



Gamesa

Annual Corporate Governance Report 2007



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ANNEX 1
ANNUAL CORPORATE GOVERNANCE REPORT
LISTED CORPORATIONS

ISSUER'S IDENTIFICATION DETAILS

DATE OF FINANCIAL YEAR END: 12-31-2007

T.I.N.: A01011253

Trade Name:

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

A. OWNERSHIP STRUCTURE

A.1

Complete the following table on the company's share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
05-28-2004	41,360,983.68	243,299,904	243,299,904

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

Yes - No

Class	Number of shares	Par Value	Number of voting rights	Other rights
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A.2

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

Name or trade name of significant shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
CHASE NOMINEES LTD.	9.985	0.000	9.985
IBERDROLA, S.A.	19.250	0.000	19.250
LOLLAND, S.A.	0.000	5.000	5.000
CORPORACIÓN IBV PARTICIPACIONES EMPRESARIALES, S.A.	0.001	9.249	9.250
ARTISAN PARTNERS LIMITED PARTNERSHIP	0.000	3.190	3.190

(*) Through:

Name or trade name of direct holder of shares	Number of direct voting rights	% of total voting rights
CASA GRANDE DE CARTAGENA, S.L.	5.000	5.000
CORPORACIÓN IBV, SERVICIOS Y TECNOLOGÍAS, S.A.	9.249	9.249
FIFTH THIRD	0.016	0.016
THE BANK OF NEW YORK	0.023	0.023
CIBC MELLON	0.036	0.036
INVESTORS BANK AND TRUST	0.034	0.034
J.P. MORGAN CHASE & CO.	0.114	0.114
STATE STREET NOMINEES LIMITED	2.411	2.411
MELLON TRUST	0.399	0.399
NORTHERN TRUST COMPANY (AVFC)	0.143	0.143
FIDELITY FUNDS	0.014	0.014

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

Shareholder's name or trade name	Date of operation	Description of operation
FRANKLIN RESOURCES, INC	January	Reduced its shareholding from 7.91% to below 5%
AMBER CAPITAL LP	04/9/2007	Reduced its shareholding by 0.247% to 4.854%
IBERDROLA, S.A.	06/22/2007	Acquired an additional 1% to reach 18.0%
CORPORACIÓN IBV PARTICIPACIONES EMPRESARIALES, S.A.	06/22/2007	Reduced its shareholding by 2% to 12.78%
IBERDROLA, S.A.	10/4/2007	Acquired an additional 0.25% to reach 18.25%
CORPORACIÓN IBV PARTICIPACIONES EMPRESARIALES, S.A.	10/4/2007	Reduced its shareholding by 1% to 11.78%
IBERDROLA, S.A.	12/28/2007	Acquired an additional 1% to reach 19.25%
CORPORACIÓN IBV PARTICIPACIONES EMPRESARIALES, S.A.	12/28/2007	Reduced its shareholding by 2.53% to 9.25%

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:

Name or trade name of the director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Arregui Ciarsolo, Juan Luis	0	1,131,030	0.465%
Bergareche Busquet, Santiago	3,850	0	0.000%
Calvet Spinatsch, Jorge	100	0	0.000%
Carvajal Argüelles, Juan	0	0	0.000%
Corporación IBV, Servicios y Tecnologías, S.A.	22,503,574	0	9.249%
Fernández Martínez, Pascual	30	0	0.000%
Rodríguez-Quiroga Menéndez, Carlos	300	0	0.000%
Ulacia Arnaiz, Guillermo	100	0	0.000%
Vázquez Egusquiza, José María	0	0	0.000%
Velasco Gómez, Pedro	500	0	0.000%

(*) Through:

Name or trade name of direct holder of shares	Number of direct voting rights	% of total voting rights
RETOS OPERATIVOS XXI, S.L.	1,131,030	0.465%
% of voting rights in the hands of the Board of Directors		9.714%

Complete the following tables on the members of the Company's Board of Directors holding stock option rights in the Company:

Name or trade name of the director	Number of direct stock option rights	Number of indirect stock option rights	Number of equivalent shares	% of total voting rights
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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:

Name or trade name of related shareholders	Type of relationship	Brief description
IBERDROLA, S.A. and CORPORACIÓN IBV, PARTICIPACIONES EMPRESARIALES, S.A.	Corporate	IBERDROLA, S.A. shares a 50% stake with BBVA in the company CORPORACIÓN IBV, PARTICIPACIONES EMPRESARIALES, S.A., which holds a 100% stake in CORPORACIÓN IBV, SERVICIOS Y TECNOLOGÍAS, S.A. The latter in turn holds the industrial portfolio jointly managed by both. Among its main shareholdings, it is worth highlighting the 9.250% stake it holds in the listed company GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

See note (A.4) in section G contained herein.

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:

Name or trade name of related shareholders	Type of relationship	Brief description
IBERDROLA, S.A.	CONTRACTUAL	SEE SECTION C.2

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 - No

Parties to the shareholders' agreement	% of share capital affected	Brief description of the agreement
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State whether the company is aware of any concerted actions among its shareholders. If so, provide brief details:

Yes - No

Parties to concerted action	% of share capital affected	Brief description of the concerted action
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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 - No

Name or trade name

Comments

A.8

Complete the following tables on the company's treasury stock:

At the end of the financial year:

Number of shares held directly	Number of shares held indirectly (*)	% total of share capital
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2,054,520	0.84%	
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(*) Through:

Name or trade name of direct holder of shares	Number of shares held directly
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Total:

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

Date of disclosure	Total number of direct shares acquired	Total number of indirect shares acquired	% total of share capital
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Gains / (Losses) on treasury stock divested during the period			0
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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 25, 2007 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 sixth item on the Agenda appears below:

"To expressly authorize the Board of Directors pursuant to the provisions set forth in Article 75 of the prevailing Revised Text of the Corporations Law (Texto Refundido de la Ley de Sociedades Anónimas) to carry out the derivative acquisition of shares in GAMESA CORPORACIÓN TECNOLÓGICA, S.A. under the following conditions:

- a.- The acquisitions may be made directly by GAMESA CORPORACIÓN TECNOLÓGICA, S.A. or indirectly through its subsidiaries.
- b.- The acquisition of shares, which should be fully paid up and free from any charges and/or encumbrances, shall be made through purchases, swaps or any other kind of operations permitted by the Law.
- c.- Such acquisitions may be made at any time up to the maximum amount set forth by the Law, which shall not exceed 5% of the Company's share capital counting the shares it already holds.
- d.- The shares' minimum price shall be their par value and their maximum price may not exceed their list price on the date of acquisition by 5%.
- e.- That an unavailable reserve may be allocated on the Liabilities side of the Company's Balance equivalent to the amount of treasury stock entered in its Assets. This reserve shall be maintained as long as the shares are not divested or depreciated.
- f.- The shares thus acquired may subsequently be transferred under the conditions that may be freely set.
- g.- This authorization is granted for a maximum period of 18 months and expressly repeals the unused part of the authorization granted by the Company's General Shareholders' Meeting held on May 25, 2006.

For the purposes set forth in paragraph 2, number 1, Article 75 of the Revised Text of the Corporations Law (Texto Refundido de la Ley de Sociedades Anónimas), to expressly authorize the acquisition of the Company's shares by any of the company's subsidiaries under the same terms arising hereof.

Lastly and concerning the provisions set forth in the last paragraph of point 1, Article 75 of the Revised Text of the Corporations Law in its wording given by Law 55/1999 of 29 December, it is hereby indicated that any shares acquired by virtue of this authorization may be destined by the Company, among other ends, to the Company's employees or administrators either directly or as a result of exercising stock option or other rights as set forth in Incentive Plans of which they may be the holders and/or beneficiaries pursuant to the Law, bylaws and regulations.

A.10

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

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

Yes - No

Maximum percentage of voting rights that a shareholder may exercise due to legal constraints

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

Yes - No

Maximum percentage of voting rights that a shareholder may exercise due to bylaw constraints

Description of legal and bylaw constraints on exercising voting rights

State whether there are any legal constraints on the acquisition or transfer of shareholdings.

Yes - No

Describe any legal constraints on the acquisition or transfer of shareholdings

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:

Maximum number of directors 15

Minimum number of directors 3

B.1.2

Complete the following table with details on the Board Members:

Name or trade name of the	Represented by	Office in the Board	Date of first appointment	Date of last appointment	Procedure of appointment
Ulacia Arnaiz, Guillermo		Chairman and CEO	12-13-2005	05-25-2007	General Shareholders' Meeting
Calvet Spinatsch, Jorge		Deputy Chairman	10-07-2005	05-25-2007	Generals Shareholders' Meeting
Arregui Ciarsolo, Juan Luis		Director	01-28-1976	05-25-2007	General Shareholders' Meeting
Bergareche Busquet, Santiago		Director	11-02-2005	05-25-2007	General Shareholders' Meeting
Carvajal Argüelles, Juan		Director	05-25-2007	05-25-2007	General Shareholders' Meeting
Corporación IBV, Servicios y Tecnologías, S.A	Arrieta Durana, Luis Ramón	Director	12-20-2004	05-25-2007	General Shareholders' Meeting
Fernández Martínez, Pascual		Director	05-25-2007	05-25-2007	General Shareholders' Meeting
Vázquez Egusquiza, José María		Director	05-25-2007	05-25-2007	General Shareholders' Meeting
Velasco Gómez, Pedro		Director	11-16-2007	11-16-2007	Board of Directors-Cooptation
Rodríguez-Quiroga Menéndez, Carlos		Director and Secretary to the Board	09-27-2001	05-25-2007	General Shareholders' Meeting
Total Number of Directors		10			

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

Name or trade name of director	Status of director at the moment of relinquishing office	Date of leaving office
Arrieta Durana, Luis Ramón	Non-executive director representing a significant shareholder	05-25-2007
Corporación IBV, Participaciones Empresariales, S.A.	Non-executive director representing a significant shareholder	05-25-2007
Fernández-Lerga Garralda, Carlos	Non-executive director representing a significant shareholder	05-25-2007
Madina Loidi, José	Non-Executive Independent	05-25-2007
Del Valle-Iturriaga Miranda, Rafael	Non-executive director representing a significant shareholder	11-16-2007

B.1.3

Complete the following table on the Board Members and their status:

EXECUTIVE DIRECTORS

Director's name or trade name	Committee that proposed his/her appointment	Office held in the company's organization chart
Ulacia Arnaiz, Guillermo	Appointments and Remuneration Committee	Chairman and CEO
Rodríguez-Quiroga Menéndez, Carlos	Appointments and Remuneration Committee	Secretary to the Board and Director
Total number of executive directors		2
% total of the Board		20%

NON-EXECUTIVE DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDERS

Director's name or trade name	Committee that proposed his/her appointment	Name or trade name of the significant shareholder he/she represents or has put forward his/her appointment
Arregui Ciarsolo, Juan Luis	Appointments and Remuneration Committee	IBERDROLA, S.A.
Velasco Gómez, Pedro	Appointments and Remuneration Committee	IBERDROLA, S.A.
Corporación IBV, Servicios y Tecnologías, S.A.	Appointments and Remuneration Committee	CORPORACIÓN IBV, SERVICIOS Y TECNOLOGÍAS, S.A.
Total number of directors representing significant shareholders		3
% total of the Board		30%

NON-EXECUTIVE INDEPENDENT DIRECTORS

Name or trade of director	Background
Bergareche Busquet, Santiago	<p>Born in Bilbao, Biscay. He holds the offices of Member of the Board of Directors and of the Auditing Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.</p> <p>He holds degrees in Law and Economics from the University of Deusto.</p> <p>He is currently the Deputy Chairman of Grupo Ferrovial, S.A. (since January 25, 2002) and a Director (since February 23, 1999) and member of its Executive Committee, as well as the Chairman of Dinamia Capital Privado SCR, S.A. (since December 12, 2002) and a Director and member of the Executive Committee of Vocento.</p>

He was the General Manager of BBVA, the Chairman of Metrovacesa, Chairman of Agroman and CEO of Grupo Ferrovial.

Calvet Spinatsch, Jorge

Born in Madrid. Holds the offices of Deputy Chairman of the Board of Directors and Chairman of the Auditing and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds degrees in Law and Business Administration (ICADE), having completed his training at New York University, where he was granted a Master in Finance.

His professional career has mainly taken place in the commercial banking sector and he has held positions at institutions like UBS WARBURG, where he was the CEO and Country Head of the UBS Group in Spain. He has also held the offices of CEO of UBS WARBURG, S.V., Chairman and CEO of UBS España, S.A., was a member of Ibersuiza's Investment Committee, and the Chairman of Inova, S.A. (1995-2001).

Between 2001 and 2005, he was the Chairman of Fortis Bank for Spain and Portugal, the Managing Director of Beta Capital MeesPierson and a member of the Fortis Management Board.

He has likewise formed part of other Boards of Directors such as those of Prensa Española, S.A. (1998-2002), Antena 3TV (1998-2003), T-Systems España (2001-2004), TESA (Talleres de Editores, S.A.) and France Telecom España, S.A.

Carvajal Argüelles, Juan

Born in Madrid. He currently holds the position of director in the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds degrees in Law and Economics from the ICADE (Universidad Pontificia de Comillas) and completed his education at the INSEAD (Fontainebleau), where he did an MBA.

His professional career has mainly taken place in the financial sector. He started working in Corporate Banking as an Account Manager in Banco Bilbao Vizcaya's London office. He joined Schroder Ventures (Madrid) in 1991, firstly as an Investment Executive (1991-1993) and subsequently as the Investment Manager (1993-1995). He then went on to become a Partner from 1995 to 1997.

He joined Espiga Capital Gestión, S.G.E.C.R., S.A. as a founder partner in 1998 and, since then, represents or has represented it on the Boards of Directors of Grupo Pool, 2003, Iberchem, Sedal, Tecresa, Industrial Veterinaria, Lekue, Amadeo Farrel and Damel.

He is the General Managing Director of Espiga Capital Gestión, S.G.E.C.R., S.A., a Director of Gesalcala, S.G.I.I.C., S.A. and a member of Abante Asesores' Advisory Board.

Vázquez Egusquiza, José María

Born in Bilbao, Biscay. He currently holds the position of director in the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds degrees in Industrial Metallurgy and Business Studies from the Universidad del País Vasco and completed his studies doing several Masters in the United States and Sweden.

His professional career has mainly taken place in the metallurgical sector. It began in Babcock & Wilcox, S.A. as a materials and welding engineer in the valve department for nuclear power plants. He then went on to hold management positions in different business groups in the Basque Country dedicated to the metallurgical, machine tools, shipping and building sectors.

He currently holds the offices of Chairman of the Biscay Business Confederation (Confederación Empresarial de Bizkaia - CEBEK), Chairman of Construcciones

Sobrino, S.A. (parent company in the Basque Country of Grupo Obrascón Huarte y Laín, S.A.), member of the Board of Directors of GIROA (Grupo Dalkia), Director of the Bilbao Port Authority and member of the Board of Governors of the Guipuzcoa Technical Studies and Research Center (Centro de Estudios e Investigaciones Técnicas de Gipuzkoa – CEIT), among others.

He has also held the positions, among others, of Chairman of CONFEBASK's Industrial Policy Committee, was a member of the Management Board of the Spanish Confederation of Business Organizations (Confederación Española de Organizaciones Empresariales – CEOE), Chairman of the CEOE's Business Board for the Information Society, Director of the Biscay Industrial Design Centre (Centro de Diseño Industrial de Bizkaia), a member of the Executive Committee of the Spanish Association for the Development of Welding and a member of the SEOPAN Management Board.

He has been deeply involved in teaching and awareness raising activities.

Total number of independent directors	4
% total of the Board	40%

OTHER NON-EXECUTIVE DIRECTORS

Director's name or trade name	Committee that proposed his/her appointment
Fernández Martínez, Pascual	Appointments and Remuneration Committee
Total number of other non-executive directors	1
% total of the Board	10%

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
Fernández Martínez, Pascual	Up to the moment of his appointment as a director of the Gamesa Board on May 25, 2007, he was the individual responsible for representing Corporación IBV, Participaciones Empresariales, S.A.	CORPORACIÓN IBV, PARTICIPACIONES EMPRESARIALES, 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
Rodríguez-Quiroga Menéndez, Carlos	05-25-2007	Non-Executive Independent	Executive

See note (B.1.3) in section G contained herein.

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
Del Valle-Iturriaga Miranda, Rafael	Professional 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
Ulacia Arnaiz, Guillermo	GAMESA CORPORACIÓN TECNOLÓGICA S.A.'s Board of Directors unanimously resolved to appoint the Chairman of the Board, Mr. Guillermo Ulacia Arnaiz, as the Company's CEO at its meeting held on May 25, 2007 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. Ulacia 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
Ulacia Arnaiz, Guillermo	GAMESA SOLAR, S.A.U.	Individual representing the Single Administrator, GAMESA ENERGÍA, S.A.U.
	GAMESA TECHNOLOGY CORPORATION, Inc.	Director

See note (B.1.7) in section G contained herein.

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	IBERDROLA, S.A.	Deputy Chairman
	GRUPO EMPRESARIAL ENCE, S.A.	Chairman
Bergareche Busquet, Santiago	GRUPO FERROVIAL, S.A.	Deputy Chairman
	VOCENTO, S.A.	Director
Fernández Martínez, Pascual	DINAMIA CAPITAL PRIVADO, SCR, S.A.	Chairman
	GRUPO EMPRESARIAL ENCE, 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 - No

Explanation of the rules

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:

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

Remuneration item	Figure in thousands euros
Fixed remuneration	742
Variable remuneration	300
Allowances	987
Bylaw items	153
Stock options and/or other financial instruments	
Others	
TOTAL:	2,182

Other Benefits	Figure in thousands euros
Advances	
Loans granted	
Pension Schemes and Funds: Contributions	
Pension Schemes and Funds: Liabilities contracted	
Life insurance premiums	26
Guarantees extended by the company to directors	

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

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

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

c) Total remuneration by type of director:

Type of director	From company	From group
Executive directors	1,110	
Non-executive directors representing significant shareholders	448	
Non-executive independent directors	541	
Other non-executive directors	109	
Total	2,208	

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

Directors' total remuneration (in thousands euros)	2,208
Total directors' remuneration/profits attributed to parent company (expressed in%)	1%

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:

Name or trade name	Office
Cortajarena Manchado, José Antonio	Chief Legal Counsel
Zarza Yabar, Félix	Manager of Internal Auditing
Perea Sáenz de Buruaga, Javier	General Manager of Marketing, Sales and Services
Monzón Arribas, Teodoro	General Manager of the Promotion and Sale of Wind Farms
Fernández de Velasco Muñoz, César	General Manager of Operations
Giménez Sainz de la Maza, Iñigo	General Manager of Management Control
Malumbres García, José Antonio	General Manager of Technology
Berreteaga Lejarza, Juan Antonio	General Manager of Solar Products
Fernández Martín del Campo, Juana María	Corporate Manager of Human Resources
Total senior management remuneration (in thousands euros)	2,134

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:

Number of beneficiaries	9
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	Board of Directors	General Shareholders' Meeting
Body authorizing the clauses	X	
	YES	NO
Is the General Shareholders' meeting informed about the clauses?		X

B.1.14

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

Process for setting the remuneration of members of the Board of Directors and the Bylaw clauses

Pursuant to Article 15.4.d) of the Board of Directors Regulations, the Appointments and Remuneration Committee is responsible for proposing to the Board of Directors the "system and amount of the Board Members annual remuneration".

