



AUDIT AND COMPLIANCE

COMMITTEE OF GRUPO GAMESA

ANNUAL ACTIVITY REPORT

2015

April 5, 2016



TABLE OF CONTENTS – THE AUDIT AND COMPLIANCE COMMITTEE

A.- PRESENTATION.....	3
B.- HOW THE COMMITTEE WORKS.....	5
C.- THE COMMITTEE'S COMPOSITION AND MEETING ATTENDANCE IN 2015.....	7
D.- ACTIVITIES DURING 2015.....	9
1.- Time Dedicated to each Duty	9
2.- Appearances by Executives and External Consultants	9
3.- Duties and Activities	10
3.1- External Auditing of Accounts	10
3.2 . Process of Drawing Up Financial Reporting	11
3.3- Internal Control and Risk Management Systems	11
3.4- Internal Auditing Area	12
3.5- Ethics and Compliance Department	12
3.6- Corporate Governance, Other Powers and Internal Affairs.....	13
E- ASSESSMENT OF THE COMMITTEE.....	14
F.- LINES OF ACTION FORESEEN FOR 2016.....	15
G.- CONCLUSION	16



A.- PRESENTATION

The Audit and Compliance Committee (hereinafter, also interchangeably, the "Committee") of Gamesa Corporación Tecnológica, S.A. (hereinafter indistinctly referred to either as the "Company" or as "Gamesa") has drawn up this Annual Activity Report for 2015 so that it may be placed at the shareholders' disposal for the General Shareholders' Meeting after its approval by the Board of Directors. It consists of a summary of the work the Committee has performed.

The Committee is governed by the provisions set forth in the Corporate Enterprises Act, as amended by Act 31/2014 of December 3. Over the last few years, Gamesa has taken the necessary measures to adapt its Committee from time to time to prevailing legislation and both Spanish and international best practices. Its powers, composition and rules of procedure are governed by the Board of Directors Regulations and, in particular, by the Audit and Compliance Committee's own Regulations.

It should be highlighted that numerous actions were carried out in 2015 to fulfil the greatest number of measures detected in the assessment conducted by an external consultancy firm in 2014, which involved recruiting the necessary backgrounds, in order to continue making advances in the Committee's efficiency and carry on strengthening the governance model.

Within this context, the incorporation of an additional independent member in 2015 to the already existing members should be noted, as should the appointment of an independent member as the Committee's Chair with specific knowledge and experience of accounting, auditing and risk management issues. Furthermore, the Company's committees were reorganized in 2015 to prevent Audit and Compliance Committee members from sitting on the Executive Committee in order to ensure the independence of the former's supervisory duties to the greatest extent possible and to allow for a management style which is less tied to executive decisions to the greatest degree possible, among other aspects.

Following the practice already initiated in previous years, the Committee is hereby presenting and publicly disclosing its Annual Activity Report for 2015, this being its eleventh edition.

Like in preceding years, the Audit and Compliance Committee's members have maintained a high level of activity and dedication in 2015, as can be seen by the fact that they held twelve (12) meetings and also heard managers from the Company's different departments and external professional personnel who were called on to appear before it. In addition, the



Committee's members carry out complementary, preparatory and analytical activities at the different meetings.

It should be noted that the Audit and Compliance Committee paid special attention to strengthening and monitoring the risk prevention model in 2015, additionally undertaking to exercise greater corporate social responsibility powers.

The essential activities and initiatives performed by the Committee in 2015 are set out throughout the length this report, as a summary of those it has carried out to fulfill its obligations in the different areas of action, including activities connected with: (i) the process of drawing up financial reporting; (ii) auditing the accounts; (iii) the Internal Auditing Area and the Ethics and Compliance Department; (iv) internal control and risk management systems; and (v) other of the Committee's responsibilities, including responsibilities other than the above which are mainly concerned with good corporate governance and corporate social responsibility.

In this regard, this Committee's involvement throughout 2015 in assessing the proposals put forward by management concerning transactions with a shareholder owning a significant interest and the subsequent assessment brought before the Board of Directors should be underlined.



