessing disagreements between auditors and the Board in relation to financial statement preparation principles and criteria."*

For its part, Article 18.4.g) of the Board of Directors Regulations sets forth that the Audit and Compliance Committee's basic responsibilities include to *"assess the results of each audit and the management team's responses to its recommendations, and evaluate the cases of discrepancies between them, regarding the principles and criteria applicable to the drawing up of financial statements."*

Along the same lines, Article 6 of the Audit and Compliance Committee Regulations (hereafter, the Audit and Compliance Committee Regulations) sets forth among this Committee's main functions regarding external audits:

- f) *"Serve as a communications channel between the Board of Directors and the External Auditor, with no prejudice of the relation between the Financial Directorate of the Company and the External Auditor, and of the direct interlocutory and reporting role that said management should maintain regarding this matter with the Committee in the issues mentioned in the present Article.*
- g) *Evaluate the results of each audit as well as the management team's responses to its recommendations. Mediate in cases of discrepancies between the External Auditor and the management team, in relation to the principles and criteria applicable to the preparation of the financial statements.*
- h) *Review the audit reports before they are issued, and, if necessary, the reports about the limited revision of the intermediate accounts, making sure that the content and opinions concerning the annual accounts are expressed clearly, precisely, and without qualifications by the External Auditor."*

One of the main aims of the Audit and Compliance Committee's reports, which are submitted before the Board of Directors in full prior to their approval, is to reveal any aspects that could lead to qualifications in the auditor's report on GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and its consolidated group. Should this be the case, any relevant recommendations are formulated to avoid such qualifications.

It also shall be remarked that the External Auditor has appeared in the Audit and Compliance Committee in three occasions during the financial year ending on December 31, 2011:

- appearance on February 22, 2011 related to the preparation of the annual accounts referring to the financial year ending on December 31, 2010.
- appearance on July 21, 2011 related to the limited revision about the intermediate financial statements of June 30, 2011.
- appearance on September 20, 2011 related to the presentation by the new external Auditor, for its later analysis, of those internal procedures that they have implemented to look after their independence with the audited company and of the threats that may compromise their independence as well as the safeguard measures taken to attenuate those factors.
- appearance on December 13, 2011, related to the most relevant aspects, identified in its preliminary stage, about the annual accounts of the financial year ending in December 31, 2011; and related to the recommendations for the improvement of the internal control system of financial information.

**B.1.33 Does the Secretary to the Board also hold a directorship?**

**Yes X**

**No  $\geq$**

See note (B.1.33) in section G contained herein.

**B.1.34 Explain the procedures to appoint and relieve the Secretary to the Board of office, stating if a report on his/her appointment and relieving of office has been issued by the Appointments Committee and approved by the Board.**

<b>Procedure for appointment and relieving of office</b>
Pursuant to Articles 5.4. v) b), 13 and 19 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., the appointment and relieving of the Secretary to the Board shall be approved by the Board of Directors with a previous report, in both cases, of the Appointments and Remuneration Committee.

	Yes	No
<b>Does the Appointments Committee issue a report about the appointment?</b>	<b>X</b>	
<b>Does the Appointments Committee issue a report about the relieving of office?</b>	<b>X</b>	
<b>Does the Board as a whole approve the appointment?</b>	<b>X</b>	
<b>Does the Board as a whole approve the relieving of office?</b>	<b>X</b>	

Has the Secretary to the Board been specifically charged to oversee the recommendations of good governance?

**Yes X**

**No ≥**

<b>Comments</b>
<p>Article 13.3 of the GAMESA CORPORACIÓN TECNOLÓGICA S.A. Board of Directors Regulations sets forth that <i>"the Secretary shall at all times look after the formal and material legality of the Board's actions and specially ensure that the Board's actions:</i></p> <p><i>a) Observe the required formal and material legality and comply with the provisions emanating from the regulatory bodies and, where appropriate, with their recommendations.</i></p> <p><i>b) Comply with the Company's Bylaws and with the Regulations of the Board of Directors, of the General Shareholders' Meeting and other Company regulations.</i></p> <p><i>c) Take into consideration the recommendations on good corporate governance issued by the regulatory bodies which the Company has accepted in its Bylaws and in the Company's internal regulations.</i></p> <p><i>d) Process all requests of the Board Members relating to the information and documentation for any matters that the Board of Directors needs to be aware of."</i></p>

**B.1.35 State whether any mechanisms have been established by the company to ensure the independence of the auditor, financial analysts, investment banks and rating agencies.**

Pursuant to the provisions set forth by Article 43.3g) y h) of the By-Laws, Article 18.4 g) of the Board of Directors Regulations and Article 6 of the Audit and Compliance Committee Regulations, one of this committee's functions is *"maintaining relationships with External Auditors to receive information on any matters that could place their independence at risk and regarding any other matters concerning the performance of the account auditing process, as well as of any other disclosures laid down by account auditing legislation and technical auditing standards, and serving as a channel of communications between the Board of Directors and the auditors, assessing the results of each audit and the management team's response to its recommendations, and mediating in the event of discrepancies between them regarding the principles and criteria applicable in the drawing up of financial statements"*.

In the functions previously detailed, that are entrusted to the Audit and Compliance Committee by the Board of Directors, is to *"assure"* the independence of the External Auditor and to that effect assure that the company and the External Auditor respect the current law about other services rendered than auditing work, the limits of concentration of the business of the External Auditor and, in general, others rules established to assure the independence of the External Auditors.

In this context, and within its basic responsibilities, the Audit and Compliance Committee according to Article 18.4.h) of the Board of Directors Regulations, *"in any event, it should receive from the auditors an annual confirmation of their independence from the Company or enterprises that are directly or indirectly related to it, as well as the information about the additional services of any type that have been provided to these entities by the auditors, or by the persons or entities linked to them, in accordance with the legislation on the auditing of financial statements."*

It is also remarkable Article 18.4.i) of the Board of Directors Regulations that states that the Audit and Compliance Committee has the responsibility of *"prior to the auditor's report, issue an annual report expressing an opinion about the independence of the auditors. In any event, this report must contain an opinion on the provision of the additional services referenced in paragraph h) above."*

Regarding the information provided to financial analysts and investment banks, the submission of results and other relevant documents issued by the Company is performed simultaneously for all of them after they are duly sent to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores - CNMV*).

In particular, pursuant to the CNMV Recommendation of December 22, 2005, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. gives at least seven days' prior notice of any meetings to be held with analysts and investors, indicating the date and time set for such meetings, in addition to the technical means (teleconference, webcast) through which any interested party may follow them live.



Any documents that will serve as support to the meetings are made available through the company's website ([www.gamesacorp.com](http://www.gamesacorp.com)) shortly before the meeting begins.

In addition, a direct Spanish/English translation service is made available to participants.

Lastly, a recording of the meeting is made available to investors on the company's website ([www.gamesacorp.com](http://www.gamesacorp.com)) for a month.

Road shows are also regularly conducted in the most important countries and financial centers. Individual meetings with all such market players are held during these events. Their independence is protected by the existence of a specific counterpart dedicated to dealing with them, thereby guaranteeing objective, fair and non-discriminatory treatment.

See note (B.1.35) in section G contained herein.

**B.1.36 State whether the company changed its external auditor during the financial year. If so, identify both the former and current auditor:**

Yes

No

Former auditor	Current auditor
DELOITTE, S.L.	PRICEWATERHOUSECOOPERS, S.L.

If there have been any disagreements with the former auditor, explain their contents:

Yes

No

Explanation of disagreements

**B.1.37 State whether the auditing firm performs other work for the company and/or its group other than auditing work. If so, state the amount of the fees received for such work and the percentage it represents as regards the fees invoiced to the company and/or its group:**

Yes

No

	Company	Group	Total
<b>Amount of work other than auditing work (thousands euros)</b>			
<b>Amount of work other than auditing work / total amount invoiced by the auditing firm (%)</b>			

**B.1.38 State whether the auditor's report on the Annual Accounts of the preceding financial year contains any reservations or qualifications. If so, state the reasons given by the Chairman of the Audit Committee to explain the contents and scope of said reservations or qualifications.**

Yes

No

Explanation of the reasons

**B.1.39 State the number of years which the current auditing firm has uninterruptedly audited the annual accounts of the company and/or its group. Likewise, state the percentage represented by the number of years audited by the current auditing firm in relation to the total number of years in which the annual accounts have been audited:**

	Company	Group
<b>Number of consecutive years</b>	<b>1</b>	<b>1</b>

	Company	Group
<b>Number of years audited by the current auditing firm / Number of years the company has been audited (in %)</b>	<b>4.76%</b>	<b>4.76%</b>

**B.1.40 State the shareholdings members of the company's Board of Directors hold in the share capital of companies having the same, analogous or complementary type of activity as the corporate purpose of both the company and the group, of which the company has been notified. Likewise, indicate the positions and functions the aforementioned directors hold:**

<b>Name or trade name of the director</b>	<b>Name of company in which shares are held</b>	<b>% shareholding</b>	<b>Position or functions</b>
Arregui Ciarsolo, Juan Luis	IBERDROLA, S.A.	0.514%	None
IBERDROLA, S.A.	IBERDROLA GENERACIÓN, S.A.	100%	Single Administrator
	IBERDROLA ENERGÍA, S.A.	100%	Single Administrator
	IBERDROLA INGENIERÍA Y CONSTRUCCIÓN, S.A.U.	100%	None
	SCOTTISH POWER, LIMITED	100%	None
Rubio Reinoso, Sonsoles	IBERDROLA, S.A.	0.000%	Internal Audit Manager for Renewable Business
Fernández-Lerga Garralda, Carlos	IBERDROLA RENOVABLES, S.A.	0.000%	None

See note (B.1.40) in section G contained herein.

**B.1.41 State whether there is a procedure so that directors may benefit from external advice and, if so, provide details:**

**Yes**

**No**

<b>Details of the procedure</b>
<p>Pursuant to the provisions set forth in Article 30 of the Board of Directors Regulations "in order to be aided in the performance of their duties, the External Directors may request the contracting of legal, accounting and financial experts, as well as the aid of other experts at the Company's expense. The request must necessarily be related to specific problems of a certain relevance and complexity that arise during the performance of the duties.</p>

*The request to contract such experts must be presented to the Chairman or the Secretary to the Board of the company, which will forward it to the approval of the Board of Directors, which can decline it, among others, in the following events:*

- a) it is not necessary in order to prop performance the functions entrusted to the External Directors;*
- b) its cost is unreasonable when compared to the importance of the issue and the Company's assets and revenues;*
- c) the required technical assistance can be adequately provided by the in-house experts and technicians;*
- d) it may entail a risk to the confidentiality of the information that has to be handled."*

Likewise, Article 31 of the Audit and Compliance Committee Regulations sets forth the mechanisms and limits for the external professional advice that can be requested.

Concerning the Appointments and Remuneration Committee, it may "*may request external professional advice, in which case the provisions set forth in these Regulations shall apply*", in order to improve the performance of its functions pursuant to Article 19.12 of the Board of Directors Regulations.

**B.1.42 State whether there is a procedure so that directors may count on having the necessary information to prepare for governing body meetings sufficiently in advance:**

**Yes**

**No**

**Details of the procedure**

Article 37 of the By-Laws states that "*the convening of the Board of Directors meeting and the sending of the necessary documentation and any sharing of documents among Board members will be via letter, fax, telegram, email or any other digital means allowed by law that ensures correct receipt.*"

Similarly, Article 32.2.a) of the Board of Directors Regulations sets forth that "*the Directors shall be obliged to inform and prepare themselves properly for the meetings of the Board and the governing bodies to which they may belong.*"

Additionally, Article 29 of the Board of Directors Regulations empowers Directors to "*request any information about the Company they may reasonably need, as long as it is required for the performance of their duties. The right to information shall also extend to the companies of the Group, weather national or foreign.*"

*In order not to disturb the Company's day-to-day management, the exercise of the right to information shall be channeled through the Chairman, the Chief Executive Officer or the Secretary of the Board."*

At last we remark that the Article 20.2 of the Board of Directors Regulations establishes that the *"ordinary meetings may be called by means of letter, fax, telegram, e-mail or by any other electronic or telematic method allowed by law that ensures correct receipt, and shall be authorized by the signature of the Chairman or the Secretary by order of the Chairman. The meeting notification shall be issued with at least three (3) days notice. The notification shall include the meeting agenda and all relevant information."*

**B.1.43 State whether the company has laid down rules that oblige directors to report circumstances that could harm the company's good standing and reputation and, if necessary, resign. If so, provide details:**

**Yes X**

**No  $\geq$**

#### **Explain the rules**

As was indicated in Section B.1.20 above, Article 27 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. lays down the circumstances in which Directors must place their office at the Board's disposal and tender their resignation should the Board deem it suitable.

Harming the company's good standing and reputation is one of these reasons.

More specifically, Directors should proceed as above whenever:

- a) *"Whenever due to circumstances beyond their control, they are involved in a conflict of interest or prohibition as set forth in current legislation, the Bylaws or these Regulations."* (Article 27.2.e).
- b) *"Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them for the opening of trial for any of the offences set forth in the provision of the Corporate Companies Law (Ley de Sociedades de Capital) relating to the prohibitions on being an administrator, or whenever they are involved in disciplinary proceedings for a serious or very serious offence brought by the supervisory authorities."* (Article 27.2.f)
- c) *"Whenever they are issued a serious warning by the Audit and Compliance Committee or are sanctioned for a serious or very serious offence by a public authority for having breached their duties as a Director."* (Article 27.2.i).
- d) *"Whenever their continuity on the Board may put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist."* (Article 27.2.j).
- e) *"When acts attributable to the Director acting in such a capacity cause a significant damage to the company's equity, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company."* (Article 27.2.k).

Likewise it should be pointed out that the members of the Board of Directors shall inform the Board of Directors of any criminal proceedings in which they are involved as suspects, as well as about any subsequent procedural events, according to the Article 27.6 of the Board of Directors Regulations.

**B.1.44 State whether any member of the Board of Directors has informed the company that he/she has been brought to trial or that a ruling has been issued for the initiation of a court hearing against him/her for any of the offences set forth in Article 124 of the Corporations Law (*Ley de Sociedades Anónimas*):**

**Yes**                       **No**

Name of director	Criminal trial	Comments

State whether the Board of Directors has analyzed the case. If the response is yes, explain the grounds for the decision taken on whether or not the director should continue in office.

**Yes**                       **No**

Decision taken	Grounds
<b>Should retain office / Should not retain office</b>	

## B.2. The Board of Directors' Committees

### B.2.1 List all of the Board of Directors' Committees and their members.

#### EXECUTIVE OR DELEGATE COMMITTEE

Name	Office	Type

#### AUDIT AND COMPLIANCE COMMITTEE

Name	Office	Type
Vázquez Egusquiza, José María	Chairman	External Independent
Rubio Reinoso, Sonsoles	Member	External Proprietary
Lada Díaz, Luis	Member	External Independent
Rodríguez-Quiroga Menéndez, Carlos	Secretary (Non-Member)	Executive

#### APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Office	Type
Fernández-Lerga Garralda, Carlos	Chairman	External Independent
Arregui Ciarsolo, Juan Luis	Member	Other External Directors
Aracama Yoldi, José María	Member	External Independent
Rodríguez-Quiroga Menéndez, Carlos	Secretary (Non-Member)	Executive

#### APPOINTMENTS COMMITTEE

Name	Office	Type

**REMUNERATION COMMITTEE**

Name	Office	Type

**\_\_\_\_\_ COMMITTEE**

Name	Office	Type

See note (B.2.1) in section G contained herein.

**B.2.2 State whether the functions set out below correspond to the Audit Committee:**

	Yes	No
<b>Overseeing the process of drawing up financial information on the company and its integrity and, if so, of the group, checking compliance with regulatory requirements, the appropriate delimitation of the consolidation boundary and the correct application of accounting standards</b>	<b>X</b>	
<b>Regularly checking internal control and risk management systems, so as to ensure the main risks are identified, managed and adequately known</b>	<b>X</b>	
<b>Overseeing the independence and efficiency of internal auditing functions; proposing the recruitment, appointment, reappointment and dismissal of the head of internal auditing; proposing this service's budget; receiving regular information on its activities; and ensuring that senior management takes into consideration the conclusions and recommendations contained in its reports</b>	<b>X</b>	
<b>Setting and overseeing a mechanism that allows employees to confidentially and, if deemed appropriate, anonymously report any irregularities that could be potentially important, especially financial and accounting irregularities they may notice within the company</b>	<b>X</b>	
<b>Bringing before the Board proposals to recruit, appoint, reappoint and replace the external auditor, along with their contracting conditions.</b>	<b>X</b>	



<b>Receiving information from the external auditor about the auditing plan on a regular basis, in addition to the results of its performance, and checking to ensure senior management takes its recommendations into account</b>	<b>X</b>	
<b>Ensuring the external auditor's independence</b>	<b>X</b>	
<b>In the case of groups, making sure the group's auditor takes on responsibility for the audits of the companies making up the group.</b>	<b>X</b>	

**B.2.3 Briefly describe the rules for organizing and running the Board's committees, as well as the responsibilities attributed to each of the committees.**

**Audit and Compliance Committee**

As set forth by Article 1 of the Audit and Compliance Committee Regulations, the Committee is a consultative and informative internal body of the Board of Directors having powers of information, consulting and proposal making, as established in the By-Laws and the Board of Directors Regulations.

Organization

In accordance to Article 18 of the Board of Directors Regulations and Chapter III of the Audit and Compliance Committee Regulations the rules of organization of the Audit and Compliance Committee can be summarized as follows:

- a) The Audit and Compliance Committee shall be comprised of a minimum of three (3) and a maximum of five (5) External Directors, being at least one of them an External Independent Director, appointed for a maximum period of four (4) years by the Board of Directors, on proposal of the Appointments and Remuneration Committee, among the External Directors.
- b) The Audit and Compliance Committee chooses a Chairman and a Secretary.
- c) The members of the Committee shall leave their position:
  - a. When they cease to be Directors of the Company.
  - b. When they loose their conditions as external Directors.
  - c. When they become members of the Executive Delegate Committee.
  - d. Upon decision of the Board of Directors.

### Operational rules

In accordance to Article 18, 19, 20, 21 and 22 of the Audit and Compliance Committee Regulations, the operational rules of the Audit and Compliance Committee can be summarized as follows:

- a) At the beginning of each fiscal year the Audit and Compliance Committee approves the meetings ordinary calendar, at least four (4), with the aim of fulfilling the entrusted duties.
- b) The Committee shall be validly constituted when more than half of its members are either present or represented.
- c) Decisions shall be adopted by absolute majority of the Committee members attending the meeting. In case of tie the Chairman will have quality vote.

Committee deliberations and decisions shall be registered in a Minute that shall be signed by the Chairman and the Secretary or those acting in their stead. The minutes shall be approved by the Committee at the end of the meeting or at the beginning of the following meeting.

- d) When the issues to be addressed at a Committee meeting directly affect one of its members or their related parties and when, in general, said Director finds him or herself in a situation of conflict of interest, that Director must leave the meeting until a decision has been reached. Said member shall not be counted when determining the quorum or majority in voting on the issue at hand.

### Responsibilities

Article 43 of the By-Laws, Article 18 of the Board of Directors Regulations and Article 5 of the Audit and Compliance Committee Regulations establish the main duties of the Audit and Compliance Committee.

Article 18.4 of the Board of Directors Regulations establishes that the Audit and Compliance Committee shall have at least the following basic responsibilities:

- a) Inform the General Shareholders' Meeting about any matters that the shareholders may raise regarding matters within its competence.
- b) Propose to the Board of Directors for submission to the consideration of the General Shareholders' Meeting the appointment of the external auditors, as provided for by the Corporations Act, as well as their contracting conditions, the scope of their professional mandate and, as the case may be, the renewal, revocation or non-renewal, and oversee their independence.
- c) Oversee the effectiveness of the internal auditing services of the Company and its Group, approving the Internal Audit Plan and overseeing material and human resources, both internal and external, of the Internal Audit Department required to perform its tasks. Likewise, it shall inform about the appointment or dismissal of the Internal Audit Director and evaluate together with the auditors any significant weaknesses detected in the internal control system, as the case may be, during the course of the audit.