According to the provisions set forth in Article 26 of the Board of Directors Regulations, the Board "shall be entitled to obtain the remuneration set pursuant to the Bylaw's provisions" and that said body shall "determine the way and amounts in which the remuneration thus set shall be distributed among its members in each financial year, which may be done on an individual basis".

Pursuant to the provisions set forth in Article 25 of the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Bylaws, "the Company shall allocate as an expense an amount equivalent to up to 3% of the year's profits to remunerate the members of the Board of Directors. Such allocation up to a maximum of 3% may only be effectuated once the amounts set forth in the Corporations Law (Ley de Sociedades Anónimas) have been covered. The Board itself may resolve to reduce the aforementioned amount in any financial years it may deem appropriate to do so.

The members of the Board of Directors shall additionally receive a fixed annual remuneration, including any contributions made to Social Welfare schemes as regards Pensions and/or life insurance policy payments. The Board of Directors shall be entitled to set the amount for each of the Board members.

The total amount for both kinds of remuneration (profit-related remuneration and fixed remuneration) may not together exceed the amount that would result from applying three per cent (3%) to the year's profits.

Such remuneration does not necessarily have to be the same for all Board members. In keeping with the foregoing, the Board of Directors shall adopt the appropriate resolutions to distribute among its members the aforementioned remuneration in accordance with the criteria and in the way it may see fit.

Board members shall likewise be entitled to receive allowances for their dedication and attendance at Board meetings, along with compensation for travel, accommodation and similar expenses which they may incur. The setting of these items shall be agreed upon by the Board of Directors."

In addition and independently of the remuneration referred to in the preceding paragraphs, Article 25 of the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Bylaws sets forth the possibility of "setting up remuneration schemes referenced to the shares' list price or that entail the handing over of shares and/or stock option rights to directors.

The application of such remuneration schemes shall be agreed upon by the General Shareholders' Meeting, which shall set the share price to be taken as a reference, the number of shares to be handed out to Directors, the price of exercising the option rights, the term of these remuneration schemes, along with any other conditions it may deem appropriate. Likewise and after any legal requirements have been met, similar remuneration schemes may be set up for management and non-management staff of the Company and its subsidiaries".

Article 25 of the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. bylaws additionally sets forth that the aforementioned kinds of remuneration “are compatible with and independent of salaries, remuneration, compensation, pensions, contributions to social welfare schemes, life insurance, the handover of shares or stock options, or any kind of general or individual compensation for any Board Members performing executive functions, whatever the nature of their relationship with the Company may be, whether it be an employment relationship –a normal or special senior management relationship–, a mercantile relationship or the provision of services. Such relationships shall be compatible with the condition of being a member of the Board of Directors.

The Company may take out third party liability insurance for its Directors”.

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

	Yes	No
At the proposal of the company’s chief executive, appointing and relieving senior managers of office, along with their compensation clauses.	X	
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.	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 X No -

	Yes	No
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	X	
Variable remuneration items	X	
Main features of social welfare schemes, along with an estimation of their amount or annual equivalent cost	X	
Conditions which the contracts of any individuals performing senior management functions as executive directors must comply with, among which they will be included	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

Role played by the Remuneration Committee

Yes **No**

Has external advice been used?

Identity of the external consultants

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:

Name or trade name of the director	Trade name of significant shareholder	Office
Arregui Ciarsolo, Juan Luis	IBERDROLA, S.A.	Deputy Chairman, Member of the Executive Committee and of the Appointments and Remuneration Committee
Velasco Gómez, Pedro	CORPORACIÓN IBV, PARTICIPACIONES EMPRESARIALES, S.A.	Director
	IBERDROLA, S.A.	Manager of Non-Energy Businesses and Assets

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:

Name or trade name of the linked director	Name or trade name of the linked significant shareholder	Describe relationship
Fernández Martínez, Pascual	CORPORACIÓN IBV, PARTICIPACIONES EMPRESARIALES, S.A.	Up to the moment of his appointment as a director of the Gamesa Board on May 25, 2007, he was the individual responsible for representing Corporación IBV, Participaciones Empresariales, S.A.
Rodríguez-Quiroga Menéndez, Carlos	IBERDROLA, S.A.	Provision of legal counseling services through a law firm

B.1.18

State whether any amendments to the Board regulations have come about during the financial year:

Yes No

Description of amendments

By means of a resolution taken by GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s Board of Directors on May 25, 2007 after having received a report from the Audit and Compliance Committee, section 1 of Article 14 and a section 1 of Article 15 of the Board of Directors Regulations respectively dealing with the composition of the Audit and Compliance Committee and of the Appointments and Remuneration Committee were amended. The aforementioned amendments reduced the number of members of these committees from four to three members.

Consequently, after the amendments indicated above, the texts of the aforementioned articles are worded as follows:

Article 14.1: "The Audit and Compliance Committee shall be comprised of three (3) Non-Executive Directors".

Article 15.1: "The Audit and Compliance Committee shall be comprised of three (3) Non-Executive Directors".

See note (B.1.18) in section G contained herein.

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.

Pursuant to Article 17 of the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Bylaws and Article 18 of the Board of Directors Regulations, the Members of the Board are "appointed by the General Shareholders' Meeting". However, "should vacancies arise during the term for which they were appointed, the Board may appoint the individuals to fill such vacancies from among the shareholders until the next General Shareholders' Meeting is held" and always in accordance with the provisions contained in the Corporations Law (Ley de Sociedades Anónimas) and the Bylaws.

According to section 2, Article 18 of the Board of Directors Regulations "any proposals for the appointment of Directors 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 relevant report issued by the Appointments and Remuneration Committee." The Board may choose not to heed such report, in which case it shall have to justify the reasons for its action and record its reasons in the minutes.

Article 19 of the same Regulations additionally states that "the Board of Directors and the Appointments and Remuneration Committee shall make an effort within the sphere of their competencies to ensure that the proposal and appointment of candidates shall fall on individuals of renowned honorability, 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 to exercise the functions of the position shall be subject to the conditions of honorability, solvency, competence and experience set forth in the preceding paragraph and shall be personally required as regards the Directors' duties set forth in these Regulations."

Concerning the reappointment of Directors, Article 20 of the Board of Directors Regulations sets forth that "any proposals for the reappointment of Directors that the Board of Directors may resolve to bring before the General Shareholders' Meeting shall have to comply with a formal assessment process, of which a report issued by the Appointments and Remuneration Committee shall form part".

The vacation of directorships is governed by Article 22 of the Board of Directors Regulations which sets forth that "Directors shall relinquish their office once the term for which they were appointed has elapsed, without prejudice to the possibility of their reappointment when the General Shareholders' Meeting may so resolve. The Board may likewise 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 Corporations Law (Ley de Sociedades Anónimas) and in the Companies Registry Regulations (Reglamento del Registro Mercantil).

See note (B.1.19) in section G contained herein.

B.1.20

State the circumstances in which directors are obliged to stand down.

According to Article 22.2 of the Board of Directors Regulations, "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 Appointments and Remuneration Committee under the following circumstances:

- a) Concerning Directors Representing Significant Shareholders, whenever these or the shareholder they represent cease being the holders of significant stable stakes in the Company, as well as whenever such shareholders withdraw their representation.
- b) Concerning Executive Directors, whenever the Board may deem fit.
- c) Concerning Non-Executive 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 Articles 7.4 and 7.5 of these Regulations cease to exist, causing an incompatibility with the condition of being an Independent Director.
- e) Whenever they are involved in a conflict of interest or prohibition as set forth in prevailing legislation, the Bylaws or these Regulations.
- f) Whenever they are brought to trial for a presumed crime or are involved in disciplinary proceedings for a serious or very serious offence investigated by the supervisory authorities.
- g) When they reach the age of 70 years. The Chairman, the Deputy Chairmen, the CEO, the Board Secretary and Deputy Secretary shall relinquish office at the age of 65, but may carry on as Directors. Standing down as a Director and from the position shall come about during the first Board of Directors' Meeting 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 may stand down from executive positions linked to their appointment as a Director.
- i) Whenever they are issued a serious admonishment by the Audit and Compliance committee or are severely punished by a public authority for having breached their duties as a Director.
- j) Whenever their permanence on the Board may place the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.

See note (B.1.20) in section G contained herein.

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 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.

Firstly, it should be pointed out that the Independent Director, Jorge Calvet Spinatsch, holds the position of Deputy Chairman of the Board of Directors. Pursuant to the provisions set forth in Article 10 of the Board of Directors Regulations, the Deputy Chairman shall replace the Chairman should he be unable to perform his functions or in his absence.

Likewise, pursuant to the provisions set forth in Article 6.2.C) of the Board Regulations, the Board shall adopt all the necessary measures to ensure that a single individual or a small group of people shall not hold decision-making powers that are not subject to checks and balances.

Similarly, Article 5.4 of the Board Regulations sets forth that, "without prejudice to the powers and functions delegated to the Audit and Compliance Committee and to the Appointments and Remuneration Committee, the Board shall deal with all the matters of relevance to the Company and shall particularly take on the obligation of directly exercising the following responsibilities:

(i) Concerning overall strategy

- a) Approving the Company's overall strategies.
- b) Identifying the main risks affecting the Company, along with implementing and monitoring appropriate internal control and information systems.

(ii) Concerning general management

- a) Setting general regulations and proposing the appointment of individuals to represent the Company, either as its Administrators or as individuals representing them, in the Group companies' governing bodies as well as in those of its subsidiaries and of any companies in which it holds a stake, as long as the Board of Directors should so decide due to the relevance of any of these.
- b) Appointing and, should it be the case, dismissing the Company's senior management, and defining and organizing senior management's structure, organization chart and job descriptions, which shall be carried out at the proposal of (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer and/or (iii) the Board of Directors' Committees, depending on the individual or body to which Senior Management may report.
- c) Overseeing Senior Management's and Executives' management activities and, if necessary, adopting any disciplinary measures for them should they breach their Corporate Governance obligations and/or the Internal Code of Conduct Regarding the Securities Markets.
- d) Authorizing operations or transactions that may involve Conflicts of Interest (i) with the Company or the Group's companies, (ii) with Directors, (iii) with shareholders holding significant stakes, (iv) with Senior Management and Executives, as well as (v) any other relevant transaction concerning the same.
- e) Approving waivers and other authorizations concerning Directors' duties which lie within its competence according to these Regulations.
- f) Approving policies concerning treasury stock within the framework the General Shareholders' Meeting may lay down.
- g) Approving specific incentive schemes covering several years; and
- h) In general terms, approving operations that involve substantial amounts of the Company's assets, as well large corporate operation.

(iii) Concerning its organization and how it is run

- a) Appointing (i) the Board's offices, (ii) Directors to cover vacancies produced in the Board under the circumstances for cooptation, (iii) the Chief Executive Officer and (iv) the members to form part each of the Committees, as well as relieving the same of office under the circumstances set forth in sections (i), (iii) and (iv) above.
- b) Approving the Chairman's and the CEO's specific related-party schemes.
- c) Proposing the most appropriate number of directors in order to duly ensure the body is representative and runs smoothly, and proposing candidates before the General Shareholders' Meeting for the appointment, reappointment, ratification and removal of Directors.
- d) Approving remuneration schemes (compensation, allowance, pensions, life insurance, third party liability insurance, etc.) for the Directors that are within its sphere of competence under the Law and the Bylaws; and
- e) Approving amendments to these Regulations under the terms set forth in Article 3.

(iv) Concerning the annual accounts, transparency and veracity of the information

- a) Drawing up the annual accounts and management report, and proposing how both individual and consolidated profits are to be allocated, and submitting them before the General Shareholders' Meeting, along with the quarterly and half-yearly financial statements, should it be the case.
- b) Setting shareholder, market and public reporting and communications policies and contents, and more specifically the Company's corporate Website, where the shareholders' entitlement to information shall be attended, and disclosing relevant information. All of the foregoing shall be done pursuant to prevailing legislation.
- c) Ensuring that information that has to be disclosed to the public is transparent, including the Directors' and Senior Management's remuneration.
- d) Pursuant to the provisions set forth in Article 37 of the Regulations, drawing up, approving, informing about and publicizing the Annual Corporate Governance Report with the contents and under the terms that may be legally laid down by prevailing legislation at any one time.
- e) Approving the Internal Code of Conduct Regarding the Securities Markets; and
- f) Drawing up and approving the Company's Sustainability Report or Social Responsibility Report pursuant to Article 39 of the Regulations with the regularity it may deem appropriate and, should it be the case, defining and promoting corporate social responsibility actions."

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 No

Explanation of the rules

Article 10 of GAMESA CORPORACIÓN TECNOLÓGICA's Board of Directors Regulations sets forth that "the Board may assign a Deputy Chairman who will replace the Chairman should he/she not be able to perform his/her functions or in his/her absence".

The office of Deputy Chairman of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s Board of Directors is held by the Independent Director Jorge Calvet Spinatsch.

See note (B.1.21) in section G contained herein.

B.1.22**Are reinforced majorities other than the statutory majorities required for any kind of decision?**Yes No

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

Adoption of resolutions

Description of the resolution	Quorum	Type of Majority
All except the circumstances under which another quorum has been specifically set forth (Article 17.3 of the Board of Directors Regulations)	The Board shall be duly constituted when half plus one of the Directors are either present or duly represented (Article 17.1 of the Board of Directors Regulations).	Resolutions shall be adopted by an absolute majority of the directors attending (either present or by proxies) (Article 17.3 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****B.1.25****State whether the bylaws or the Board regulations set any age limit for directors:**Yes No

Age limit for Chairman	65
Age limit for CEO	65
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

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

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 27.2 of the Board Regulations, "Directors shall perform their functions with the diligence of an orderly businessman and of a loyal representative and shall be specifically obliged to take part in the meetings of the bodies of which they form part and to actively participate in deliberations, so that their perspective makes an effective contribution to decision-making.

Should a director not be able to attend the meetings to which he/she has been called for justifiable reasons, he/she shall issue instructions to the Director who shall represent him/her if at all possible."

For these purposes, all documents calling Board 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 18 of the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Bylaws "any Director may especially grant written authorization of proxy to another Director for each meeting by giving notice thereof to the Chairman or the Board Secretary through any of the means described in paragraph 2 of this Article".

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:

Number of Board meetings	12
Number of Board meeting without the Chairman’s presence	0

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

Number of meetings of the Executive or Delegated Committee	N/A
Number of meetings of the Audit Committee	13
Number of meetings of the Appointments and Remuneration Committee	11
Number of meetings of the Appointments Committee	N/A
Number of meetings of the Remuneration Committee	N/A

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.

Number of non-attendances by directors during the financial year	1
% of non-attendances compared to the total of votes during the financial year	0.008

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:

Name	Office

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 22 of the Corporate Bylaws sets forth, among others, the following competencies for the Audit and Compliance Committee:

- “(d) Dealing with the financial reporting process; sufficiently checking the information the Company should regularly and/or statutorily report to the markets and to their supervisory bodies in order to ensure its accuracy, reliability, sufficiency and clarity; knowing about the Company’s internal control systems, as well as verifying their appropriateness and integrity by overseeing the identification, measurement and control of risks.
- (e) Maintaining relationships with External Auditors to receive information about any matters that could place their independence at risk and about 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.
- (f) Checking the contents of auditor’s reports before issuing them, endeavoring to ensure that such contents and the opinions expressed in them about the annual accounts are drafted clearly and precisely, as well as overseeing the fulfillment of the auditing agreement.
- (g) Ensuring compliance with legal requirements and the correct application of generally accepted accounting standards, and informing the Board of any significant changes of accounting criteria and of risks included in the Balance Sheet and not included in it”.

For its part, Article 14.5.e) of the Board of Directors Regulations sets forth that the Audit and Compliance Committee’s basic responsibilities include “assessing the results of each audit and the responses of the management team to its recommendations, and mediating should there be discrepancies between them regarding the applicable criteria in the drawing up of the financial statements”.

Along the same lines, Article 5 of the Audit and Compliance Committee Regulations (approved by the Board of Directors in the meeting held on September 29, 2004) sets forth among this Committee’s main functions regarding external audits involves “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 addition, it shall check the contents of auditor’s reports before they are issued, endeavoring to ensure that such contents and the opinions expressed about the annual accounts are drafted clearly and precisely, as well as overseeing the fulfillment of the auditing agreement.

In practice, such work is continuously performed by this Committee throughout the financial year by submitting reports to the Board of Directors concerning the Company’s economic and financial situation, which are filed on a quarterly basis to the National Securities Market Commission (Comisión Nacional del Mercado de Valores).

One of the main aims of the Audit and Compliance Committee’s reports, which are submitted before the Board 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.

Lastly, according to Article 43 of the Board of Directors Regulations, this body “shall endeavor to definitively draw up the accounts in such a manner so as to ensure that there are no auditor’s qualifications. Nonetheless, should the Board see fit to maintain its criteria, it shall publicly explain the contents and scope of the discrepancy”.

B.1.33

Does the Secretary to the Board also hold a directorship?

Yes No

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.

Procedure for appointment and relieving of office

Pursuant to Article 11 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. "the Board shall appoint the Secretary to the Board of Directors, who does not have to be a Director, after having previously received a report from the Appointments and Remuneration Committee".

Likewise, Article 15.4 of the Board of Directors Regulations lays down that "without prejudice to any other responsibilities it may be charged with by the Board, the Audit and Compliance Committee shall at least have the basic responsibilities set forth below:

- b) Informing the Board of Directors for its approval about the appointment of the Chief Executive Officer, the Chairman, the Deputy Chairmen, the Secretary and Deputy Secretary to the Board, as well as about the specific related-party schemes of the Chairman and Chief Executive Officer."

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

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

Yes X No -

Comments

Article 11.3 of the GAMESA CORPORACIÓN TECNOLÓGICA S.A. Board of Directors Regulations sets forth that "the Secretary shall at all times safeguard the formal and substantive legality of the Board's actions, ensure that its procedures and rules of governance are respected and regularly reviewed, ensure that the Bylaws are in order, guarantee compliance with any provisions issued by regulatory authorities and consider, should it be necessary, their recommendations, and oversee that the Company's principles or criteria of Corporate Governance and the provisions laid down in the Board Regulations are complied with".

See note (B.1.34) in section G contained herein.

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 22 e) of the Bylaws, Article 14.5 e) of the Board of Directors Regulations and Article 5 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". As Article 5 of the Audit and Compliance Committee Regulations lays down, this should be construed "without prejudice to the relationship of the Company's Financial Management with the same, and to the direct liaising and reporting concerning such matters that the aforementioned management team shall maintain with the Committee".