B.- HOW THE COMMITTEE WORKS

The Audit and Compliance Committee Regulations lay down that the Committee may be validly convened when more than one-half of its members are either present or represented by proxy. It also sets forth that resolutions shall be adopted by an absolute majority of the members attending the meeting.

The Committee meets as many times as may be necessary to exercise its powers and, in any event, where two of its members so request. Committee meetings are called with sufficient notice of three days and all the relevant documents and information on the matters to be dealt with at such meetings are sent along with the call, thereby allowing the Committee members enough time to analyze them.

At the beginning of each year, the Committee draws up its Annual Action Plan through a balanced scorecard, known as the "time chart", which enumerates and sets the issues worth dealing with in an individualized way at the different meetings scheduled throughout the current year according to their frequency. It aims to ensure fulfillment of the responsibilities assigned to the Committee, suitable planning and organization of its work and, at the same time, allows for appropriate coordination with all the bodies involved. Periodically reviewing and updating this balanced scorecard constitutes a tool through which the necessary rigor is established to ensure the Audit and Compliance Committee's work is done well and efficiently. In any event, the practice described above does not prevent extraordinary meetings from being held where the business's activity may so require.

A report for the Board of Directors is drawn up at the end of each meeting of the Audit and Compliance Committee in order to bring the most significant matters and conclusions regarding the items dealt with on the relevant agenda before the Board. Minutes are also drafted at the end of each meeting.

The reports and notices brought before the Board of Directors by the Audit and Compliance Committee are the result of its analyses during the course of such meetings. Whenever it is considered necessary, the organization's Senior Management, its other executives, its external auditors and other external independent consultants are called upon to appear before a plenary meeting of the Audit and Compliance Committee. It also oversees the work performed by the Internal Auditing Area and the Ethics and Compliance Department, which are functionally dependent on the Committee.



As is reflected in this activity report, the Committee keeps in constant touch with the auditor of accounts, as well as with the Group's management team, the Ethics and Compliance Department and the Internal Auditing Area. The Internal Auditing Manager regularly attends Committee meetings.



C.- THE COMMITTEE'S COMPOSITION AND MEETING ATTENDANCE IN 2015

The Audit and Compliance Committee is an internal body of the Board of Directors made up of at least three and at most five Non-Executive Directors. The Board of Directors attempts to ensure that at least one of the Independent Directors has knowledge and experience of accounting or auditing matters, or both.

The composition, status and offices of the Audit and Compliance Committee as at December 31, 2015 are set out below:

Chair: Ms. Gloria Hernández García Non-Executive Independent Director

Members: Mr. José María Aracama Non-Executive Independent Director
Ms. Sonsoles Rubio Reinoso Non-Executive Proprietary Director
Mr. José María Vázquez Egusquiza Non-Executive Independent Director

Secretary: Mr. Carlos Rodríguez-Quiroga Menéndez (non-member)

Mr. Manuel Moreu Munáiz tendered his resignation as a member of Gamesa's Board of Directors and consequently as a member of its Audit and Compliance Committee with effect on February 17, 2015.

Furthermore, the General Shareholders' Meeting held on May 8, 2015 resolved to approve the appointment as a Director of Ms. Gloria Hernández García, deeming her as a Non-Executive Independent Director.