- d) Supervise the effectiveness of the Company's internal control system and the risk management systems, and analyze together with the auditors any significant weaknesses detected in the internal control system, as the case may be, during the course of the audit.
- e) Supervise the setting and review of the risk map and levels that the Company may consider as acceptable.
- f) Supervise the financial reporting process and review the information that the Company must periodically and/or statutorily make available to the markets and their supervisory bodies, with the necessary level of detail as to ensure its accuracy, reliability, sufficiency and clarity.
- g) Maintain relationships with the auditors in order to receive information on any matters that may put their independence at risk and regarding any other matters concerning the audit process, as well as any other communications laid down by the audit legislation and technical audit standards, and act as a channel of communication between the Board of Directors and the auditors, assess the results of each audit and the management team's responses to its recommendations, and evaluate the cases of discrepancies between them, regarding the principles and criteria applicable to the drawing up of financial statements.
- h) In any event, it should receive from the auditors an annual confirmation of their independence from the Company or enterprises that are directly or indirectly related to it, as well as the information about the additional services of any type that have been provided to these entities by the auditors, or by the persons or entities linked to them, in accordance with the legislation on the auditing of financial statements.
- i) Prior to the auditor's report, issue an annual report expressing an opinion about the independence of the auditors. In any event, this report must contain an opinion on the provision of the additional services referenced in paragraph h) above.
- j) Check the content of the auditor's reports before they are issued, in order to make sure that their content and the opinions expressed therein about the annual accounts are drafted clearly and precisely, and oversee the fulfilment of the audit agreement.
- k) Ensure compliance with legal requirements and the correct application of generally accepted accounting principles, and inform the Board of any significant changes in accounting criteria and in both on- and off-balance sheet risks.
- l) Inform about the transactions that entail or could entail conflicts of interest or about the transactions with shareholders owning a significant stake and, in general, concerning the matters set forth in Chapter IX of these Regulations.
- m) Inform about the possible authorization or waiving to be granted by the Board to the Directors in accordance with Article 5.4.iii).e) of these Regulations.
- n) Approve transactions entailing a conflict of interest or transactions with a shareholder owning a significant stake, when requested by the Chairman of the Board of Directors, under the terms of, and in accordance with Articles 35.6 and 41.4 of these Regulations.

- o) Oversee compliance with the Internal Code of Conduct for the Securities Markets, with these Regulations and, in general, with the Company's rules of governance, and submit the proposals needed for their improvement.
- p) Receive information from the Statutory Compliance Unit regarding the aforementioned matters and, if necessary, issue reports on disciplinary measures to members of the Company's Top Management for not complying with the corporate governance obligations and/or the Internal Code of Conduct for the Securities Markets, and resolve any questions concerning corporate governance and its compliance which the Statutory Compliance Unit may raise in accordance with the Internal Code of Conduct for the Securities Markets.
- q) Bring the Annual Corporate Governance Report before the Board for its approval.
- r) Draw up an annual report on the Audit and Compliance Committee's activities.
- s) Supervise the operations of the Company's website in terms of making information on corporate governance publicly available.
- t) Provide information regarding matters within its competence on the Company's Sustainability Report or Social Responsibility Report for approval by the Board of Directors.
- u) Suggest amendments to the Regulations and inform about any amendments implemented, for approval by the Board of Directors.

### **Appointments and Remuneration Committee**

Pursuant to Article 19 of the Board of Directors Regulations, the Appointment and Remuneration *"is responsible for managing the process for selecting the members of the Board of Directors and evaluating the appointments of the Company's Top Management, as well as for proposing to the Board of Directors the remuneration policy for these individuals and its supervision."*

#### Organization

In accordance to Article 44 of the By-Laws of the company and Article 19 of the Board of Directors Regulations, the rules of organization of the Appointments and Remuneration Committee can be summarized as follows:

- a) The Appointments and Remuneration Committee shall be comprised of a minimum of three (3) and a maximum of five (5) External Directors.
- b) The Appointments and Remuneration Committee shall elect a Chairman from among its members, who will be substituted every four years.
- c) It shall likewise appoint the Secretary to the Committee, who may either be one of its members or the Secretary or Deputy Secretary to the Board of Directors, who does not have to be a Director.

### Operational rules

According to Article 19 of the Board of Directors Regulations, the operational rules of the Appointments and Remuneration Committee shall be summarized as follows:

- a) The Appointment and Remuneration Committee shall meet at least four (4) times a year, and in any case whenever the Board of Directors or its Chairman requests the issuing of a report or the approval of proposals. In any event, it shall meet whenever it may be suitable to ensure that its functions are carried out properly, or when requested by two members of this Committee.
- b) Concerning the way the Appointment and Remuneration Committee is run internally, particularly concerning the way its meetings are called and the way it adopts resolutions, it shall be governed by the provisions laid down for the Board of Directors in the Bylaws and the Board of Directors Regulations for matters not foreseen in its specific regulations, as long as they are compatible with the Committee's nature and functions.

### Responsibilities

Article 19 of the Board of Directors Regulations sets forth that *"without prejudice to other tasks assigned by the Board of Directors, the Appointment and Remuneration Committee shall have at least the following basic responsibilities:*

*a) Inform and revise the criteria that must be followed for the composition of the Board of Directors and the selection of the candidates, defining the required functions and abilities, and evaluating the amount of time and dedication required to properly carry out their tasks. In order to exercise this role, the Appointment and Remuneration Committee must establish a reasonable balance between Proprietary Directors and Independent Directors, taking into account, as far as possible, the Company's ownership structure, the absolute and relative importance of significant shareholdings, and the level of continuity, commitment and strategic links with the Company of the owners of such shareholdings.*

*b) Inform the Board of Directors about the proposals for the appointment of Independent Directors for their appointment by co-optation or, as the case may be, for submission of such proposals to the consideration of the General Shareholders' Meeting, as well as the proposals for re-election or dismissal of those Directors by the General Shareholders' Meetings.*

*Inform about the proposals of the Board of Directors for the appointment of the remaining Directors for their appointment by co-optation or, as the case may be, for their submission to the consideration of the General Shareholders' Meeting, as well as the proposals for re-election or dismissal of those Directors by the General Shareholders' Meeting.*

*c) Inform the Board of the Directors, for approval, about the appointment and removal of the Chairman, Deputy Chairmen, Secretary and Deputy Secretary of the Board of Directors, of the Lead Independent Director and of the CEO.*

*d) Review and organize, as appropriate, the succession of the Company's Chairman and CEO, if any, and, where appropriate, submit proposals to the Board so that this succession can take place in an organized and planned manner.*

*e) Propose and provide, for approval by the Board of Directors, the list of members who should take part in each of its committees.*

*f) Propose to the Board of Directors the system and amount of the annual remuneration of the Directors, as well as the individual remuneration for the Executive Directors, along with the rest of their contractual conditions, all this in accordance with the provisions set forth in the Corporate Bylaws and in these Regulations.*

*g) Propose or inform, as the case may be, for approval by the Board of Directors of the appointment and dismissal of directors on administration bodies of companies in which it holds direct ownership.*

*h) Provide information concerning the Board's possible authorization or waiver granted to Directors, in the circumstance set forth in Article 34 of these Regulations.*

*i) Inform the Board of Directors, for approval, on the appointment or dismissal of the Company's Top Management at the proposal of (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer and/or (iii) the Board's Committees, depending on the individual or body to which the Company's Top Management reports, and on the definition and organization of the structure, organization chart and job description of the Company's Top Management at the request of the CEO.*

*j) Inform the Board of Directors, for approval, on the remuneration system and bands for the Company's Top Management, as well as on actual remuneration, including any compensation or severance pay in the event of dismissal or removal and other basic contractual conditions, regularly reviewing the remuneration programs at the request of (i) the Chairman of the Board of Directors or (ii) the CEO, depending on the person or body to which Top Management reports.*

*k) Inform the Board of Directors, for approval, about the multi-year incentive systems.*

*l) Ensure observance of the remuneration policy set by the Company and transparency concerning remuneration, reviewing the information about the remuneration of Directors and Senior Management that the Board of Directors must approve and include in the Company's publicly available documentation or information.*

*m) Draw up and provide annual updates of the list of positions that make up the Company's Top Management in accordance with the current organization chart and job descriptions.*

*n) Provide information regarding matters within its competence on Gamesa's Sustainability or Social Responsibility Report for approval by the Board of Directors.*

*o) Ensure that when new vacancies on the Board of Directors are filled, the selection procedures do not suffer from any implicit discriminatory bias due to any reason whatsoever.*

**B.2.4 State any powers of providing advice, consultation and, if so, delegation that each of the committees has:**

Name of Committee	Brief description
Audit and Compliance Committee	See B.2.3
Appointments and Remuneration Committee	See B.2.3

**B.2.5 State whether there are any regulations for the Board's committees, where they are available for consultation and any amendments that have been made to them during the financial year. Also state if any kind of voluntarily annual report on the activities of each committee has been drawn up.**

The Audit and Compliance Committee has its own Regulations, which are available for consultation on the Company's website: [www.gamesacorp.com](http://www.gamesacorp.com)

The Audit and Compliance Committee Regulations were approved by the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Board of Directors on 29 September, 2004, and were modified in the meeting of the Board of Directors of October 21, 2008 and the Board of Directors approved a new restated text in its meeting of April 15, 2011.

According to Article 18.4.r) of the Board of Directors Regulation and Article 16 of the Audit and Compliance Committee, the Committee prepares an Annual Report covering the Committee's Activities during the financial year, report that is at disposal of the shareholders after the approval of the Board of Directors, when the call of the General Shareholder's Meeting is made.

In the same way, according to Article 19.10 of the Board of Directors Regulations, the Appointments and Remuneration Committee prepares an Annual Report of his activities during the financial year, report that has to be approved by the Board of Directors.

See note (B.2.5) in section G contained herein.

**B.2.6 State whether the composition of the executive committee reflects the participation in the Board of the different kinds of directors:**

**Yes ≥**

**No ≥**

<b>If not, explain the composition of your executive committee</b>

See note (B.2.6) in section G contained herein.

## **C** RELATED-PARTY TRANSACTIONS

**C.1** State whether the Board as a whole has reserved for itself approving any transactions the company may make with directors, significant shareholders, shareholders represented on the Board or with individuals related to them after having received a favorable report from the Audit Committee or any other that may have be charged to do so:

Yes **X**

No

**C.2** State any relevant transactions that involved a transfer of resources or obligations between the company and the companies belonging to its group to the company's significant shareholders:

<b>Name or trade name of the significant shareholder</b>	<b>Name or trade name of the company or organization belonging to your group</b>	<b>Nature of the relationship</b>	<b>Type of transaction</b>	<b>Amount (thousand euros)</b>

**C.3** State any relevant transactions that involved a transfer of resources or obligations between the company and the companies belonging to its group to the company's administrators or executives:

<b>Name or trade name of the administrators or executives</b>	<b>Name or trade name of the company or organization belonging to your group</b>	<b>Nature of the transaction</b>	<b>Type of transaction</b>	<b>Amount (thousand euros)</b>
IBERDROLA, S.A.	GAMESA EÓLICA, S.L.U.	CONTRACTUAL	SALE OF GOODS	551,241
IBERDROLA, S.A.	GAMESA ENERGÍA, S.A.U.	CONTRACTUAL	SALE OF NON-CURRENT INVESTMENTS	2,754



**C.4 Provide details about any relevant transactions made by the company with other companies belonging to the same group, as long as they are not eliminated in the process of drawing up the consolidated financial statements and do not form part of the company's normal trade as regards its corporate purpose and conditions:**

Trade name of the company belonging to your group	Brief description of the transaction	Amount (thousand euros)

**C.5 State whether the members of the Board of Directors have been involved in any kind of conflict of interest situation during the financial year in accordance with Article 127 of the Corporations Law (*Ley de Sociedades Anónimas*).**

Yes  No

Name or trade name of the director	Description of the situation of conflict of interest
IBERDROLA, S.A.	According to the procedure established in Article 35 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., in those meetings of the mentioned body in which agreements about operations with IBERDROLA, S.A. and/or companies of its group, have been deliberated or, if applicable, have been adopted, I have not participated in the deliberations, voting, decision making and execution of the respective agreement. As happened in the meeting of the Board of Directors of July 19, 2011 and December 14, 2011.

See note (C.5) in section G contained herein.

**C.6 State the mechanisms put into place to detect, determine and resolve any possible conflicts of interest between the company and/or its group and its directors, executives and significant shareholders.**

Mechanisms:

a) *Possible conflicts of interests between the company and/or its group, and its Directors:*

Article 35 of the Board of Directors Regulations sets forth that any Director finding himself/herself in a situation of conflict of interest or who notices the possibility thereof shall notify it to the Board of Directors through its Chairman and abstain from attending and intervening in the deliberations, voting, decision-making and execution of transactions affecting the matters in which he/she finds himself/herself in a situation of conflict of interests. The votes of Directors affected by conflicts of interest and who must abstain shall be subtracted for the purposes of calculating the majority of votes that may be necessary.

The Audit and Compliance Committee shall draw up a report on the transaction that may be subject to a possible conflict of interest. Said report shall contain a proposal for the Board of Directors for adopting a specific resolution.

The Board of Directors or the Audit and Compliance Committee, in order to draw up its report under the circumstances set forth in section above, may:

- a) obtain a report from the Chief Executive Officer containing (i) a justification for the transaction (ii), an alternative to the Director or Related Party bringing about the transaction; and
- b) whether the affected assets or the transaction's complexity so require it, the Board may request the advice of outside professionals, in conformance with the procedure for this as set out in the Board of Directors Regulations.

The Board of Directors as well as the Audit and Compliance Committee shall use the following criteria when deliberating whether to approve the transaction in question or an alternative proposal:

- a) the regular and ongoing nature of the operation, along with its financial significance and/or the amounts involved;
- b) the need to set up control mechanisms covering the operation, due to its characteristics or nature;
- c) criteria of equality, objectivity, confidentiality and transparency in the providing and supply of information, when the alternative includes an offer directed to a group; and
- d) the transaction price and maximizing value for shareholders.

The Company report shall include information about any operations carried out by Directors or their Related Parties that have been authorized by the Board of Directors pursuant to the current legislation, as well as any existing conflict of interest according to the current legislation, that occur during the year to which the annual accounts refer to.

*b) Possible conflicts between the company and/or its group, and its executives:*

The executive personnel and any other personnel of the Company and its group that, because of their activity (hereafter, Related Parties), are included by the Regulatory Compliance Unit, are submitted to the rules included in the Internal Regulations for Conduct in the Securities Markets of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., wording that was approved by the Board of Directors on July 22, 2003, modified by the Board of Directors on October 21, 2008 and newly modified with its approval by the Board of Directors on November 10, 2011.

The Internal Regulations for Conduct in the Securities Markets states on Article 14 that the rest of Related Parties must immediately disclose any situations that could represent potential conflicts of interest to the Regulatory Compliance Unit, as well as continually updating such information. Such situations are those that may arise from a person's other activities outside the Company and/or group, family relations, personal assets or for any other reason.

c) *Possible conflicts of interests between the company and/or its group and the Significant Shareholders:*

Shall a conflict of interests with a significant shareholder appear, the Article 41 of the Board of Directors Regulations states that *"the Board of Directors formally reserves the knowledge of any Company or Director's transaction with a shareholder holding a significant stake, after receiving a report from the Audit and Compliance Committee."*

d) *Relationships of the Directors and/or Significant Shareholders with companies belonging to the Group:*

Article 42 of the Board of Directors Regulations states that the obligations set out in Chapter IX of these Regulations pertaining to Company Directors and shareholders owning a significant stake shall be understood as applying also to their possible relations with companies belonging to the Group.

**C.7 Is more than one Group Company listed in Spain?**

**Yes**

**No**

List the subsidiaries that are listed in Spain:

<b>Listed subsidiaries</b>

State whether the respective areas of activity and any possible business relationships between such subsidiaries have been publicly and accurately defined.

**Yes**

**No**

<b>State any possible business relationships between the parent company and the listed subsidiary, and between the latter and other Group companies</b>

State any mechanisms that have been laid down to resolve any possible conflicts of interest between the listed subsidiary and other Group companies:

<b>Mechanisms to resolve any possible conflicts of interest</b>

## **D RISK CONTROL SYSTEMS**

### **D.1 Describe the overall risk policy of the company and/or its group, providing details and assessing the risks covered by the system, along with a justification of these system's appropriateness for the profile of each kind of risk.**

GAMESA CORPORACION TECNOLÓGICA, S.A. has a Risks and Opportunities Control and Management System in the whole organization (areas, departments, companies) and following the strategic line of globalization of the industrial, technological and commercial activity, in the different geographic areas in which it operates, developing a global and all-round vision in this system, that contributes to the achievement of the business objectives, to the value creation for the different stakeholders and to the sustainable and profitable development of the organization.

The Risk and Opportunities Control and Management Policy of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is the basis to this system, approved by the Board of Directors on April 22, 2009, which establishes, according to the reality of the company, the basis and general context on which all the risk control and management components lay down, delivering discipline and structure in relation to those components; management philosophy, risk/opportunities identification, evaluation, measurement and control, accepted risk level, communication, report and supervision executed by the Board of Directors, integrity, ethic values, competencies and assignment of duties.

This policy has the following main objectives:

- comply with applicable laws, regulations, standards and contracts;
- attain the objectives established by the Board of Directors within tolerance limits defined as acceptable;
- provide the maximum level of assurance to shareholders;
- protect the Corporation's results and assets and preserve the assets and reputation of it;
- practice an optimum control over the Corporation business areas and companies ensuring the reliability and integrity of information systems;
- defend the interests of shareholders, customers, employees, suppliers, other stakeholders interested in the running of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and "society in general";
- guarantee the corporate stability and the financial solidity in a sustained form in time.

To achieve these objectives the policy of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is complemented and applied by an organization, a model, procedures and information systems that allows identifying, evaluating, prioritizing and managing the risks and opportunities to which it is exposed, as described as follows:

- **Organization:** GAMESA CORPORACIÓN TECNOLÓGICA, S.A. has a structured organization and it is geared to provide value working in the risk management and control. This structure includes:
  - Board of Directors, which supervises the risk identification, management and control policy.
  - Audit and Compliance Committee, which periodically supervises the internal risk and management risk systems, the fixation and review of the map and the risk levels that GAMESA CORPORACIÓN TECNOLÓGICA, S.A. considers acceptable.

- Management Committee (General, Corporate and Geographic Directorates), which as owners of the risk/opportunities linked to the developed activities, processes and projects, is responsible of the identification, evaluation and mitigation/elimination of them counting for that purpose with the support of the Risk Controllers network (this network is integrated by a team of persons appointed in each of the Directorates in which priority identified Risk/Opportunities exist.
  - Internal Audit, which carries out the independent supervision of the system control and reports to the Audit and Compliance Committee.
  - Corporate Risk Control Department (BRC), which defines the guidelines and coordinates activities with the network of Risk Controllers and with the responsible persons for the risk control BRC in the different geographical areas.
- **Risks Management and Control Model:** The Risks and Opportunities Control and Management Model starts from the risks classification according to the universal model "Business Risk Model (BRM)", approved by the Board of Directors in 2004, which considers and groups the risks in the following categories:
    - Setting Risks. Appear as a consequence of factors that are external and independent from the management of the company and that may influence directly or not in a significant way in the achievement of its objectives and strategies.
    - Processes Risks. The risks derived from the corresponding activity of the company. At the same time they are classified in Operational Risks, Management Risks, Technological Risks/Information Processes, Integrity Risks and Financial Risks.
    - Decision Making Information Risks. The risks that the information for the operational, financial or strategic is not reliable and/or complete.

To identify, evaluate, prioritize and control the risks/opportunities to which GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is exposed and decide in which measure those specific risks/opportunities are accepted, mitigated/strengthened, transferred/shared or avoided, there is a Risks/Opportunities Management and Control Procedure, approved in 2008 and was included in the certified management system. Since that moment it is reviewed every year, and if applicable, it is updated including improvements, good practices and lessons learnt from the experience and the benchmarking internal/external activities. The model BRM, is integrated in this process, as well as the good practices of methodologies and international approved referential as COSOII, ISO 31000, among others. In 2011 an improved revision of the process has been applied with new criteria for the evaluation of the impact of risks and opportunities, moving from the 5 criteria that were used until 2010 to a total of 11 criteria (Economic, Operational, Strategic, Safety and Health, Environment, Legal/Contractual, Image, Information and assets Safety, Fraud and/or corruption, Labour and scope).