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 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.gamesa.es) 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.gamesa.es) 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.

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

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
Amount of work other than auditing work (thousands euros)		1,242	1,242
Amount of work other than auditing work / total amount invoiced by the auditing firm (%)		52.6%	52.6%

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
Number of consecutive years	17	17

	Company	Group
Number of years audited by the current auditing firm / Number of years the company has been audited (in%)	100%	100%

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:

Name or trade name of the director	Name of company in which shares are held	% shareholding	Position or functions
Arregui Ciarsolo, Juan Luis	IBERDROLA, S.A.	2.083%	Deputy Chairman, Member of the Executive Committee and of the Appointments and Remuneration Committee

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

Details of the procedure

Pursuant to the provisions set forth in Article 25 of the Board of Directors Regulations, "in order to be aided in the performance of their duties, Non-Executive Directors may request the contracting of legal, accounting and financial experts, as well as other experts at the Company's cost.

The commission must necessarily have to do with specific problems of a certain relevance and complexity that arise during the course of the duties' performance.

The request to contract such experts must be made to the Company's Chairman and can be vetoed by the Board of Directors should it find that:

- a) it is not necessary to properly perform the functions Non-Executive Directors are entrusted with;
- b) its cost is unreasonable with a view to the problem's importance and the Company's assets and revenues;
- c) the professional advice requested can be properly given by in-house experts and technicians;
- d) it may entail a risk to the confidentiality of the information that has to be handled."

Likewise, Article 15 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 "seek the advice of external professionals and the provisions contained in these Regulations shall apply to such an effect" in order to improve the performance of its functions pursuant to Article 15.8 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 18 of the Corporate Bylaws states that "the announcement of Board meetings and the issuing of the necessary documents, as well as any exchange of documents among the members of the Board of Directors shall be done by letter, fax or telegram". The meetings may likewise be called by any electronic, telematic or information technology communications means, or any other kind of means whatsoever that allow for the sending and reception of documents.

Similarly, Article 27.2.a) of the Board of Directors Regulations sets forth that "Directors should inform and prepare themselves properly for the meetings of the Board and the governing bodies to which they may belong".

Additionally, Article 24 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 entitlement to information shall also cover the Group's Spanish and foreign companies and subsidiaries.

In order not to disturb the Company's day-to-day management when exercising the entitlement to information, such requests shall be channeled through the Chairman, the Chief Executive Officer or the Secretary to the Board, who shall respond to the Director's request by directly providing him/her with the information, indicating the appropriate person within the organization to deal with the request or putting into place measures so that the Director may conduct the verification or inspection tasks he/she may need on site.

Should the person responsible for responding to the Director's request have refused to provide the information requested considering that it could prejudice the Company's interests, it shall be the Board of Directors' responsibility to resolve the issue pursuant to the provisions laid down in the Corporations Law (Ley de Sociedades Anónimas)".

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 No -

Explain the rules

As was indicated in Section B.1.20 above, Article 22 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) "They are involved in a conflict of interest or prohibition as set forth in prevailing legislation, the Bylaws or these Regulations" (Article 22.2.e).
 - b) "They are brought to trial for a presumed crime or are involved in disciplinary proceedings for a serious or very serious offence investigated by the supervisory authorities" (Article 22.2.f).
 - c) "Whenever they are issued a serious admonishment by the Audit and Compliance committee or are severely punished by a public authority for having breached their duties as a Director" (Article 22.2.i).
 - d) "Whenever their permanence on the Board may place the Company's interests at risk" (Article 22.2.j).
-

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
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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
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Should retain office / Should not retain office

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
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AUDIT COMMITTEE

Name	Office	Type
Calvet Spinatsch, Jorge	Chairman	Non-Executive Independent
Corporación IBV, Servicios y Tecnologías, S.A. (represented by Luis Ramón Arrieta Durana)	Member	Non-Executive Director representing a significant shareholder
Velasco Gómez, Pedro	Member	Non-Executive Director representing a significant shareholder
Fernández-Lerga Garralda, Carlos	Secretary (Non-Member)	

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Office	Type
Fernández Martínez, Pascual	Chairman	Other Non-Executive Directors
Arregui Ciarsolo, Juan Luis	Member	Non-Executive Director Representing a significant shareholder
Bergareche Busquet, Santiago	Member	Non-Executive Independent
Fernández-Lerga Garralda, Carlos	Secretary (Non-Member)	

APPOINTMENTS COMMITTEE

Name	Office	Type
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REMUNERATION COMMITTEE

Name	Office	Type
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_____ COMMITTEE

Name	Office	Type
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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
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	X	
Regularly checking internal control and risk management systems, so as to ensure the main risks are identified, managed and adequately known	X	
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	X	
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	X	
Bringing before the Board proposals to recruit, appoint, reappoint and replace the external auditor, along with their contracting conditions.	X	
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	X	
Ensuring the external auditor's independence	X	
In the case of groups, making sure the group's auditor takes on responsibility for the audits of the companies making up the group.		X

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 its Regulations, the Audit and Compliance Committee "is an internal body of the Board of Directors having an informative and consultative role with the powers to provide information, advice and put forward proposals. It shall be governed by the rules contained in these Regulations, as well as by any provisions of the Law, the Bylaws and the Board Regulations that may apply to it".

In accordance with Article 14 of the Board of Directors Regulations, "the Audit and Compliance Committee shall be comprised of (3) Non-Executive Directors appointed by the Board of Directors".

Article 11 of the Audit and Compliance Committee Regulations sets forth that it "shall choose a Chairman from among its members, who shall have to be an Independent Director and who shall be replaced every four years. Former chairmen may be reappointed to the post once one year has elapsed from the moment they have relinquished it.

The Audit and Compliance Committee shall likewise appoint a Secretary, who may be one of its members or the Secretary or Deputy Secretary to the Board of Directors. The Committee's Secretary does not have to be a Director, in which case he/she shall not be considered as a member of the Committee."

According to Article 3 of the Audit and Compliance Committee Regulations, "its main responsibility lies in assisting and informing the Board of Directors about matters assigned to it for these purposes by the Bylaws, the Board of Directors Regulations and the Internal Code of Conduct Regarding the Securities Markets.

Without prejudice to the other matters the Board may assign it with, the Audit and Compliance Committee shall likewise be responsible for ensuring sufficiency, appropriateness and efficiency in the following areas:

- Internal auditing
- External auditing
- Corporate Governance
- Conflicts of Interest and transactions with Significant Shareholders.

It shall likewise provide information to the General Shareholders' Meeting and the Board of Directors, maintaining the appropriate relationships and acting as a channel of communications with the Company's management in order to fulfill its functions.

In this regard, the Committee's Secretary shall have, following the Committee Chairman's instructions, the function of channeling the Committee's relationships with the other bodies and serving as a focal point among all the parties involved."

Article 22 of the Corporate Bylaws states that "without prejudice to any other responsibilities it may be charged with by the Board, the Audit and Compliance Committee shall at least have the basic responsibilities set forth below:

- a) Informing the General Shareholders' Meeting about any matters that the shareholders may broach regarding matters within its competence.
- b) Proposing to the Board of Directors the appointment of the external Auditors of Accounts referred to by Article 204 of the Revised Text of the Corporations Law (Texto Refundido de la Ley de Sociedades Anónimas) for submission to the General Shareholders' Meeting's consideration, as well as their contracting conditions, the scope of their professional mandate, safeguarding their independence and, should it be the case, their renewal or dismissal and overseeing their independence.
- c) Overseeing the Company's and its Group's internal auditing services approved by the Internal Auditing Plan, overseeing both the internal and external material and human resources needed by the Auditing department to perform its tasks. Informing about the appointment or dismissal of the Internal Auditing Manager.
- d) Dealing with the financial reporting process, sufficiently checking the information the Company should regularly and/or statutorily provide to the markets and to their supervisory bodies in order to ensure its accuracy, reliability, sufficiency and clarity, knowing about the Company's internal control systems, as well as verifying their appropriateness and integrity by overseeing the identification, measurement and control of risks.

- e) 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.
- f) Checking the contents of auditor's reports before issuing them, endeavoring to ensure that such contents and the opinions expressed in them about the annual accounts are drafted clearly and precisely, as well as overseeing the fulfillment of the auditing agreement.
- g) Ensuring compliance with legal requirements and the correct application of generally accepted accounting standards, and informing the Board of any significant changes of accounting criteria and of risks in the balance sheet and not included in it.
- h) Providing information about transactions that entail or could entail conflicts of interest or about transactions with shareholders owning a significant stake and, in general terms, concerning the matters set forth in Chapter IX of the Board of Directors Regulations.
- i) Providing information concerning the Board's possible authorization or waiving thereof to Directors in the circumstance set forth in Article 5.4.ii).e) of the Board of Directors Regulations.
- j) Approving transactions entailing a conflict of interest or transactions with a shareholder holding a significant stake under the terms set forth in Articles 30.6 and 35.4 of the Board of Directors Regulations and in compliance with them, when it is so charged by the Board's Chairman.
- k) Overseeing compliance with the Internal Code of Conduct Regarding the Securities Market, with the Board of Directors Regulations and, in general terms, with the Company's rules of governance, as well as putting forward proposals for their improvement.

The Audit and Compliance Committee is particularly responsible for receiving information from the Legal Compliance Unit regarding the aforementioned matters and, if necessary, issuing reports on disciplinary matters to members of the Company's Senior Management and Executives for not complying with their Corporate Governance obligations and/or the Internal Code of Conduct Regarding the Securities Market, as well as resolving questions concerning Corporate Governance and its compliance which the Legal Compliance Unit may raise pursuant to the Internal Code of Conduct Regarding the Securities Market.

- l) Drawing up and bringing an annual report on Corporate Governance before the Board for its approval.
- m) Drawing up an annual report on the Audit and Control Committee's activities.
- n) Supervising the way in which the Company's website runs concerning making information on Corporate Governance publicly available.
- o) Providing information on matters within its competence in the Company's Sustainability Report or its Social Responsibility Report for its approval by the Board of Directors.
- p) Proposing modifications to the Board of Directors Regulations, and informing about matters within its competence regarding any modifications that may be made for the Board's approval thereof".

Pursuant to the provisions set forth in Article 22 of the Corporate Bylaws, the Audit and Compliance Committee "shall meet at least twice a year, and as many times as its Chairman may see fit. It shall likewise have to meet whenever the Board or its Chairman requests the issuing of a report or the adoption of proposals, and it shall meet whenever it may be deemed suitable to ensure its functions are properly performed, or whenever two members of the Committee so request. The Committee shall have its own regulations, which shall be approved by the Board of Directors, setting forth its competencies, internal rules and composition and lay down the procedures that will enable it to perform its responsibilities".

According to the provisions set forth in Article 13 of the Audit and Compliance Committee Regulations, committee meetings shall have to be called with at least three days' notice "by letter, fax, telegram or any other electronic, telematic and information technology communications means or any other kind of means that ensure the sending and reception of documents".

"The Committee shall be validly convened when half plus one of its members are either present or duly represented. It shall also be validly convened when all of its members, either present or by proxy, unanimously accept the need to hold a meeting".

"Any member may specifically grant written authorization of proxy to another member for each meeting by notifying the Chairman or Secretary thereof through any of the means described above".

"Resolutions shall be adopted by an absolute majority of the Members attending the meeting, without prejudice to any majorities that may be required by the Law or the Bylaws".

"The Committee's deliberations and resolutions shall be reflected in a book of minutes, which shall be signed by the Secretary and countersigned by the Chairman, or whoever may represent them."

Appointments and Remuneration Committee

Pursuant to Article 13 of the Board of Directors Regulations, "the Appointments and Remuneration Committee shall assess the background of the people most suited to form part of the different Committees and propose to the Board of Directors the members that should form part of each of these committees for its approval".

Article 15 of the Board of Directors Regulations sets forth that "the Appointments and Remuneration Committee shall be comprised of three (3) Non-Executive Directors".

According to Article 23 of the Corporate Bylaws, the Appointments and Remuneration Committee "shall choose a Chairman from among its members, who shall be replaced every four years. Former chairmen may be reappointed to the post once one year has elapsed from the moment they have relinquished it. It shall likewise appoint a Secretary, who may be one of its members or the Secretary or Deputy Secretary to the Board of Directors".

The aforementioned Article of the Corporate Bylaws sets forth that "the Audit and Compliance Committee shall meet at least twice a year, and as many times as its Chairman may see fit. It shall likewise have to meet whenever the Board or its Chairman requests the issuing of a report or the adoption of proposals, and it shall meet whenever it may be deemed suitable to ensure its functions are properly performed, or whenever two members of the Committee so request. The Board of Directors Regulations shall set forth the competencies, internal rules and composition of the Appointments and Remuneration Committee and lay down the procedures that will allow it to perform its responsibilities.

Without prejudice to other responsibilities the Board may assign it with, the Appointments and Remuneration Committee shall have the following basic responsibilities:

- a) Informing the Board of Directors about the proposals the Board may bring before the General Shareholders' Meeting concerning appointments, reappointments to offices and the ratification or dismissal of Directors with criteria as regards their suitability to the Company's interests. The Committee shall have the same functions in circumstances of cooptation.
- b) Informing the Board of Directors for its approval about the appointment of the Chief Executive Officer, the Chairman, the Deputy Chairmen, the Secretary and Deputy Secretary to the Board, as well as about the specific related-party schemes of the Chairman and Chief Executive Officer.
- c) Proposing the members that should form part of each of the Board's Committees to the Board of Directors for its approval.
- d) Proposing the Directors' annual remuneration scheme and its annual amounts to the Board of Directors.
- e) Informing about the appointment of individuals who will represent the Company either as administrators or as representatives of the administrators before the bodies of the Company's most relevant subsidiaries and the companies in which it holds a stake the Board may determine.
- f) Providing information concerning the Board's possible authorization or waiving thereof to Directors in the circumstance set forth in Article 29.1 contained herein.
- g) Informing the Board of Directors about the appointment and, should it be the case, the dismissal of the Company's senior management, and defining and organizing senior management's structure, organization chart and job descriptions. The former shall be carried out at the proposal of (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer and/or (iii) the Management Committee, depending on the individual or body to which Senior Management may report.
- h) Approving the Company's Senior Management remuneration scheme and bands, regularly reviewing remuneration schemes, and keeping the Board of Directors updated about such matters.

- i) Informing the Board of Directors for its approval about incentive schemes covering several years.
- j) Ensuring transparency concerning remuneration, reviewing the information about the remuneration of Directors and Senior Management that the Board of Directors has to approve and include in publicly available information. The Appointments and Remuneration Committee shall draw up and keep annually updated the list of positions that make up Senior Management at any one time in keeping with the prevailing organization chart and job descriptions.
- k) Providing information on matters within its competence in the Company's Sustainability Report or its Social Responsibility Report for its approval by the Board of Directors.

The Committee shall take into consideration any suggestions from the Company's Chairman, Directors, Executives or shareholders".

See note (B.2.3) in section G contained herein.

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.gamesa.es.

The Audit and Compliance Committee Regulations were approved by the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Board of Directors on 29 September, 2004.

As Article 22 of the Corporate Bylaws sets forth, the Audit and Compliance Committee's main responsibility is "to inform the General Shareholders' Meeting about matters shareholders may raise within its sphere of competence" and "to draw up an annual report on its activities".

Putting the above into practice, the Committee drew up an Annual Report on its activities in 2007 that will be placed at the shareholders' disposal once it has been approved by the Board of Directors for the calling of the Ordinary General Shareholders' Meeting.

Similarly, the Appointments and Remuneration Committee, despite not being obliged to draw up such a report, drew up an internal annual report on its activities in 2007 to inform 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 -

If not, explain the composition of your executive committee

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 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:

Name or trade name of the significant shareholder	Name or trade name of the company or organization belonging to your group	Nature of the relationship	Type of transaction	Amount (thousand euros)
IBERDROLA, S.A.	GAMESA EÓLICA, S.L.U.	CONTRACTUAL	SALE OF GOODS (FINISHED OR NOT)	862,280
IBERDROLA, S.A.	GAMESA ENERGÍA, S.A.U.	CONTRACTUAL	SALE OF NON-CURRENT INVESTMENTS	12,658
IBERDROLA, S.A.	GAMESA SOLAR, S.A.U.	CONTRACTUAL	SALE OF GOODS (FINISHED OR NOT)	15,752

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:

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

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.

Pursuant to Article 7.1 of the Audit and Compliance Committee Regulations and Article 30 of the Board of Directors Regulations, "Conflict of Interest" shall be construed to mean any situation in which any Director or party related to him/her has a personal interest in either direct or indirect conflict with the Company or with any other of the companies belonging to its Group".

Article 30 of the Board of Directors Regulations sets forth as related parties (hereinafter "Related Parties") "the following:

- "The Director's spouse or anybody having an analogous personal relationship.
- Forebears, descendants and siblings of the Director or the Director's spouse (or people having an analogous personal relationship).
- Spouses of the Director's forebears, descendants and siblings.
- Any companies in which the Director, either personally or through another individual, finds himself/herself in any of the situations set forth in Article 4 of Law 24/1988 of July 28 on the Securities Market.

Concerning Directors who are legal persons, the following shall be construed as Related Parties:

- a) Partners who may find themselves in any of the situations set forth in Article 4 of Law 24/1988 of July 28 on the Securities Market as regards the Director who is a legal person.
- b) Companies forming part of the same group, as set forth in Article 4 of Law 24/1988 of July 28 on the Securities Markets, and their partners.
- c) The representative, the de facto or legal administrators, the liquidators and the holders of general powers of attorney of the Director who is a legal person.
- d) Any individuals who can be considered as related parties of the representative of the Director who is a legal person, as per the previous paragraph on Directors who are individuals".

Pursuant to Article 7 of the Audit and Compliance Committee Regulations, the Director or his/her Related Parties "may not directly or indirectly perform professional or commercial transactions with the Company unless (i) these are recurrent transactions or operations within the Company's normal course of business carried out under normal market conditions; and/or (ii) the Board after receiving a prior favorable report from the Audit and Compliance Committee approves the transaction without the interested Director taking part pursuant to the provisions set forth in these Regulations and in the Board of Directors Regulations and under the terms and conditions set forth in them.

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 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 Board of Directors shall decide upon the transaction's approval, although it may choose to request the Audit and Compliance Committee to draw up a report on the transaction that may be subject to a possible conflict of interest, which shall propose the adoption of a specific resolution thereof to the Board.

The Board's Chairman must include the transaction and the conflict of interest in question on the agenda of the next Board of Directors meeting, so that it may adopt a resolution on it on the basis of the aforementioned reports. The criteria for drawing up and approving such reports are set forth in the following paragraphs. The Board of Directors, without the participation of the Director thus affected, shall decide as soon as possible whether or not to approve the transaction or the alternative that may have been put forward, as well as the specific measures that are to be adopted.

The Board's Chairman may commission the Audit and Compliance Committee to approve the transaction when there are reasons of urgent necessity and the Committee shall inform the Board forthwith.