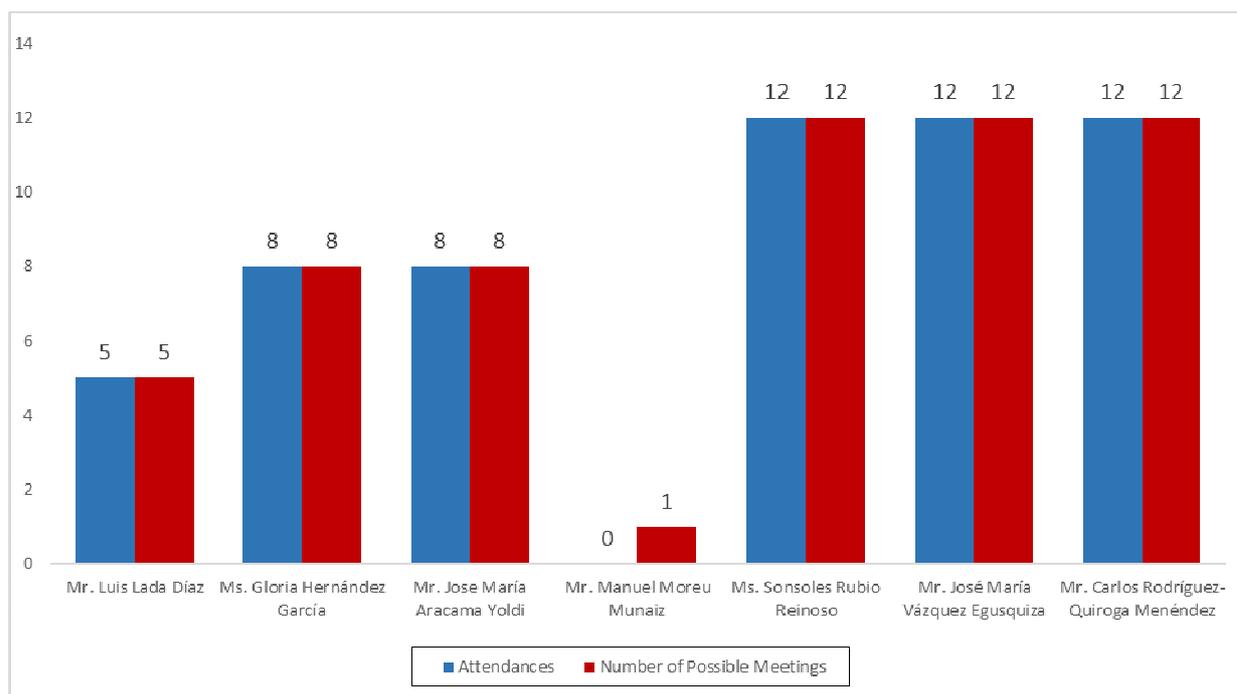
The Board of Directors of Gamesa resolved to reorder and appoint offices within the Audit and Compliance Committee at its meeting held on May 27, 2015. Hence, Ms. Gloria Hernández García replaced Mr. Luis Lada Díaz as the aforementioned Committee's Chair and Mr. Jose María Aracama Yoldi was appointed as an additional member, standing down from the office of Chairman and member of the Appointments and Remuneration Committee.

All the members of the Committee are deemed as Non-Executive Directors on the basis of their experience, training and professionalism, and those classified as "Independent" meet the requirements of independence set forth in the internal regulations.

As can be seen, all the Directors who are members of the Committee and its Secretary attended all the meetings held while they were in office, except for one meeting at which a



Director granted proxy and delegated his vote to the Committee's Chairman. This has therefore resulted in an exceptionally high attendance ratio for its members.



The curriculum vitae of the members of the Committee can be found at the Gamesa Corporación Tecnológica, S.A. website.

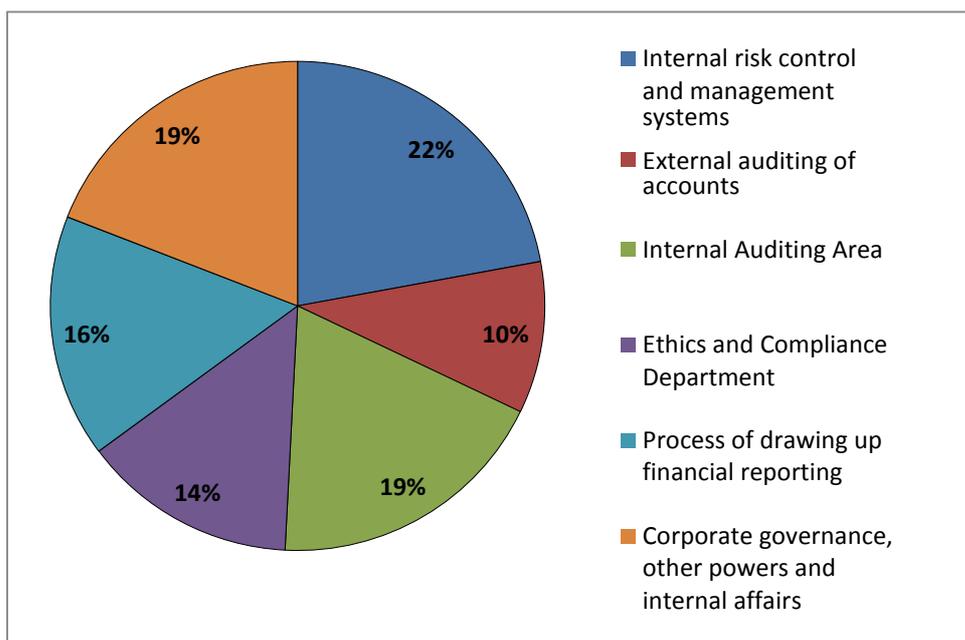
The amounts received by the Committee's members for performing their duties may be consulted in the Annual Director Remuneration Report, which can be found at the Gamesa website.