- **Other procedures and information systems:** As follows other procedures that also develop and spread the model are described:
  - Crisis management procedure, being its object to coordinate the internal and external communication, agree the immediate actions and establish the management monitoring of serious incidents (operational, strategic, ethics security, catastrophes and other emerging risks), and of the restraint measures to avoid that the consequences of the detected incidents may grow.
  - Integrated Management System Procedures, in compliance with the Rules ISO 9001, ISO 140001 and OHSAS 18001, for the standardization of processes and control mechanisms.
  - Procedure to carry out benchmarking activities of risk control.
  - Internal Audit Manual and other rules for the specific diagnosis making, as checking and risk control tools.
  - Insurance Manual, as tool to guarantee the coverage of the risk derived of the industrial activity.
  - In the different information systems used to assure the reliability and the tracking of the information in the risk management is to be found, among others, data bases, command settings, indicators associated to the risks, computer applications as corporate ERP and GIS (Integral Security Management).

The applied methodology entails a **map of corporate risks/opportunities**, which is updated every three months monitoring the financial, tax, operational, strategic, legal risks/opportunities, and the activities, processes, projects, products and key services throughout all the business to evaluate on each quarter if changes in this map shall be necessary or not, because of variations of tendency in impact, probability and/or control and establish the necessary action plans. Additionally a more profound annual review is made simultaneously with the change/update of objectives of each annual period. Likewise specific maps for the principal industrial/commercial implantation geographical areas are being developed, and in 2011 the maps of Europe, USA, China and India were developed, establishing, if appropriate, if any risk of the same nature shall be included in the corporate map and/or the individual monitoring of a geographic risk in the corporate map. This way, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. carries out a continuous monitoring of the most relevant risks/opportunities, which is those that may commit the achievement of the business goals, and that may affect the economic profitability, financial solvency, corporate reputation, employees and environmental integrity and the fulfilment of the law.

To elaborate the map on each period the fundamental obliged reference is: (i) how the control/impact/probability level has ended in the previous period, (ii) the results of internal and external auditing, (iii) the indicators and (iv) priority action lines of the Business Plan of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. established for every defined period.

The description of the risks/opportunities in the map is carried out specifying as possible "where, when, how and why" the potential materialization of these can reach to affect the achievement of the goals (delay, prevent, strengthen).

**The risks/opportunities identified and monitored during 2011 are the following:**

- The effect in the demand risk of external factors like the regulatory uncertainty (in terms of fulfilment of the commitments of the governments for a stable regulation of sale of wind energy in the objective markets) is monitored, the evolution of the highly competitive markets environments and the continuous pressure on prices, with different relevance depending on the geographical area. In some cases other external factors are also monitored with wider scope like the evolution of the macroeconomic crisis. Despite this context GAMESA CORPORACIÓN TECNOLÓGICA, S.A. has achieved to fulfil the guides communicated to the market for the year 2011, among other aspects, through the implementation of a commercial strategy adapted to the most convenient model in each geography, to the entry in new markets/new clients, to the maximum use of attractive opportunities in the emerging markets and the introduction of more efficient products in the market like the G97.
- In this context of demand, the work on the flexibility of the operations has continued, with special emphasis in the logistic and the supplier chain, controlling the adaptation of the organization, planning, manufacture and/or purchase to satisfy the demand of quantity, quality, cost and period of time, through, among other measures, of industrial reconfigurations and the synergies that are achieved with the globalization and implementation strategy in the different geographies. In this context the alignment of the stocks to the client orders is specially monitored.
- Aligned with the new Strategic Plan 2011-2013, those risk factors that may affect the 3 strategic vectors of it are monitored (Growth, Cost of Energy, and efficiency), controlling the launch of new platforms (G97/G10X/Offshore) and new services (GPA 99, enlargement of life of components, etc.) aligned with the demands of the market/clients and austerity programs and cost optimization and investments.
- The Environment, Safety and Health of the information areas are still strengthening the work lines orientated to excellence, applying the same control levels in all the business units and geographical areas. With certified management systems OHSAS18001, ISO 14001, ISO 9001 in the main geographies and having done different improvement steps, among whose the bigger requirement of the Information Safety Policy shall be pointed out. The bigger exposition because of the globalization and the risk evolution led GAMESA CORPORACIÓN TECNOLÓGICA, S.A. at the beginning of 2011 to apply a preventive and/or corrective focus according to the necessities to improve the control of the Information Safety (information register/ identification/ classification/ control), focusing in sensible matters for the business. Pointing out the start of a corporate action Plan established in different phases and headed by the Senior Management. The main objective of this plan is to protect the certain for the business highly sensible matters, and including other initiatives to go from IT Systems Continuity to Business Continuity.
- The financial (interest rate, change rate, taxes, credit, liquidity and commodities) and tax risks are controlled through specific policies, rules and procedures in an integrated way in the functions of the respective departments. The information about coverage and control of these risks is included along the legal report. Special consideration needs the monitoring and control of the financial necessities and the following fulfilment of covenants.

- In the frame of the financial information internal control system a model with focus on “top-down” financial information error risk identification is applied, starting with the financial statements most significant accounts, which means considering the impact on the financial statements (material aspect).
- In this context, those estimates, assumptions, critic judgements and projections with a significant effect on the financial information that has been spread to the securities market are periodically reviewed and evaluated by the Management and supervised by the Audit and Compliance Committee, on their evaluation of the specially critic procedures in the financial information preparation, prior to the drawing up of the financial statements, responsibility of the Board of Directors, through the meetings held with the Financial Management, External Auditor and the Internal Audit Director.
- Likewise an adequate segregation of functions in the administrative-accountancy and financial processes is available, as a consequence of the organizational structure that contemplates different responsibilities and controls on each activity level and on a corporate level.
- Throughout the legal report, the next significant matters are included in detail, among others: recognition of income/advance grade, deterioration of assets-commerce funds and intangible assets, other aspects of participated companies, wind generators guarantee provision, accounts receivable recovery, contingent liability, stocks, differed taxes, tax credits and financing necessities.

The risks/opportunities are evaluated according to their potential impact (economic, operational, strategic, commercial, health and safety of the people, in the environment, in the image, in the image, legal/contractual, image, information and assets safety, fraud y/o corruption, labour and considering its extent on a local level, of a geographical unit or on a group level), to its probability of occurrence and control level, for the appropriate decision making, establishing the most adequate actions that allow to take the risks to acceptable control levels and capitalizing the opportunities.

As part of the periodical revision and verification of the map, auditing and specific diagnosis to the risks included in the map are being carried out, so that an important part of the 2011 map risks have been audited and consequently appropriate amendments have been included in it.

The evaluation of the effectiveness risk management process is carried out on diverse ways, like, (i) evolution and tendency of indicators related to the risks under control and the effect in those of the action plans to answer to the specific risks/opportunities management and control, (ii) evolution of the valuation of the risks according to its critic level in direction to a reasonable zone (% of mitigation, elimination of risks, ...) and (iii) finally through the evaluation of the achievement level of the business objectives throughout every year and at the end of it.

In the general balance of the year 2011 an improvement in the control level of the majority of the processes is confirmed and a progressive mitigation dynamic of specific risks and closing of some of them.



In relation with the Internal Control System of the Financial Information SCIIF, additional information can be consulted in the Section "G" of the document "Additional Information to the Annual Corporate Governance Report 2011 of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., according to article 61 bis of Law 24/1998, of July 28, of the Securities Markets", annexed to the present Annual Corporate Governance Report.

See note (D.1) in section G contained herein.

**D.2 State whether any of the different kinds of risks (operating, technology, financial, legal, reputation-related, tax, etc. risks) affecting the company and/or its group have come about during the financial year:**

**Yes X**

**No**

If the response is yes, indicate the circumstances which have led to them and whether the control systems laid down have worked properly.

<b>Risk that has come about during the year</b>	<b>Circumstances that have led to it</b>	<b>Functioning of the control systems</b>
Some of the inherent to the development of the own activities of the Business	In the development of the activities the main factors that have affected have been those detailed in section D.1. of the present report, among them, the evolution of the macroeconomic crisis.	The mitigation and control systems in the different areas have adequately functioned in 2011. During the fiscal year no material risks or extraordinary risks have been registered further than the inherent of the activity that develops Gamesa and the have been detailed in the Management Report, and in any case without compromising the results, the strategic objectives or the assets.

**D.3 State whether there is any kind of committee or governing body in charge of setting and overseeing these control mechanisms:**

**Yes X**

**No**

If the response is yes, provide details on their functions.

<b>Name of Committee or Body</b>	<b>Description of functions</b>
<b>Board of Directors</b>	The Company's highest decision-making, oversight and control body which examines and authorizes all relevant operations. It exercises the responsibility that can not be delegated, of supervision, which cannot be delegated, and is ultimately responsible for identifying the main risks affecting the Company. Is also responsible for the approval of the general politics and strategies of the Company and in particular, the identification, control and management of risks, as well as for the periodic monitoring of the main internal control and information systems.

<p align="center"><b>Chairman and CEO</b></p>	<p>Controls and authorizes any operations within his/her sphere of competence. He/she is responsible for the effective management of the Company's business in accordance with the decisions and criteria adopted by the General Shareholders' Meeting and the Board of Directors within their respective spheres of competence. The aforementioned operations shall be brought before the Board of Directors by the CEO, if necessary.</p>
<p align="center"><b>Audit and Compliance Committee</b></p>	<p>The Board of Directors has entrusted this Committee with these duties, among others:</p> <ul style="list-style-type: none"> <li>• Supervise the financial information process, and review the periodic and/or obligatory information that the Company shall disclose to the markets and its supervision bodies, with the needed depth to confirm its correction, liability, sufficiency and clarity.</li> <li>• Supervise the efficiency of the Company's internal control system and the risk management systems, as well as analyze with the accounts auditors the significant weaknesses of the internal control system that have been recognized, if appropriate, in the development of the auditing.</li> <li>• Assure that the risks control and management policy identifies the different types of risks (operational, technological, financial, legal, reputation, etc.) that the Company must confront, including among the financial or economic, the contingent liabilities and other risks out of the balance sheet.</li> <li>• Supervise the fixation and review of the map and risk level that is accepted by the Company, as well as the previewed measures to mitigate the impact of identified risks, if they shall materialize.</li> </ul> <p>The Committee is supported by Internal Auditing and Risks Control (BRC) when it comes to assessing and improving existing internal controls.</p>
<p align="center"><b>Executive Commission and Management Committee</b></p>	<p>They approve the risks given priority by the different business hubs, as well as the risk procedures, indicators and limits put forward. They guarantee the fulfillment of the procedures related to the risk management and control and that the personnel of every hub know the risk environment and control in every process.</p>

<p><b>Regulatory Compliance Unit</b></p>	<p>Reports to the Management Committee and the Audit and Compliance Committee. The Regulatory Compliance Unit is the collegiate body in charge of the vigilance and monitoring of the regulations environment that affects the activity of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. The Regulatory Compliance Unit is integrated, to these effects, by the General Secretary, the Legal Affairs General Director, Internal Auditing Director and the Compliance Officer.</p> <p>Likewise it supervises and oversees compliance with the Internal Regulations for Conduct in the Securities Markets and the Code of Conduct being responsible, in particular, of promoting the compliance culture and the prevention of corruption and bribery and potential conflicts of interest in the Group.</p>
<p><b>Internal Auditing Unit</b></p>	<p>With direct link to the Board of Directors, from which it depends on functions through the Audit and Compliance Committee, which permits it to guarantee the full independence in its performance. Its duty is to contribute to the good functioning of the Group, guaranteeing the efficient and independent supervision of the internal control system, and adding to the Group recommendations that shall contribute to reduce to reasonable levels the potential impact of the risks that difficult the achievement of the objectives of the Organization.</p> <p>Likewise has the objective of being the communication channel between the Organization and the Audit and Compliance Committee in relation with the matters within the competence of the Internal Auditing.</p>
<p><b>Risk Control Unit (BRC)</b></p>	<p>Reporting to the Internal Auditing Unit, assures the control and management of those risks that may affect the achievement of the objectives of the Company, because of the existence of politics, control mechanisms and adequate indicators, developing and implementing the model and frame of reference in risk management in the group. Implements tools of risk control; leads the measuring process of its fulfillment.</p>
<p><b>Risk and Opportunities Control Committee</b></p>	<p>Qualified first level authority, in which main aspects related with the risk control and business opportunities are analyzed and approved, driving the development and general implementation in GAMESA CORPORACIÓN TECNOLÓGICA, S.A. of the Control and Risk/Opportunities Management Model, with the vocation of contributing to the achievement of the business goals, to the shareholders' value creation and to the sustainable development of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.</p> <p>In this Committee take part the BRC network (integrated by the Risk Control Department, the responsible of BRC in USA and China, and the Risk Controllers), and the Departments of Internal Auditing and Business Performance.</p>

#### **D.4 Identify and describe the processes to comply with different the regulations affecting your company and/or its group.**

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s activities are either directly related to its activity of promoting and selling wind farms or indirectly to the manufacturing of wind turbines, with the generation and/or maintenance of special scheme electric power, sector subject to significant regulatory activities that are undergoing notable changes. Likewise, the Company's activities are present in many countries subject to different regulatory schemes and legislation.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A. counts with the support of the Legal Affairs Department through the legal advice of lawyers appointed to each General Directorate and Corporate Directorate according to its specific needs.

Additionally, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. has specialized departments, with duties and persons responsible appointed for the control of the different regulations that affect its activity in the different geographic areas and the diverse companies it comprises. Their responsibilities include:

- Compliance with prevailing legislation and regulations.
- Keeping knowledge about regulations updated.
- Laying down homogenous policies and procedures for action throughout the organization.
- Providing advice to the whole organization.

During 2011 the specific function "Global Compliance" has been given a specific procedure and has strengthened its functioning under the responsibility of the Regulatory Compliance Unit (UCN), that reporting to the Management Committee and the Audit and Compliance Committee, and with a collegiate character (General Secretariat, Internal Auditing, Legal Affairs and Compliance Officer) has the objective of making easier the vigilance of the fulfilment of the legal requirements of the different regulations: corporate-civil, wind energy business, customs, competition, intellectual property, labour, safety and health, environment, transport, products and materials, securities market, data protection and assets, tax and accountancy security. Indicators for the adequate report of the level of fulfilment and knowledge in each regulation sector have been established, as well as of the real or potential non fulfilments that the new regulations can lead and of the eventual sanctions derived from them. This function has a permanent coordination with the BRC network.

The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. can count on the backing provided by the Secretary-Legal Adviser to the Board in his actions to deal with all its legal aspects, to check its statutory regularity, the fulfillment of all the regulation coming from the regulatory bodies and to watch for the observance of the Corporate Governance principles. Additionally, as set forth in its By-Laws, the Audit and Compliance Committee oversees compliance with legal requirements, with the Professional Codes of Conduct and Good Governance Codes that may approve the Board of Directors.

**E GENERAL SHAREHOLDERS' MEETING**

**E.1 State and, if necessary, provide details if there are any differences concerning the minimum quorums laid down in the Corporations Law (*Ley de Sociedades Anónimas – LSA*) as regards convening the General Shareholders' Meeting**

Yes  No

	<b>% of quorum different from that set forth in Art. 102 of the Corp. Law (<i>LSA</i>) for general circumstances</b>	<b>% of quorum different from that set forth in Art. 103 of the Corp. Law (<i>LSA</i>) for the special circumstances set forth in Art. 103</b>
<b>Quorum required for 1<sup>st</sup> call</b>		
<b>Quorum required for 2<sup>nd</sup> call</b>		

<b>Description of the differences</b>

**E.2 State and, if necessary, provide details if there are differences from the scheme laid down in the Corporations Law (*Ley de Sociedades Anónimas – LSA*) regarding adopting corporate resolutions:**

Yes  No

Describe how it differs from the scheme set forth in the Corporations Law (*LSA*):

	<b>Reinforced majority other than that set forth in Art. 103.2 of the Corp. Law (<i>LSA</i>) for the circumstances laid down in Art. 103.1</b>	<b>Other circumstances for a reinforced majority</b>
<b>% set forth by the company for adopting resolutions</b>		
<b>Describe the differences</b>		

**E.3 List any shareholder rights concerning general meetings that differ from those laid down by the Corporations Law (LSA):**

There are no shareholder rights in the Company other than the ones set forth in the Corporate Companies Law concerning general meetings.

In this regard, shareholder rights are set forth in detail in the General Shareholders' Meeting Regulations, which were approved in a new restated text by the Shareholders' General Meeting held on May 25, 2011. The full text is publicly available on the Company's website ([www.gamesacorp.com](http://www.gamesacorp.com)).

**E.4 Indicate, if any, the measures adopted to promote shareholder participation at general meetings:**

It should be highlighted that in general terms owning a minimum number of shares is not required in order to vote and take part in General Shareholders' Meetings in accordance with the drafting of the General Shareholders' Meeting Regulations of May 25, 2007. The principle of "one share, one vote" applies.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s Board of Directors Regulations set forth the obligation of this body to promote informed shareholder participation at General Meetings and to adopt any suitable measures to facilitate the General Shareholders' Meeting exercising the functions it holds pursuant to the Law and the Corporate Bylaws.

More specifically, the Board of Directors shall adopt the following measures:

- a) It shall make an effort to place at the shareholders' disposal all the information that may be legally required before the meeting;
- b) It shall diligently respond to any written request for information made by shareholders before the Meeting under the terms set forth by prevailing legislation;
- c) It shall likewise respond with all due diligence to any questions and requests for information raised by the shareholders at the meeting under the terms laid down in prevailing legislation.
- d) Set up a Shareholders' Electronic Forum at the moment of the call of the Shareholders' General Meeting.

The Board of Directors shall likewise set appropriate mechanisms to interchange information on a regular basis with institutional investors holding a stake in the company, without the relationship between the Board of Directors and institutional shareholders becoming a conduit for any information that could give them a privileged or advantageous situation compared to other shareholders.

In compliance with the obligations laid down by the regulations and in order to promote the participation of its shareholders at General Meetings, GAMESA CORPORACIÓN TECNOLÓGICA, S.A., posts on its website information about the General Shareholders' Meeting, its agenda, the announcement of the meeting, the proposals drawn up for resolutions, as well as about the existing channels of information between the Company and its shareholders and through which they may request details about the Meeting.

More precisely, on April 20, 2011 the following documents were published in the corporate website of the company:

- the notice of call to the Shareholders' General Meeting,
- the significant event (*hecho relevante*) reported to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) of the call to the General Shareholders' Meeting,
- the Agenda,
- the proposed resolutions,
- the annual financial statements, management report and the auditor's reports, individual and consolidated,
- the Directors' liability statement,
- the report regarding the proposal of a capital increase by means of a scrip issue,
- the professional and biographical data and other prescriptive information of Mr. José María Aracama Yoldi for the ratification by the Shareholders' General Meeting as external independent,
- the report regarding the proposal of a Long Term Incentive Plan bound to the achievement of the key targets of the Business Plan 2011-2013,
- the report regarding the proposal of amendment of the By-Laws,
- the report regarding the proposal of amendment of the Shareholders' General Meeting Regulations,
- the report regarding the remuneration policy of the members of the Board of Directors of Gamesa Corporación Tecnológica, Sociedad Anónima of the current fiscal year (2011) and the application of the remuneration policy in force in the previous fiscal year (2010),
- the report about the amendments of the Regulations of the Board of Directors approved by the Board of Directors on December 15, 2010,
- the report regarding the execution by the Board of Directors of the capital increase by means of a scrip issue approved by the Shareholders' General Meeting of May 28, 2010 ("Gamesa Flexible Dividend") with the consequently amendment of article 4 of the By-Laws,
- the report about the amendments of the Regulations of the Audit and Compliance Committee approved by the Board of Directors on April 15, 2011,
- the explanatory report of the additional information included in the management report according to Section 116 *bis* of the Securities Market Law,
- the Annual Corporate Governance Report of 2010,
- the annual activities report of the Audit and Compliance Committee of 2010,
- the sustainability report of 2010,
- the shareholder's guide,
- the current restated text of the By-Laws,
- the current restated text of the Regulations of the Shareholders' General Meeting,
- the current restated text of the Regulations of the Board of Directors,
- the current restated text of the Regulations of the Audit and Compliance Committee.

The above mentioned documents were at disposal of the shareholders in Spanish, legal requirement, and in English, in coherence with the international character of our shareholders.

The same bilingual character may be predicated from the electronic vote system. In 2011, as it was done for the first time in the year 2008, this mechanism was at disposal of the shareholders, in Spanish and in English, from the very same moment of the publication of the General Shareholders Meeting Call.