The Board of Directors or the Audit and the Compliance Committee, in order to draw up its report under the circumstances set forth herein, may gather information from the Chief Executive Officer, who shall issue instructions to Management or the area of the Company involved in the operation, to draw up a report that shall at least cover:

- a) A justification for performing the transaction due to it fitting in with Company's strategy, being a business opportunity or any other circumstances that may be of relevance, detailing it and its characteristics.
- b) A proposal for a justified alternative of bringing about the transaction, within the following possibilities:
 - 1. A public offering aimed at the group of interested parties;
 - 2. A restricted offer to a limited and selected number of possible interested parties;
 - 3. Direct negotiations with a specific interested party.

For the purposes of the Board's approval of the transaction or the drawing up of the Committee's report, should the Board so decide, the criteria set forth below shall be taken into consideration:

- a) Whether it is a transaction that should be subject to this procedure due to its importance, special characteristics and/or economic amount despite being a recurrent transaction;
- b) Whether it is either a non-recurrent or important transaction that should be subject to control mechanisms.

Should an ordinary recurrent transaction have various phases over time, the initial approval thereof shall be sufficient.

Any actions shall be adopted subject to the following criteria:

Concerning the transaction's characteristics:

If it is aimed at a wide-ranging or restricted group of possible acquirers, the principles of transparency, objectivity and fairness should be observed for the bidders and the disclosure of information about it to them.

Likewise, it should be ensured that all of them receive identical information at the same time, are informed about the awarding criteria in full, have the same time to carry out and assess the data room and due diligence processes, and that none of them is discriminated against.

The process becoming discretionary should specially be avoided concerning the supply of additional information, the maximum confidentiality regarding the bidders' binding and non-binding offer prices and conditions, the requirement of identical compliance with formal requirements and any other aspects that could entail a competitive advantage for any of the bidders.

Should the transaction be negotiated without competition by means of direct negotiations with an identified interested party, the transaction's necessary confidentiality should be kept, as well as that of the documents supporting it.

Concerning price:

Concerning the transaction's pricing conditions and unless the Board should resolve otherwise, the awarding of the transaction should be construed in favor the party making the best offer, considering other aspects along with the price that could have an incidence on maximizing the Company's value, such as the transaction's or the acquiring party's strategic value, the additional or complementary conditions being offered, etc. All such aspects may be assessed to take a resolution on the transaction.

In any event, the following shall be taken into consideration when assessing the price:

- In the case of negotiable securities traded on a secondary organized market: the list price on the date of the transaction.
- In the case of non-negotiable securities:
 - a. The appraisal made by an independent expert, should it have been requested. This appraisal shall be included when comparing the hypotheses being used.
 - b. The market reference prices obtained from similar transactions or those that can be objectively gathered from the set of bids submitted should it be a competitive tender.

Should the assets or the transaction's complexity so require it, the Board of Directors or the Audit Committee, should it be delegated with the responsibility, may request the advice of duly qualified third parties to analyze and assess the transaction's aspects requiring such advice, whether it be technical, financial, legal, strategic, etc.

The request for contracting external advice shall in any case be made by the Chairman of the Board of Directors either directly, should it be requested by the Board, or through the Chairman of the Audit Committee, should this body be charged with issuing a report with the help of an expert.

In any event, the request may be rejected by the Chairman in the latter case should he/she deem that any of the aspects set forth in Article 15 of these Regulations exist.

In any event, situations of conflict of interest in which Directors or their Related Parties find themselves shall be subject to disclosure in the Annual Corporate Governance Report.

Information shall have to be provided in the Company's annual report about any transactions performed by the Directors or their Related Parties that have been authorized by the Board pursuant to the provisions set forth in this Article during the financial year to which the annual accounts refer".

Should a transaction be broached with a shareholder owning a significant stake, Article 7.2 of the Audit and Compliance Committee Regulations makes reference to the "procedure governing conflicts of interest in Article 7.1 and it shall be dealt with using the same procedural and decision-making treatment by the Company's bodies as those defined for a conflict of interest. The provisions set forth in Articles 35 and 36 of the Board of Directors Regulations shall likewise apply" in order to avoid any shareholder receiving privileged treatment when compared to the others.

More specifically, Article 35 of the Board of Directors Regulations sets forth that "the Board of Directors formally reserves the right to know about any of the Company's transactions with a shareholder owning a significant stake after having received a report from the Audit and Compliance Committee, should it be required by the Board, under the terms laid down in this Article and in keeping with the criteria set forth in Article 6.2.d) contained herein stating that no shareholder shall receive privileged treatment when compared to the others.

The Board of Directors and the Audit and Compliance Committee, should it issue a report, shall assess the transaction from the standpoint of the market's conditions and take into consideration the criteria set forth in Article 30.8 of these Regulations. They shall additionally examine the transactions with such shareholders from the standpoint of equal treatment for the aforementioned shareholders and may request:

- a) a report from the CEO containing (i) a justification for the transaction and (ii) an alternative to the intervention in it of the shareholder in question; and
- b) the advice of external professionals in the manner foreseen herein when the assets affected or the transaction's complexity so require.

As regards transactions within the company's normal course of business that are routine or recurrent, the generic authorization of the operations line and its conditions of execution shall suffice.

The Board's Chairman may commission the Audit and Compliance Committee to approve the transaction when there are reasons of urgent necessity and the Committee shall inform the Board forthwith.

The Company shall provide information about any transactions it may effectuate with Directors, shareholders owning significant stakes and Related Parties in the periodic financial reporting process and within the scope laid down by the Law. The Company shall likewise include information about the Company's or the Group Companies' transactions with administrators and Related Parties, as well as with whoever may act on their behalf, when such transactions are not within the normal course of business or are not carried out under normal market conditions".

For its part, Article 36 of the same Regulations sets forth that the obligations referred to in this Chapter IX of the Regulations regarding the obligations of the Company's Directors and of the shareholders owning significant stakes shall also be construed to apply by analogy to their possible future relationships with companies forming part of the Group.

Similarly, all members of the Board of Directors, members of Senior Management or any other staff members of the Company and/or Companies belonging to its group should they be identified by the Legal Compliance Unit due to the activities and services they perform, are subject to the provisions set forth in GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s Internal Code of Conduct Regarding the Securities Market.

In order to control any possible Conflicts of Interest, the Internal Code of Conduct Regarding the Securities Market sets forth that all individuals subject to it shall inform the Legal Compliance Unit about any situations that in each specific circumstance may potentially lead to a Conflict of Interest that could jeopardize their impartiality prior to making a transaction or concluding a business deal, whatever it may be.

Without prejudice to the foregoing, any individuals subject to the Code shall have a declaration permanently filed before the Legal Compliance Unit through a form they are provided with informing about the specific economic and family relationships specified in said Regulations.

Should there be a doubt about the existence of a Conflict of Interest, the individuals subject to this Code should adopt a criterion of prudence and inform the Legal Compliance Unit about the specific circumstances surrounding the case, so that it may form an opinion about the situation.

C.7

Is more than one Group Company listed in Spain?

Yes - No

List the subsidiaries that are listed in Spain:

Listed subsidiaries

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

Yes - No -

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

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

Mechanisms to resolve any possible conflicts of interest

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 CORPORACIÓN TECNOLÓGICA, S.A.'s risk policy has the following main objectives:

- To provide maximum guarantees to shareholders, stakeholders and the markets in general
- To increase the creation of value through the appropriate management of risks and opportunities
- To comply with any laws and regulations that may apply

Carrying on with the activities initiated in previous financial years geared towards detecting and controlling risks, the Company has continued to identify potential events that could jeopardize it reaching the objectives set forth in its Strategic Plan.

The risks assessed by the model, which is universal in so far as it considers any kind of risk, are classified and grouped together under the following categories:

- Environmental Risks. These risks arise as a consequence of external factors and are independent of the company's management. They could have a significant direct or indirect influence on the attainment of its objectives and strategies.
- Process Risks. These risks arise from the Company's own activities. They are in turn classified into Operating Risks, Management Risks, Technology/Information Process Risks, Integrity Risks and Financial Risks.
- Decision-Making Information Risks. These risks arise from the information used for decision-making on operating, financial and strategic matters not being reliable and/or complete.

Seven (7) categories of risks out of all the ones identified have been given priority in 2007. These categories correspond to the ones already identified in 2006, as it has been considered that these risk categories have the greatest impact on meeting objectives (importance effect) with an average to high probability (probability effect) of happening and they are where GAMESA CORPORACIÓN TECNOLÓGICA S.A.'s management capacity is greatest (control effect).

1. Service Risks: Efficient continuance of wind generator turnkey, assembly and maintenance activities following the sale of GAMESA ENERGÍA SERVICIOS, S.A. to 3i.
2. Investment Risks: Non-existence of deviations in real investment figures as regards the budgeted figures, so as to meet the investment return and financial solvency targets.
3. Innovation Risks: Adequate selection of market and product characteristics; fulfillment of "time to market" and minimization of the warranty costs due initial immaturity of products.
4. Customer Risks: Minimization of claims received from our clients for products sold (wind generators and wind farms) that fail to meet promised specifications, as well as minimization of exposure to credit.
5. Supply Risks: Availability (quantity, quality and cost) of the raw materials and components needed for wind generator manufacturing at the appropriate time.
6. Personnel Risks: Appropriate management of the company's human resources, so that the right personnel are available and motivated to meet the targets laid down by the company.
7. Financial and Accounting Information Risks: Reliability and transparency of the financial and accounting information, free from errors that could modify the financial results.

A series of specific risks have been identified throughout 2007 for each priority risk category and the following actions were also carried out on each of them:

- Definition of KRIs (Key Risk Indicators), regularly measuring them and comparing them with target levels.
- Setting an Action Plan geared towards controlling risks that contains specific actions, people responsible for them, performance dates and the drawing up of Policies/Procedures.
- Assessment, in terms of importance, probability and control.

Likewise, twenty-six (26) procedures linked to the seven (7) priority risk categories have been drafted and approved in order to allow for a better control over risks at GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

Additionally, it is worth highlighting the approval and launch of the "Risk Management and Control" procedure, a document that defines the procedure for identifying, assessing and controlling risks generated by the activities performed by GAMESA CORPORACIÓN TECNOLÓGICA, S.A. A proactive system was set up in an effort to resolve potential incidents sufficiently in advance, so as to prevent or minimize damages.

Several reports were drafted throughout the year, regularly reporting on their evolution to the Audit and Management Committees of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

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 - No

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

Risk that has come about during the year	Circumstances that have led to it	Functioning of the control systems
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D.3

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

Yes No -

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

Name of Committee or Body	Description of functions
Board of Directors	The Company's highest decision-making and oversight body which examines and authorizes all relevant operations. It exercises the responsibility of supervision, which cannot be delegated, and is ultimately responsible for identifying the main risks affecting the Company, as well as implementing and monitoring the main internal control and information systems that may be appropriate.
Chairman and CEO	The Chairman and CEO 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.
Audit and Compliance Committee	The Audit and Compliance Committee is entrusted by the Board of Directors with the functions of assessing the appropriateness and integrity of CORPORACIÓN TECNOLÓGICA, S.A.'s internal control systems, among other matters, and it supervises risk identification, measurement and control. Likewise, it reasonably ensures that the financial information disclosed to investors, market players and the Regulatory Authorities of the Securities Market on a regular or periodic basis is correct. The Committee is supported by Internal Auditing when it comes to assessing and improving existing internal controls.
Management Committee	It approves the risks given priority by the different business hubs, as well as the risk policies, procedures, indicators and limits put forward.
Regulatory Compliance Unit	This Unit supervises and oversees compliance with the Internal Code of Conduct Regarding the Securities Markets and in general terms GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s rules of Governance.

Internal Auditing Unit	The Internal Auditing Unit focuses on ongoing assessments of and improvements to existing risk controls that could have a bearing on GAMESA CORPORACIÓN TECNOLÓGICA, S.A. meeting its strategic objectives and performs its functions in accordance with the International Institute of Internal Auditors' professional criteria and standards.
Risk Control Unit	This Unit sets the policies, mechanisms and indicators used to prevent and control any risks that could hinder meeting objectives. It implements risk control tools and leads compliance measurement processes.

D.4

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

The risks arising from existing regulations and any possible changes thereof are managed through the development and implementation of processes and procedures aimed at reasonably ensuring compliance with prevailing legislation.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s activities are either directly related to its activity of promoting wind and solar farms or indirectly to the generation of special scheme electric power through its activity of manufacturing wind generators and solar panels. This is a 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.

The Company's Board of Directors can count on the backing provided by the Secretary to the Board to cover all legal aspects, check statutory aspects, verify compliance with all the regulations issued by regulatory authorities and oversee observance of the principles of Corporate Governance.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A. has specialized departments dedicated to the different regulations affecting its activities and the different companies it comprises (corporate law, employment law, tax matters, the environment, occupational health and safety, etc.). 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

Additionally, as set forth in the Company's Corporate Bylaws, the Audit and Compliance Committee oversees compliance with legal requirements, Professional Codes of Conduct and any Codes of Good Governance that may be approved by 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

% of quorum different from that set forth in Art. 102 of the Corp. Law (LSA) for general circumstances

% of quorum different from that set forth in Art. 103 of the Corp. Law (LSA) for the special circumstances set forth in Art. 103

Quorum required for 1st call

Quorum required for 2nd call

Description of the differences

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):

Reinforced majority other than that set forth in Art. 103.2 of the Corp. Law (LSA) for the circumstances laid down in Art. 103.1

Other circumstances for a reinforced majority

% set forth by the company for adopting resolutions

Describe the differences

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 Corporations Law (LSA) concerning general meetings.

In this regard, shareholder rights are set forth in detail in the General Shareholders' Meeting Regulations, which were approved by it at its meeting held on May 28, 2004 and amended by the General Shareholders' Meeting held last May 25, 2007. The full text is publicly available on the Company's website.

E.4

Indicate, if any, the measures adopted to promote shareholder participation at general meetings:

As section E.6 contained herein sets out, 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.

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.

Among the measures required by Law regarding the Meeting's Agenda, the possibility any shareholders exceeding a five per cent (5%) stake in the company of giving written notice of a request for an addition to the announcement of the meeting, including one or more points on the agenda pursuant to the new wording given to Article 97 of the Corporations Law (Ley de Sociedades Anónimas) by Law 19/2005 should be highlighted. Such notice requesting an addition has to be received at the Company's registered address within five days following the announcement's publication.

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 Administrators has approved 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 Article 105 of the Revised Text of the Corporations Law (Texto Refundido de la Ley de Sociedades Anónimas), Articles 13 and the following in the Corporate Bylaws and Articles 10 and the following of the General Shareholders' Meeting Regulations. Such information is available to Shareholders on the Company's website (www.games.es).

In addition, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. makes a special effort to promote the participation of institutional investors.

Due to the international nature of its activities, the company's shareholders are spread throughout the world, making it difficult to locate the holders of substantial stakes. Nonetheless, thanks to the Company's communications efforts, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. organizes more than two hundred meetings a year with investors, takes part in industry conferences and broadcasts its results presentations both live and pre-recorded over the Internet. The Company also gets in touch with the most important shareholders.

The aim of these contacts is to review GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s public communications, as well as to get to know investors' standpoints. At these meetings, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. informs its shareholders about the date of the next General Shareholders' Meeting (once the date has been published) and asks them to actively participate by designating proxies, or by voting directly by either telematic or physical means.

Once the shareholders' availability to attend the General Meeting is known, the Investor Relations team intensifies its contacts with the funds interested in attending the Meeting in the weeks immediately prior to the date the Meeting is to be held. The aim of these contacts is to ensure that the announcement's details and the proposals for resolutions are understood by investors (in many cases foreigners), as well as to ensure they are familiarized with the voting procedure (voting over the Internet, delegating proxies to custodian banks, etc.) each of them intends to use.

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 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 certify the meeting (Articles 18.5 and 18.6 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.

E6

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

The General Shareholders' Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. held on May 25, 2007 resolved to amend its Regulations in keeping with the proposal drawn up by the Board of Directors, so as to adapt it to the Recommendations contained in the Unified Code of Good Governance Recommendations for Listed Companies of May 22, 2006 and prevailing legislation.

The amendment affected Articles 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 19, 19 bis, 20, 23, 24 and the Final Provision of the General Shareholders' Meeting Regulations. Due to the large number of articles affected by the amendment, the aforementioned General Shareholders' Meeting proceeded to redraft and renumber the General Shareholders' Meeting Regulations.

The amendments included in the General Shareholders' Meeting Regulations are essentially as follows:

- Some provisions on the dissemination and amendment of the General Shareholders' Meeting Regulations were amended in order to adapt them to the Unified Code of Good Governance Recommendations for Listed Companies and prevailing legislation.
- The powers of the General Shareholders' Meeting were enumerated.
- The obligation of placing information about Directors at the General Shareholders' Meeting's disposal was set forth in the case of appointments, reappointments and ratifications.
- The general principle that the company would comply with its reporting obligations through its website was expressly set forth, without prejudice to the provisions set forth in prevailing legislation.
- The requirement of holding a minimum number of shares in order to be able to take part in General Shareholders' Meetings was eliminated.
- The possibility of proxy voting for represented shares should an administrator be involved in a conflict of interest was expressly set forth.
- The replacement of the Chairman and Secretary of the Meeting in the event of their absence during the course of the meeting was expressly set forth.
- The convening of the General Shareholders' Meeting by means of forming a provisional quorum at the start of the meeting and a definitive quorum was expressly set forth.
- Separate voting for any matters that are substantially different was expressly set forth.

The full text of the General Shareholders' Meeting Regulations is available on the company's website (www.gamesa.es).

E.7

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

Attendance details					
Date of General Meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic voting	Others	
05-25-2007	45.4%	17.21%	0.00%		62.61%

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.

- 1.- Examination and approval of the annual accounts (Balance, Profit and Loss Account and Report) and Management Report for FY 2006 of the Company ("Gamesa Corporación Tecnológica, Sociedad Anónima") and its Consolidated Group, as well as its social performance during the year in question, taking a resolution on the allocation of profits:

Votes in favor	Votes against	Abstentions
99.96%	0.003%	0.037%

2.- Amendment of articles 10, 11, 13, 13 bis, 15, 16, 17, 18 bis, 18 ter and 18 quater of the Corporate Bylaws in order to adapt them to the Recommendations contained in the Unified Code of Good Governance Recommendations for Listed Companies of May 22, 2006 and prevailing legislation. Redrafting and renumbering the Corporate Bylaws.

Votes in favor	Votes against	Abstentions
84.55%	15.19%	0.26%

3.- Amendment of articles 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 19, 19 bis, 20, 23, 24 and the Final Provision of the General Shareholders' Meeting Regulations in order to adapt them to the Recommendations contained in the Unified Code of Good Governance Recommendations for Listed Companies of May 22, 2006 and prevailing legislation. Redrafting and renumbering the General Shareholders' Meeting Regulations.

Votes in favor	Votes against	Abstentions
84.56%	15.18%	0.26%

4.- Composition of the Board of Directors.

4.1. - Reappointment of the following directors, as their terms of office will expire shortly.

a) Mr. Guillermo Ulacia Arnaiz.