D.- ACTIVITIES DURING 2015

1.- Time Dedicated to each Duty

The main issues falling within the main areas of its oversight responsibilities dealt with and analyzed by the Committee in 2015 can be grouped together under the following areas in keeping with its duties.



2.- Appearances by Executives and External Consultants

Quite a large number the senior managers of the Company's different departments and auditors and consultants appeared before the Committee in 2015.

The number of attendances at Committee meetings is shown below:



Department	Number of Appearances
Internal Auditing Area	8
Tax Area	2
General Financial Department	11
General Counsel's Office and General Corporate Department	6
Legal Department Area	2
General Services Unit Department	2
Financial Markets Department	3
Sales Department	4
Ethics and Compliance Department	4
Business Risk Control Department	2
Management Control Department	3
Social Responsibility Area	3
Consolidation Department	3
External auditor of accounts	5
External consultants	2
Total appearances	60
The Internal Auditing Manager regularly attends all Committee meetings.	

Senior managers of the Company's different areas and departments have appeared before the Committee in order to provide the Committee's members with a general overview, as can be gleaned from the list above.

3.- Duties and Activities

Among other issues, in 2015 the Audit and Compliance Committee primarily focused on the following duties entrusted to it by the law and the corporate governance system:

3.1- External Auditing of Accounts

- Report on the auditor of accounts' independence.
- Prior authorizations for the provision of services other than the auditing of accounts.



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- Appearances of the auditor of accounts at Committee meetings to conduct the appropriate monitoring of the auditing work process/limited reviews of accounts.
 - Appearance the auditor of accounts and monitoring of improvement recommendations for administrative and internal control procedures arising from the auditor's annual account auditing work.
 - Reviewing the contents of audit reports/limited reviews before they are issued.
 - Proposal of the Auditor of Accounts Engagement Policy approved by the Board of Directors at its meeting held on September 23, 2015.

3.2 . Process of Drawing Up Financial Reporting

- Separate and consolidated annual accounts for financial year 2014.
- Separate/consolidated quarterly and half-yearly financial statements and other reporting disclosed to the market and supervisory authorities during the year.
- Appearances by general finance management and the Management Control Department to analyze the most significant accounting standards applied, as well as any assumptions and estimates made having a significant effect on the financial statements.

3.3- Internal Control and Risk Management Systems

- Tracking and monitoring of the project aimed at strengthening, making uniform and automating the internal financial reporting control system, which was practically concluded in 2015.
- Review of risk policies and the proposal on their amendment or the adoption of new ones by the Board of Directors.
- Supervision of the risk map, which is updated on a quarterly basis and considers the different kinds risk, including: operational, technological, financial, legal, tax, reputation-related, etc. risks. Within this context, it is worth highlighting the appearances of those responsible for legal and tax matters in order to analyze the



corresponding risks and their assessment in view of criteria considering their likelihood, impact and evolution (trend).

- Appearance of different executives, allowing them to give an overview from the standpoint of their responsibilities of the situation of the targets set within the framework of the 2015-2017 Business Plan and on the control exercised over the specific risks involved in their activities and processes.

3.4- Internal Auditing Area

- Approval of the Internal Auditing Area's activities.
- Monitoring of the work performed.