In order to make it easier for shareholders to exercise their entitlement to vote and designate proxies, as well as their right to receive information through remote means of communication, the Board of Directors has approved, on the occasion of the call of the General Shareholders Meeting, the Regulations on Exercising the Rights of Remote Information, Voting and Proxies for Gamesa Corporación Tecnológica, S.A.'s General Shareholders Meetings pursuant to the provisions laid down in Articles 179 to 190 of the Capital Companies Law (*Ley de Sociedades de Capital*), Articles 21 and the following in the By-Laws and Articles 12 and the following of the General Shareholders' Meeting Regulations. These Regulations have the main objective of preciseness, precision and clarification of aspects related to the instruments of information of the shareholders and the exercise of the voting rights and the designation of proxies by remote means of communication.

Finally, in order that the financial intermediaries can appear legitimated as shareholders, but acting on behalf of diverse clients, can vote according to the instructions of these, the Article 35.8 of the Rules of the General Meeting of Shareholders states that "*whenever legally permissible and when the necessary guarantees of transparency and protection exists, and when the board of directors so decides, the vote may be fractioned in order that the financial intermediaries who appear legitimized as shareholders but who act on behalf of different clients may fraction their vote in accordance with the instructions of said clients.*"

**E.5 State whether the office of Chairman of the General Shareholders' Meeting coincides with the office of Chairman of the Board of Directors. Give details of any measures, if any, adopted to ensure the independence and smooth running of the general meeting:**

**Yes X**

**No**

**Give details on the measures**

The Board of Directors has, at its own initiative, customarily requested the presence of a Notary Public at the General Meeting to attend and certify the meeting (Article 8.7 of the General Shareholders' Meeting Regulations).

Concerning the verification that the meeting is validly convened, the Company is equipped with the necessary systems to control and count by computer means proxies and remote votes, as well as to draw up the list of those attending –either in person or through proxies– the General Meeting and to tally the quorum for convening the meeting and adopting resolutions.



**E.6 State any modifications made to the General Shareholders' Meeting regulations during the financial year, if any.**

During the financial year 2011 there has been an amendment of the Shareholders' General Meeting Regulations (hereinafter, the Regulations) of GAMESA CORPROACIÓN TECNOLÓGICA, S.A., amendment that led to the approval by the Shareholders' General Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. held on May 25, 2011, of a new restated text of it.

The amendment of the Regulations was framed in the updating process of the internal regulations of the Company that was carried out during 2011 with the aim to adapt the regulations to the last amendments of the Law and to continue improving in the fulfilling of the recommendations of good governance of general recognition in the international markets.

In particular, the amendment of the Shareholders' General Meeting Regulations had the ultimate proposal of:

- Updating and improving the functioning regime of the Shareholders' General Meeting,
- Adapting it to the legislative amendment in corporate law introduced by (i) the Law 12/2010, of June 30, that modifies The Law 19/1988, of July 12, of Account Auditing, the Law 24/1988, of July 28, of the Securities Market ("*Ley del Mercado de Valores*") and the restated text of the Public Companies Law approved by Royal Legislative Decree 1564/1989, of December 22, for its adaptation to the European regulation (hereinafter, "Auditing Law"); (ii) the Royal Legislative Decree 1/2010, of July 2, that approves the restated text of the Capital Companies Law (hereinafter, "*Ley de Sociedades de Capital*"); and (iii) the Law 2/2011, of March 4, of Sustainable Economy;
- Coordinating it with the amendment of the By-Laws that was proposed to the Shareholders' General Meeting held on May 25, 2011; and
- Carrying out certain technical improvements, all of them with the aim of having an updated text of the Shareholders' General Meeting Regulations and completely adapted to the reality of the Company and according to the best practices in corporate governance.

Likewise, other lesser amendments were proposed consisting in grammatical amendments and changes in concordance of the articles, as well as its restructuring, that pretended to improve the text of the Regulations but without modifying its sense. And, finally, a couple of amendments were proposed with the aim of homogenizing the defined terms along the document, in concordance with the By-Laws and the rest of the internal regulation of Gamesa (i.e. Shareholders' General Meeting, Agenda, Website, etc.) and for substituting the reference to the prior legislation for the one currently in force.

Because of the deep amendment of the Shareholders' General Meeting Regulations, the amendment was shaped as an approval of a restated text of the Shareholders' General Meeting Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

The full text of the Shareholders' General Meeting Regulations is available on the company's website ([www.gamesacorp.com](http://www.gamesacorp.com)).

**E.7 Provide details about the attendance of the General Shareholders' meeting held during the financial year to which the report refers:**

Date of General Meeting	Attendance details				Total
	% attending in person	% by proxy	% remote voting		
			Electronic voting	Others	
05-25-2011	39.39%	10.71%	0.00%		50.10%

See note (E.7) in section G contained herein.

**E.8 Briefly state the resolutions adopted at the General Shareholders' Meetings held during the financial year to which this report refers and the percentage of votes with which each resolution was adopted.**

Item One on the Agenda: Examination and approval, if applicable, of the individual Annual Accounts (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows and annual report) of Gamesa Corporación Tecnológica, Sociedad Anónima, and of the consolidated Annual Accounts with its dependent companies (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows and annual report), for the fiscal year ended on December 31, 2010.

Votes in favour	Votes against	Abstentions
99.90 %	0.01 %	0.09 %

Item Two on the Agenda: Examination and approval, if applicable, of the individual management report of Gamesa Corporación Tecnológica, Sociedad Anónima, and of the consolidated management report with its dependent companies for the fiscal year ended on December 31, 2010.

Votes in favour	Votes against	Abstentions
99.90 %	0.01 %	0.09 %

Item Three on the Agenda: Examination and approval, if applicable, of the management and actions of the Board of Directors during the fiscal year ended on December 31, 2010.

Votes in favour	Votes against	Abstentions
99.77 %	0.21 %	0.02 %

Item Four on the Agenda: Appointment of the auditor of the Company and its consolidated Group for the fiscal years 2011, 2012 and 2013.

Votes in favour	Votes against	Abstentions
99.73 %	0.17 %	0.10 %

Item Five on the Agenda: Examination and approval, if applicable, of the proposal for the allocation of profit/losses and the distribution of dividends of Gamesa Corporación Tecnológica, Sociedad Anónima for the fiscal year ended on December 31, 2010.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.96 %</b>	<b>0.03 %</b>	<b>0.01 %</b>

Item Six on the Agenda: Approval, for the free-of-charge allocation of the ordinary shares issued to the shareholders of the Company, of an increase in share capital by means of a scrip issue at a maximum reference market value of eleven (11) million euros. The shareholders will be offered the acquisition of their free-of-charge allocation rights at a guaranteed price. Express provision for the possibility of an incomplete allocation. Application for admission of the resulting shares to listing on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Automated Quotation System (*Sistema de Interconexión Bursátil*). Delegation of powers to the Board of Directors, including the power to amend Article 4 of the By-Laws.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.80 %</b>	<b>0.19 %</b>	<b>0.01 %</b>

Item Seven on the Agenda: Ratification of the appointment as Director of Mr. José María Aracama Yoldi made by cooption after the holding of the last Shareholders' General Meeting, as an External Independent Director.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.57 %</b>	<b>0.33 %</b>	<b>0.10 %</b>

Item Eight on the Agenda: Examination and approval, if applicable, of a Long Term Incentive Program through the delivery of shares of the company bound to the achievement of the key targets of the Business Plan 2011-2013 aimed to the Chairman of the Company, Senior Management, Managers and employees of Gamesa Corporación Tecnológica, Sociedad Anónima, and if applicable, of its dependent companies, and the delegation to the Board of Directors, with the express faculty of substitution, to implement, develop, formalize and execute the aforementioned remuneration system.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>95.77 %</b>	<b>4.20 %</b>	<b>0.03 %</b>

Item Nine on the Agenda: Amendment of the By-Laws and approval, if applicable, of a new restated text of the By-Laws.

9.1. Amendment of article 2 of the By-Laws to specify that the activities that constitute the corporate purpose are developed in the sector of renewable energies.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.89 %</b>	<b>0.09 %</b>	<b>0.02 %</b>

9.2. Amendment of articles 5, 6 and 7 of the By-Laws about the shareholder status and presentation and transfer of shares, with the aim to improve its order and systematics and complete its content.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.76 %</b>	<b>0.22 %</b>	<b>0.02 %</b>

9.3. New articles 8, 9, 10 and 11 of the By-Laws that provide the set of rules of the By-Laws for share capital increase or decrease.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.74 %</b>	<b>0.24 %</b>	<b>0.02 %</b>

9.4. New articles 12, 13 and 14 of the By-Laws that provide the set of rules of the By-Laws for the issue of debentures.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.67 %</b>	<b>0.25 %</b>	<b>0.08 %</b>

9.5. Amendment of articles 8, 9 and 10 (new articles 15, 16 and 17) of the By-Laws to improve the regulation of the general aspects of the Shareholders' General Meeting, as well as to enumerate its faculties.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.89 %</b>	<b>0.09 %</b>	<b>0.02 %</b>

9.6. Amendment of articles 11 and 12 (new articles 18, 19, 20, 21, 23, 24 and 25) of the By-Laws to improve the systematics and complete the content of the regulation of the call and constitution of the Shareholders' General Meeting and about the appointment of the General Meeting Bureau and to adapt it to the amendments of the Capital Companies Law.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.83 %</b>	<b>0.09 %</b>	<b>0.08 %</b>

9.7. Amendment of articles 13, 14, 15 and 16 (new articles 22, 26, 27, 28, 29 and 30) of the By-Laws to improve the writing and systematics of the set of rules of representation, voting and agreements adoption by the Shareholders' General Meeting.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.83 %</b>	<b>0.09 %</b>	<b>0.08 %</b>

9.8. Amendment of the articles 17, 18 and 19 (new articles 31, 32, 33, 34, 35, 36, 37, 38, 39 and 40) of the By-Laws with the aim to achieve a better fulfilment of the recommendations of the Corporate Governance Unified Code regarding the Board of Directors, adapt the set of rules of the By-Laws to the changes introduced in the Board of Directors Regulations and include some novelties in its content.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.89 %</b>	<b>0.09 %</b>	<b>0.02 %</b>

9.9. Amendment of article 22 (new article 43) of the By-Laws to adapt the set of rules of the By-Laws regarding the Audit and Compliance Committee to the amendments introduced by the Audit Law.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.86 %</b>	<b>0.09 %</b>	<b>0.05 %</b>

9.10. Amendment of article 23 (new article 44) of the By-Laws with the aim to complete the regulation of the Appointments and Remuneration Committee and provide an enumeration of faculties.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.86 %</b>	<b>0.09 %</b>	<b>0.05 %</b>

9.11. New article 45 of the By-Laws that expressly provides the duties of the Directors.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.89 %</b>	<b>0.09 %</b>	<b>0.02 %</b>

9.12. Amendment of article 25 (new article 46) with the aim to improve the order and systematics of the article and qualify that the limit of 3% in the remuneration of the Board of Directors is to be applied about the benefit of the fiscal year of the consolidated group.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.77 %</b>	<b>0.21 %</b>	<b>0.02 %</b>

9.13. Amendment of article 29 (new article 47) and new article 48 of the By-Laws to introduce the novelties of the Capital Companies Law and of the Audit Law regarding the Annual Corporate Governance Report, website of the Company and the Electronic Shareholders' Forum.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.89 %</b>	<b>0.09 %</b>	<b>0.02 %</b>

9.14. Amendment of articles 26, 27 and 28 (new articles 49, 50, 51 and 52) of the By-Laws with the aim to complete and improve the regulation about Annual Accounts and allocation of the result.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.89 %</b>	<b>0.09 %</b>	<b>0.02 %</b>

9.15. New article 54 of the By-Laws that establish that the conflicts between the shareholders and the company about the corporate affairs are submitted to the jurisdiction of the registered office of the Company.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.74 %</b>	<b>0.09 %</b>	<b>0.17 %</b>

9.16. Approval of a restated text of the By-Laws that includes the approved amendments and correlatively renumbers the titles, chapters and articles in which it is divided.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.83 %</b>	<b>0.09 %</b>	<b>0.08 %</b>

Item Ten on the Agenda: Amendment of the Shareholders' General Meeting Regulations and approval, if applicable, of a new restated text of the Shareholders' General Meeting Regulations.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>99.98 %</b>	<b>0.01 %</b>	<b>0.01 %</b>

Item Eleven on the Agenda: Delegation of powers to formalize and execute all resolutions adopted by the Shareholders' General Meeting, for conversion thereof into a public instrument, and for the interpretation, correction and supplementation thereof or further elaboration thereon until the required registrations are made.

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>98.89 %</b>	<b>0.09 %</b>	<b>0.02 %</b>

Item Twelve on the Agenda: Approval, with a consultative character, of the annual report regarding the remuneration policy of the members of the Board of Directors of Gamesa Corporación Tecnológica, Sociedad Anónima of the current fiscal year (2011) and the application of the remuneration policy in force in the previous fiscal year (2010).

<b>Votes in favour</b>	<b>Votes against</b>	<b>Abstentions</b>
<b>94.09 %</b>	<b>5.85 %</b>	<b>0.06 %</b>

**E.9 State whether there are any bylaw constraints setting a minimum number of shares to attend the General Meeting:**

Yes

No

<b>Number of shares needed to attend the General Meeting</b>	<b>1</b>
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**E.10 State and justify the policies followed by the company concerning proxy voting at the General Meeting.**

According to Article 22 of the By-Laws and 15 of the General Shareholders' Meeting Regulations, shareholders with the right to attend may give a proxy to another shareholder or not shareholder, in accordance with the Law, the By-Laws and the present Regulations.

Powers of representation can always be revoked. Should the represented shareholder attend the Annual General Meeting physically or by issuing a distance vote in accordance with these Regulations, any granted powers of representation will be revoked.

Such power of representation must be conferred in writing by post or email and must be conferred specifically for each Annual General Meeting. When the representative is the shareholder's spouse or first degree relative or has a general power of attorney conferred via a public document with powers to administer all of the shareholder's assets within national territory, the limits established in point 2 regarding the right of representation shall not apply. The Company can require documentary proof of the relationship or existence of the power of attorney.

In the case of legal representation, the Company can also require documentary proof of its existence.

The Board Chairman and the Annual General Meeting Chairman, once the meeting has been convened, shall have the broadest powers to check the validity of the document proving the powers of representation.

It is to highlight that the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. puts on disposal of the shareholders on the moment of the General Shareholders Meeting call, a Shareholders' Guide which includes the Regulations on Exercising the Rights of Remote Information, Voting and Proxies for GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s General Shareholders Meetings, pursuant to what was done at call of the General Shareholders Meeting that took place on May 25, 2011.

**E.11 State whether the company is aware of the policies of institutional investors concerning taking part or not in the company's decisions:**

Yes  No

Describe the policy
<p>The company has knowledge about the participation policy in Shareholders' General Meeting of those relevant institutional investors (of a significant size for the company) and those with whom the company has an established relationship.</p> <p>Likewise, the company has a permanent contact with Proxy Advisors which channel the policy of the institutional investors in Corporate Governance issues and in particular regarding their participation in the Shareholders' General Meeting.</p>

**E.12 State the URL and means of accessing corporate governance contents on your website.**

The contents that must be published pursuant to Law 26/2003 of July 17 on the Transparency of Listed Corporations (which was developed by Order ECO/3722/2003 of December 26 on Annual Corporate Governance Reports and Other Disclosure Instruments for Listed Corporations and Other Organizations, and Circular 1/2004 of March 17 issued by the National Securities Market Commission on Annual Corporate Governance Reports of Listed Corporations and Other Organizations Issuing Negotiable Securities in Official Secondary Securities Markets and Other Disclosure Instruments) are directly accessible at the URL <http://www.gamesacorp.com/en/investors-and-shareholders/>

The website of the company does not only content the information required in the legal regulation (Law 26/2003 of July 17 and Order ECO/3722/2003 of December 26 and its development in the Circular 1/2004 of March 17 issued by the National Securities Market Commission on Annual Corporate Governance Reports of Listed Corporations and Other Organizations Issuing Negotiable Securities in Official Secondary Securities Markets and Other Disclosure Instruments) but also substantial information of interest for the shareholders and investors and as many news referring the activity of the company.

In relation to the obligatory information it is aimed that the addressees of it, shareholders and investors, can access easily to the information that according to the regulation of the Securities Market has to be accessible and, basically, that the information is permanently updated.

During the year 2011, like it was done in the years 2008, 2009 and 2010, the company has prepared (in fulfillment of the internal regulation about the monitoring and updating of the corporate website) a monthly revision of the obligatory contents, proceeding, if applicable, with the updating in the maximum period of twenty days.

Additionally, the Internal Audit Unit (with annual regularity and always after the celebration of the General Shareholders Meeting) prepares a report about the corporate website, report that is passed to the Audit and Compliance Committee. Specifically in the meeting of the Audit and Compliance Committee of November 8, 2011 the Internal Audit Director presented the above mentioned report with an Action Plan prepared and presented on the Committee by the General Secretariat in coordination with the Internal Audit Unit.

In relation with the accessibility to the obligatory information it must be highlighted that the access to it is included in the front page or initial page of the website under the name: "Investors and shareholders". After this title it is contained an index of sections that corresponds with those that according to the Circular 1/2004, above mentioned, must be included in the websites of the listed companies.



## **F LEVEL OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

Indicate the company's level of compliance regarding the Unified Code of Good Governance.

In the event of failing to comply with any of the recommendations, explain the recommendations, regulations, practices or criteria the company applies.

- 1. The Bylaws of listed companies should not place a limit on the maximum number of votes the same shareholder may cast nor contain other constraints that limit the company's control through the acquisition of shares in the market.**

See sections: A.10, E.1 and E.2.

Complies  Explain

- 2. When the parent company and a subsidiary are listed, both should accurately define in public the following:**
  - a) Their respective areas of activity and any possible business relationships between them, as well as those of the subsidiary with other group companies;**
  - b) The mechanisms set forth to resolve any possible conflicts of interest that may arise.**

See sections: C.4 and C.7

Complies  Partially complies  Explain  Not applicable

**3. Although corporate legislation may not expressly require it, any transactions involving a structural modification to the company should be brought before the General Shareholders' Meeting's for its approval, particularly the following:**

- a) The transformation of listed companies into holdings through subsidiarization or the incorporation of essential activities performed up to that time by the company itself into subsidiaries, even when the company maintains full control over such subsidiaries;**
- b) The acquisition or divestment of essential operating assets, whenever it involves an effective modification of the corporate purpose;**
- c) Operations whose effect would be equivalent to liquidating the company.**

Complies X      Partially complies       Explain

**4. Detailed proposals on the resolutions to be adopted by the General Shareholders' Meeting, including the information referred to in Recommendation 28, should be made public the moment the announcement for the Meeting is published.**

Complies X      Explain

**5. Any matters that are substantially independent should be voted on separately at the General Shareholders' Meeting, so that shareholders may exercise their voting preferences separately. This rule should particularly apply to:**

- a) The appointment or ratification of directors, which should be voted individually;**
- b) In the case of amendments to the Bylaws, each article or group of articles that are substantially different.**

See section:      E.8

Complies X      Partially complies       Explain

**6. Companies should allow the vote to be split, so that financial brokers duly authorized as shareholders but acting on behalf of different clients, may cast their votes in keeping with their instructions.**

See section:      E.4

Complies X      Explain

- 7. The Board should perform its functions as a whole and with independent criteria, treat all shareholders in the same way and be guided by the company's interests, which should be construed as maximizing the company's economic value in a sustained manner.**

**In its dealings with stakeholders, the Board should likewise ensure that the company complies with the law and regulations, fulfills its obligations in good faith, respects the good uses and best practices of the industries and territories in which it performs its activities, and accepts any additional social responsibility principles it may have voluntarily accepted.**

Complies  Partially complies  Explain

- 8. The Board should take responsibility for approving the company's strategy and the organization needed to put it into practice as its core mission, in addition to overseeing and controlling that Management meets the targets laid down and respects the company's corporate purpose and interests. And, to such a purpose, the Board as a whole should reserve the competence of approving:**

**a) The company's overall policies and strategies and in particular:**

- i) The strategic or business plan, as well as annual management targets and budget;**
- ii) The investment and financing policy;**
- iii) Defining the group of companies' structure;**
- iv) The corporate governance policy;**
- v) The corporate social responsibility policy;**
- vi) The senior management remuneration and performance assessment policy;**
- vii) The risk control and management policy, as well as the regular monitoring of internal information and control systems;**
- viii) The dividend policy, as well as the treasury stock policy and, in particular, its constraints.**

See sections: B.1.10, B.1.13, B.1.14 and D.3

**b) The following decisions:**

- i) At the proposal of the company's chief executive, appointing and relieving senior executives of office, along with their compensation clauses;**

See section: B.1.14.