Votes in favor	Votes against	Abstentions
87.52%	12.31%	0.17%

b) Mr. Carlos Rodríguez-Quiroga Menéndez.

Votes in favor	Votes against	Abstentions
88.73%	11.10%	0.17%

c) Mr. Santiago Bergareche Busquet.

Votes in favor	Votes against	Abstentions
88.74%	11.09%	0.17%

d) Mr. Jorge Calvet Spinatsch.

Votes in favor	Votes against	Abstentions
88.74%	11.09%	0.17%

e) Mr. Juan Luis Arregui Ciarsolo.

Votes in favor	Votes against	Abstentions
88.52%	11.23%	0.25%

f) Corporación IBV, Servicios y Tecnologías, S.A.

Votes in favor	Votes against	Abstentions
88.51%	11.32%	0.17%

4.2. - Appointment of Directors:

a) Mr. Jose María Vázquez Egusquiza

Votes in favor	Votes against	Abstentions
88.77%	11.03%	0.20%

b) Mr. Pascual Fernández Martínez

Votes in favor	Votes against	Abstentions
88.49%	11.32%	0.19%

c) Mr. Juan Carvajal Argüelles.

Votes in favor	Votes against	Abstentions
88.56%	11.24%	0.20%

d) Mr. Rafael del Valle-Iturriaga Miranda.

Votes in favor	Votes against	Abstentions
88.51%	11.30%	0.19%

5.- Appointment of the Company's and its Consolidated Group's Auditor of Accounts.

Votes in favor	Votes against	Abstentions
99.47%	0.44%	0.09%

6.-Authorization to the Board of Directors for the derivative acquisition of treasury stock, either directly or through its subsidiaries, under the terms agreed upon by the General Shareholders' Meeting and within the limits laid down by the law and, should it be the case, to divest such stock:

Votes in favor	Votes against	Abstentions
99.83%	0.08%	0.09%

7.-Granting of powers of attorney to execute, formalize and fully develop the resolutions adopted by the General Shareholders' Meeting:

Votes in favor	Votes against	Abstentions
99.91%	0.00%	0.09%

E.9

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

Yes - No

See note (E.9) in section G contained herein.

Number of shares needed to attend the General Meeting	1
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E.10

State and justify the policies followed by the company concerning proxy voting at the General Meeting.

Any shareholders entitled to attend may grant a proxy in favor of another shareholder or exercise their right to cast their votes by post by sending the voting card obtained pursuant to these Bylaws and the General Shareholders' Meeting Regulations.

They may likewise exercise the aforementioned rights by means of electronic communications and other remote means of communication, as long as the Board of Directors should so decide because the necessary technical means exist. For these purposes, the Board shall indicate on the Company's website the means that can be used because they meet the security conditions required in order to guarantee the Shareholders' identity, the effectiveness of their entitlements and the smooth running of the General Meeting.

In any event, the entitlements to a proxy and to vote should necessarily be exercised through the remote communications means agreed upon by the Board of Directors and indicated on the Website.

Any proxies granted to anyone not entitled to it pursuant to the Law shall not be valid.

The proxy should be granted in writing or by the remote means of communication that meet the requirements set forth in Article 105 of the Corporations Law (Ley de Sociedades Anónimas) and in any other legislation that may apply in order to exercise the right to remote voting for each Meeting.

Proxies may always be revoked and shall be considered thus revoked should the person granting the proxy attend the Meeting in person.

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

Despite not having knowledge about the institutional investors' policy on whether or not to take part in the Company's decisions, as was indicated in Section E.11, the growing importance of the stakes held by Spanish and foreign institutional investors in the capital of listed companies is an unquestionable fact in all western markets and GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is no exception, as is reflected in Section A.2 contained herein.

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 [www.gamesa.es/Información legal para el Accionista](http://www.gamesa.es/Información%20legal%20para%20el%20Accionista).

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.9 , B.1.22 , B.1.23, E.1 and E.2.

Complies **X** 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 **X**

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 -

Explanation: The Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., in the wording given to them by means of the Board of Director's resolution of January 24, 2008, sets forth in Article 5.4 iii) that such operations should be brought before the General Shareholders' Meeting by the Board of Directors.

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 **X** 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, B.1.3 and B.1.14.
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** Partially complies - Explain -

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 - Partially complies **X** Explain - Not applicable -

Explanation: According to the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., the selection process for the members of said body does not suffer from any biases that would hinder the appointment of any person for gender-based reasons. The only criteria taken into consideration are honorability, solvency, competence and experience.

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 aplicable -

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 **X** Explain -

Explanation: As it is convinced of the involvement and dedication of the members of its Board of Directors, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. has not considered it necessary to lay down any rules regarding the number of boards of which its directors may form part.

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 **X** 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 **X** Partially complies - Explain -

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

See section: B.1.2
Complies - Explain **X**

Explanation: Convinced that the mere fact of time passing should not in itself be a reason for losing the status of being and independent director, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. has not considered it necessary to set a maximum period for independent directors to hold office.

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 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 **X** 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 **X** 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 **X** 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** Partially complies - Explain -

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** Partially complies - Explain -

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 **X** Explain - Not applicable -

Explanation: Article 26.3, paragraph two of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. in the wording given to it by the Board of Directors meeting held on January 24, 2008 sets forth that "the Board of Directors shall draw up a report on the remuneration policy for the current year on an annual basis. This report shall be placed at the shareholders' disposal in the form that the Board may deem appropriate for the announcement of the General Shareholders' Meeting".

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 X Explain -

Explanation: Total remuneration broken down by items and types of directors pursuant to prevailing legislation is provided in both the Report accompanying the Annual Accounts, as well as in the Annual Corporate Governance Report.

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 aplicable X

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 - Partially complies - Explain X

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 X Explain -

Explanation: The Chairman of the Appointments and Remuneration Committee is Mr. Pascual Fernández Martínez, who is included under the category of Other Directors due to his former relationship with a significant shareholder of Gamesa Corporación Tecnológica, as is reflected in sections B.1.3 and B.1.17 contained herein.

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 X 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 X 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.1.38

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 - Explain **X** Not applicable -

Explanation: As is pointed out in the relevant table on the Audit and Compliance Committee contained in Section B.2.1., the aforementioned Committee is comprised of one director representing a significant shareholder, one independent director and a director classified under other non-executive directors.

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 **X** Explain - Not aplicable -

Explanation: Article 15.4.m of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s Board Regulations, in the wording given to them by the resolution adopted by the Board of Directors meeting held on January 24, 2008 at the proposal of the Audit Committee meeting held on 23 January, 2008 and as is reflected in the minutes of said committee meeting, sets forth the Appointments and Remuneration Committee's obligation to ensure that the selection procedures to fill new vacancies in the Board of Directors do not suffer from any implicit discriminatory biases due to any reason whatsoever. Such Committee should bring before the Board the relevant proposal or report on the basis of the Director's category whose appointment, reappointment or relieving of office is being dealt with.

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 **X** Partially complies - Explain - Not aplicable -

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 **X** Partially complies - Explain - Not aplicable -

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** Partially complies - Explain -

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 CHASE NOMINEES LTD. is a custodian institution. As such, it is subject to the obligation of effectuating the legally required disclosures on significant shareholdings according to the provisions set forth in Article 24.2.b) of Royal Decree 1362/2007 of October 19 that develops Law 24/1988 of July 28 on the Securities Market (Ley 24/1988, de 28 de julio, del Mercado

de Valores), as regards the requirements of transparency concerning information on issuers whose securities are admitted to trading on an official secondary market or on another market regulated by the European Union (hereinafter RD 1362/2007).

(A.2) In order to complement the information supplied in Section A.2, it should be pointed out that both FRANKLIN RESOURCES INC. and AMBER CAPITAL LP ceased to be significant shareholders in GAMESA CORPORACIÓN TECNOLÓGICA, S.A. on the dates set forth in Section A.2, as their stakes fell below the three percent (3%) limit laid down by Royal Decree 1362/ 2007.

(A.2) In order to complement the information supplied in Section A.2, it should be pointed out that ARTISAN PARTNERS LIMITED PARTNERSHIP has declared before the National Securities Market Commission (Comisión Nacional del Mercado de Valores) that its significant shareholding is the sum of the individual stakes in GAMESA CORPORACIÓN TECNOLÓGICA, S.A. owned by several clients of ARTISAN PARTNERS LIMITED PARTNERSHIP. Regarding such stakes and on the basis of the agreements entered into with such clients subject to the Law of the United States of America, ARTISAN PARTNERS LIMITED PARTNERSHIP has, in general terms, been attributed with the voting rights inherent to such stakes unless written instructions otherwise are issued by its clients. The aforementioned clients include: FIFTH THIRD, THE BANK OF NEW YORK, CIBC MELLON, INVESTORS BANK AND TRUST, J.P. MORGAN CHASE & CO, STATE STREET NOMINEES LIMITED, MELLON TRUST, NORTHERN TRUSTS COMPANY (AVFC) and FIDELITY FUNDS with the number of direct voting rights reflected in the table appearing in Section A.2 contained herein.

(A.2) In order to complement the information supplied in Section A.2, it should be pointed out that the company CORPORACIÓN IBV, PARTICIPACIONES EMPRESARIALES, S.A. proceeded to sell its entire shareholding in GAMESA CORPORACIÓN TECNOLÓGICA, S.A. to the companies IBERDROLA, S.A. and BANCO BILBAO VIZCAYA ARGENTARIA, S.A. on March 7, 2008. As a result, the aforementioned companies hold the stakes set forth below in GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s share capital:

Name or trade name of significant shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
IBERDROLA, S.A.	23.952	0.000	23.952
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	0.124	4.626	4.750

(*) Through:

Name or trade name of direct holder of shares	Number of direct voting rights	% of total voting rights
CIDESSA UNO, S.L.	4.625	4.625
BBVA SEGUROS, S.A. DE SEGUROS Y REASEGUROS	0.001	0.001

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

- a) Mr. Carlos Fernández-Lerga Garralda, currently the non-voting Deputy Secretary of GAMESA COPORACIÓN TECNOLÓGICA, S.A. and non-voting Secretary of the Audit and Compliance Committee and of the Appointments and Remuneration Committee, is the holder of five hundred (500) shares in the company.

- b) Mr. Rafael del Valle-Iturriaga Miranda, a member of GAMESA COPORACIÓN TECNOLÓGICA, S.A.'s Board of Directors up to November 16, 2007, is the holder of one thousand (1,000) shares in the company.
- c) CORPORACIÓN IBV, PARTICIPACIONES EMPRESARIALES, S.A., a member of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s Board of Directors up to May 25, 2007, is the holder of two thousand (2,000) shares in the company.
- d) Mr. Luis Ramón Arrieta Durana, a member of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s Board of Directors up to May 25, 2007 and currently the individual representing CORPORACIÓN IBV, SERVICIOS Y TECNOLOGÍAS, S.A., which is a member of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s Board of Directors and of its Audit and Compliance Committee, is the holder of one hundred (100) shares in the company.
- e) The company CORPORACION IBV, SERVICIOS Y TECNOLOGÍAS, S.A. proceeded to sell its entire shareholding in GAMESA CORPORACIÓN TECNOLÓGICA, S.A. to the companies IBERDROLA, S.A. and BANCO BILBAO VIZCAYA ARGENTARIA, S.A. on March 7, 2008. As a result, it did not hold any shareholding in the share capital of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. on the date this report was approved.

(A.4) In order to complement the information supplied in Section A.4, it should be pointed out that the company CORPORACION IBV, PARTICIPACIONES EMPRESARIALES, S.A. proceeded to sell its entire shareholding in GAMESA CORPORACIÓN TECNOLÓGICA, S.A. to the companies IBERDROLA, S.A. and BANCO BILBAO VIZCAYA ARGENTARIA, S.A. on March 7, 2008. As a result, it did not hold any shareholding in the share capital of GAMESA CORPORACION TECNOLÓGICA, S.A. on the date this report was approved.

(A.8) In order to complement the information supplied in Section A.8, it should be pointed out that GAMESA CORPORACIÓN TECNOLÓGICA, S.A. entered into a swap and forward transaction agreement with a financial institution in 2005 to cover the aforementioned Stock Options Program. Under this agreement, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. undertook to buy on maturity (set for 7 June 2011) a maximum of 2,212,000 shares. The acquisition price was set at 11.019 euros per share.

As consideration, the bank receives interest on the notional amount of the transaction, which GAMESA CORPORACIÓN TECNOLÓGICA, S.A. enters into the books as financing costs on an accrual basis. For its part, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. receives the dividends declared on the 2,212,000 shares.

Given that the risks inherent in the evolution of the price of said shares (either upwards or downwards) as regards the aforementioned share price and their economic rights (dividends) are to be incurred by GAMESA CORPORACIÓN TECNOLÓGICA, S.A., this transaction has been entered in the books to reflect the rights and obligations held arising from the aforementioned agreement, as is respectively indicated in notes 18.d and 4.g of the consolidated and individual accounts.

Certain beneficiaries of the aforementioned Program exercised their option during 2007 and received a total of 157,480 shares.

(B.1.2) In order to complement the information supplied in Section B.1.2, it should be pointed out that, at the Board of Directors Meeting held on April 15, 2008, the Board was informed about the appointment of Mr. José Miguel Alcolea Cantos as the individual to represent CORPORACIÓN IBV, SERVICIOS Y TECNOLOGÍAS, S.A., a member of the Board of Directors of GAMESA COPORACIÓN TECNOLÓGICA, S.A. to replace Mr. Luis Ramón Arrieta Durana, after having received a favorable report from the Appointments and Remuneration Committee. The appointment took effect on such date.

(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 Non-Executive Directors, as well as of the non-voting Deputy Secretary appear below:

EXECUTIVE DIRECTORS

Guillermo Ulacia Arnaiz

He was born in Baracaldo, Biscay and currently holds the offices of Chairman and CEO of GAMESA CORPORACIÓN TECNOLÓGICA.

He holds a computing degree from the Universidad de Deusto.

In addition to the positions he holds in GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Gamesa, he is a member of the Governing Board of the Northern Area of the Management Progress Association (Asociación para el Progreso de la Dirección – A.P.D.) and a member of the Board of Directors of the Basque Institute for Competitiveness (Instituto Vasco de Competitividad).

Up to December 2005, the date on which he was appointed as Gamesa's CEO, he was the Executive Vice President of Sector Plans of the Arcelor steel group, as well as the Deputy Chairman of Aeralia.

His professional career has mainly taken place in the industrial sector, having held important positions in the steel and automotive industries.

He held the following positions, among others, in the steel industry: Executive Vice President of Grupo Arbed, holding responsibility for the group's R&D activities; Chairman of the COCKERILL SAMBRE (Belgium) Board of Directors; Chairman of the SIOMAR (Belgium) Board of Directors; Administrator of the SIDSTAHL NV (Belgium) Board of Directors; and Chairman of the Internet sales platform for steel products, Steel 24-7.

In the automotive sector, he belonged to the Board of Directors of General Motors, Spain; was the Administrator of GESTAMP AUTOMOCIÓN; a member of the GONIVARRI INDUSTRIAL Board of Directors; and a member of the GONIVARRI HOLDING Board of Directors.

Carlos Rodríguez-Quiroga Menéndez

He was born in Madrid, and currently holds the office of member and Secretary to the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds a Law Degree from the Universidad Complutense de Madrid.

He is a Diploma holder of Employment Law from the Legal Practice School of Madrid.

He has also been granted Diplomas in Comparative Industrial Relations and in European Community Relations from the Secretariat of State for Relations with the European Community.

He is a 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.; DTS Distribuidora de Televisión Digital, S.A.; Media Park, S.A.; Sky Service Aviation, S.A.; Quiero Televisión, S.A.; Motor Ediciones, S.A.; and Diver Karting, S.L.

He is a member of the Governing Board and Secretary General of the Africa Foundation (Fundación Africa), as well as a member of the Governing Board of the Spain-Equatorial Guinea Foundation (Fundación España-Guinea Ecuatorial).

DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDERS:

Juan Luis Arregui Ciarsolo

He was born in Mallavia, Biscay and is currently a member of both the Board of Directors and the Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He is a diploma-holder of a three-year Technical Engineering course 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 has been the Chairman of Viña Izadi since 1987 and of Foresta Capital, S.A. since 2002, after having been involved in the setting up of both companies. He has likewise been the Chairman of Grupo Empresarial Ence, S.A. since 2006. He has been a director of GRL Aciete since 2000 and of Iberdrola, S.A. since 1993, and has held the offices of member of the Audit Committee (1999-2001), member of the Executive Committee (since 2002), member of the Appointments and Remuneration Committee (since 2004) and Deputy Chairman of the Board of Directors (since 2006).

He also held the positions of Chairman of Gamesa until 1995, of which he was a founder in 1976; Chairman of Corporación Eólica Cesa, S.L.; Co-Chairman of Grupo Guascor (1995-2003); and director of Gestor de Proyectos y Contratos, S.A., of which he was a co-founder.

Luis Ramón Arrieta Durana

He was born in Maeztu, Álava and currently represents CORPORACIÓN IBV, SERVICIOS Y TECNOLOGÍAS, S.A., and is a member of both the Audit and Compliance Committee and the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds a Science degree from the Universidad de Valladolid and did a doctorate in Financing Economics at the Universidad Autónoma de Madrid. He was also granted the Advanced Studies Diploma (Diploma de Estudios Avanzados) by the Universidad de Deusto. He rounded off his education at several business schools like the INSEAD and IESE.

His career has mainly taken place in the Banking sector, having held several positions in Grupo BBV in recent years, such as Chief Executive Officer of Finanzia Banco de Crédito, S.A.; Deputy General Manager of BBVA; CEO of BBVA E-Commerce; and BBVA Area Manager for the Basque Country and Cantabria.

He has been the Chairman of Norpension, S.A., after having previously taken part in several Boards of Directors, including those of SOLIUM, S.A.; Terra Networks, S.A.; Mobipay International, S.A.; Portal Gas Natural, S.A.; and Hotelnet B2B, S.A.

He is currently the Director General of the Universidad de Deusto.

Pedro Velasco Gómez

He was born in Madrid and is currently a member of the Board of Directors and of the Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds a Law Degree from the Universidad Complutense de Madrid.

He subsequently studied Operational Research at the same university and did several postgraduate courses at institutions like the Euroforum or the IESE.

His professional career has taken place in banking, where he has held different positions like Deputy General Manager of Banco Urquijo (1989), Deputy General Manager for Corporate Banking at Banco Hispano Americano, CEO of Hispamer (1992-995) and Deputy General Manager of Banco Santander Central Hispano (1997-2002).

He has been the Iberdrola's Manager for Non-Energy Businesses and Real Estate since 2004.

He is a member of the Board of Directors of several companies, including Iberdrola Inmobiliaria, Corporación IBV, VINZEO, NEO SKY and VEO TELEVISION.