3.5- Ethics and Compliance Department

- Approval and monitoring the Ethics and Compliance Department's activities.
- Monitoring of the corporate risk prevention model during 2015: Crime Prevention and Anti-Fraud Policy and the Crime Prevention Manual (general and special parts).
- Receiving information about fulfillment of the Internal Conduct Regulation and the Code of Conduct.
- Supervision of the whistle blowing channel.



3.6- Corporate Governance, Other Powers and Internal Affairs

- Analysis and issuance of a report on any operations or transactions which could involve conflicts of interest with shareholders owning significant interests prior to their approval by the Board of Directors.¹
- Drawing up this Annual Report on the Committee's activities.
- Reviewing the Company's internal policies and procedures according to the responsibilities entrusted to it.
- Knowing about, driving forward and supervising the Company's activities in corporate reputation issues.
- Proposal for the amendment of the Board of Directors Regulations and the Audit and Compliance Committee Regulations and their corresponding reports to be brought before the Board of Directors.
- Annual Corporate Governance Report.
- Corporate Responsibility Report.
- Approval of its Annual Action Plan, or "Time Chart".
- Drawing up a report about its activities in 2015 concerning operations or transactions which may have involved conflicts of interest with shareholders owning a significant interest.

¹It should be pointed out that Ms. Sonsoles Rubio Reinoso, a member of the Committee, who is involved in a potential conflict of interest for being a Proprietary Director put forward by a significant shareholder with whom negotiations are being held on the transactions in question, does not take part at meetings dealing with these transactions or intervene in any way in the deliberations and decision-making according to internal regulations.



E- ASSESSMENT OF THE COMMITTEE

As is indicated in the presentation of this Annual Activity Report, the assessment report on how the Audit and Compliance Committee works and the quality of its work highlights the numerous activities it has performed to fulfill the greatest number of improvement measures detected in the assessment conducted by an external consultancy firm in 2014, which involved recruiting the necessary backgrounds, in order to continue making advances in the Committee's efficiency and carry on strengthening the governance model.

The Committee has achieved some highly positive results by properly performing its duties and reaching the right balance in the performance of its powers and the fulfillment of its duties. The target set for 2016 is to continue working to attain even greater levels of fulfillment in the areas for improvement identified.

As a result, the Committee stated that it was convinced that it is organized and run properly, taking into consideration the criteria laid down by Gamesa's Articles of Association, the Board of Directors Regulations and in the Committee's own Regulations.



F.- LINES OF ACTION FORESEEN FOR 2016

New challenges and opportunities face the Committee in the performance of its duties and responsibilities in 2016. It will therefore keep up the same pace of activity it has had to date. The main lines of action foreseen for the upcoming year will have an impact on:

- Fostering the oversight work of Internal Auditing on the corporate risk prevention model's updating and the internal financial reporting control system's automation.
- Fostering the performance of operational audits on the Company's critical processes.
- Fostering the monitoring of the corporate social responsibility strategy and practices.
- Adapting, coordinating and monitoring the auditing fee oversight model of Gamesa's subsidiaries, if necessary.

The work performed and the efforts made by Committee, which are disclosed throughout this Annual Report, are the best guaranty offered to shareholders as regards the responsibilities that have been entrusted to it.



G.- CONCLUSION

All the aforementioned activities of the Audit and Compliance Committee through the meetings it held were aimed at adding value and making a contribution to the basic principles drawn up by the Board of Directors that lay behind the responsibilities entrusted to the Committee, which have been set out throughout this activity report.

The Audit and Compliance Committee deems that it was reasonably informed about the issues within its powers in 2015. In this context, it considers that it is properly organized and functions properly according to the criteria laid down by the law, the Articles of Association of Gamesa Corporación Tecnológica, S.A., the Board of Directors Regulations and the Audit and Compliance Committee Regulations.

The Committee maintained direct ongoing contact and collaborated with the Group's different Departments, the Ethics and Compliance Department, the Social Responsibility Department and the Internal Auditing Area, as well as with the external auditor of accounts.

The auditor of account's positive conclusions regarding both the consolidated annual accounts and half-yearly interim consolidated financial statements endorse the suitability of the financial reporting and internal control systems for relevant risks.