- ii) **Directors' remuneration, as well as any additional remuneration for executive directors due to their executive functions and other conditions that their contracts must comply with;**

See section: B.1.14.

- iii) **Financial information which the company is obliged to publish on a regular basis due to its condition as a listed company;**
  - iv) **Investments and transactions of all kinds that are of a strategic nature due to their large amount or special characteristics, unless their approval lies within the General Shareholders' Meeting's competencies;**
  - v) **The setting up or acquiring of stakes in special-purpose entities or those domiciled in countries or territories deemed to be tax havens, as well as any other transactions or operations of an analogous nature which could erode the group's transparency due to their complexity.**
- c) **Any operations that the company may carry out with directors, significant shareholders or shareholders represented on the Board, or with people related to them ("related-party transactions").**

**Such authorization from the Board shall, however, not be deemed necessary for any related-party transactions that simultaneously meet the three conditions set forth below:**

- 1.) When they are carried out by virtue of contracts whose conditions are standard and applied en masse to many customers;**
- 2.) When they are carried out at generally applicable prices or fees set by whoever may act as the supplier of the goods or services in question;**
- 3.) When their amount does not exceed 1% of the company's annual income.**

**It is recommended that the Board should approve related-party transactions after having received a favorable report from the Audit Committee or, should it be the case, from any other that may have been charged with such function. Any directors thus affected should leave the meeting room while the Board deliberates and votes on such transactions, in addition to not exercising or delegating their entitlement to vote.**

**It is recommended that the competencies attributed to the Board herein should not be subject to delegation, apart from those mentioned in paragraphs b) and c), which may be adopted for reasons of urgency by the Management Committee and subsequently be ratified by the Board as a whole.**

See sections: C.1 and C.6

Complies X      Partially complies       Explain

**9. The Board should be properly sized in order to run smoothly and promote participation, which suggests that it should not have less than five or more than fifteen members.**

See section: B.1.1

Complies X      Explain

**10. Non-executive directors representing significant shareholders and independent directors should make up an ample majority of the Board and the number of executive directors should be as few as are necessary, taking into account the group's complexity and the shareholdings held by executive directors in the company's share capital.**

See sections: A.2, A.3 and B.1.3.

Complies X      Partially complies       Explain

**11. Should there be a non-executive director that cannot be considered as representing a significant shareholder or independent director, explain such a circumstance and his/her relationships with either the company and its executives or the shareholders.**

See section: B.1.3

Complies X      Explain       Not applicable

**12. Among the non-executive directors, the relation between the number of directors representing significant shareholders and independent directors should reflect the existing proportion between the company's capital represented by directors representing significant shareholders and the rest of its capital.**

**This criterion of strict proportionality may be attenuated, so that the weight of directors representing significant shareholders may be greater than the total percentage of the capital they represent:**

**1.) In highly capitalized companies in which shareholdings that can legally be considered significant are scarce or non-existent, but have shareholders with stakes having a high absolute value;**

**2.) In companies having a wide variety of shareholders represented on the Board, which have no relationships among themselves.**

See sections: B.1.3, A.2 and A.3

Complies X Explain

**13. The number of independent directors should account for at least a third of the total number of directors.**

See section: B.1.3

Complies X Explain

**14. The status of each director should be explained by the Board before the General Shareholders' Meeting that will have to effectuate or ratify their appointment. This should be confirmed and, if necessary, revised annually in the Corporate Governance Report after having been verified by the Appointments Committee. The aforementioned report should also explain the reasons behind the appointment of directors representing significant shareholders at the request of a shareholder whose stake is below 5% of share capital. Likewise, the reasons for the rejection of any formal requests for a presence on the Board from a shareholder whose stake is equivalent to or greater than others who have had directors representing them appointed should be explained.**

See sections: B.1.3 and B.1.4

Complies X Partially complies  Explain

**15. When the number of directors is small or there are none, the Board should explain the reasons thereof and any initiatives taken to correct such a situation and, in particular, the Appointments Committee should ensure that when any vacancies are filled:**

- a) **The selection procedures do not suffer from any implicit biases that may hinder the selection of directors;**
- b) **The company deliberately seeks and includes women who meet the professional background required on the shortlist of candidates.**

See sections: B.1.2, B.1.27 and B.2.3.

Complies X      Partially complies       Explain       Not applicable

**16. The Chairman, who holds responsibility for the Board's smooth running, should ensure that directors receive sufficient information in advance, he/she stimulates debate and the directors' active participation at Board meetings, as well as safeguards their right to freely take a stance and express their opinions. He/She should also organize and coordinate regular assessments of the Board with the Chairmen of the relevant Committees and, if necessary, with the CEO or chief executive.**

See section: B.1.42

Complies X      Partially complies       Explain

**17. When the Chairman of the Board is also the company's CEO, one of the independent directors should be empowered to request the calling of Board meetings or the inclusion of new points on the agenda in order to coordinate and reflect the concerns of non-executive directors and to manage the Board's assessment of its Chairman.**

See section: B.1.21

Complies X      Partially Complies       Explain       Not applicable

**18. The Secretary to the Board should particularly ensure that the Board's actions:**

- a) **Comply with the wording and spirit of the Law and its regulations, including those approved by regulatory bodies;**
- b) **Comply with the company's Bylaws and with the Board and General Shareholders' Meeting Regulations, along with any others the company may have;**
- c) **Take into consideration the good governance recommendations contained herein, which the company has accepted.**

**And, in order to safeguard the independence, impartiality and professionalism of the Secretary, his/her appointment and removal from office should be reported on by the Appointments Committee and approved by the Board as a whole. Such appointment procedure should be reflected in the Board Regulations.**

See section: B.1.34

Complies X      Partially complies       Explain

**19. The Board should meet as often as is necessary to efficiently perform its functions, following the scheduling of dates and matters set at the start of the financial year. Each director may propose to include other points on the agenda that were not initially foreseen.**

See section: B.1.29

Complies X      Partially complies       Explain

**20. Lack of attendance by directors should be limited to unavoidable cases and should be quantified in the Annual Corporate Governance report. Should proxies be unavoidable, instructions should be issued.**

See sections: B.1.28 and B.1.30

Complies X      Partially complies       Explain

**21. When directors or the Secretary express concerns about a proposal or when directors express concerns about the company's situation and they are not resolved at the Board Meeting, such concerns should be reflected in the minutes at the request of whoever may have expressed them.**

Complies X      Partially Complies       Explain       Not applicable



**22. Once a year, the Board as a whole should assess:**

- a) **The quality and efficiency with which the Board runs;**
- b) **Based on the report submitted to it by the Appointments Committee, the performance of their functions by the Chairman of the Board and the company's CEO;**
- c) **Based on the reports submitted by its Committees, how they run.**

See section: B.1.19

Complies X      Partially complies       Explain

**23. All directors should be able to exercise their right to seek any additional information they may deem necessary on matters lying within the Board's competence. Unless the Bylaws or Board Regulations set forth otherwise, they should submit their request to the Chairman or the Secretary to the Board.**

See section: B.1.42

Complies X      Explain

**24. All directors should be entitled to obtain the advice they may need from the company in order to fulfill their functions. The company should also lay down appropriate channels to exercise this right, which may include external advice in special circumstances to be incurred by the company.**

See section: B.1.41

Complies X      Explain

**25. Companies should set up an orientation program that rapidly provides new directors with sufficient knowledge about the company, as well as of its corporate governance rules. They should also offer programs to directors to update their knowledge when circumstances so suggest.**

Complies X      Partially complies       Explain

**26. Companies should require directors to dedicate the time and effort needed to perform their functions efficiently and, consequently:**

- a) Directors should inform the Appointments Committee about their other professional obligations in case they could interfere with the level of dedication required;**
- b) Companies should lay down rules regarding the number of boards of directors of which directors may form part.**

See sections: B.1.8, B.1.9 and B.1.17

Complies  Partially complies  Explain

**27. Any proposals for the appointment or reappointment of directors brought before the General Shareholders' Meetings, as well as any provisional appointments by cooptation, should be approved by the Board:**

- a) At the proposal of the Appointments Committee in the case of independent directors;**
- b) After having received a report from the Appointments Committee in the case of the other directors.**

See section: B.1.2

Complies  Partially complies  Explain

**28. Companies should publicly disclose the following information about their directors through their website and keep it updated:**

- a) Professional background and biography;**
- b) Other Boards of Directors to which they belong, whether or not they are listed companies;**
- c) An indication as to the category of director to which they belong and, in the case of directors representing significant shareholders, the shareholder they represent or with which they have a relationship;**
- d) The date they were first appointed as a director of the company, as well as subsequent appointments; and**
- e) Shares and they hold in the company, as well as any stock options.**

Complies  Partially complies  Explain

**29. Independent directors should not remain as such for a continuous period exceeding 12 years.**

See section: B.1.2

Complies X Explain

**30. Directors representing significant shareholders should tender their resignation once the shareholder they represent sells its entire stake. They should also do so by the relevant number when such a shareholder reduces its stake in the company up to a point that would require a reduction in the number of directors representing a significant shareholder.**

See sections: A.2, A.3 and B.1.2

Complies X Partially complies  Explain

**31. The Board of Directors should not propose relieving any independent director of office before the term of office for which he/she has been appointed has elapsed, except when the Board sees a just reason for doing so after having received a report from the Appointments Committee. More particularly, it will be deemed that a just reason exists when the director has not fulfilled the duties inherent to the office or has been involved in any of the circumstances set forth in paragraph 5, section III of this Code's definitions.**

**Relieving independent directors of office may also be proposed as a result of takeover bids, mergers and other similar corporate operations that involve a change in the structure of the company's capital, whenever such changes in the Board arise from the criterion of proportionality set forth in Recommendation 12.**

See sections: B.1.2, B.1.5, B.1.20 and B.1.26

Complies X Explain

**32. Companies should lay down rules that oblige directors to inform and, if necessary, resign in any circumstances that could harm the company's good standing and reputation. In particular, these rules should oblige directors to inform the Board of any criminal proceedings in which they are involved as suspects, as well as of any subsequent procedural events.**

**Should a director be brought to trial or if a court ruling on the initiation of a court hearing against him is issued for any the offences set forth in Article 124 of the Corporations Law (*Ley de Sociedades Anónimas*), the Board should examine the case as soon as possible on the basis of specific circumstances and decide whether or not the director should continue in office. The Board should report all of the above in the Annual Corporate Governance Report in a reasoned manner.**

See sections: B.1.43 and B.1.44

Complies  Partially complies  Explain

**33. All directors should clearly state their opposition whenever they may consider a proposal that is brought before the Board goes against the company's interest. They should do the same, particularly independent directors and other directors not involved in a potential conflict of interest, whenever decisions are being dealt with that could prejudice the interests of shareholders not represented on the Board.**

**Whenever the Board adopts significant or reiterated resolutions about which a director has expressed serious reservations, such director should glean the appropriate conclusions and, if he/she chooses to resign, should explain his/her reasons in the letter referred to in the following Recommendation.**

**This Recommendation also covers the Secretary to the Board, although he/she may not be a director.**

Complies  Partially Complies  Explain  Not applicable

**34. When a director stands down before his/her term of office expires, either through resignation or for other reasons, he/she should explain his reasons for doing so in a letter to be sent to all members of the Board. Without prejudice to the fact that such an event should be notified as a relevant disclosure, the reasons for standing down should be included in the Annual Corporate Governance report.**

See section: B.1.5

Complies  Partially Complies  Explain  Not applicable

**35. The remuneration policy approved by the Board should at least cover the following matters:**

- a) The amount of fixed items with a breakdown, should it be the case, of allowances for taking part in Board and Committee Meetings and an estimate of the fixed annual remuneration from which these arise;**
- b) Variable remuneration items, particularly including:
  - i) The kinds of directors to which they apply, as well as an explanation of the relative importance of variable remuneration items as regards fixed items;**
  - ii) The results assessment criteria on which any entitlement to remuneration in shares, stock options or any other variable item is based;**
  - iii) The essential parameters and grounding of any annual bonus scheme or of any other type of remuneration in kind; and**
  - iv) An estimate of the absolute amount of variable remuneration arising from the remuneration plan proposed based on the level of achievement of the reference hypotheses or targets.****
- c) The main features of social welfare schemes (for instance, complementary pension schemes, life insurance and similar), containing an estimate of their amount or equivalent annual cost;**
- d) Conditions which the contracts of any individuals performing senior management functions as executive directors must comply with, among which the following should be include:
  - i) Term;**
  - ii) Term of prior notice; and**
  - iii) Any other clauses concerning hiring bonuses, as well as compensation or golden handshake clauses for the early termination or end of the contractual relationship between the company and the executive director.****

See section: B.1.15

Complies X

Partially complies

Explain

**36. Remuneration through the handing over of shares in the company or in group companies, stock options or instruments referenced to share prices, as well as variable remuneration linked to the company's performance or social welfare schemes should be limited to executive directors.**

**This Recommendation shall not cover the handover of shares when it is conditional upon the directors keeping them until they relinquish office as a director.**

See sections: A.3 and B.1.3

Complies X Explain

**37. Non-executive directors' remuneration should be sufficient to remunerate the dedication, qualifications and responsibility required by the office, but should not be so high so as to compromise their independence.**

Complies X Explain

**38. Any remuneration linked to the company's results should take into account any qualifications contained in the external auditor's report that could reduce such results.**

Complies X Explain  Not applicable

**39. In the case of variable remuneration, remuneration policies should incorporate precise technical precautionary measures to ensure such remuneration is in keeping with the professional performance of its beneficiaries and not simply a result of the general evolution of the markets, the industry in which the company performs its activities or similar circumstances.**

Complies X Explain  Not applicable

**40. The Board should submit to the General Shareholders' Meeting's vote a report on the directors' remuneration policy as a separate point on the agenda. Such report should be placed at the disposal of shareholders, either separately or in any other way the company may deem appropriate.**

The aforementioned report should particularly focus on the remuneration policy approved by the Board for the current year, as well as the one foreseen for future years, should it be the case. It should deal with all the matters referred to by Recommendation 35, except any that could involve the disclosure of sensitive commercial information. It should underline any significant changes made to such policies as regards the policy applied up the financial year prior to which the General Shareholders' Meeting refers. It should also include an overall summary of how the remuneration policy was applied in the preceding financial year.

The Board should likewise inform about the role played by the Remuneration Committee in drawing up the remuneration policy and whether it has relied on external advice and the identity of the external consultants that may have given such advice.

See section: B.1.16

Complies  Partially complies  Explain

**41. The Report should breakdown the individual remuneration of the directors for the financial year, including:**

**a) A breakdown of each director's remuneration, which should include the following, if necessary:**

- i) Attendance allowances and other fixed remuneration as a director;**
- ii) Additional remuneration as the Chairman or member of any of the Board's committees;**
- iii) Any remuneration due to a share in profits or bonuses, and the reasons why they were granted;**
- iv) Contributions made in favor of the director to fixed-contribution pension schemes; or an increase in the director's consolidated rights in the case of defined-benefit pension schemes;**
- v) Any compensation packages agreed upon or paid out in the event of being relieved of office;**
- vi) Remuneration received by directors from other group companies;**
- vii) Executive directors' remuneration for performing senior management duties;**

- viii) **Any other remuneration item other than the above, whatever their nature may be or whatever the group paying it out may be, particularly so whenever it is deemed as a related-party transaction or whenever its omission would distort the reliable image to the total remuneration received by the director.**
- b) **The individualized breakdown of any possible handover to directors of shares, stock options or any other instrument referenced to the share price, detailing the following:**
  - i) **Number of shares or stock options granted in the year, and conditions for exercising them;**
  - ii) **Number of stock options exercised during the year, indicating the number of shares affected and the price;**
  - iii) **Number of stock options pending being exercised at the end of the year, with an indication of their price, date and other requirements for exercising them;**
  - iv) **Any changes made during the year to the conditions for exercising already granted stock options.**
- c) **Information about the relation between the remuneration obtained by executive directors and the results or other company performance measures in the aforementioned prior financial year.**

Complies  Partially complies  Explain

**42. When there is a Delegate or Executive Committee (hereinafter, "Delegate Committee"), the structure of the different kinds of directors should be similar to that of the Board, and its secretary should be the Board Secretary.**

See sections: B.2.1 and B.2.6

Complies  Partially complies  Explain  Not applicable

**43. The Board should always be aware of the matters dealt with and the resolutions adopted by the Delegate Committee, and all Board members should receive a copy of the minutes of Delegate Committee meetings.**

Complies  Explain  Not applicable



**44. In addition to the Audit Committee required by the Law on the Securities Market (*Ley del Mercado de Valores*), the Board of Directors should set up an Appointments and Remuneration Committee, or two committees on such matters, within its midst.**

**The rules on the composition and running of the Audit Committee and the Appointments and Remuneration Committee(s) should be contained in the Board Regulations and include the following:**

- a) That the Board appoints the members of such Committees, taking into account the knowledge, capacity and experience of the directors and the tasks entrusted to each Committee; that the Board should also deliberate on their proposals and reports and that such Committees must report on their activities and take responsibility for the work before the Board at the first meeting held after their own meetings;**
- b) That such Committees should be exclusively comprised by non-executive directors and have a minimum of three members. The foregoing should be construed to be without prejudice to the attendance of executive directors and senior executives whenever the Committee's members expressly resolve the need for their attendance;**
- c) That the Chairmen of such Committees should be independent directors;**
- d) That such Committees may seek external advice whenever they see fit to perform their functions;**
- e) That minutes should be drafted on each meeting, a copy of which should be send to all Board members.**

See sections: B.2.1 and B.2.3

Complies  Partially complies  Explain

**45. Oversight on compliance with internal codes of conduct and the rules of corporate governance should be attributed to the Audit Committee, the Appointments Committee or, should they exist separately, to the Compliance or Corporate Governance Committee.**

Complies  Explain

**46. The members of the Audit Committee, and more particularly its Chairman, should be appointed by taking into account their knowledge and experience in accounting, auditing or risk management matters.**

Complies  Explain

**47. Listed companies should have an internal auditing unit to ensure, under the Audit Committee's supervision, that the information and internal control systems work properly.**

Complies X      Explain

**48. The person in charge of the internal auditing unit should submit its annual work plan to the Audit Committee and directly inform it about any incidents in its performance. The unit should also submit an activity report to such Committee at the end of each financial year.**

Complies X      Partially complies       Explain

**49. The risk control and management policy should at least contain the following:**

- a) The different kinds of risks (operating, technology, financial, legal, reputation-related, etc. risks) faced by the company, including contingent liabilities and other out-of-balance risks among financial risks;**
- b) Setting the risk level which the company considers acceptable;**
- c) The measures foreseen to mitigate the impact of any risks identified should they come about;**
- d) The information and internal control measures used to control and manage the aforementioned risks, including contingent liabilities and out-of-balance risks.**

See section: D

Complies X      Partially complies       Explain

**50. The following should comprise the Audit Committee's responsibilities:**

**1.- Concerning information and internal control systems:**

- a) Overseeing the process of drawing up financial information on the company and its integrity and, if so, of the group; checking compliance with regulatory requirements, the appropriate delimitation of the consolidation boundary and the correct application of accounting standards;**
- b) Regularly checking internal control and risk management systems, so as to ensure the main risks are identified, managed and adequately known;**

- c) **Overseeing the independence and efficiency of internal auditing functions; proposing the recruitment, appointment, reappointment and dismissal of the head of internal auditing; proposing this service's budget; receiving regular information on its activities; and ensuring that senior management takes into consideration the conclusions and recommendations contained in its reports;**
- d) **Setting and overseeing a mechanism that allows employees to confidentially and, if deemed appropriate, anonymously report any irregularities that could be potentially important, especially financial and accounting irregularities they may notice within the company.**