OTHER NON-EXECUTIVE DIRECTORS

Pascual Fernández Martínez

He was born in Albacete and is currently a member of the Board of Directors and is the Chairman of the Appointments and Remuneration Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds a PhD in Economics and Business Studies and has developed his professional career mainly in the Public Administration, teaching and researching in the universities of Madrid and Valladolid. He has also performed management tasks for the regional governments of Castilla y León and Madrid and at the Ministry of the Economy and Public Finance, as well as at the Ministry of the Environment.

He is currently a tenured Professor of Applied Economics at the Universidad Rey Juan Carlos, a Professor of the Executive Master in Public Administration (EMPA) at the Instituto de Empresa Business School, the Director of the "Economía de Madrid" Research Center of the Universidad Rey Juan Carlos, Chairman of the Economics and the Environment Committee of the Madrid College of Economists, a member of the Association D'Instituts Européens de Conjoncture Economique (AIECE) and an advisory member of the CYTED Program, Science and Technology with Latin America (Ciencia y Tecnología con Iberoamérica).

He has formed part of the Board of Directors of several companies, including Sodical, RENFE, the Official Credit Institute (Instituto de Crédito Oficial – ICO) and Gran Telescopio de Canarias.

He presently belongs to the Boards of Directors of Caja Madrid de Pensiones EGFP and Grupo Empresarial Ence, S.A.

NON-VOTING DEPUTY SECRETARY

Carlos Fernández-Lerga Garralda

He was born in Pamplona, Navarre and currently holds the office of Non-Voting Deputy Secretary to the Board and Non-Voting Secretary of the Audit and Compliance Committee and of the Appointments and Remuneration Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds a Law degree from the University of Navarre, a Master in European Studies from the University of Louvain in Belgium and did doctorate courses in Law at the Universidad Complutense de Madrid and specialized in Corporate Law at the Bank of Spain's Training Center.

He rounded off his studies in International Law at The Hague International Academy of Law, in Comparative Law and International Organizations at Strasbourg and at the Collège Universitaire d'Etudes Fédéralistes in Nice, Val d'Aosta.

He is a practicing lawyer and currently holds several positions as a member and Chairman of the Audit Committee of Abantia Corporación, Chief Legal Counsel of Sociedad General de Autores y Editores (SGAE), a member of the Executive Committee of the Real Instituto Elcano de Estudios Internacionales y Estratégicos, a member of the Governing Board of the Spain-United States Foundation Council and a member of the Governing Board of the Euroamerica Foundation.

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 – 1983), General Manager of Asesoramiento Comunitario, S.A. belonging to Grupo Banco Hispano Americano (1984 – 1985), an Expert sitting on the E.U. committee on SME policy, a research consultant for the Andes Pact (Board of the Cartagena Agreement, Lima, Perú 1976), an advisor to the Centro de Investigación y Técnicas Políticas CITEP (1977–1978), a member of the World Federalist Youth Secretariat (Amsterdam, the Netherlands), Secretary of the European League for Economic Cooperation, a member of Hispania Nostra's Governing Board, Secretary of the Fundación para el Progreso y la Democracia, Treasurer of the Madrid Bar Association, and a member and Secretary to the Board of Directors of Hispasat Mexico.

He has also taught at the Political Sciences Department of the Universidad Complutense and at the Institute for European Studies of the Universidad de Alcalá de Henares, among others.

He is the author of numerous works and has published many articles on economics and general information in the press.

He has also given many talks in Spanish and foreign universities and institutions, as well as delivered papers in congresses.

He has been awarded the Encomienda de la Orden de Mérito Civil (a Spanish civil distinction).

(B.1.3) In order to complement the information supplied in Section B.1.3, it should be pointed out that Mr. Jorge Calvet Spinatsch has been an independent director of the Board of Directors of AFIRMA GRUPO INMOBILIARIO, S.A., as well as the Chairman of its Appointments and Remuneration Committee and a member of its Audit and Compliance Committee since February 7, 2008.

(B.1.3) In order to complement the information supplied in Section B.1.3, Article 7 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors meeting held on January 24, 2008 is transcribed below:

BOARD OF DIRECTORS REGULATIONS

Article 7. Qualitative Composition

1. Gamesa Directors are classified as executive and non-executive directors. The latter are in turn classified as directors representing significant shareholders, independent directors and other non-executive directors in keeping with the provisions set forth herein. For such purposes they shall be considered as:

- a) Executive directors should they perform senior management functions or be employees or otherwise perform management responsibilities or executive functions in the Company or its Group. Nonetheless, directors who are Senior Executives or directors of the company's parent companies shall be considered as directors representing significant shareholders.

For the sole purposes of this classification and good governance, when a director performs Senior Management functions while at the same time being or representing a significant shareholder or being a shareholder represented on the Board, he/she shall be construed as an "Executive Director".

- b) Non-executive directors representing significant shareholders should they (i) own a shareholding equivalent to or in excess of that legally construed as a significant shareholding or should they have been appointed as such due to their condition as shareholders even though their shareholding does not reach the aforementioned amount; or (ii) because their appointment has been proposed to the Company by the shareholders set forth in (i) above.

For the purposes of this definition, it shall be assumed that a director has been proposed to the Company by a shareholder whenever: (i) he/she has been appointed to exercise the right of representation; (ii) is a director, a senior executive, an employee or a non-occasional provider of services to the aforementioned significant shareholder or to companies belonging to its same group; (iii) it can be gleaned from corporate documents that the director has been appointed by the significant shareholder or represents it; (iv) is the spouse or a related-party of the significant shareholder by an analogous relationship, or is a family member up to the second degree of kinship of the significant shareholder.

- c) Non-executive independent directors should they be appointed due to their personal or professional qualities and be able to perform their functions without being conditioned by relationships with the Company, its significant shareholders or its senior management.
- d) Other non-executive directors should they be neither directors representing significant shareholders nor independent directors.

2. Under no circumstances, may the following be appointed as an independent director:

- a) Anyone who has been an employee or executive director of the Group's companies, except when three (3) or five (5) years have respectively elapsed since they stood down from such offices.
- b) Anyone who receives from the Company or its Group any amount or benefits for an item other than remuneration as a director, except when such amount or benefits are insignificant.

For the purposes set forth in this paragraph, neither dividends nor pension scheme complements received by the director arising from his/her previous professional or employment relationship shall be taken into consideration, as long as such complements are unconditional and consequently the company paying them out may not do so discretionally without breaching obligations or suspending, amending or revoking entitlements.

- c) Anyone who is or has been a partner of the external auditor or those holding responsibility for the auditor's report during the last three years, whether it be of the company's audit or that of any other group company during the aforementioned period.
- d) Anyone who is an executive director or senior executive of another company in which some executive director or senior executive of the Company is a non-executive director.

- e) Anyone who maintains or has maintained during the past year a significant business relationship with the Company or with any of the companies of its Group, be it on their own behalf or as a significant shareholder, director or senior executive of an organization that maintains or has maintained such a relationship.

The provision of goods or services, including financial and advisory or consulting services, shall be construed as business relationships.

- f) Anyone who is a significant shareholder, an executive director or a senior executive of an organization that receives or has received during the last three (3) years significant donations from the Company or its Group.

Anyone who is simply a governing board member of a foundation that receives donations shall not be included among those set forth in this paragraph.

- g) Spouses or related parties through an analogous relationship of an executive director or senior executive of the Company, as well as their family members up to the second degree of kinship.

- h) Anyone whose appointment or renewal has not been put forward by the Appointments and Remuneration Committee.

- i) Anyone finding themselves in any of the circumstances set forth in paragraphs a), e), f) or g), as regards a significant shareholder or a shareholder represented on the Board. In the case of the family relationships set forth in paragraph g), the limitation shall not only apply as regards the shareholder but also to the directors representing them in the company in which the stake it held.

Any directors representing significant shareholders whose condition as such ceases to be the case as a result of the shareholder who put forward his/her appointment selling their stake may only be reappointed as independent directors when the shareholder that has put forward his/her appointment has sold the entire stake in the Company.

Directors who own a stake in the Company may be considered as independent directors, as long as they meet all the conditions set forth in this paragraph and when their stakes do not constitute a significant shareholding.

3. The Board of Directors, when exercising its powers to propose to the General Shareholders' Meeting and to co-opt to fill vacancies, shall make an effort to ensure the composition of Non-Executive Directors represents an ample majority over Executive Directors.
4. Taking into consideration the provisions set forth in Article 19 contained herein, the Board shall likewise attempt to ensure that the holders of stable significant stakes in the company's share capital or their representatives (hereinafter, "Directors Representing Significant Shareholders") and professionals of recognized prestige that are not conditioned by relationships with the Company, its significant shareholders or its senior executives form part of the majority group of Non-Executive Directors
5. In order to establish a reasonable balance between Directors Representing Significant Shareholders and Independent Directors, the Board shall attempt, in so far as it is possible, to take into account the Company's ownership structure, the absolute and relative importance of significant shareholdings, as well as the level of permanence, commitment and strategic links with the Company of the owners of such shareholdings.
6. In any event, the provisions set forth in this article are subject to the shareholders' legally recognized right to proportional representation –in which case the Directors thus appointed shall be considered Directors Representing Significant Shareholders– and the Board's freedom to decide on the appointment of Directors.
7. The status of each director shall be explained by the Board before the General Shareholders' Meeting that will have to effectuate or ratify their appointment. This shall be confirmed and, if necessary, revised annually in the Corporate Governance Report after being verified by the Appointments Committee.

(B.1.7) In order to complement the information supplied in Section B.1.7, the offices held by Mr. Guillermo Ulacia Arnaiz in other companies belonging to GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s Group are indicated below:

Name or trade name of the director	Trade name of the company belonging to the group	Office
Ulacia Arnaiz, Guillermo	GAMESA ENERGÍA, S.A.U.	Individual representing the Single Administrator, GAMESA CORPORACIÓN TECNOLÓGICA, S.A.
	GAMESA NUEVOS DESARROLLOS, S.A.U.	Individual representing the Single Administrator, GAMESA CORPORACIÓN TECNOLÓGICA, S.A.
	GAMESA EÓLICA, S.L.U.	Individual representing the Single Administrator, GAMESA ENERGÍA, S.A.U.
	GAMESA POWER SYSTEMS, S.L.U.	Individual representing the Single Administrator, GAMESA ENERGÍA, S.A.U.
	GAMESA INNOVATION AND TECHNOLOGY, S.A.U	Individual representing the Single Administrator, GAMESA ENERGÍA, S.A.U.
	GAMESA ENERGÍAS RENOVABLES, S.A.U.	Individual representing the Single Administrator, GAMESA ENERGÍA, S.A.U.
	SETYLSA LOGÍSTICA, S.A.U.	Individual representing the Single Administrator, GAMESA ENERGÍA, S.A.U.

(B.1.8) In order to complement Section B.1.8 and as has already been indicated for Section B.1.3, it should be pointed out that Mr. Jorge Calvet Spinatsch has been an independent director of the Board of Directors of AFIRMA GRUPO INMOBILIARIO, S.A., as well as the Chairman of its Appointments and Remuneration Committee and a member of its Audit and Compliance Committee since February 7, 2008.

(B.1.10) In order to complement the information supplied in Section B.1.10, Article 19 of the Revised Text of the Corporate Bylaws approved by the General Shareholders' Meeting held on May 25, 2007, and Article 5 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors on January 24, 2008 are transcribed below:

CORPORATE BYLAWS

Article 19.- Powers

The Board of Directors is vested with the most wide-ranging powers to administer, govern and represent the Company in all matters having to do with the Company's business without any constraints other than those reserved by the Law or these Bylaws for the General Shareholders' Meeting.

The Board of Directors shall 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. To such an end, the Board of Directors' competencies include but are not limited to:

- a.- Drawing up the Annual Accounts and the Management Report for the Company and its Consolidated Group, as well as the proposal on the allocation of profits.
- b.- Approving the financial information the Company has to report on a regular basis due to its condition as a listed company.
- c.- The strategic or business plan, as well as annual management targets and budget.

- d.- Appointing Directors through cooptation, and proposing to the General Shareholders' Meeting the appointment, ratification, reappointment and relieving of office of Directors, without prejudice to the entitlements granted to Shareholders pursuant to prevailing legislation.
- e.- Appointing and relieving offices within the Board of Directors.
- f. Appointing and relieving members of the Board of Directors' Committees of office.
- g.- Approving the Company's Senior Management appointments and dismissals, along with setting any compensation for them in the event of dismissal and the rest of their basic contract conditions.
- h.- Approving investments and transactions of all kinds that are of a strategic nature due to their large amount or special characteristics in accordance with the requirements or criteria the Board may set at any time.
- i.- Approving operations or transactions that may involve a Conflict of Interest with Directors, significant shareholders or shareholders represented on the Board.
- k.- Approving remuneration schemes (compensation, allowances, pension schemes, life insurance, liability insurance, etc.) for Directors that are legally within its competence and in accordance with the Bylaws, as well as additional remuneration schemes for Executive Directors due to their executive functions and the other conditions their contracts must fulfill, including any compensation in the event of dismissal or removal from office.
- l.- Approving the Corporate Governance Policy, the Board Regulations, as well as the Corporate Social Responsibility Policy.
- m.- Approving the treasury stock policy and its constraints within the scope of its competence.
- n.- Drawing up the dividend policy to be brought before the General Shareholders' Meeting and taking resolutions on interim dividend amounts.
- o.- Any other matters that the Board may deem to lie within its competence and in the Company's interest, or which the Board Regulations may have entrusted to it.

All the aforementioned actions shall be carried out by the Board of Directors either at the Board's own initiative or at the initiative of the Corporate Body that may have entrusted them to it and, if necessary, after having received a report from the relevant Committee. Such actions shall be in accordance with these Bylaws and the rest of the Company's internal rules.

The Board shall 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 shall be construed as maximizing the company's economic value in a sustained manner. In its dealings with stakeholders, the Board shall 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.

BOARD OF DIRECTORS REGULATIONS

Article 5. The Board's Mission and Functions

1. The mission of Gamesa's Board of Directors is to promote the Company's interests, to represent the Company and its shareholders in the management of its assets, to manage the business and to direct the business' administration.
2. Apart from the matters reserved for the competence of the General Shareholders Meeting, the Board of Administration is the highest representative and decision-making body in the Company. It has no substantial constraints apart from those laid down in legislation and the Bylaws, and particularly in the corporate purpose.
3. The Board's policy is to delegate the Company's day-to-day management to executive bodies and the management team, thereby focusing its activity on exercising general oversight and setting overall strategies.
4. Without prejudice to the powers and functions delegated to the Audit and Compliance Committee and to the Appointments and Remuneration Committee, the Board shall deal with all the matters of relevance to the Company and shall particularly take on the obligation of directly exercising the following responsibilities:

- (i) Approving the company's overall policies and strategies and in particular:
 - a) The strategic or business plan, as well as annual management targets and budget.
 - b) Defining the group of companies' structure.
 - c) The corporate social responsibility policy.
 - d) The risk identification, control and management policy, as well as the implementation and regular monitoring of internal information and control systems.

(ii) Concerning general management

- a) Setting general regulations and proposing the appointment of individuals to represent the Company, either as its Administrators or as individuals representing them, in the Group companies' governing bodies as well as in those of its subsidiaries and of any companies in which it holds a stake, as long as the Board of Directors should so decide due to the relevance of any of these.
- b) As regards Senior Management, approving:
 - The appointments, dismissals and remuneration of the Company's Senior Management, including any compensation in the event of dismissal or removal from office;
 - The remuneration policy and performance assessments;
 - Organizing Senior Management's structure, organization chart and job descriptions.

All the foregoing shall be carried out at the proposal of (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer and/or (iii) the Board of Directors' Committees, depending on the individual or body to which Senior Management may report and after having received a report from the Appointments and Remuneration Committee.

- c) Overseeing Senior Management's and Executives' management activities and, if necessary, adopting any disciplinary measures for them should they breach their Corporate Governance obligations and/or the Internal Code of Conduct Regarding the Securities Markets.
- d) After having received a report from the Audit and Compliance Committee, authorizing operations or transactions that may involve Conflicts of Interest (i) with the Company or the Group's companies, (ii) with Directors or their related parties, (iii) with shareholders holding significant stakes or represented on the Board and their related parties, (iv) with Senior Management and Executives, as well as (v) any other relevant transaction concerning the same, except when it is not necessary pursuant to the provisions set forth in Article 35.5 contained herein.
- e) Approving waivers and other authorizations concerning Directors' duties which lie within its competence according to these Regulations.
- f) Approving policies concerning treasury stock within the framework the General Shareholders' Meeting may lay down.
- g) Drawing up the dividend policy to be brought before the General Shareholders' Meeting and taking resolutions on interim dividend amounts.
- h) Approving specific incentive schemes covering several years after having received a report from the Appointments and Remuneration Committee.
- i) In general terms, approving operations that involve substantial amounts of the Company's assets, as well as investments or transactions of all kinds that are of a strategic nature due to their large amount or special characteristics in accordance with the requirements or criteria the Board may set at any time

(iii) Concerning the General Shareholders' Meeting

The Board of Directors shall bring the following operations before the General Shareholders' Meeting for its approval:

- i) The transformation of the Company into a holding 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 them.

- ii) Acquisition or divestment transactions involving essential operating assets, whenever they involve an effective modification of the corporate purpose.
 - iii) Operations whose effect would be equivalent to liquidating the Company.
- (iv) Concerning the Board's organization and running and after having received a proposal or report from the Appointments and Remuneration Committee:
- a) (i) Appointing Directors to cover vacancies produced in the Board through cooptation and (ii) proposing to the General Shareholders' Meeting the appointment, ratification, reappointment and relieving of office of Directors, without prejudice to the entitlements granted to Shareholders pursuant to prevailing legislation.
 - b) Appointing and dismissing the Chairman, the CEO, the Secretary and, if necessary, the Deputy Chairman and Deputy Secretary, along with the members that should form part of each of the Committees set up within the Board.
 - c) Proposing the most appropriate number of directors in order to duly ensure the body is representative and runs smoothly.
 - d) Approving remuneration schemes (compensation, allowances, pension schemes, life insurance, liability insurance, etc.) for Directors that are legally within its competence and in accordance with the Bylaws, as well as additional remuneration schemes for Executive Directors due to their executive functions and the other conditions their contracts must fulfill, including any compensation in the event of dismissal or removal from office after having received the Appointments and Remuneration Committee's report.
 - e) Approving amendments to these Regulations under the terms set forth in Article 3.
- (v) Concerning the annual accounts, transparency and veracity of the information:
- a) Drawing up the annual accounts and management report, and proposing how both individual and consolidated profits are to be allocated, and submitting them before the General Shareholders' Meeting, along with the quarterly and half-yearly financial statements, should it be the case.
 - b) Setting shareholder, market and public reporting and communications policies and contents, and more specifically the Company's corporate Website, where the shareholders' entitlement to information shall be attended, and disclosing relevant information. All of the foregoing shall be done pursuant to prevailing legislation.
 - c) Ensuring that information that has to be disclosed to the public is transparent, including the Directors' and Senior Management's remuneration.
 - d) Pursuant to the provisions set forth in Article 37 of the Regulations, drawing up, approving, informing about and publishing the Annual Corporate Governance Report with the contents and under the terms that may be legally laid down by prevailing legislation at any one time.
 - e) Approving the Internal Rules of Conduct for the Securities Markets.
 - f) Drawing up and approving the Company's Sustainability Report or Social Responsibility Report pursuant to Article 39 of the Regulations with the regularity it may deem appropriate and, should it be the case, defining and promoting corporate social responsibility actions.

5. The Board shall also have the functions the Law may attribute to it, those which the General Shareholders' Meeting may delegate to it, those contained in the General Shareholders' Meeting Regulations and the ones specifically set forth herein.

6. Any powers that may not be delegated pursuant to the Law, the Bylaws or expressly set forth in an internal rule as such shall be exclusively reserved for the Board of Directors' consideration.

(B.1.11) In order to complement the information supplied in Section B.1.11, it should be pointed out that the information reflected in such section coincides with the information appearing on Note 17.a of the Individual Report and Note 30 of the Consolidated Report, which forms part of the 2007 Annual Report.

(B.1.12) In order to complement the information supplied in Section B.1.12, it should be pointed out that Mr. Manuel Rodríguez Martín stood down as the General Manager of Technology on October 31, 2007; Mr. Juan Antonio Berreteaga Lejarza stood down as the General Manager of Solar Products on January 3, 2008; and Mr. César Fernández de Velasco stood down as the General Manager of Operations on February 29, 2008

(B.1.14) In order to complement the information supplied in Section B.1.14, Article 5.4 (ii).b) of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors meeting held on January 24, 2008 is transcribed below:

BOARD OF DIRECTORS REGULATIONS

Article 5 The Board's Mission and Functions

4. Without prejudice to the powers and functions delegated to the Audit and Compliance Committee and to the Appointments and Remuneration Committee, the Board shall deal with all the matters of relevance to the Company and shall particularly take on the obligation of directly exercising the following responsibilities:

(ii) Concerning general management

b) As regards Senior Management, approving:

- The appointments, dismissals and remuneration of the Company's Senior Management, including any compensation in the event of dismissal or removal from office;
- The remuneration policy and performance assessments;
- Organizing Senior Management's structure, organization chart and job descriptions.

All the foregoing shall be carried out at the proposal of (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer and/or (iii) the Board of Directors' Committees, depending on the individual or body to which Senior Management may report and after having received a report from the Appointments and Remuneration Committee.

(B.1.14) In order to complement the information supplied in Section B.1.14, Article 26 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors meeting held on January 24, 2008 is transcribed below:

BOARD OF DIRECTORS REGULATIONS

Article 26. The Board's Remuneration

1. The Board shall be entitled to obtain the remuneration set for it pursuant to the Bylaws' provisions.
2. The Board shall make an effort to ensure its remuneration is moderate and based on the market's requirements and that significant part of it is linked to the Company's performance.
3. The Board of Directors shall draw up a remuneration policy that shall include all fixed items, variable remuneration items (indicating essential parameters and hypotheses or targets taken as a reference, along with assessment criteria), the main features of the social welfare schemes and the main conditions which the contracts of executive directors must fulfill.

The Board of Directors shall draw up a report on the remuneration policy for the current year and on the application of the prevailing remuneration policy in the preceding financial year on an annual basis. This report shall be placed at the shareholders' disposal in the form that the Board may deem appropriate for the announcement of the General Shareholders' Meeting.

4. The Board's remuneration shall be transparent and break down in the report, as an integral part of the Annual Accounts, the remuneration received by each Director on an individual basis either from the Company or from any of the companies belonging to its Consolidated Group. Such information shall be disclosed in the Annual Corporate Governance report under the terms and conditions required by the Law.
5. The Board shall determine the way and amounts in which the remuneration thus set shall be distributed among its members in each financial year, which may be done on an individual basis. The Board shall ensure that the amount of the Non-Executive Directors' remuneration is appropriate for their dedication and provides an incentive thereof, but without compromising their independence.
6. The remuneration set forth in this article shall be compatible with and independent of any other kind remuneration that may be generally or individually set for any members of the Board of Directors performing executive functions or entrusted with professional tasks, whatever their nature may be.

(B.1.18) In order to complement the information supplied in Section B.1.18, it should be pointed out that the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. were amended through a resolution taken by the Board on January 24, 2008. The report justifying the amendment of the Board of Directors Regulations drawn up by the Audit and Compliance Committee is transcribed below:

In compliance with the provisions set forth in Article 3 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. (hereinafter, "the Company"), the Audit and Compliance Committee has drawn up this Justifying Report as regards the amendment of Articles 1, 2, 3, 5, 6, 7, 9, 11, 13, 14, 15, 16, 17, 18, 20, 22, 26, 27, 34, 35, 38, and 42 of the aforementioned Regulations.

Justification and Suitability of the Amendment Proposed

As a consequence of the approval of the Unified Code of Good Governance Recommendations for Listed Companies (hereinafter, "CUBG" from the Spanish Código Unificado de Recomendaciones sobre Buen Gobierno de las Sociedades Cotizadas) by the Governing Board of the National Securities Market Commission (hereinafter, "CNMV" from the Spanish Comisión Nacional del Mercado de Valores) and of the necessary coordination between the Board of Directors Regulations (hereinafter, "the Regulations") and the Company's Corporate Bylaws, which were amended through a resolution taken by the General Shareholders' Meeting on May 25, 2007, it has become necessary to adapt and update the Regulations approved on April 28, 2004, which have not undergone any amendments since then .

Main Principles behind the Amendments Proposed

The amendment of the Regulation's articles is based on two principles:

- a) Incorporating the Recommendations contained in the CUBG as a general criterion.
- b) Ensuring there is the necessary flexibility in the Board of Directors' organization and running.

Amendments Proposed

In order to develop and execute the principles referred to above, the inclusion into the Regulations of the following amendments is proposed:

- a) Expressly include the Company's Internal Auditor in the definition of "Senior Management" to agree with the definition given to it in the CUBG (Article 1).
- b) Include the CUBG as a criterion for interpreting the Regulations (Article 2).
- c) Raise the number of Board of Directors members that can propose an amendment to the Regulation from two to three (Article 3).
- d) Adjust the Board of Directors' mission and function to Recommendations 3 and 8 of the CUBG (Article 5).
- e) Include the notion of "sustainable" as regards the criteria for the Board of Directors' actions (Article 6).
- f) Adjust the qualitative composition of the Board of Directors to the definitions contained in the CUBG for each kind of director (Article 7).

- g) Attribute to the Chairman of the Board of Directors the function of organizing and coordinating with the Chairmen of the Board's assessment Committees, as well as with the company's CEO or chief executive to coincide with Recommendation 16 of the CUBG (Article 9.3).
- h) Attribute to the Deputy Chairman, if he/she is an Independent Director, or to one of the Independent Directors, the function of being the "Lead Independent Director" to coincide with Recommendation 17 of the CUBG (Article 9.4).
- i) Adjust the functions of the Secretary to the Board as the guarantor of legality to coincide with Recommendation 18 of the CUBG (Article 11).
- j) Include the sending of the minutes of the Board of Directors' delegate Committee meetings to all members of this body, whether or not they are members of such Committees, to coincide with Recommendation 43 of the CUBG (Article 13.3).
- k) Include the criterion of proportional representation in the composition of the Executive Committee should it exist to coincide with Recommendations 12 and 42 of the CUBG (Article 13.6)
- l) Include a reference to the knowledge and experience that should be sought for the members of the Audit and Compliance Committee to coincide with Recommendation 46 of the CUBG (Article 14.1).
- m) Include the Board of Directors' approval of the Activities Report of the Audit and Compliance Committee (Article 14.5.m).
- n) Among the tasks entrusted to the Audit and Compliance Committee, include the establishment and supervision of employee reporting mechanisms to coincide with Recommendation 50 of the CUBG (Article 14.5.q).
- o) Include the obligation stating that the Chairman of the Audit and Compliance Committee should report to the Board of Directors at the first Board meeting following a Committee meeting to coincide with Recommendation 44 of the CUBG (Article 14.6).
- p) Include a reference to the knowledge and experience that should be sought for the members of the Appointments and Remuneration Committee to coincide with Recommendation 44 of the CUBG (Article 15.1).
- q) Include proposing individual remuneration and other contract conditions for Executive Directors among the tasks entrusted to the Appointments and Remuneration Committee to coincide with Recommendation 57 of the CUBG (Article 15.4.d).
- r) Include the Board Chairman's proposal as regards the remuneration for the Company's Senior Management to coincide with Recommendation 58 of the CUBG (Article 15.4.h).
- s) Include the avoidance of discriminatory biases in the selection process for directors to coincide with Recommendation 15 of the CUBG (Article 15.4.m).
- t) Include the examination, organization and proposals related to the Board of Director's or the CEO's succession to coincide with Recommendation 55 of the CUBG (Article 15.4.n).
- u) Include the Board of Directors' approval of the Activities Report of the Appointments and Remuneration Committee, as well as the obligation of the Appointment and Remuneration Committee's Chairman to report to the Board at the first Board meeting held after a meeting of the Committee to coincide with Recommendation 44 of the CUBG (Article 15.7).
- v) Raise the number of Board of Directors members that can request an amendment to such body from two to three (Article 16.1).
- w) Include the setting forth of a system to assess the quality and running of the Board of Directors, as well as of the performance of its functions by the Board Chairman or by the CEO to coincide with Recommendation 22 of the CUBG (Article 16.6).
- x) Include the obligation of quantifying in the Annual Corporate Governance Report the lack of attendance to Board of Directors meetings to coincide with Recommendation 20 of the CUBG (Article 17).
- y) Include the different functions of the Appointments and Remuneration Committee as regards the appointment of the different kinds of Directors to coincide with Recommendation 27 of the CUBG (Article 18.2).
- z) Include the setting up of orientation and knowledge updating programs for members of the Board of Directors to coincide with Recommendation 25 of the CUBG (Article 18.4).

- aa) Include the different functions of the Appointments and Remuneration Committee as regards the reappointment of the different kinds of Directors to coincide with Recommendation 27 of the CUBG (Article 20).
- bb) Include the different causes of relieving the members of the Board of Directors of office, based on the kind of Director to coincide with Recommendations 30 to 34 of the CUBG (Article 22).
- cc) Include the obligation of the members of the Board of Directors of informing the Board of any criminal proceedings in which they are involved as suspects to coincide with Recommendation 32 of the CUBG (Article 22.3).
- dd) Include the Board of Directors' obligation of setting a remuneration policy, of drawing up an annual report thereof, which will be placed at the shareholders' disposal in the way in which the Board may deem suitable, and of transparency as regards the individual remuneration of each member of the Board of Directors to coincide with Recommendations 35 to 40 of the CUBG (Article 26).
- ee) Include the suitability that any proxies in the Board being granted in favor of Directors of the same kind as the Directors granting such proxies (Article 27).
- ff) Include the obligation of members of the Board of Directors to report about their other professional obligations and about any significant variations thereof that could affect their character or status to coincide with Recommendation 26 of the CUBG, along with their obligation of providing an e-mail address to allow announcements to be made by this means of communication (Article 34).
- gg) Include the necessary mention in the Company's website of the professional background and biography of members of the Board of Directors, along with the other boards of directors to which they may belong, their category (in the case of directors representing significant shareholders, indicating the shareholders that proposed their appointment), the date they were first appointed, the dates they were subsequently reappointed, their shares in the Company and the derivative financial instruments of which they are holders to coincide with Recommendation 28 of the CUBG (Article 38).
- hh) Include a change of External Auditor among the events about which the Board of Directors has to report to the Market in a timely fashion to coincide with Recommendation 50 of the CUBG (Article 42).

(B.1.19) In order to complement the information supplied in Section B.1.19, Article 7.2 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors meeting held on January 24, 2008 is transcribed below:

BOARD OF DIRECTORS REGULATIONS

Article 7. Qualitative Composition

2. Under no circumstances, may the following be appointed as an independent director:

- a) Anyone who has been an employee or executive director of the Group's companies, except when three (3) or five (5) years have respectively elapsed since they stood down from such offices.
- b) Anyone who receives from the Company or its Group any amount or benefits for an item other than remuneration as a director, except when such amount or benefits are insignificant.
For the purposes set forth in this paragraph, neither dividends nor pension scheme complements received by the director arising from his/her previous professional or employment relationship shall be taken into consideration, as long as such complements are unconditional and consequently the company paying them out may not do so discretionally without breaching obligations or suspending, amending or revoking entitlements.
- c) Anyone who is or has been a partner of the external auditor or those holding responsibility for the auditor's report during the last three years, whether it be of the company's audit or that of any other group company during the aforementioned period.
- d) Anyone who is an executive director or senior executive of another company in which some executive director or senior executive of the Company is a non-executive director.
- e) Anyone who maintains or has maintained during the past year a significant business relationship with the Company or with any of the companies of its Group, be it on their own behalf or as a significant shareholder, director or senior executive of an organization that maintains or has maintained such a relationship.

The provision of goods or services, including financial and advisory or consulting services, shall be construed as business relationships.

- f) Anyone who is a significant shareholder, an executive director or a senior executive of an organization that receives or has received during the last three (3) years significant donations from the Company or its Group.

Anyone who is simply a governing board member of a foundation that receives donations shall not be included among those set forth in this paragraph.

- g) Spouses or related parties through an analogous relationship of an executive director or senior executive of the Company, as well as their family members up to the second degree of kinship.
- h) Anyone whose appointment or renewal has not been put forward by the Appointments and Remuneration Committee.
- i) Anyone finding themselves in any of the circumstances set forth in paragraphs a), e), f) or g), as regards a significant shareholder or a shareholder represented on the Board. In the case of the family relationships set forth in paragraph g), the limitation shall not only apply as regards the shareholder but also to directors representing them in the company in which the stake it held.

Any directors representing significant shareholders whose condition as such ceases to be the case as a result of the shareholder who put forward his/her appointment selling their stake may only be reappointed as independent directors when the shareholder that has put forward his/her appointment has sold the entire stake in the Company.

Directors who own a stake in the Company may be considered as independent directors, as long as they meet all the conditions set forth in this paragraph and when their stakes do not constitute a significant shareholding.

(B.1.20) In order to complement the information supplied in Section B.1.20, Article 22 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors meeting held on January 24, 2008 is transcribed below:

BOARD OF DIRECTORS REGULATIONS

Article 22. Relieving Directors of Office

1. Directors shall stand down once the term of office for which they were appointed has elapsed, without prejudice to the possibility of being reappointed, and whenever the General Shareholders' Meeting may so resolve. Similarly, the Board may propose a Director's dismissal to the General Shareholders' Meeting.
2. 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 Appointments and Remuneration Committee under the following circumstances:
 - a) Concerning Directors Representing Significant Shareholders, whenever these or the shareholder they represent cease being the holders of significant stable stakes in the Company, as well as whenever such shareholders withdraw their representation.
 - b) Concerning Executive Directors, whenever the Board may deem fit.
 - c) Concerning Non-Executive 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 Articles 7.1 of these Regulations cease to exist, causing an incompatibility with the condition of being an Independent Director.
 - e) Whenever they are involved in a conflict of interest or prohibition as set forth in prevailing legislation, the Bylaws or these Regulations.

- f) Whenever they are brought to trial or if a court ruling on the initiation of a court hearing against him is issued for any of the offences set forth in Article 124 of the Corporations Law (Ley de Sociedades Anónimas), or whenever they are involved in disciplinary proceedings for a serious or very serious offense by the supervisory authorities.
 - g) When they reach the age of 70 years. The Chairman, the Deputy Chairmen, the CEO, the Board Secretary and Deputy Secretary shall relinquish office at the age of 65, but may carry on as Directors. Standing down as a director and from the post shall come about during the first Board of Directors' Meeting 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 may stand down from executive positions linked to their appointment as a Director.
 - i) Whenever they are issued a serious admonishment by the Audit and Compliance committee or are severely punished by a public authority for having breached their duties as a Director.
 - j) Whenever their permanence on the Board may place the Company at risk, and whenever the reasons for their appointment cease to exist.
3. Without prejudice to the foregoing, 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.

(B.1.21) In order to complement the information supplied in Section B.1.21, Article 9 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors meeting held on January 24, 2008 is transcribed below:

BOARD OF DIRECTORS REGULATIONS

Article 9. The Board's Chairman

1. The Chairman of the Board of Directors shall be chosen by the Board from among its members after having received a report from the Appointments and Remuneration Committee. Any resolution on the granting and, should it be the case, on the widening of the Chairman's powers shall be adopted by the Board at the moment of his/her appointment.
2. It shall be the Chairman's and/or the Secretary's, at the former's indication, ordinary prerogative to call a Board of Directors meeting, set the meeting's agenda and lead the debates. The Chairman, nonetheless, should call a Board Meeting and include any matters to be dealt with that at least three Directors have requested.
3. In addition of the powers attributed by Law, the Bylaws and other rules of the Company, the Chairman shall be responsible for organizing and coordinating with the Chairmen of the relevant Committees the regular assessment of the Board, as well as of the company's CEO or chief executive.
4. Should the Chairman of the Board also be the Company's CEO, the Board of Directors may empower the Deputy Chairman, should he/she be an Independent Director, or one or two Independent Directors, so that they may coordinate and reflect the concerns of non-executive Directors and request the Chairman to call a Board of Directors meeting when they see fit, as well as to direct the Board's assessment of its Chairman.

(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. In this manner, his/her duty of overseeing the formal and substantive compliance of the Board's actions is strictly adhered to, thereby ensuring that the rules and procedures of governance are respected and regularly reviewed. He/She also ensures their compliance with the Bylaws and with any regulations issued by regulatory authorities and considers, should it be the case, their recommendations, in addition to ensuring observance of the principles and criteria of the Company's Corporate Governance and its Board Regulations.

(B.1.34) In order to complement the information supplied in Section B.1.34, Article 11.3 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors meeting held on January 24, 2008 is transcribed below:

BOARD OF DIRECTORS REGULATIONS

Article 11. The Board's Secretary

3. The Secretary shall at all times ensure the substantive and material formality of the Board's actions and specially oversee that the Boards actions:
- Comply with the wording and spirit of the Law and its regulations, including those approved by regulatory bodies.
 - Comply with the company's Bylaws and with the Board and General Shareholders' Regulations, along with any others the company may have.
 - Take into consideration any recommendations on good governance issued by regulatory authorities that the Company may have accepted in its Bylaws and/or Regulations.

(B.1.40) In order to complement the information supplied in section B.1.40, Mr. Rafael del Valle-Iturriaga Miranda's stake in the share capital of companies that carry out the same, similar or complementary types of activities as the corporate purpose of both the company and its group is indicated in the table below.

Name or trade name of the director	Name of company in which shares are held	% shareholding	Position or functions
Del Valle-Iturriaga Miranda, Rafael	IBERDROLA, S.A.	0.000%	None

(B.1.40) In order to complement the information supplied in section B.1.40, Mr. José Madina Loidi's stakes in the share capital of companies that carry out the same, similar or complementary types of activities as the corporate purpose of both the company and its group are indicated in the table below.