**2.- Concerning the external auditor:**

- a) **Bringing before the Board proposals to recruit, appoint, reappoint and replace the external auditor, along with their contracting conditions;**
- b) **Receiving information from the external auditor about the auditing plan on a regular basis, in addition to the results of its performance, and checking to ensure senior management takes its recommendations into account;**
- c) **Ensuring the external auditor's independence and to such a purpose:**
  - i) **Making sure the company notifies a change of auditor as a relevant disclosure to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores – CNMV*), attaching thereto a statement on any disagreements, if any, with the outgoing auditor and their contents;**
  - ii) **Making sure that the company and the external auditor comply with prevailing legislation on the provision of services other than auditing services, the concentration constraints on the auditor's business and, in general terms, any other rules laid down to ensure auditors' independence;**
  - iii) **In the event of the external auditor standing down, looking into the circumstances that may have led to such a decision;**
- d) **In the case of groups, making sure the group's auditor takes on responsibility for the audits of the companies making up the group.**

See sections: B.1.35, B.2.2, B.2.3 and D.3

Complies X      Partially complies       Explain

**51. The Audit Committee should be able to call any of the company's employees or executives to declare and even rule that they do so without the presence of any other executive.**

Complies X Explain

**52. The Audit Committee should inform the Board on the following matters set forth in Recommendation 8 prior to the Board taking any resolutions on such matters:**

- a) **Financial information which the company is obliged to publish on a regular basis due to its condition as a listed company. The Committee should ensure that any interim accounts are drawn up using the same accounting criteria as the annual accounts and, to such a purpose, should consider the possibility of a limited review by the external auditor;**
- b) **The setting up or acquiring of stakes in special-purpose entities or those domiciled in countries or territories deemed to be tax havens, as well as any other transactions or operations of an analogous nature which could erode the group's transparency due to their complexity;**
- c) **Related-party transactions except when the prior reporting function has been attributed to another supervisory and control committee.**

See sections: B.2.2 and B.2.3

Complies X Partially complies  Explain

**53. The Board of Directors should attempt to bring the annual accounts before the General Shareholders' meeting without any reservations or qualifications in the auditor's report, and in any exceptional circumstances in which they may exist, both the Chairman of the Audit Committee and the external auditors should clearly explain the contents and scope of such reservations and qualifications to the shareholders.**

See section: B.1.32 and B.1.38

Complies X Partially complies  Explain

**54. The majority of the members of the Appointments Committee (or of the Appointments and Remuneration Committee should it be a single committee) should be independent directors.**

See section: B.2.1

Complies X Explain  Not applicable

**55. In addition to the foregoing Recommendations, the Appointments Committee should be responsible for the following:**

- a) Assessing directors' competence, knowledge and experience and thus defining the functions and aptitudes needed by the candidates to fill each vacancy, as well as assessing the time and dedication needed to properly perform the tasks entrusted to them;**
- b) Examining and organizing the Chairman's and the chief executive's succession, so that they may be properly understood, and bringing proposals before the Board, so that such successions come about in an orderly well-planned fashion;**
- c) Informing about the appointment and dismissal of senior executives the chief executive may bring before the Board;**
- d) Informing the Board about gender the equality matters set forth in Recommendation 14 contained herein.**

See section: B.2.3

Complies  Partially Complies  Explain  Not applicable

**56. The Appointments Committee should consult with the company's Chairman and chief executive, especially when it is dealing with matters having to do with executive directors.**

**Any director may request the Appointments Committee to take into consideration the potential candidates he/she may deem ideal to fill vacant directorships.**

Complies  Partially Complies  Explain  Not applicable

**57. In addition to the foregoing Recommendations, the Appointments Committee should be responsible for the following:**

- a) Proposing to the Board of Directors:**
  - i) Directors' and senior executives' remuneration policy;**
  - ii) The individual remuneration for executive directors, along with their contract conditions;**
  - iii) Basic contract conditions for senior executives.**
- b) Ensuring the remuneration policy laid down by the company is observed.**

See sections: B.1.14 and B.2.3

Complies  Partially Complies  Explain  Not applicable

**58. The Remuneration Committee should consult with the company's Chairman and chief executive, especially when it is dealing with matters having to do with executive directors and senior executives.**

Complies X

Explain

Not applicable

## **G OTHER INFORMATION OF INTEREST**

If you consider that there are any other principles and aspects applied by your company that have not been addressed by this report, state and explain their contents below.

Any other information, clarification or nuance related to the foregoing sections of the report may be included in this section.

More specifically, state if your company is subject to corporate governance legislation of countries other than Spain and, if so, include any information it may be obliged to disclose that is different from the information required herein.

### **(A.2)**

In order to complement the information supplied in Section A.2, it should be pointed out that the company IBERDROLA, S.A. communicated the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on July 21, 2011 the acquisition of 404,255 shares of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and reached 19.617% of the capital of the company.

In order to complement the information supplied in the Section A.2. it should be pointed out that the company DIMENSIONAL FUND ADVISORS LP communicated the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on January 24, 2012 the acquisition of 163,226 shares of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and reached 3.022% of the capital of the company.

### **(A.3)**

In order to complement the information supplied in Section A.3, it should be pointed out that:

- a) Mr. Agustín Delgado Martín, representative person of IBERDROLA, S.A. in the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., is the holder of thousand (1,000) shares of the company.
- b) Mr. Santiago Bergareche Busquet, member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. until February 11, 2011 is the holder of four thousand eight hundred fifty six (4,856) shares of the company. From that total amount he owns directly hundred one (101) shares and indirectly four thousand seven hundred fifty five (4,755) shares.
- c) Mr. Pedro Velasco Gómez, member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. until December 14, 2011 is the holder of one thousand five hundred nineteen (1,519) shares of the company.

- d) Mr. José Miguel Alcolea Cantos, representative person of IBERDROLA, S.A. in the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. until December 14, 2011, is not the holder of any share of the company.

**(B.1.2)**

In order to complement the information supplied in Section B.1.2, it should be pointed out that according to the Significant Event 154731 sent to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on December 14, 2011, the external proprietary Director Iberdrola, S.A. communicated the appointment of Mr. Agustín Delgado Martín as its representative person in the Board, substituting Mr. José Miguel Alcolea Cantos, who was the representative person until that moment.

**(B.1.3)**

In order to complement the information supplied in Section B.1.3, a brief profile of the Executive Directors, Directors Representing Significant Shareholders and Other External Directors, appear below:

**EXECUTIVE DIRECTORS**

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**Jorge Calvet Spinatsch**

Degree in Law and in Business Administration (ICADE) and MBA specializing in Finance at the NYU Stern School of Management. He joined Gamesa's Board of Directors in October 2005 and he was appointed Vice Chairman in 2007. He has been Chairman and Chief Executive Officer of the company since October 2009. His professional background is primarily in investment banking in New York, London and Madrid, where he held positions in the upper management of firms such as Morgan Stanley and UBS. Currently he is independent Director in the Board of Directors of Quabit Inmobiliaria, S.A. and France Telecom España, S.A.

**Carlos Rodríguez-Quiroga Menéndez**

Born in Madrid. He currently holds the position of Member of and Secretary to the Board of Directors and Secretary (non Member) of the Audit and Compliance Committee and Secretary (non Member) of the Appointment and Remuneration Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds a Law Degree from the Complutense University of Madrid.

Diploma-holder of Employment Law from the Legal Practice School of Madrid.

Diploma-holder in Comparative Industrial Relations and in European Community Relations from the Secretariat of State for Relations with the European Community.



Practicing lawyer.

Over the last few years, he has performed the tasks of Director of or Secretary to the Board of Directors, among other positions, in the following companies: Audiovisual Española 2000, S.A., Diver Karting, S.L. and Rodríguez-Quiroga Abogados, S.L. He is also Member of the Fundación España-Guinea Ecuatorial.

## **EXTERNAL PROPRIETARY DIRECTORS:**

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### **Sonsoles Rubio Reinoso**

Born in Segovia, she holds the position of Member of the Board of Directors and of the Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

She holds a degree in Economics and Business from the Universidad Autónoma of Madrid.

She completed her training as post graduated at ICEA, IESE and *Centro de Estudios Financieros*. She is also *Técnico en Aseguramiento de la Calidad*, Certified Internal Audit and Certified Fraud Examiner.

Her professional career has been performed in the internal audit department of enterprises like Repsol YPF, S.A. (1995-1999), Holcim (Spain), S.A. (1999-2008) and Iberdrola (2008-2011). She holds the position of Internal Audit Manager of Renewable Business at Iberdrola.

She is Member of the Steering Committee of the *Instituto de Auditores Internos* since May 2007, General Secretary of its Steering Committee since May 2009 and Secretary and Member of its Audit Committee since November 2011.

Throughout her career she has published articles and given many talks. She also teaches at the Seminar "*Creación y gestión de un Departamento de Auditoría Interna*" since 2009.

### **Agustín Delgado Martin**

Born in Caceres. He is currently representing Iberdrola, S.A., Member of the Board of Directors and Member of the Executive Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds an Industrial Engineering Degree from the "*Escuela Técnica Superior de Ingeniería Industrial (ETSII)*" of the Universidad of Comillas (ICAI). He holds a Doctorate in Industrial Engineering from ETSII and UNED.

His professional career has been performed in the innovation sector at enterprises like Dimetronic (1997-2001), BESEL (2001-2006) and Iberdrola (since 2006). Nowadays he holds the position of Director of Innovation, Environment and Quality at Iberdrola, S.A. and administrator of the SPE (*Sociedad de Promoción de Empresas*) Perseo.

He is a member of the Board of Directors of Algaenergy, S.A. and of IHOBE, S.A. (*Sociedad Pública de Gestión Ambiental*). He is a member of the Think Tank on energetic innovation at "*Club Español de la Energía*" and also of the Executive Committee of "*Alianza por la Innovación Energética Española*". He is also representative of Iberdrola in the company NEOTEC Capital Riesgo.

Throughout his career he has published several books. He also teaches at "*Curso Superior de Negocio Energético del Club Español de la Energía*".

## **OTHER EXTERNAL DIRECTORS**

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### **Juan Luis Arregui Ciarsolo**

Born in Mallavia (Vizcaya). He is currently Deputy Chairman of the Board of Directors and member of the Appointments and Remuneration Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds a Technical Engineering Degree from the Bilbao School of Engineering, holds a degree in Numerical Control from Wandsdorf, Germany and has a Master in Micromechanics from Besançon, France.

He is the Chairman of Viña Izadi, S.A. since 1987 and of Foresta Capital, S.A., since 2002, having taken part in founding both companies. He is also the President of Grupo Empresarial Ence, S.A. since 2006, Director of GRL Aceite since 2000, and First Deputy Chairman of Cartera Industrial Rea, S.A. since 2008. He held the position of Director of Iberdrola, S.A. (1993-2010), holding the posts of member of the Audit Committee (1999-2001), member of the Executive Committee (2002-2010), member of its Appointment and Remuneration Committee (2004-2010) and Deputy Chairman of the Board of Directors (2006-2010).

He also held the positions of Chairman of Gamesa, Chairman of Corporation Eólica Cesa, S.L., Co-Chairman of Grupo Guascor and member of Gestora de Proyectos y Contratos, S.A., of which he was co-founder.

### **Benita Ferrero-Waldner**

Born in Salzburg (Austria), she holds the position of Member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

Doctorate in Law from the Paris-Lodron-University of Salzburg, Austria, diplomat and Honorary Doctorate from the Lebanese American University in Beirut, is a former European Union Commissioner for Trade (Dec. 2009–Feb. 2010), for External Relations (Nov. 2004–Nov. 2009) and European Neighbourhood Policy (Nov. 2004–Feb. 2010) and for External Relations in the European Union (Nov. 2004 - Nov. 2009), and has developed her wide-ranging professional career in both the political and diplomatic spheres, as well as in the private sector.

Between 2000 and 2004, she held the Foreign Affairs Federal Minister of the Republic of Austria and was a candidate to run for Federal President of her country in 2004. She was also the Vice-President of the Organization for Security and Cooperation in Europe (OSCE) in 2000, as well as the Republic of Austria's Secretary of State for Foreign Affairs and Development Cooperation (Minister of the Cabinet between 1995 and 2000).

In the private sector, she has held positions of responsibility in the German company Gerns and Gahler and in P. Kaufmann Inc. New York, as Sales Director for Europe.

She is also member of the Board of Directors of the German reinsurance company Munich Re and was recently appointed member of the Supervisory Board of Alpine, Salzburg, Austria.

She is member of the "International Advisory Board" of Norman Foster (London), Patronate of the Foundation for International Relations and Dialogue (FRIDE), Spain, and of the Foundation Príncipe de Asturias y Girona.

In addition in 2011 she was appointed Chairman (pro bono) of the "EULAC" Unión Europea con América Latina y Caribe Foundation and also Chairman (pro bono) of the "Euroamérica" Foundation.

Throughout her career she has published numerous articles, essays and books throughout her career, the most outstanding of which is "Charting course in a changing world".

Furthermore, she has received several awards from different countries including, the "European Diplomat of the Year Award" from European Voice Magazine (2007) and the XVI "Blanquerna Award" granted by Generalitat of Catalonia (Regional Government of Catalonia) in 2009.

### **(B.1.3)**

In order to complement the information supplied in the Section B.1.3 it should be pointed out that on March 26, 2010, Juan Luis Arregui Ciarsolo resigned as Director of Iberdrola, S.A. and this fact motivated then the loss of his condition as External Proprietary Director of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. as it was justified in the Annual Corporate Governance Report of the fiscal year ending on December 31, 2010. As the period of time established in the article 8.2 of the Board of Directors Regulations and in the Unified Good Governance Code has passed, the Board of Directors of date February 22, 2012, with the prior qualification by the Appointments and Remuneration Committee, approved the change of qualification of Juan Luis Arregui Ciarsolo to be External Independent applying the annual review of the typology of the members of the Board of Directors provision that annually, on the occasion of the Annual Corporate Governance report, establishes the art. 8.7 of the Board of Directors Regulations.

### **(B.1.8)**

In order to complement the information supplied in the Section B.1.8 it should be pointed out that IBERDROLA, S.A. was Director of IBERDROLA RENOVABLES, S.A. until the merger of both companies that occurred when the merger public deed was registered in the Companies Registry of Vizcaya on July 8, 2011.

In order to complement the information supplied in the Section B.1.8 it should be pointed out that Mr. Santiago Bergareche Busquet is Deputy Chairman and member of the Executive Committee and of the Appointments and Remuneration Committee of Grupo Ferrovial, S.A.; Chairman of Dinamia Capital Privado, SCR, S.A; Co-Chairman and member of the Executive Committee and Chairman of the Appointments and Remuneration Committee of Compañía Española de Petróleos, S.A.; and individual representing the company "Bycomels Prensa, S.L." in the performance of the function of member of the Board of Directors and of the Executive Committee of Vocento, S.A.

**(B.1.10)**

In order to complement the information supplied in the Section B.1.10 it should be pointed out that Article 40 of the By-Laws and Article 5 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. include the functions of the Board of Directors. Both complete texts can be found on [www.gamesacorp.com](http://www.gamesacorp.com)

**(B.1.11)**

In order to complement the information supplied in Section B.1.11, it should be pointed out that:

(a) the information included in the above-mentioned section coincides with the information appearing on Note 19 of the Individual Report and Note 29 of the Consolidated Report, which forms part of the 2011 Annual Report.

(b) the percentage of "Total directors' remuneration/Profits attributed to parent company" included in section B.11. is compatible with the article 46 of the By-Laws of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. that establishes that "*the Company will allocate an amount equivalent to a maximum of 3% of the consolidated group's earnings for the year to Board of Directors remuneration, as expenses*", because if for the calculation we do exclude the remunerations of the Executive Directors the percentage is 2.56%.

(c) the Board of Directors agreed the freeze of all its remunerations for the fiscal year 2011.

(d) the fixed Remuneration for the fiscal year 2011 is freezed in relation with fiscal year 2010 and the increase of the total amount is caused by the appointment, occurred during the fiscal year 2010, of new posts in the Board of Directors that were active during the whole fiscal year 2011. Likewise, within the 848 thousand euro of the variable Remuneration of the executive Director is also included the annual variable remuneration delivered as well as the remuneration of the Shares Plan approved by the Shareholders' General Meeting linked to the achievement of the objectives of the period 2009-2011 (liquidates in advance on May 30, 2011) and the Log Term Incentive Plan in shares 2011-2013 that will be liquidated in the fiscal year 2014 regarding the level of effective fulfilment of the objectives that link it.

(e) in its meeting of January 25, 2012 the Board of Directors has decided the freeze of the fixed remuneration and allowances of the Board of Directors until new agreement.

At last it should be pointed out that *"the Board of Directors shall draw up an annual report on the remuneration policy for the current year and on the valid remuneration policy of the prior year, which will be made available to the shareholders in the form that the Board of Directors may deem appropriate, along with and occasion for the summons of the General Shareholders' Meeting in accordance with effective legislation."* (Article 31.4 of the Board of Directors Regulations)

#### **(B.1.12)**

In order to complement the information supplied in Section B.1.12, it should be pointed out that the Board of Directors of the Company, in its meeting of December 14, 2011, on proposal of the Appointments and Remuneration Committee. Established a new configuration of the Senior Management, so that its members are the members of the Executive Commission, as well as the Internal Auditor and the General Secretary.

#### **(B.1.13)**

In order to complement the information supplied in Section B.1.13, it should be pointed out that on the moment of the call of the General Shareholders Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. of 2011, information of the guarantees or golden handshake clauses in favour of the members of the Senior Management was put at disposal of the shareholders. This information is held in the Explanatory Report of additional information included in the Management Report as complement to the Annual Report of the financial year ending on December 31, 2010, as per article 116 bis of the Spanish Stock Market Law.

#### **(B.1.14)**

In order to complement the information supplied in Section B.1.14 it should be pointed out that the Article 5.4 (iii).c) of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. includes the functions of the Board of Directors regarding the Senior Management. The full text can be found on [www.gamesacorp.com](http://www.gamesacorp.com)

In order to complement the information supplied in Section B.1.14 it should be pointed out that Article 31 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. rules the remuneration of the Directors. The full text can be found on [www.gamesacorp.com](http://www.gamesacorp.com)

**(B.1.16)**

In order to complement the information supplied in Section B.1.16, it should be pointed out that according to the Significant Event number 144727 communicates to the National Securities Market Commission on May 31, 2011, the Appointments and Remuneration Committee of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. agreed, in its meeting of May 30, 2011, on behalf of it, the advance liquidation of the Long Term Incentive Program 2009-2011 authorized by the Shareholders' General Meeting on May 29, 2009 (Significant Event 109164).

In order to complement the information supplied in Section B.1.16, it should be pointed out that according to Article 19.5.f) of the Board of Directors Regulations, without prejudice to other responsibilities the Board of Directors may assign to it, the Appointments and Remuneration Committee shall have the following basic responsibilities: "Propose to the Board of Directors the system and amount of the annual remuneration of the Directors, as well as the individual remuneration for the Executive Directors, along with the rest of their contractual conditions, all this in accordance with the provisions set forth in the Corporate Bylaws and in these Regulations".

**(B.1.17)**

In order to complement the information supplied in Section B.1.17, it should be pointed out that Mr. Agustín Delgado Martín, individual representing IBERDROLA, S.A., member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., holds the post of Innovation, Environment and Quality of IBERDROLA, S.A., significant shareholder of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

In order to complement the information supplied in Section B.1.17, it should be pointed out that Mr. Pedro Velasco Gómez, member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. until December 14, 2011, held the post of Director of Non Energy Business and Assets of IBERDROLA, S.A., significant shareholder of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

In order to complement the information supplied in Section B.1.17, it should be pointed out that Mr. José Miguel Alcolea Cantos, individual representing IBERDROLA, S.A. until December 14, 2011, member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., holds the post of Director of Legal Services of Business of IBERDROLA, S.A., significant shareholder of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

**(B.1.26)**

In order to complement the information supplied in Section B.1.26, it should be pointed out that, as included in the section B.1.2., none of the current members of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. that are External Independents have held the post for a continuous period of over 12 years (taking as reference date the date on which GAMESA CORPORACIÓN TECNOLÓGICA, S.A. started to issue in the Madrid, Barcelona, Valencia and Bilbao Stock Exchange, as well as in the Stock Exchange Interconnection System (Continuous Market)), and all of it as established in the recommendation 29 of the Unified Code of Corporate Governance.

**(B.1.29)**

In order to complement the information disclosed in Section B.1.29, it should be pointed out that within the twelve (12) meetings of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. held during the fiscal year 2011, one (1) of them was held without a meeting, possibility that is expressly included in article 20.5 of the Board of Directors Regulations.