Name or trade name of the director	Name of company in which shares are held	% shareholding	Position or functions
Madina Loidi, José	IBERDROLA, S.A.	0.000%	None
	ENDESA, S.A.	0.000%	None
	UNIÓN FENOSA, S.A.	0.000%	None

(B.2.1) In order to complement the information supplied in Section B.2.1, we would like to state that the regularity with which meetings of the Board of Directors, the Audit and Compliance Committee and the Appointments and Remuneration are held justifies the fact that there is no Executive Committee.

(B.2.1) In order to complement the information supplied in Section B.2.1., the changes produced in the Board during and since the close of the financial year up to the time this report was drawn up are indicated below:

Audit and Compliance Committee

1. The Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. resolved to appoint Mr. Carlos Fernández-Lerga Garralda, a member of the Board of Directors and of the aforementioned Committee, as its new Secretary at its meeting held on May 8, 2007 to replace Mr. Carlos Rodríguez-Quiroga Menéndez, who had been its Secretary up to then.
2. The Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. resolved to maintain Mr. Carlos Fernández-Lerga Garralda as its Secretary, but not as a member of the aforementioned Committee, at its meeting held on May 25, 2007.
3. The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., at its meeting held on March 27, 2008, resolved to relieve the Member of the Audit and Compliance Committee, CORPORACIÓN IBV, SERVICIOS Y TECNOLOGÍAS, S.A., of office and to replace it as a member of the Audit and Compliance Committee by Mr. José María Vázquez Egusquiza, an Independent Director of the Board of Directors, at the proposal of the Appointments and Remuneration Committee.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee of Gamesa Corporación Tecnológica, S.A. resolved to appoint Mr. Carlos Fernández-Lerga Garralda as its Secretary, but not as a member of the aforementioned Committee, at its meeting held on May 25, 2007.

(B.2.3) In order to complement the information supplied in Section B.2.3, Article 22 of the Revised Text of the Corporate Bylaws approved by the General Shareholders' Meeting held on May 25, 2007, and Article 14 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors on January 24, 2008 are transcribed below:

CORPORATE BYLAWS

Article 22.- Audit and Compliance Committee

The Board of Directors shall set up an Audit and Compliance Committee, which shall be comprised of at least three Directors and a maximum of five directors appointed by the Board. All such Directors shall be non-executive Directors.

The Audit and Compliance Committee shall choose a Chairman from among its members, who shall be replaced every four years. Former chairmen may be re-elected to the post once one year has elapsed from the moment they have relinquished the post. The Audit and Compliance Committee shall likewise appoint a Secretary, who may be one of its members or the Secretary or Deputy Secretary to the Board of Directors.

The Audit and Compliance Committee shall meet at least twice a year, and as many times as its Chairman may see fit. It shall likewise have to meet whenever the Board or its Chairman requests the issuing of a report or the adoption of proposals, and it shall meet whenever it may be suitable to ensure its functions are properly performed, or when two members of the Committee so request. The Committee shall have its own regulations, which shall be approved by the Board of Directors, setting forth its competencies, internal rules and composition and lay down the procedures that will enable it to perform its responsibilities.

Without prejudice to other responsibilities the Board may assign it with, the Audit and Compliance Committee shall have at least the following basic responsibilities:

- a) Informing the General Shareholders' Meeting about any matters that the Shareholders may broach regarding matters within its competence.
- b) Proposing to the Board of Directors the appointment of the external Auditors of Accounts referred to by Article 204 of the Revised Text of the Corporations Law (Texto Refundido de la Ley de Sociedades Anónimas) for submission to the General Shareholders' Meeting's consideration, as well as their contracting conditions, the scope of their professional mandate, safeguarding their independence and, should it be the case, their renewal or dismissal and overseeing their independence.

- c) Overseeing the Company's and its Group's internal auditing services approved by the Internal Auditing Plan, overseeing both the internal and external material and human resources needed by the Auditing department to perform its tasks. Informing about the appointment or dismissal of the Internal Auditing Manager.
- d) Dealing with the financial reporting process, sufficiently checking the information the Company should regularly and/or statutorily provide to the markets and to their supervisory bodies in order to ensure its accuracy, reliability, sufficiency and clarity, knowing about the Company's internal control systems, as well as verifying their appropriateness and integrity by overseeing the identification, measurement and control of risks.
- e) 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.
- f) Checking the contents of auditor's reports before issuing them, endeavoring to ensure that such contents and the opinions expressed in them about the annual accounts are drafted clearly and precisely, as well as overseeing the fulfillment of the auditing agreement.
- g) Ensuring compliance with legal requirements and the correct application of generally accepted accounting standards, and informing the Board of any significant changes of accounting criteria and of risks in the balance sheet and not included in it.
- h) Providing information about transactions that entail or could entail conflicts of interest or about transactions with shareholders owning a significant stake and, in general terms, concerning the matters set forth in Chapter IX of the Board of Directors Regulations.
- i) Providing information concerning the Board's possible authorization or waiving thereof to Directors in the circumstance set forth in Article 5.4.ii).e) of the Board of Directors Regulations.
- j) Approving transactions entailing a conflict of interest or transactions with a shareholder holding a significant stake under the terms set forth in Articles 30.6 and 35.4 of the Board of Directors Regulations and in compliance with them, when it is so charged by the Board's Chairman.
- k) Overseeing compliance with the Internal Code of Conduct Regarding the Securities Market, with the Board of Directors Regulations and, in general terms, with the Company's rules of governance, as well as putting forward proposals for their improvement.

The Audit and Compliance Committee is particularly responsible for receiving information from the Legal Compliance Unit regarding the aforementioned matters and, if necessary, issuing reports on disciplinary matters to members of the Company's Senior Management and Executives for not complying with the Corporate Governance obligations and/or the Internal Code of Conduct Regarding the Securities Market, as well as resolving questions concerning Corporate Governance and its compliance which the Legal Compliance Unit may raise pursuant to the Internal Code of Conduct Regarding the Securities Market.

BOARD OF DIRECTORS REGULATIONS

Article 14.- Audit and Compliance Committee

1. The Audit and Compliance Committee shall be comprised of three (3) Non-Executive Directors. The Board shall endeavor to ensure that the members of the Audit and Compliance Committee, and more particularly its Chairman, are appointed by taking into account their knowledge and experience in accounting, auditing or risk management matters.
2. The Audit and Compliance Committee shall choose a Chairman from among its members, who shall have to be a Non-Executive Director and who shall be replaced every four years. Former chairmen may be re-elected to the post once one year has elapsed from the moment they have relinquished the post.

3. The Audit and Compliance Committee shall likewise appoint a Secretary, who may be one of its members or the Secretary or Deputy Secretary to the Board of Directors. The Committee's Secretary does not have to be a Director, in which case he/she shall not be considered as a member of the Committee.
4. Concerning the way the Audit and Compliance Committee is run internally, particularly concerning the way its meetings are called, the way it is convened and the way it adopts resolutions, it shall be governed by the provisions laid down for the Board of Directors in the Bylaws and in 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.
5. Without prejudice to other responsibilities the Board may assign it with, the Audit and Compliance Committee shall have at least the following basic responsibilities:
 - a) Informing the General Shareholders' Meeting about any matters that the shareholders may broach regarding matters within its competence.
 - b) Proposing to the Board of Directors the appointment of the external Auditors of Accounts referred to by Article 204 of the Revised Text of the Corporations Law (Texto Refundido de la Ley de Sociedades Anónimas) for submission to the General Shareholders' Meeting's consideration, as well as their contracting conditions, the scope of their professional mandate, safeguarding their independence and, should it be the case, their renewal or dismissal and overseeing their independence.
 - c) Overseeing the Company's and its Group's internal auditing services approved by the Internal Auditing Plan, overseeing both the internal and external material and human resources needed by the Auditing department to perform its tasks and informing about the appointment or dismissal of the Internal Auditing Manager.
 - d) Dealing with the financial reporting process, sufficiently checking the information the Company should regularly and/or statutorily provide to the markets and to their supervisory bodies in order to ensure its accuracy, reliability, sufficiency and clarity, knowing about the Company's internal control systems, as well as verifying their appropriateness and integrity by overseeing the identification, measurement and control of risks. It shall likewise ensure the regular financial reporting is drawn up with same accounting criteria as the annual financial information.
 - e) 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.
 - f) Checking the contents of auditor's reports before issuing them, endeavoring to ensure that such contents and the opinions expressed in them about the annual accounts are drafted clearly and precisely, as well as overseeing the fulfillment of the auditing agreement.
 - g) Ensuring compliance with legal requirements and the correct application of generally accepted accounting standards, and informing the Board of any significant changes of accounting criteria and of risks in the balance sheet and not included in it.
 - h) Providing information about transactions that entail or could entail conflicts of interest or about transactions with shareholders owning a significant stake and, in general terms, concerning the matters set forth in Chapter IX contained herein.
 - i) Providing information concerning the Board's possible authorization or waiving thereof to Directors in the circumstance set forth in Article 5.4.ii).e) contained herein.
 - j) Approving transactions entailing a conflict of interest or transactions with a shareholder holding a significant stake under the terms set forth in Articles 30.6 and 35.4 contained herein and in compliance with them, when it is so charged by the Chairman.
 - k) Overseeing compliance with the Internal Code of Conduct Regarding the Securities Market, with these Regulations and, in general terms, the Company's rules of governance, as well as putting forward proposals for their improvement. The Audit and Compliance Committee is particularly responsible for receiving information from the Legal Compliance Unit regarding the aforementioned matters and, if necessary, issuing reports on disciplinary matters to members of the Company's Senior Management and Executives for not complying with the Corporate Governance obligations and/or the Internal Code of Conduct

Regarding the Securities Market, as well as resolving questions concerning Corporate Governance and its compliance which the Legal Compliance Unit may raise pursuant to the Internal Code of Conduct Regarding the Securities Market.

- l) Drawing up and bringing an annual report on Corporate Governance before the Board for its approval.
- m) Drawing up an annual report on the Audit and Compliance Committee's activities, which shall be brought before the Board of Directors for its approval and placed at the shareholders' and investors disposal for the announcement of the General Shareholders' Meeting.
- n) Supervising the way in which the Company's website runs concerning making information on Corporate Governance publicly available.
- o) Providing information on matters within its competence in the Company's Sustainability Report or its Social Responsibility Report for its approval by the Board of Directors.
- p) Proposing modifications to the current Board Regulations, and informing about matters within its competence regarding any modifications that may be made for their approval by the Board.
- q) 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. All the foregoing shall be done with the utmost respect for the rights of the parties involved.

6. The Audit and Compliance Committee shall meet at least twice a year, and as many times as its Chairman may see fit. It shall likewise have to meet whenever the Board or its Chairman requests the issuing of a report or the adoption of proposals, and it shall meet whenever it may be suitable to ensure its functions are properly performed, or when two members of the Committee so request. The Chairman of the Audit and Compliance Committee shall report its activities to the Board of Directors at the first Board meeting held after Committee meetings.

7. Any employee of the Company or its management team required to do so shall be obliged to take part in the Committee's meetings, collaborate with it and provide it with access to any information they may have. The Committee may also require the Auditors of Accounts to attend its meetings.

8. In order to enhance the fulfillment of its functions, the Audit and Compliance Committee may request external professional advice. In such an event, the provisions set forth in these Regulations shall apply.

(B.2.3) In order to complement the information supplied in Section B.2.3, Article 23 of the Revised Text of the Corporate Bylaws approved by the General Shareholders' Meeting held on May 25, 2007, and Article 15 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors on January 24, 2008 are transcribed below:

CORPORATE BYLAWS

Article 23.- Appointments and Remuneration Committee

The Board of Directors shall set up an Appointments and Remuneration Committee, which shall be comprised of at least three Directors and a maximum of five directors appointed by the Board. All such Directors shall be non-executive Directors.

The Appointments and Remuneration Committee shall choose a Chairman from among its members, who shall be replaced every four years. Former chairmen may be re-elected to the post once one year has elapsed from the moment they have relinquished the post.

The Appointments and Remuneration Committee shall likewise appoint a Secretary, who may be one of its members or the Secretary or Deputy Secretary to the Board of Directors.

The Appointments and Remuneration Committee shall meet at least twice a year, and as many times as its Chairman may see fit. It shall likewise have to meet whenever the Board or its Chairman requests the issuing of a report or the adoption of proposals, and it shall meet whenever it may be suitable to ensure its functions are properly performed, or when two members of the Committee so request.

The Board of Directors Regulations shall set forth the competencies, internal rules and composition of the Appointments and Remuneration Committee and lay down the procedures that will allow it to perform its responsibilities.

BOARD OF DIRECTORS REGULATIONS

Article 15.- Appointments and Remuneration Committee

1. The Audit and Compliance Committee shall be comprised of three (3) Non-Executive Directors. The Board shall endeavor to ensure that the members of the Appointments and Remuneration Committee are appointed by taking into account their knowledge, capacity and experience in the matters entrusted to the Committee.
2. The Appointments and Remuneration Committee shall choose a Chairman from among its members. It shall likewise appoint the Secretary to the Committee, who may either be one of its members or the Secretary or Deputy Secretary of the Board of Directors, who does not have to be a Director, in which case he/she shall not be considered as a member of the Committee.
3. Concerning the way the Appointments and Remuneration Committee is run internally, particularly concerning the way its meetings are called, the way it is convened and the way it adopts resolutions, it shall be governed by the provisions laid down for the Board of Directors in the Bylaws and in 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.
4. Without prejudice to other responsibilities the Board may assign it with, the Appointments and Remuneration Committee shall have the following basic responsibilities:
 - a) Informing about or proposing to the Board of Directors the proposals the Board may bring before the General Shareholders' Meeting concerning appointments, reappointments to offices and the ratification or dismissal of Directors with criteria as regards their suitability to the Company's interests. The Committee shall have the same functions in circumstances of cooptation. For these purposes, among other considerations, the necessary competence, knowledge and experience shall be taken into consideration and consequently the candidates' functions and abilities, as well as the time and dedication needed so that they may perform their duties.
 - b) Informing the Board of Directors for its approval about the appointment of the Chief Executive Officer, the Chairman, the Deputy Chairmen, the Secretary and Deputy Secretary to the Board, as well as about the specific related-party schemes of the Chairman and Chief Executive Officer.
 - c) Proposing the members that should form part of each of the Board's Committees to the Board of Directors for its approval.
 - d) Proposing the Directors' remuneration scheme and its annual amounts to the Board of Directors, as well as the individual remuneration for executive directors, along with the rest of their contract conditions. All the foregoing shall be in accordance with the provisions set forth in the Corporate Bylaws and these Regulations.
 - e) Informing about the appointment of individuals who will represent the Company either as administrators or as representatives of the administrators before the bodies of the Company's most relevant subsidiaries and the companies in which it holds a stake the Board may determine.
 - f) Providing information concerning the Board's possible authorization or waiving thereof to Directors in the circumstance set forth in Article 29 contained herein.
 - g) Informing the Board of Directors about the appointment and, should it be the case, the dismissal of the Company's senior management, and defining and organizing senior management's structure, organization chart and job descriptions. The former shall be carried out at the proposal of (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer and/or (iii) the Management Committee, depending on the individual or body to which Senior Management may report.
 - h) Approving the Company's Senior Management remuneration scheme and bands, as well as their remuneration, including any compensation in the event of dismissal or removal from office and other basic contract conditions and regularly reviewing remuneration schemes. All the foregoing shall be done at the request of (i) the Chairman of the Board of Directors or (ii) of the CEO, depending on the individual or body to which Senior Management may report.

- i) Informing the Board of Directors for its approval about incentive schemes covering several years.
- j) Ensuring 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 has to approve and include in publicly available information.
- k) Drawing up and keeping the list of offices that comprise Senior Management and Executives updated in keeping with the prevailing organization chart and job descriptions.
- l) Providing information on matters within its competence in the Company's Sustainability Report or its Social Responsibility Report for its approval by the Board of Directors.
- m) Ensuring that when new vacancies in the Board of Directors are filled that the selection procedures do not suffer from any implicit discriminatory biases due to any reason whatsoever.
- n) 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.

- 5. The Committee shall take into consideration any suggestions from the Company's Chairman, Directors, Executives or shareholders.
- 6. The Appointments and Remuneration Committee shall meet whenever the Board or its Chairman may request the issuing of a report or the adoption of proposals and, in any case, whenever it may turn out to be suitable for the proper performance of its duties, or whenever two of the Committee's members should so request. In any event, it shall meet at least twice a year.
- 7. The Appointments and Remuneration Committee shall bring before the Board of Directors for its approval a Report on its activities throughout the year. Likewise, the Chairman of the Appointments and Remuneration Committee shall inform the Board of Directors of its activities and the work it has performed at the first Board meeting after a Committee meeting is held.
- 8. Any employee of the Company or its management team required to do so shall be obliged to take part in the Committee's meetings, collaborate with it and provide it with access to any information they may have.
- 9. In order to enhance the fulfillment of its functions, the Appointments and Remuneration Committee may request external professional advice. In such an event, the provisions set forth in these Regulations shall apply.

(B.2.5) In order to complement the information supplied in Section B.2.5, Article 15.7 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with the wording approved by the Board of Directors meeting held on January 24, 2008 is transcribed below:

BOARD OF DIRECTORS REGULATIONS

Article 15.- Appointments and Remuneration Committee

- 7. The Appointments and Remuneration Committee shall bring before the Board of Directors for its approval a Report on its activities throughout the year.

(E.9) In order to complement the information supplied in Section E.9, it should be pointed out that the requirement of holding a minimum number of shares to be able to attend and vote at General Shareholders' Meetings was deleted in the amendment of the General Shareholders' Meeting Regulations approved by a resolution of the General Shareholders' Meeting at its meeting held on May 25, 2007, so as to facilitate shareholders exercising their right to vote, thereby making the principle of "one share, one vote" fully effective.

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

Name of director	Type of relationship	Explanation
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This annual corporate governance report was approved by the company's Board of Directors at its meeting held on March 27, 2008.

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

Yes - No

Name or trade name of the director that has not voted in favor of approving this report	Reasons (against, abstention, non-attendance)	Explain the reasons
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RATIFICATION OF THE REPORT BY THE BOARD OF DIRECTORS:

Having resolved to approve the Minutes of the Board of Directors Meeting held on March 27, 2008, as well as the report on and entry into effect of the appointment of Mr. José Miguel Alcolea Contos as the individual to represent CORPORACIÓN IBV, SERVICIOS Y TECNOLOGÍAS, S.A., a Member of the Board of directors, to replace the individual who had up to them represented it, Mr. Luis Ramón Arrieta Durana, at the Board of Directors Meeting held on April 15, 2008 and after having previously received a favorable report from the Appointments and Remuneration Committee, are the reasons why the Board of Directors proceeded to unanimously resolve to definitively ratify the Corporate Governance Report for 2007 at the aforementioned Board of Directors Meeting held on April 15, 2008.