**(B.1.33)**

In order to complement the information disclosed in Section B.1.33, it should be pointed out that the Secretary to the Board of Directors also holds the office of Legal Counsel to the Board of Directors in keeping with his/her professional background as a lawyer. The Article 13.3 of the Board of Directors Regulations states that the Secretary shall at all times ensure the substantive and material formality of the Board's actions and establishes how he/she must perform his/her actions.

The Secretary Director of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., Mr. Carlos Rodríguez-Quiroga Menéndez, that has the category of Executive Director, was re-elected in his post on May 25, 2007.

**(B.1.35)**

In order to complement the information disclosed in Section B.1.35 it should be pointed out that the Article 29 of the Audit and Compliance Committee Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. rules the relations of the aforementioned Committee with the External Auditor. The full text is available on [www.gamesacorp.com](http://www.gamesacorp.com)

**(B.1.40)**

In order to complement the information disclosed in Section B.1.40 it should be pointed out that Mr. Carlos Fernández-Lerga Garralda owns 123 shares of IBERDROLA, S.A. that is a 0.000% of share capital participation. And likewise he is non direct owner of 437 shares of IBERDROLA, S.A. through the company EUR-CONSULTORES, S.L. that is a 0.000% of share capital participation.

In order to complement the information disclosed in Section B.1.40 it should be pointed out that Mr. Pedro Velasco Gómez, member of the Board of Directors until December 14, 2011, owns 56,295 shares of IBERDROLA, S.A. where he held the post of Director of Non Energy Business and Assets. His share capital participation is 0.000%.

In order to complement the information supplied in section B.1.40, the following information is included in relation to Mr. José Miguel Alcolea Cantos, individual representing IBERDROLA, S.A. until December 14, 2011, member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.:

<b>Name or trade name of the director</b>	<b>Name of company in which shares are held</b>	<b>% shareholding</b>	<b>Position or functions</b>
Alcolea Cantos, José Miguel	IBERDROLA, S.A.	0.000%	Director of the Legal Services of Business
	IBERDROLA INGENIERÍA Y CONSTRUCCIÓN, S.A.U.	0.000%	Member of the Board of Directors (until October 10, 2011)
	SCOTTISH POWER, LIMITED	0.000%	Member of the Board of Directors



### **(B.2.1)**

In order to complement the information supplied in Section B.2.1., the changes produced in the Committees of the Board of Directors during and since the close of the financial year are indicated below:

#### **Audit and Compliance Committee**

According to the Significant Event number 154731 sent to the CNMV on December 14, 2011, the Board of Directors held on December 14, 2011, after accepting the resignation presented by Mr. Pedro Velasco Gómez as member of the Board of Directors and of the Audit and Compliance Committee, agreed, prior report of Appointment and Remuneration Committee, the appointment by cooption, as member of the Board of Directors and of the Audit and Compliance Committee, of Ms. Sonsoles Rubio Reinoso, in the category of External Independent Directors and for the time resting of the mandate of the substituted Director

#### **Appointment and Remuneration Committee**

According to the Significant Event number 139850 sent to the CNMV on March 8, 2011, the Board of Directors, as a consequence of the existing vacancy in the Board of Directors and the Appointment and Remuneration Committee after the resignation of Mr. Santiago Bergareche Busquet communicated to the CNMV on February 14, 2011 (Significant Event number 138165), in its meeting of February 23, 2011 and on proposal of Appointment and Remuneration Committee agreed of appointment by cooption of Mr. José María Aracama Yoldi as member of the Board of Directors and of the Appointment and remuneration Committee of the Company, within the category of External Independent Directors and for the resting time of the mandate of the substituted Director. This agreement was subject to the acceptance of the appointment by Mr. Aracama, that occurred through letter on March 8, 2011.

### **(B.2.1)**

In order to complement the information supplied in Section B.2.1, it should be pointed out that according to the Significant Event number 156272 sent to the CNMV on January 10, 2012, the Board of Directors in its meeting held on January 10, 2012, agreed, with the previous report of the Appointments and Remuneration Committee, the creation of an Executive Committee of 5 members, to which all the faculties of the Board of Directors are delegated, except the faculties that can not be delegated according to the law and the By-Laws. The initial composition of the executive committee is the following:

Mr. Jorge Calvet Spinatsch  
Mr. Juan Luis Arregui Ciarsolo  
Ms. Sonsoles Rubio  
Iberdrola, S.A. (represented by Mr. Agustin Delgado)  
Mr. Luis Lada Díaz

Likewise, the created committee appointed as its Chairman and Secretary non member those who exercise these posts in the Board of Directors, Mr. Jorge Calvet Spinatsch and Mr. Carlos Rodríguez-Quiroga Menéndez.

**(B.2.3)**

In order to complement the information supplied in Section B.2.3, it should be pointed out that the basic responsibilities of the Audit and Compliance Committee included in the article 18.4 of the Board of Directors Regulations and transcribed in the section 2.3. have to be put into relation with the ones included in the Article 5 of the Audit and Compliance Committee Regulations.

**(B.2.5)**

In order to complement the information supplied in Section B.2.5, it should be pointed out that the Board of Directors approved on January 20, 2012, the amendment of the Audit and Compliance Regulations, in virtue of which one of the motivation of dismissal of the members of the Audit and Compliance Committee included in the paragraph c) of article 17 was suppressed, with the aim of giving more flexibility to the composition of the Audit and Compliance Committee.

**(C.5)**

In order to complement the information disclosed in Section C.5, it should be pointed out that Mr. Agustín Delgado Martín, individual representing IBERDROLA, S.A. has declared that according to the process established in Article 35 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. in the meetings of the Board of Directors in which it has been deliberated and, if necessary, approved agreements in relation to operations with IBERDROLA, S.A. (company of which he is the individual representative in the Board of Directors) and/or its group, he did not participate in the deliberation, voting, decision making and execution of the agreement.

As happened in the meeting of the Board of Directors of December 14, 2011.

In order to complement the information disclosed in Section C.5, it should be pointed out that Mr. Pedro Velasco Gómez, member of the Board of Directors and of the Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. until his resignation of December 14, 2011, has declared that according to the process established in Article 35 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. in the meetings of the Board of Directors and of the Audit and Compliance Committee in which it has been deliberated and, if necessary, approved agreements in relation to operations with IBERDROLA, S.A. and/or its group, he did not participate in the deliberation, voting, decision making and execution of the agreement.

As happened in the meetings of the Audit and Compliance Committee of July 21, 2011 and December 13, 2011, and in the meeting of the Board of Directors of July 19, 2011.

In order to complement the information disclosed in Section C.5, it should be pointed out that Mr. José Miguel Alcolea Cantos, individual representing IBERDROLA, S.A. until his resignation of December 14, 2011, has declared that according to the process established in Article 35 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. in the meetings of the Board of Directors in which it has been deliberated and, if necessary, approved agreements in relation to operations with IBERDROLA, S.A. (company of which he was the individual representative in the Board of Directors until his substitution of December 14, 2011) and/or its group, he did not participate in the deliberation, voting, decision making and execution of the agreement.

As happened in the meeting of the Board of Directors of July 19, 2011.

**(D.1)**

In order to complement the information disclosed in Section D.1, it should be pointed out that according to the Significant Event number 156272 sent to the CNMV on January 10, 2012, the Board of Directors in its meeting of January 10, 2012 agreed, with the prior report of the Appointments and Remuneration Committee, the creation of an Executive Committee of 5 members, in which all the faculties of the Board of Directors have been delegated except those that can not be delegated according to the law and the By-Laws. The executive Committee is part of the structured and geared structure of the Company to provide value working in the management and risk control, and the object of this delegated body is to give support in the labours and decision marking of the Board of Directors in a context of increasing international business of the company.

**(E.7)**

In order to complement the information disclosed in Section E.7, it should be pointed out that the electronic vote system was used in the Shareholders' General Meeting of the financial year 2011 by nine shareholders that were holders of a total of sixty one thousand nine hundred twenty seven (61,927) shares.

**Binding Definition of Independent Director:**

Indicate whether any of the independent directors have or have had any relationship with the company, its significant shareholders or its executives which, had such relationship been sufficiently significant or important, would have determined that the director could not be considered as an independent director pursuant to the definition set forth in Section 5 of the Unified Code of Good Governance:

Yes  No

<b>Name of director</b>	<b>Type of relationship</b>	<b>Explanation</b>

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on February 22, 2012.

State whether any Directors either voted against or abstained from voting to approve of this Report.

Yes  No

<b>Name or trade name of the director that has not voted in favor of approving this report</b>	<b>Reasons (against, abstention, non-attendance)</b>	<b>Explain the reasons</b>

**Additional Information to the Annual Corporate Governance Report 2011  
of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.,  
according to article 61 bis of the Law 24/1988, of July 28,  
of the Securities Markets**



**A) Information about the securities that are not negotiated in a regulated European market, indicating, if applicable, the different share types and indicating, for each type of share, its rights and duties (art. 61 bis 4. a) 3º of the Securities Market Law).**

GAMESA CORPORACIÓN TECNOLÓGICA, S.A. does not issue securities that are not negotiated in a regulated European market.

**B) Information about the applicable rules to the amendment of the By-Laws of the company (art. 61 bis 4. a) 4º of the Securities Market Law).**

The amendment of the By-Laws of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is governed by the provisions of articles 285 to 290 of the Legislative Royal Decree 1/2010, of July 2, that approves the restated text of the Spanish Capital Companies Act, without any requirements for reinforced majorities beyond those provided for at article 201 of the said legal text.

Article 7 of the Shareholders General Meeting Regulations expressly includes the amendment of the By-Laws as being within the powers of this body.

**C) Any restriction to the transferability of shares and any restriction to the voting right (art. 61 bis 4. b) of the Securities Market Law).**

There are no restrictions on the transferability of shares of GAMESA CORPORACIÓN TECNOLÓGICA, S.A

Likewise, there are no restrictions on the exercise of voting rights.

**D) Information about the powers of the members of the Board of Directors and, in particular, those relating to the possibility of issue or re-buy shares (art. 61 bis 4. c) 3º of the Securities Market Law).**

**Powers of the members of the Board of Directors**

The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., at the session held on 8 October 2009, unanimously agreed, following a favourable report by the Appointments and Remuneration Committee, to appoint Mr. Jorge Calvet Spinatsch as Chairman of the Board of Directors and Managing Director, delegating all powers corresponding to the Board of Directors pursuant to law and to the Corporate By-laws to him, with the exception of those that may not be delegated pursuant to law or to the Corporate By-laws. Mr. Calvet Spinatsch accepted his appointment at the same act.

**Powers relating to the possibility of issuing or repurchasing new shares**

As at the date of the approval of this Report, the authorization granted by the Annual General Meeting held on 28 May 2010 remains in force, pursuant to which the Board of Directors has powers to acquire own shares. There follows below a verbatim transcription of the resolution approved by the said Meeting under item ten on the Agenda:

"To expressly authorize the Board of Directors, with express powers of substitution, pursuant to the provisions of article 75 of the Spanish Companies Act, to proceed to the derivative acquisition of shares in Gamesa Corporación Tecnológica, Sociedad Anónima, subject to the following conditions:



- a. Acquisitions may be made directly by Gamesa Corporación Tecnológica, Sociedad Anónima, or indirectly through its controlled companies.
- b. Acquisitions of shares, which must be fully paid up and free from all charges and/or encumbrances, shall be made through sale and purchase transactions, exchanges, or any other method allowed by law.
- c. Acquisitions may be made, at any time, up to the maximum figure allowed by law.
- d. The minimum price of the shares shall be their par value, and the maximum price may not exceed 10% of their quoted value on the date of acquisition.
- e. A restricted reserve may be set up in the Company's equity equivalent to the calculated value of the own shares in the assets. This reserve must be maintained for as long as the shares are not disposed of or amortized.
- f. The shares acquired may be subsequently disposed of under such conditions as may be freely agreed.
- g. This authorization is granted for a maximum term of 5 years, and expressly renders of no effect the authorization granted by the Company's Annual General Meeting on 29 May 2009, in that part left to run.

For the purposes of the provisions of paragraph two section 1 of article 75 of the Spanish Companies Act, to grant express authorization for the acquisition of shares in the Company by any of the controlled companies subject to the same conditions as under this agreement.

Finally and in relation to the provision of the last paragraph of section 1 of article 75 of the Spanish Companies Act, in the wording thereof given by Law 55/1999 of 29 December, it is stated that the shares acquired pursuant to this authorization may be used by the Company, *inter alia*, for the purpose of being allotted to employees or directors of the Company, either directly or as a result of the exercise of option rights or any other rights envisaged in the Incentive Plans of which they are the holders and/or beneficiaries pursuant to the provisions laid down by law, the by-laws, or the regulations."

**E) Information about the significant agreements that the company may have signed and that enter into force, may be amended or end in case of a change of control of the company as a consequence of a public purchase offer, and its effects, except when its disclosure may be seriously harmful for the company. This exception will not be applied when the company may be legally obliged to disclose this information. (art. 61 bis 4. c) 4º of the Securities Markets Law).**

Pursuant to the framework agreement signed on December 21, 2011 (Significant Event number 155308) between Iberdrola, S.A. and the subsidiary of Gamesa Corporación Tecnológica, S.A., Gamesa Eólica, S.L. Unipersonal in the event of a change of control in Gamesa Corporación Tecnológica, S.A., this shall entitle Iberdrola, S.A. to treat this framework agreement as being discharged, with no liability of any kind arising between the parties as a result of this termination.



**F) Information about the agreements between the company and its Administration and Management posts or employees that include compensations when these may resign or may be unfairly dismissed or if the labour relation comes to its end because of a public purchase offer (art. 61 bis 4. c) 5º of the Securities Market Law).**

The Chairman and the CEO and some of the members of the Company's management team are contractually entitled to receive economic compensation in the event of the termination of their employment relationship for reasons attributable to the Company, and in some cases also in the event objective circumstances should arise, such as a change of control. The agreed economic compensation for said termination consists, in general terms, in the payment of the remuneration corresponding to a variety of periods, up to a maximum of three years, depending on their personal and professional circumstances and the time at which the agreement was executed.

In general with regard to non-managerial employees, in the event of the termination of their employment relationship, their contracts do not envisage economic compensation other than as required by current legislation.

**G) Description of the main characteristics of the internal risk control and management systems as regards the financial reporting process (art. 61b 4.h) of the Securities Market Law).**

**1. Entity control setting.**

**1.1. Bodies and/or functions responsible for: (i) the existence and maintenance of an adequate and effective FIICS; (ii) its implementation; and (iii) its supervision.**

The Financial Information Internal Control System (hereinafter the FIICS) is an integral part of the Group's Risks/Opportunities Management and Control System, a regulated process referred to under heading "D) Risk Control Systems" of the Company's 2011 Annual Corporate Governance Report. The corresponding internal control process is, in turn, an integral part of the same, through which the Organization's Board of Directors, Management and Personnel intervene.

Within this context, the purpose of the FIICS, as an integral part of Internal Control, is to provide reasonable assurance as to the reliability of financial information concerning Gamesa Corporación Tecnológica, S.A. (hereinafter Gamesa, the Group, or the Company), as an entity listed on the Stock Exchange. The FIICS implemented at Gamesa formalizes the Organization's internal control, extending it outside departments responsible for finance and control.

The Board of Directors of Gamesa is ultimately responsible for guaranteeing the existence and maintenance of an adequate FIICS, the supervision of which has been delegated to its Audit and Compliance Committee and the design, implementation and operation of which, as a responsibility of the Group's Management, is, in turn, the responsibility of its Management Control Department.

At the same time, the function of Internal Audit and Business Risk Control, in support of the Audit and Compliance Committee, is to promote the control of reliability of financial information through its direct access to said Committee as well as the fulfillment of its annual work plans.





Article 5 of the Regulations of the Audit and Compliance Committee sets forth the supervision of the internal control system and the risk management systems as a competence within its scope, as well as the analysis in collaboration with external auditors of significant weaknesses detected in internal control, if any, during the execution of the audit and the supervision of the procedure for preparing and submitting regulated financial information. Likewise, Articles 8 and 9 establish a detailed explanation of its main functions related to the aforementioned processes for drafting economic and financial information and to the risk control and management systems.

In this regard, the Audit and Compliance Committee has met on various occasions during 2011 with key persons involved in the preparation of financial information and with external and internal auditors to analyze the conclusions of reviews completed by experts related to internal control and the financial information preparation process. Details of the different meetings and contents of the same will be included in the 2011 Annual Report, soon to be published by the Audit and Compliance Committee upon its approval by the Board of Directors.

Furthermore, and in accordance with the Regulations of the Audit and Compliance Committee, efforts are made to provide its members with knowledge and experience on accounting, auditing or risk management. Likewise, through the "Monitoring and Regulatory Control" competence of the Regulatory Compliance Unit and of periodical presentations given by both external and internal auditors, members of the Audit Committee are kept informed of changes in regulations and the latest issues related to the aforementioned areas.

**1.2. Departments and/or mechanisms responsible: (i) for the design and review of the organizational structure; (ii) for clearly defining the lines of responsibility and authority, adequately delegating tasks and functions; and (iii) for ensuring that sufficient procedures are in place for correct dissemination within the entity.**

The Management Control Department designs its organizational structure according to operational and strategic development so that the control units into which it is subdivided cover each of the organization's relevant business areas and/or geographical segments. The main responsibility of each includes the various processes involved in the preparation of financial information in accordance with accounting standards adopted by the Group. The Human Capital Management Department supervises the organizational structure.

The corporate-level management control department holds monthly meetings to close accounts with each of the aforementioned management control units (Management Discussion Analysis) in order to guarantee free-flowing and effective communication throughout the Organization, to properly assign tasks and responsibilities and to extend management control throughout all levels and activities. A detailed description of departmental functions and responsibilities is documented by Human Capital Management in the so-called job profiles.

There is also an adequate segregation of functions for administration-accounting and financial processes as a result of the organizational structure, which considers different functions and controls both at the level of each activity area and at corporate and functional level.



In addition, the Organization Chart is supplemented by the so-called "process map" through which the different functions and responsibilities assigned to each of the Group's areas/units are detailed, in line with the Integrated Management System (SIG). All personnel have access to this process map, available through the corporate intranet.

An important project is currently underway to homogeneously document throughout the Organization the various, most significant existing procedures and to disseminate these in relation to economic-financial information. This project, which has been developed over recent months, is expected to be completed during the second 6-month period of 2012.

### **1.3. Code of conduct, approving body, level of dissemination and training, principles and values included, body responsible for analyzing non compliance and for proposing corrective actions and sanctions.**

The purpose of the Code of Conduct of Gamesa, approved by its Board of Directors, is to consolidate a universally accepted form of business ethics and to formally and expressly set forth the values, principles, attitudes and rules governing the conduct of the Companies which make up the Group and the persons subject to the same during the fulfillment of their functions and in their labor, commercial and professional relationships.

GAMESA communicates and disseminates the Code of Conduct, which is available in several languages, by the delivery and/or availability of a copy of the same for its employees through the "Shareholders and Investors" section of its external website, through the Company's internal website (Intranet), as well as when hiring personnel, and, furthermore, through any other means of communication as defined by the Board of Directors, when applicable.

The Code of Conduct is subject to periodical review for the purpose of achieving its full alignment with the Business Plan and with Best Practices. The current Code of Conduct, reviewed and approved by the Board of Directors during its meeting held on November 10, 2011, is in its third edition, valid as of January 1, 2012.

Mention is made, among the principles and values included in the Code and with regards to shareholders, that the information provided to the same will be truthful, complete and adequately reflect the situation of the Gamesa Group.

Also, specific mention is made of the FIICS, expressly indicating that the economic-financial information on Gamesa and the companies which make up the Gamesa Group -in particular, the Annual Accounts- is a faithful reflection of its economic, financial and equity-related reality, in accordance with generally accepted accounting principles and applicable international standards on financial reporting. For this purpose, none of the affected persons (members of Management bodies, executives and employees of each and every company making up the Gamesa Group) referred to in the aforementioned Code of Conduct will withhold or distort the information contained in accounting records and reports of Gamesa and the companies comprising the Group, which must be duly complete, accurate and truthful.



In addition, the Code of Conduct also expressly refers to the principles and values concerning risk management in connection with the general policy for risk management and control, and sets forth that all affected persons, within the scope of their functions, must act proactively in a culture of risk prevention, and specifies and details the corresponding principles for action.

The Regulatory Compliance Unit, a body led by the General Secretary and under the functional direction of the Audit and Compliance Committee, is responsible for developing functions related to the periodical evaluation process of compliance with the Code of Conduct, analysis of possible non compliance, proposals for corrective and disciplinary measures, training plan, existence of a disciplinary system, and periodical information/communication unto the aforementioned Committee, among others.

**1.4. Complaints channel, which allows for notifying the Audit Committee of financial or accounting-related irregularities, in addition to possible noncompliance with the Code of Conduct and illegal activities in the organization, informing whether these are of a confidential nature, when applicable.**

In accordance with the provisions of the aforementioned Code of Conduct and Article 10.d of the Audit and Compliance Committee's Regulations relating to the functions of this Committee with regards to Corporate Governance, Gamesa has created a mechanism, named the Complaints Channel, which allows its employees to inform, in a confidential manner, of potentially significant irregularities, and in particular, as expressly indicated thereby, of those related to finance and accounting, detected within the company.

The Audit and Compliance Committee is responsible for establishing and supervising the Complaints Channel through the Regulatory Compliance Unit which Gamesa manages according to the conditions and powers set forth in the written procedure regulating the "Complaints Channel Operating Rules" as part of the internal regulations and which set out its operation and conditions for use, access, scope and other aspects.

Per our internal rules, a function of the Regulatory Compliance Unit as regards the Code of Conduct/Complaints Channel is to complete an evaluation and annual report on the level of compliance with the Code of Conduct to be submitted to the Audit and Compliance Committee, and to inform as to suggestions, questions, proposals and non compliance.

Upon the receipt of a written complaint in compliance with a series of requirements and minimum content, the Regulatory Compliance Unit decides whether to process or file the complaint.

When signs of breach of the Code of Conduct are detected, confidential disciplinary proceedings will ensue, for which specific collaboration may be required from all the persons referred to in it, who are bound by the Code of Conduct and are therefore required to collaborate, in accordance with the terms of applicable legislation.

In relation to the opening of a disciplinary file, the Regulatory Compliance Unit will carry out all actions it deems pertinent, especially interviews with the persons involved, witnesses or third parties considered capable of providing useful information, and may ask for assistance from other functions within the Company, as appropriate.



Upon processing of the complaint, the Regulatory Compliance Unit will draft a report within the predefined time limits for completion, preparation of contents and method for communication.

If upon processing of the file and drafting of the report the Regulatory Compliance Unit concludes that signs of illegal conduct exist, the competent legal or administrative authorities will be notified of the same.

**1.5. Periodical training programs and updates for personnel involved in the preparation and review of financial information, as well as in the evaluation of the FIICS, which include, at least, accounting standards, auditing, internal control and risk management.**

The design of the Annual Training Plan will be based on the "Detection of Training Needs" tool, which integrates individual needs considering the available budget and each area's strategic guidelines.

In the latest version published in 2012, over 380 courses are included, reviewed and proposed by Gamesa Experts in each area.

The creation of the 2012 Training Catalog has focused on technical content of the business, skills, values and attitudes, languages (essential for a global company) and cross-cutting subjects related to a variety of corporate functions. Furthermore, a level has been achieved in the availability of e-learning courses which affords the student greater learning flexibility.

Among the subjects taken into account and offered through different processes related to financial information, the following are worth highlighting: The New General Accounting Plan, Finances for Non-financial Executives, Cost Management, Management Control, Financial Risk Management, Investment Management, International Finance and Training on Insurance.

In addition, Gamesa is actively committed to facilitating the professional specialization of employees identified as key personnel or with potential, through various processes on proposals for learning and selection procedures.

**2. Financial information risk assessment.**

**2.1. Main characteristics of the risk identification process, including error and fraud, as regards:**

- Whether the process exists and is documented.
- Whether the process covers the whole of financial information-related objectives (existence and occurrence; integrity; assessment; presentation; itemization and comparability; and rights and obligations), whether it is updated and how frequently.
- The existence of a process for identifying the consolidation perimeter, taking into account, among other aspects, the possible existence of complex corporate structures or special purpose entities.
- Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they have an impact on the financial statements.
- The governing body of the entity that supervises the process.



On April 22, 2009, the Board of Directors approved the Policy for Control and Management of Risks and Opportunities which, in line with the reality of the company, sets the bases and general context upon which all the components of risk management and control are based, providing discipline and structure as regards those components: management philosophy, model for the identification, evaluation, measurement and control of risks/opportunities, accepted risk level, communication, reporting and supervision by the Board of Directors, integrity, ethical values, competencies and assignment of responsibilities.

Currently, the FIICS is integrated within the aforementioned Model for Management and Control of Risks and Opportunities, based upon the classification of risks according to the universally accepted "Business Risk Model (BRM)". Within this model, the FIICS is classified within the group of risks for which information is unreliable and/or incomplete for finance-related decision-making.

The methodology applied is transferred to a risk map, updated annually, which monitors, among others, finance and taxation-related risks and those of other types (operational, strategic, technological, reputational, environmental, etc.) insofar as they affect the financial statements.

Associated with the evaluation of risks and, in particular, for those related to financial information, an internal control model using a top-down approach is applied for identifying risks on the basis of the most important accounts of the financial statements, considering the following parameters:

- Impact: Measurement of impact/error in terms of losses or earnings. The impact of the occurrence is expressed in different ranges over possible values, either in conditions of normal profits or in circumstances of lower profitability level. In short, the assessment is done regarding assets or income, whereby its materiality is similar, in this case, to the criteria established for its calculation during the audit. The impact in the event of the occurrence of other types of risks is assessed based on its effect on the value chain, demand, personal health and safety, environmental impact, image, compliance with legal and/or contractual obligations, etc.

- Likelihood: Defined as the number of times a specific event or incident is expected to happen or may occur. Within this context, considerations taken into account when evaluating the risks related to financial information refer to aspects such as:

- \* Characteristics of the accounts. Consideration is given to internal factors related to the volume of transactions, required judgment, complexity of calculations, accounting principles and the need for using estimates or projections.

- \* Characteristics of the business process. Business processes which result in transactions in each of the accounts of the financial statements are identified, considering factors such as the complexity of the process, centralization versus decentralization, information technology-related systems supporting the processes, and interactions with third parties such as clients, suppliers, shareholders or creditors.

We consider that this process, ultimately supervised by the Audit and Compliance Committee, covers all the financial reporting objectives in terms of existence and occurrence, integrity, assessment, presentation, itemization and comparability, and rights and obligations.



Factors considered in the assessment of risks entail:

1. Record of adjustments:

- Referring to adjustments to amounts reported in the financial statements which are not reflected in formal daily book entries.

2. Assumptions and judgments used when estimating account balances:

- The most significant estimates during the accounting process which have an impact on results and imply a high level of judgment and subjectivity are detailed in the annual accounts report.

3. Selection and application of important accounting policies and principles.

4. Transactions subject to a higher level of internal control which involve:

- Conflicts of interest.
- Transactions with related parties.
- Other transactions.

5. Accounting close and consolidation process.

6. Process for identifying the consolidation perimeter.

Financial (interest rate, exchange rate, taxes, credit, liquidity and commodities) and tax-related risks are controlled through specific policies, rules and procedures integrated within the functions of the corresponding departments. Information on hedging and control of these risks is included throughout the legal report.

As indicated previously, the Risk Management and Control System takes into account not only those risks of a defined nature and with direct impact on the reliability of financial information, but also others of a variety of types and which, to a greater or lesser extent and time period may, if applicable, affect the financial statements.

Within this context, during fiscal year 2011, the following have been considered and included within the risk map, among others:

- Reconfiguration of the industry.
- Alignment of manufacture with the delivery of orders (working capital).
- Financing needs and compliance with covenants.
- Technological development, new product platforms/lines and R&D activities.
- Demand-related risk.
- Taxes and litigation.
- Deterioration of assets.



Likewise, and as specified further below under heading "5. Supervision of System Operation", the Audit and Compliance Committee is entrusted with, among others, the functions of supervision of the internal control system, the risk management systems and the preparation and presentation of regulated financial information, for which it is supported by the Internal Audit and Risk Control (BRC) Departments.

Periodically and over the course of the different meetings of the Audit and Compliance Committee, it reviews the main risks identified so that they can be properly managed and notified.

### **3. Control-related activities.**

#### **3.1. Procedures for review and authorization of financial information and description of the FIICS to be published in the stock market, identifying responsible parties and including descriptive documentation on flows of activities and controls (including those related to the risk of fraud) of different types of transactions which may have a material effect on the financial statements, including the accounting close process and a specific review of relevant judgments, estimates, assessments and projections.**

The Corporate Management and Control Area consolidates all the financial information of Gamesa Corporación Tecnológica, S.A. and the companies making up its Group, and prepares reports with the financial information.

The Internal Audit Area evaluates the reliability and integrity of accounting and financial information as well as the proper application of accounting principles, and presents it to the Audit and Compliance Committee.

The Audit and Compliance Committee analyzes and makes sure that the regulated financial information sent to the markets and regulatory bodies is complete and sufficient, that it is provided within the set time periods and that it contains the right content.

The control-related activities designed to cover the previously identified risks, as referred to in section 2 above, are carried at both Senior Management corporate level and at the level of each of the business units, from a more operational and specific perspective. The critical areas which have a particular impact on the risks related to the reliability of financial statements basically refer to:

- Provision for wind turbine warranty.
- Margin from the sale of wind turbines and wind farms.
- Accounts receivable.
- Determination/acknowledgement of the degree of progress.
- Activation of development expenditure.
- Deterioration of assets.

Control-related activities for the review and authorization of financial information are carried out monthly, coinciding with the respective accounting close and in response to procedures related to, among others:

- Comparative analysis and deviation in relation to the budget, previous comparison period and indicators (Key Risk Indicators: KRIs), scorecard, etc.
- Analytical review of relevant judgments, assumptions and estimates.
- Authorization levels for significant transactions.



The aforementioned review procedures are carried out at both business unit/geographical area level and at the highest corporate level.

In any case, Gamesa is currently immersed in an ambitious project that seeks to standardize the control activities and which will in turn result in the adaptation and documentation of relevant control-related tasks.

The control-related activities developed to mitigate risks which may potentially have an impact on financial information are a series of approvals, authorizations, verifications, reconcilements, reviews and segregation of functions, among other mechanisms.

Also, specific business units pursue a balance between preventive and detective controls, whether implemented manually and/or automatically, by distributing tasks among persons and processes and integrating the control activities across the policies and procedures applied to business procedures and activities.

Descriptive documentation of the flows corresponding to the main transaction cycles is available:

- Fixed assets.
- Purchases.
- Inventories.
- Payroll.
- Construction and projects.
- Treasury.
- Financial reporting.
- Taxes and litigation.
- Information technologies.

In any case, the implemented control activities are to adopt a balanced approach, be adapted to the characteristics of the transactions and to each geographical area/business unit, and include a cost-benefit analysis and impact assessment, without losing sight of the goal of the reliability of financial information. Within this context, on occasions control-related activities may focus more on substantive checks, rather than on mere compliance with the established procedures.

**3.2. Internal control procedures and policies related to the information systems (access-related security, change control, operation, operational continuity, segregation of functions, among others) which support the entity's relevant processes relating to the preparation and publication of financial information.**

Within a control setting which encompasses, among other factors, professional competence of an adequately trained human capital, the Information Systems Department has established a general policy on the specialization and flexibility of functions of its human capital so as to achieve the two-fold objective of maintaining highly qualified personnel in key departmental areas while mitigating possible risks that arise from excessive dependence on persons in key positions.





A variety of control procedures and activities have been designed and established in order to reasonably guarantee:

- Business continuity as regards the timely recovery of essential business data in the event of disaster through the periodical backing up of information, stored in separate physical locations, and through a policy for the review and control of the integrity of the backup copies made.
- Security of access to all data and software. Among other physical control activities, the IT Department restricts access to authorized personnel in various areas where key IT elements of the Company are located, and these locations are monitored by adequate control and security systems. At the logical security level, techniques and tools have been defined, configured and implemented to allow for restricting access to the information databases to authorized personnel only, depending on their role-function, through control of procedures for review of assigned users and roles, encryption of sensitive data, management and periodical modification of access passwords, unauthorized download of software programs, and analysis of identified security-related incidents, among others.
- Policies and control related to maintenance and implementation of software applications. Procedures for the request and approval at the adequate level of new software applications, definition of maintenance policies for existing applications and associated action plans, definition of various plans for implementation and migration of applications, and risk management using separate environments for operation and tests or simulations, among others, have been defined and implemented.
- Segregation of functions. Approved matrix for the segregation of functions, whereby different roles are assigned to users according to the identified needs, with no exceptions allowed. Periodical review and approval of the various roles assigned, as well as reassignments, updates, user deletion, verification of infrequent or unused users, etc.

**3.3. Internal control policies and procedures for supervising the management of activities subcontracted to third parties, as well as aspects related to evaluation, calculation or valuation entrusted to independent experts which may have a material effect on the financial statements.**

It is worth highlighting that the general policy of Gamesa is to not outsource any activity considered as relevant and which may have a material effect on the financial statements. In any case, outsourced activities basically referring to various administrative processes in local offices and small subsidiaries are based on a contract of compensation for services rendered, clearly indicating the service delivered and the resources to be provided by the supplier, an external professional at the highest level from one of the "big four" audit companies, during the rendering of such services.



#### **4. Information and communication**

##### **4.1. Specific function in charge of defining and keeping accounting policies up-to-date (Accounting Policies Department or Area) and resolving uncertainties or conflicts derived from their interpretation, maintaining smooth communication with the persons responsible for the organization's operations, as well as an updated Accounting Policies Manual communicated to the units through which the entity operates.**

The Accounting and Consolidation Department (reporting to the Management Control Department) is in charge of identifying, defining, keeping up-to-date and communicating the accounting policies which affect Gamesa, as well as responding to accounting-related queries presented by the subsidiaries and the various business units. Within this context, a close and smooth relationship is maintained with the management control areas across the various units and businesses.

In addition, the Accounting and Consolidation Department is in charge of informing Senior Management of new accounting legislation, the results of the implementation of such legislation and its impact on the financial statements.

The accounting policies are applied based on the legal framework applicable to the Group as set forth in the Code of Commerce, other commercial legislation and the International Financial Reporting Standards adopted by the European Union, so that the financial statements present a true picture of the assets and the financial situation.

Gamesa has available a set of documents adapted to the Group's needs, requirements and size, which define and explain the standards for preparing the financial information and how such standards should be applied to the specific operations of the entity. These documents not only explicitly refer to the standards applicable to each type of transaction, but also define and explain their interpretation in order to achieve their exact adaptation to each type of transaction. The corresponding documentation is maintained, as explained above, in the Integrated Management System (SIG) located on the corporate intranet, to which all personnel have access.

These documents are updated on a regular basis and include the standards that apply to each year. The subsidiaries are informed of significant modifications that apply to them by e-mail or at meetings held specifically for this purpose with their management.

##### **4.2. Mechanisms for capturing and preparing the financial information using homogeneous formats, applicable to and to be used by all the units of the entity or Group, which support the main financial statements and their notes, as well as the information detailed on the FIICS.**

The process for consolidating and preparing the financial information is centralized. The financial statements reported by the Group subsidiaries in the established formats, as well as the rest of financial information required for both the accounting harmonization process and for complying with the established informational requirements, are used as inputs.



Within this context, the Accounting and Consolidation Department (belonging to Management Control) establishes a centralized plan for six-month and annual closes, distributing the pertinent instructions across each and every group and subgroup in relation to the scope of the work required, key reporting dates, standard documentation to be sent, and deadlines for reception and communication. These instructions include, among other aspects, the reporting and corporate consolidation package, preliminary close, intercompany billing, physical inventories, confirmation and reconciliation of intra-group balances, final close and outstanding matters.

A series of controls are implemented to ensure the reliability and proper processing of the information received from the various subsidiaries, including controls on the proper completion of the various consolidation entries, analysis of variations in all items related to assets and results, and changes in results obtained compared with the monthly budget.

## **5. Supervision of the system's operation.**

### **5.1. Activities related to supervision of the FIICS carried out by the Audit Committee, and whether the entity has an internal audit function which includes among its competences supporting the committee in its task of supervising the internal control system, including the FIICS. Scope of the FIICS evaluation carried out during the year and the procedure whereby the person responsible for the evaluation informs of the results, whether the entity has an action plan detailing possible corrective measures, and whether its impact on financial information has been considered.**

Smooth communication exists between the Audit and Compliance Committee, Senior Management, the Internal Audit Manager and the External Auditors in order to ensure the availability of the information required to carry out its functions related to its responsibility for supervising the FIICS. At these regular meetings, the information and the related internal financial control are analyzed, and all the questions of interest to the members are discussed openly, so as to enable the supervision of the financial information and the related internal control, as well as the adaptation of the implemented control policies and procedures, accounting principles used, significant estimates, etc.

The Audit and Compliance Committee supervises, among its activities, the following information:

- The Management Report and Consolidated Annual Accounts of Gamesa Corporación Tecnológica, S.A. and its subsidiaries.
- The limited review report on the intermediate summarized consolidated financial statements corresponding to the period ending June 30 of each year.
- The quarterly information filed with the National Securities Market Commission.
- The information prepared for investors and analysts, prior to publication.

Within this context, Gamesa's Internal Audit Department supports the Committee in its task of supervising the internal control system. In order to ensure its independence, the internal audit function is hierarchically dependant on the Board of Directors and, on its behalf, on its Chairman, and functionally dependant on the Committee, putting forward proposals for the election, appointment, re-election and dismissal of the person responsible for the internal audit service.



Moreover, this Committee receives regular information on the internal audit activities, its work plan and information on incidents arising over the course of these activities, as well as an activity report at the end of each fiscal year.

In order to make this supervision possible, the Internal Audit services comply with the requests of the Committee in the exercise of its functions, and participate regularly in the meetings of the Audit and Compliance Committee, whenever required.

Furthermore, meetings are held between the Audit and Compliance Committee and the External Auditors to address queries related to important matters, or whenever an area of the generally accepted accounting principles is unclear.

As a result of the aforementioned supervision activities, the corresponding action plan is defined, which upon the analysis of its impact on the financial information, is communicated to the corresponding executive functions and, in turn, is subject to monitoring and implementation.

**5.2. Discussion procedure whereby the Auditor (in accordance with the provisions of the NTA), the Internal Audit function and other Experts inform Senior Management and the Audit Committee or company officers of significant internal control weaknesses identified during the annual accounts review processes, or others which may have been entrusted to them. Likewise, information will be provided as to the availability of an action plan to attempt to correct or mitigate the observed weaknesses.**

Since fiscal year 2007, the Audit and Compliance Committee has a written procedure which regulates its relations with the External Auditor of the Company and of its consolidated Group. The aforementioned "Regulatory Framework" has undergone various modifications for the purpose of updating it, through the inclusion of new actions and its adaptation to written policies and procedures which are part of internal regulations as a result of changes in legislation. The latest version was approved by the Chairman of Gamesa and the Chairman of the Committee on its behalf on July 21, 2011.

The Technical Audit Standards (NTA) issued by the Institute of Accounting and Auditing (ICAC) set forth the auditor's obligation to inform Management and the Audit Committee of any significant weaknesses detected in the internal control system during the course of the audit. Nevertheless, and regardless of the aforementioned requirement, the written procedure developed in the "Regulatory Framework" sets forth that, in any case, the external auditors must submit to the Committee an annual report of recommendations as the result of their work.

In accordance with the aforementioned internal regulations, and at least once a year, the external auditors attend a meeting of the Audit and Compliance Committee in order to present their recommendations for internal control which, where applicable, imply establishing the corresponding action plan in order to correct or mitigate any observed weaknesses.



In any case, as already explained, the Audit and Compliance Committee always meets prior to the publication of regulated information in order to gather and analyze the information required to carry out the functions that have been entrusted to it by the Board of Directors. At these meetings, the company's Annual and Six-Monthly Reports and the quarterly intermediate statements, as well as the rest of the information made available to the market, are analyzed in depth. In order to complete this process, the Audit and Compliance Committee receives all the documentation in advance and meets with the Management Control Department (which is responsible for preparing the financial information), the Internal Audit Department and the Auditor in the case of the Annual and Six-Monthly Reports, in order to ensure proper application of current accounting standards and the reliability of the financial information.

In addition, during this discussion process any possible weaknesses in the FIICS which have been identified and, where applicable, the proposals for their correction and the status of the implemented actions, are assessed.